PSCBC DISPUTE: OUTCOMES OF CONCILIATION PROCESS IN RESPECT OF THE NON-IMPLEMENTATION OF THE LAST LEG OF PSCBC RESOLUTION 1 of 2018

MAY 2020

This bulletin serves to appraise members on the outcomes of the conciliation process that took place from the 28th April 2020 to the 06th May 2020. This follows the dispute declared on the 1st April 2020 as a result of the employer's failure to implement and comply with Clause 3.4 and 3.3 of the PSCBC Resolution 1 of 2018 - **"AGREEMENT ON THE SALARY ADJUSTMENTS AND IMPROVEMENTS ON CONDITIONS OF SERVICE FOR THE FINANCIAL YEAR 2020/21.**

The PSCBC conciliation was convened through video conferencing due to the current COVID-19 Regulations. On the 28-29 April 2020 the conciliation commenced but couldn't proceed as planned due to technical glitches. The conciliation proceeded on the rescheduled dates which was the 4th to 6th May 2020. From the first day, Labour indicated that it was not participating in this process to review the agreement but rather to ensure the implementation of the resolution as it stands as follows: 5.4 % for salary level 1 – 7, 4.8 % for salary level 8 – 10 and 4.3% for salary level 11 -12.

The employer presented the following:

- That we allow them to change the historical way of implementation through introducing a new modality of implementing the resolution, and this was because they were pleading poverty.
- The employer proposed that they want to ensure that they meet the percentages as reflected above and proposing that they use the R10 billion rand meant for pay progression of employees to finance the implementation and any shortfall will be set off through capped leave that will be accumulated over 3 years.

We rejected this and argued that workers cannot be made to bear the brunt every time when the economy is in trouble. We further indicated that this reneging on the agreement by the employer is a direct attack to collective bargaining. We therefore proposed that in financing the agreement the employer must look at 8 cost drivers that we presented which included amongst others cuts on salary increases of Members of Parliament, Ministers and other political office bearers. The employer requested some time to go back for mandate and look for more money to finance the implementation of the resolution.

On the 3rd day of the conciliation which was on the 06th May 2020 the employer came back to firstly indicate that our proposal of looking into some of the cost drivers is not doable immediately but it is handled by the Cabinet by looking at the following issues: use of consultants in the public service, allowances and salary increment for Ministers, Member of Parliament and Mayors, reducing the number of advisers for Ministers and the use of Advocates during internal disciplinary hearings.

After reflecting on their argument the employer presented the following revised proposal with the additional R2bn and distributive effect for the labour to consider:

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NEHAWU

AN INJURY TO ONE IS AN INJURY TO ALL

MAY 2020

Salary Levels	12 months gratuity		Shortfall	
(a)	Percentage (b)	Rand Value (c)	Percentage (d)	# of days (e)
1	2,7%	R326	2,7% = R 335	7 days over 7 yrs.
2	2,7%	R385	2,7% = R 395	7 days over 7 yrs.
3	2,7%	R484	2,7% = R 497	7 days over 7 yrs.
4	2,7%	R582	2,7% = R 597	7 days over 7 yrs.
5	2,7%	R630	2,7% = R 646	7 days over 7 yrs.
6	2,7%	R782	2,7% = R 802	7 days over 7 yrs.
7	2,7%	R932	2,7% = R 956	7 days over 7 yrs.
8	2,6%	R1067	2.2%= R971	7 days over 7 yrs.
9	2,3%	R1127	2.5%= R1310	7 days over 7 yrs.
10	2,0%	R1214	2.8%= R 1813	7 days over 7 yrs.
11	2,0%	R1409	2.3%= R1745	7 days over 7 yrs.
12	1,6%	R1551	2.7%= R 2808	7 days over 7 yrs.

The above table reflects the distributive effect of R13 billion rand which is taken from the R10bn meant for pay progression of the same public servants plus additional R3bn from Treasury. This means that there will be no pay progression for the financial year 2020/21 for public service workers.

The R13 billion offered will be shared amongst workers on salary levels 1 to 12 which equals on 50% of the required percentage increase and remain with the shortfall of 50%. As per the column (b) and (c), the employer is saying that they are offering no salary increase but a gratuity payments as per column (b) for only 12 months (April 2020 to March 2021) and this offer will not form part of the baseline, which means that in April 2021 the gratuity stops and the workers revert back to the same salary levels.

The shortfall as projected in column (d) which is 50% the employer is proposing that they offset it with accumulated leave days of seven (7) days to be accumulated over a period of seven (7) years. These days can only be accessed when the employees resigns or go for retirement. What this means is that workers must work for 7 years to self-finance the other 50% portion of salary increase that is due to them now.

After deliberations on the final presentation by the employer it became clear to us that there is no value in continuing with engagements on the above proposal. We made it clear to the employer that their proposal is worsening the situation of workers as we view it as double jeopardy. The fact that after 12 months all workers will revert back to their salary notches it's even more despicable. It is important to note that this is happening on top of many outstanding agreements the employer dismally failed to implement which inter-alia, includes the implementation of Government Employee Housing Scheme. The employer has in all our engagements refused to consider any proposals from labour in an attempt to break the impasse.

To this end, we believe that the dispute process must proceed to the next stage of arbitration as such the union will be consulting its structures for a way forward. The special meeting of the National Executive Committee will be convened early next week for a direction. The leadership of the union appreciates the feedback it continues to receive from members and we shall always keep all our members informed about the developments.

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