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Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

Attention: All Media

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Government tables the last and final offer at PSCBC

The DPSA hereby clarifies the matter of Public Service wage negotiations currently underway at the PSCBC.

In keeping with the resolution of the 2022 Public Service Summit of aligning the budget process of the Government with the wage negotiations, the Employer initiated wage negotiations with organized labour mobilizing within the public service.

The negotiations commenced at the PSCBC on 17 February 2023, with the majority of the Trade Unions (SADTU, PSA, NAPTOSA and HOSPERSA) constituting 53.9% in the Public Service attending the first meeting.

The initial offer tabled on 17 February 2023 by the Employer was informed by the following principles:

1. **The quest for a multi-term agreement**, to bring stability to the Public Service and allow for proper planning and implementation of service delivery programs by the Government.
2. **Translation of the non-pensionable cash gratuity** into the baseline, to allow the pensions of Public Servants to grow significantly and improve their notches.
3. **Conclusion of negotiations by the end of March 2023**, as this will allow for the smooth transition from a non-pensionable gratuity to a pensionable increase that will be implemented with effect from the beginning of the Financial Year on 1 April 2023.

In responding to the Employer; Labour Unions participating in the negotiations presented their demands for the Financial Year 2023/24 and continued with the process of negotiations.

On 09 March 2023, the PSCBC initiated a process of facilitation between the Employer and the Labour Unions that were not participating in the negotiations within the PSCBC formal process.

The purpose of the facilitation was to end the strike in the Public Service and bring back all the Parties to participate in the negotiations process for the Financial Year 2023/24.

The facilitation process concluded on 14 March 2023, with the Employer and the Labour Unions that were not participating in the negotiations, signing a settlement agreement that sought to end the strike and to have all Parties to the PSCBC participate in the 2023/24 wage negotiations.

On 14 – 17 March 2023, the negotiations continued at the PSCBC with all Parties to the PSCBC participating in the process as per the settlement agreement. The Employer tabled its last and final offer for the Financial Year 2023/24 on 17 March 2023 for consideration by the Unions.

Unpacking the Employer’s last and final offer presented at the PSCBC

The Employer’s last and final offer tabled on 17 March 2023 at the PSCBC entailed the following provisions:

1. A two-year multi-term agreement for the Financial Year 2023/24 and Financial Year 2024/25.
2. Pensionable salary increases of 7.5% for employees on levels 1 – 12 packaged as follows:
 - a) Translation of the current non-pensionable cash gratuity at the value of 4.2% on the baseline.
 - b) A nominal increase of 3.3% across the board.
 - c) Pay progression of 1.5% for all qualifying Public Servants shall continue as per the existing dispensation across all Departments.

The **non-pensionable cash allowance will be translated into the pensionable increase on the baseline with effect from 1 April 2023**, without disadvantaging any employee in terms of the cash net effect into the pocket.

This translation will benefit the employees in that it:

- contributes towards the growth of the pension of employees;
- improves the notches of employees;
- increases the base for any future increases and
- is also sustainable and permanent.

It should be clarified that there is no agreement with the Public Sector Unions that the cash gratuity will continue indefinitely.

Clause 3.2 of Resolution 1 of 2021 states that “The non-pensionable cash allowance will be paid backdated from 1 April 2021 to 31 March 2022.” Clause 3.3 of the same Resolution 1 of 2021 states that “If no new agreement is reached by 31 March 2022 on the 2022/2023 salary adjustment, this non-pensionable cash allowance shall remain in force until a new agreement is entered into by the parties.”

This position by the Employer was communicated in advance to the trade unions through DPSC Circular 50 of 2022 that the cash allowance shall be paid until 31 March 2023.

Parties at the PSCBC have now reached an agreement, therefore clause 3.3 of Resolution 1 of 2021 shall be complied with fully without disadvantaging any employee.

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