



Flyer 27/7/21

EDITORIAL FLYER ON SALARY INCREASE CONCLUSION

As it dawns today, we wake up to the news that the majority of trade unions representing public servants have accepted the government's offer of a below-inflation salary increase and monthly cash allowance, thus ending a long-standing impasse between both parties that could have undermined efforts to stabilize South Africa's deteriorating public finances.

About 60% of trade unions have accepted the government's offer, which includes a salary increase of 1.5% from 1 April 2021 to 31 March 2022 for public servants. This is a blanket salary adjustment because it will be offered to all public servants, regardless of their number of years in service or existing salary level.

The public servants have witnessed the country's deepening economic crisis owing to the Covid-19 pandemic, looting of state coffers through corruption, sharp increases in inflation, the cost of food-related products as well as unrest and looting. Labour unions have also noticed the impact of this situation on public servants who are feeling the compounded effects of not receiving a salary increase for two consecutive years. A compromise was embraced by trade unions as the government's 1.5 salary adjustment offer is below their expectations. The Labour unions were negotiating in good faith for more than a year, requesting for salary increase of at least consumer inflation plus 4%. It could have been granted the public servants an increase of more than 8% as consumer inflation was 4.9% in June 2021.

The 1.5% salary increase will be implemented from this July 2021 by the DPSSA which oversees the terms of employment in the public sector. The least relief is that the salary increase will be backdated to 1 April 2021.

Members should also be informed that the 1.5% salary increase is not new as it has already been budgeted for by the National Treasury and is part of its existing pay progression framework for the next three years. In simple language public servants have been dummed by the cunning employer in this regard.

Over and above the 1.5% salary adjustment offer, the government proposed that public servants be awarded a "monthly non-pensionable cash allowance" of between R1,220 and R1,695, depending on their salary level. The cash

allowance will be subjected to tax and public servants can expect, on average, to each receive about R1 000 per month. This is an improved offer as the government has initially offered the public servants a monthly cash allowance of R978. The sweetened cash allowance prompted the unions to accept the government's offer in general.

The compromise by the trade unions is arguably a win for the Department of Public Service Administration Minister Senzo Mchunu and Finance Minister Tito Mboweni. The two ministers have long been planning to implement a three-year-salary freeze for public servants. But the Heavens are watching when industrious public servants are being exploited in the name of COVID-19

As PEU we are looking above to the Almighty God of Sefako Makgato to give us our economic liberation and get the salary we so nobly deserve, not these peanuts thrown in to our faces!

Compiled by the National Editor: Charlie wa Muchangana

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