

Consolidated Draft COSATU 2021 wage demands.

NB: This document is reviewed to include the DENOSA and SADTU submissions as was requested by the unions concerned. Captions indicated **in blue shows points of mandate disparities** during consolidation.

Background

This round of negotiation happens at the very precarious period in the history of public service where frontline workers mainly comprised of public service workers had to keep public service functioning. Mandate collection has proved a challenge especially in the wake of consistent lockdown and perpetual restrictions of mass gathering. Given the embedded principle of worker control that governs us, we commit to consider all input from different affiliates and collectively come to a consolidated outcome.

We come to engage the employer on this set of negotiations against the background of a stalemate of the non-implementation of clause 3.3 of Resolution 1 of 2018. Mindful of the questionable state of our engagement where the state of collective bargaining is under attack after the employer declared a signed agreement unconstitutional; we engage this round of negotiations with caution and hopeful that we will do all in our power to engage constructively and save collective bargaining.

The economic outlook

On the backdrop of positivity, our economy continues to manoeuvre the impending negative forces imposed by the pandemic and thus through the set stimuli we have past the most difficult time of economic collapse. There is an expected economic growth of about 3% to GDP forecast for 2021 especially through a complex process of balancing the lives and livelihood especially in the wake of availability of vaccine. South Africa has a strong focus on getting the economy back while keeping the door for greater growth open. The calculated opening of the economy set the recovery underway with positive prospects to reverse negative impact of the pandemic and returning consumer confidence.

We are likely to see the budget overrun of more R45Billion by the end of this fiscal year with revenue in January up by about 39%. And it is expected that if the trajectory is kept Treasury will be sitting at double its targeted amount of R383 Billion by the end of 2021 fiscal year. By implication it mean that about R766 billion will be available and will thus enable to offset the troubling debt to GDP and equally keep the public service afloat including appreciating the strained public servants

Summary of the Demands:

1. **Term of the agreement: Single Term**

The multi-term agreements over the years have not benefitted the working class and even what the employer has been arguing that it provides them with necessary time to budget carries no water now noting that they have failed to implement the last leg of PSCBC Resolution 1 of 2018.

The economy is very volatile and unstable; therefore, any future predictions are subject to market monopoly thereby destabilising our fiscal policy on which our economy is reliant.

2. Cost of living adjustment:

All CPI projections are based on the declared projections by Statistics SA.

NEHAWU and other affiliates	DENOSA	SADTU
Level 1 – 5 = CPI plus 3%	5% Across the Board All salary levels from across	Level 1 -5 = CPI plus 4%
Level 6 -10 = CPI plus 2%		Level 6-12 = CPI plus 3%
Level 11-12 = CPI plus 1%		

We have actually considered the economic outlook of government, be that as it may, our demand of the higher percentage above Consumer Price Index (CPI) is informed by the fact that the three main items (food, electricity and public transport) which drives the expenditure of our members is way above the set CPI and yet they are weighed very low in the very CPI basket.

There is great temptation to actually put the rand value to our demands other than just rounded CPI.

3. Abolish salary level 1 to 3

We demand that the entry level should be level 4 and the fulltime employment of CHW’s and all fixed term contract employees who have been in the department for more than 4 months.

4. Implementation of outstanding resolutions dating from 2012 inclusive of 6 of 2010 and prioritising the following:

(a) PSCBC Resolution 3 of 2015 in particular clause 3.1 and 3.2 that says:

3.1. parties will jointly conduct a comprehensive review on the efficacy of the operating model of GEMS.

3.2. parties will also review whether the objectives for which GEMS was set up are fulfilled.

Further demand the equalisation of benefits offered by the scheme.

(b) PSCBC Resolution 7 of 2015 on GEHS in its entirety is implemented including the establishment of the public entity to administer the scheme within public service and the establishment of the portfolio by GEPP to fast track the accessibility of proper housing for public servants.

Adjustment to be informed by annual salary increase adjustment.

(c) PSCBC Resolution 6 of 2010 by convening Birchwood 3 that must evaluate and map out the implementation of the public service summit resolutions

(d) PSCBC Resolution 1 of 2012 clause 10 on the compliance with occupational health and safety act. PSCBC will conduct an independent audit on compliance with the occupational health and safety act and the report must be tabled at PSCBC for discussion and ensuring the compliance with the OHSA.

(e) The rest of all outstanding matters must be subjected to a secondary process by parties within six months to ensure the implementation of all others not listed above.

5. Parties to conclude collective agreement regulating conditions of service of employees when faced with disaster

Lessons from handling of Covid 19 situations warrants a concrete resolution to challenges situations of disaster management similar to the Covid 19 pandemic, with a **Risk ALLOWANCE of 12% of basic salary.**

6. Establishment of Child - care facility at different workplaces, including setting up breast feeding breaks.

7. Parties must agree on the enforcement of collective agreement under the jurisdiction of the PSCBC.

A legal and binding framework must be developed to empower PSCBC to ensure enforcement of all collective bargaining agreement signed under it including at all sectoral councils.

8. Amend the Government Employee Pension Fund (GEPF) act and/or rules to allow pensions withdrawal for members in financial difficulties.

Detailed demands with motivations:

DEMANDS	MOTIVATION
1. Single Term	The economy is very volatile and unstable; therefore, any future predictions are subject to market monopoly thereby destabilising our fiscal policy on which our economy is reliant.
2. Cost of living adjustment. Level 4 - 5 = CPI plus 3% Level 6 -10 = CPI plus 2% Level 11-12 = CPI plus 1%	We have actually considered the economic outlook of government, be that as it may a) Our demand of the higher percentage above Consumer Price Index (CPI) is informed by the fact that the three main items (food, electricity and public transport) which drives the expenditure of our members is way above the set CPI and yet they are weighed very low in the very CPI basket.

- b) There is great temptation to actually put the rand value to our demands other than just rounded CPI.
- c) Given the political economy of CPI we must really consider reviewing our CPI approach towards negotiations

Public transport is weighted at 2.3%

Electricity weighted at 3.8 and

Food weighted at 17.24

In total, the three most important expenses for South African low-paid workers only make up 23,34% (less than a quarter) of the total CPI basket of 100%.

So in essence any CPI adjustment only increases 23.34% of the items on which workers spend above 60% of the earnings on.

The CPI basket includes 393 products which are divided into 12 groups and each group is weighted relative to consumption expenditure of households. Within their groupings in the CPI basket, other items are misrepresented as compared to their worth in expenditure pattern of ordinary workers. E.g. '**Electricity and other fuels**' fall under "Housing and utilities" and is **weighted at 3,8%** of the **24,62% total**. While '**Public transport**' which falls under Transport and is **weighted at 2,3%** of the **14,28% total**.

The expenditure deciles in the CPI shows the skewed percentage biased towards the high earners in comparison.

Those in decile 10 weighted at 48,57% in the CPI basket compared to those in decile 5 who weight about 3.93%.

NB: It is therefore our view that we have gone conservative as we were supposed to pitch our demands to double digits.

We need to consider articulating our demands in rand value so as to easily quantify the value based on the inflation drives of different items.

	<p><i>(The middle ground will be to have the key expenditure items – food, electricity and public transport - well subsidies by government to reduce the burden of spending on workers.)</i></p> <p>d) The notion that the wage bill is bloated and therefore employer cannot afford increase is mainly unfounded as most of items that eats from the wage bill include other employees both elected and appointed other than those employed under Public Service Act</p> <p>In fact there is a great demand for an increase of human capital in the public service. In the post-apartheid era, the size of public serve employees has not increase where it serviced about 43 million citizens and now in 2021 the same number of public servants services beyond 57 million citizens.</p> <p>e) Affordability question in government needs to be dealt with through managing cost drivers in the public fiscus. Those drivers includes corruption, leakages, litigations, and all maleficent spending picked up in the Auditor General’s report as wasteful and unauthorised spending.</p>
<p>3. Abolish salary level 1 to 3, such that the starting level should be level 4 and the full time employment of CHW’s and all fixed term contract employees who have been in the department for more than 4 months.</p>	<p>Salary level 1-3 are still representative of below the living wage level. We need to attempt to close the inequality gap created by inherited apartheid wage structure.</p> <p>Furthermore our analysis of CPI shows that the tool is skewed toward high paid workers as big spenders and the grouping of items on CPI favour their spending patterns</p>
<p>4. Implementation of outstanding resolutions dating from 2012 inclusive of 6 of 2010 prioritising the following:</p> <p>(a) PSCBC Resolution 3 of 2015 in particular clause 3.1 and 3.2 that says: 3.1. parties will jointly conduct a comprehensive review on the efficacy of the operating model of</p>	<p>The scheme is mainly operating like ordinary medical aid scheme and therefore it makes it difficult to be agile to our demands as workers.</p>

<p>GEMS.</p> <p>3.2. parties will also review whether the objectives for which GEMS was set up are fulfilled.</p> <p>(b) PSCBC Resolution 7 of 2015 on GEHS in its entirety is implemented including the establishment of the public entity to administer the scheme within public service and the establishment of the portfolio by GEPF to fast track the accessibility of proper housing for public servants.</p> <p>(c) PSCBC Resolution 6 of 2010 by convening Birchwood 3 that must evaluate and map out the implementation of the public service summit resolutions</p> <p>(d) PSCBC Resolution 1 of 2012 clause 10 on the compliance with occupational health and safety act. PSCBC will conduct an independent audit on compliance with the occupational health and safety act and the report must be tabled at PSCBC for discussion and ensuring the compliance with the OHSA.</p> <p>(e) The rest of all outstanding matters must be subjected to a secondary process by parties within six months to ensure the implementation of all others not listed above.</p>	<p>The criteria to get members to serve in the board does not favour us as we have mostly majority union. To get GEMS to be what was initially envisaged to be.</p> <p>To pursue our resolution on composition of GEMS board.</p> <p>Through GEPF we need to conclude a resolution where in GEPF will set up a special portfolio.</p> <p>To facilitate a change in the GEPF to enable even those members who are not credit worthy to be provided below repo rate and low interest housing funding.</p> <p>This will ensure to confront the hard fought socio- economic gains of our members and equally transform the public service to be a societal player in the transformation agenda of the country.</p> <p>Covid 19 becomes the immediate reminder of Occupational Health and Safety at the workplace.</p> <p>There is a list all unimplemented resolutions which was tabled at the strategic planning session of the PSCBC.</p>
<p>5. Parties to conclude collective agreement regulating conditions of service of employees when faced with disaster like Covid 19.</p>	<p>This will get employer ready and not found wanting like was the case during this pandemic</p>
<p>6. Establishment of Child- care facility at different workplaces</p>	<p>Accessibility of the facility should be by both fathers and mothers</p>
<p>7. Enforcement of collective bargaining agreements</p>	<p>We need to empower the PSCBC to effectively ensure the implementation of collective agreements under its jurisdiction.</p>
<p>8. Amendment of GEPF to enable financial relief .</p>	<p>This will allow for members of the scheme to have withdrawal to aid in financial stressful situation.</p>