



# Update

**6 May 2020**

**To All members**

## Background

**CONCILIATION PROCESS IN RESPECT OF THE NON-IMPLEMENTATION OF THE LAST PHASE OF PSCBC RESOLUTION 1 OF 2018 “AGREEMENT ON THE SALARY ADJUSTMENTS AND IMPROVEMENTS ON CONDITIONS OF SERVICE” FOR THE PERIOD 2020/21.**

Following several attempts by Labour to break the impasse with the Employer on their failure to implement PSCBC Resolution 1 of 2018 to the latter, a dispute was referred to the PSCBC on 16 April 2020.

Subsequent to the dispute referral, a conciliation was set to commence on the 28 – 30 April 2020 by the PSCBC as follows:

Due to COVID-19 lockdown regulations, it was agreed that the conciliation process would take place through video conferencing or any other acceptable means.

## Chronology of the Conciliation process

**28 – 30 April 2020 (Tues – Thurs):** Conciliation commenced as scheduled, but could not continue further due to some unforeseen technical glitches. Conciliation was then re-scheduled to Monday – Wednesday (04 – 06 May 2020)

**04 May 2020 (Mon):** Conciliation commenced with Labour reiterating its position that the Employer should implement the agreement to the latter.

The Employer also reiterated their position that they would like to implement the agreement, albeit through a different implementation modality due to the fiscal



constraints imposed by both the unsustainable economic conditions and the pressures of COVID-19 pandemic.

The Employer presented a revised implementation proposal from the one that was rejected in the last Council meeting. The proposal included the available R10bn plus the additional R1bn, which the Employer indicated that it was sourced from re-prioritization of the current budget.

The presentation reflected the distributive effect of the available R10bn + R1bn across levels 1 – 12 of the Public Service workers, and what the cash effect would be per month per various levels. (Attached)

The Employer further proposed an off-set mechanism to deal with the short-fall that is not covered by the cash distribution of R10bn + R1bn, which is the allocation of capped leave (7 Days) to employees whose cumulative value increases on annual basis. The Employer presented an historical illustration of how days increase in value over a number of years. (Attached).

Such capped leave days shall only be cashed upon exiting the system.

Labour gave the Employer a number of options for consideration in an attempt to resolve the impasse.

**06 May 2020 (Wed):** Conciliation resumed on 6 May 2020 as scheduled. The employer presented a revised proposal with an additional R2bn over and above the R1bn presented on the first day of conciliation. This made a total of R3bn added to the initial available R10bn.

The presentation reflected the distributive effect of the available R10bn + R3bn across levels 1 – 12 of the Public Service workers, and what the cash effect would be per month per salary level. (Attached)

The additional R3bn had an effect on the cash gratuity to be disbursed to the employees per salary level with the number of capped days remaining the same at seven (7). (Presentation attached)

Labour (SADTU and Others) requested the Employer to present a comparison of what the effect would have been had the resolution been implemented in its current form, compared to the effect of the current proposal.

The Employer presented the comparison as per Labour request. (Attached)

Labour requested time to consider both the Employer's revised proposal and the Comparative effect of the percentage (%) increase and the proposed cash gratuity and Capped leave days off-set mechanism.

Conciliation continues on Monday, 11 May 2020

Issued by the Secretariat

6 May 2020