

MEDIA STATEMENT

For immediate release

12 April 2020

SALGA TABLES FORMAL PROPOSAL FOR THE 2021 SALARY AND WAGE NEGOTIATIONS

The South African Local Government Association (SALGA) has proposed a 2.8% salary increase for the 2021 Salary and Wage negotiations at the SA Local Government Bargaining Council (SALGBC).

Key to the elements of SALGA's proposal is an across-the-board salary increase of 2.8% for Year 1 (2021/ 2022 financial year), which is 1.5% below the projected CPI and a total freeze of increases on all benefits that are linked to salary increases. Considering that the municipalities sector has been one of the hardest hit by the Covid-19 pandemic, these negotiations represent a critical point in efforts to save municipalities from complete financial collapse.

SALGA is also proposing a three-year salary and wage collective agreement in order to continue to maintain stability in the local government sector, as well as support the sectors' sustainability requirements and objectives.

The labour, represented by two trade unions South African Municipal Workers Union (SAMWU) and Independent Municipal and Allied Trade Union (IMATU) have also formally exchanged their demands.

Given the devastation on the economy by the COVID – 19 pandemic, macroeconomic and the global economic outlook, the 2021 Salary and Wage negotiations take place against a financially strained environment and the economic damage is evident and represents the largest economic shock the world has experienced in decades.

SALGA is cognisant of the deep recessions triggered by this pandemic which is expected to leave lasting scars through lower investment, an erosion of human capital through lost work and schooling, and fragmentation of global trade and supply linkages.

Some municipalities are already unable to afford the current wage costs and would indeed have to apply no more than a zero per cent increase in the 2021/22 MTREF. As of 31 December 2020, 160 municipalities experienced a form of financial distress resulting in a serious material breach of financial commitments. Of these municipalities, 111 were experiencing severe financial distress resulting in persistent material breach of financial commitments.

In its proposal, SALGA has called for parties to consider the interest-based bargaining approach to these negotiations. This approach ensures that these negotiations deliver outcomes that will support the financial recovery of municipalities.

SALGA believes it has contributed to a climate of labour peace and stability with the level of increases that have been given to municipal employees in the past.

SALGA is urging all parties to meaningfully reflect on the proposal it has presented in the interest of service delivery and financial stability of municipalities.

The current salary and wage collective agreement expires on 30 June 2021. At its meeting of 11 March 2021, the SALGBC Executive Committee approved a timetable for salary and wage negotiations, paving the way for parties to undertake a negotiations programme to conclude a new collective agreement that will be effective from 01 July 2021.

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Issued by: South African Local Government Association

For media enquiries:

Sivuyile Mbambato

Email: smbambato@salga.org.za

Landline: 012 369 8000

Mobile: 073 897 8519