

Recommendation for strike action in the public service

17 August 2004

RECOMMENDATION FOR STRIKE ACTION IN THE PUBLIC SERVICE

Once more government is showing the Unions that it has control over them. They offer **5.5 % (Projected CPIX)** and mislead and try to confuse members and the Public as follows:-

MISINFORMATION by Government	MATTER OF FACT
Additional 1% for Pay Progression	Public Servants already have this. This was forced down the Public Servants throat when Rank & Leg Promotion was taken away. It is now a right and no longer a matter of mutual interest
Additional 1% for Macro Benefit i.e. Housing Allowance and <u>compulsory membership</u> to the Medical Aid Scheme	All Public Servants, irrespective of race, gender, religion etc, are illegible or is entitled to a Housing subsidy or membership of any medical aid scheme of his choice.

What 5.5% projected CPIX means is the following:- By the end of the year if as we are aware the actual CPIX is 4.5% then the Government will minus from next year's Projected CPIX (5.0) the difference between the projected and the Actual CPIX (i.e. $5.5\% - 4.5 = 1\%$) Effectively next year's increase will be 4.0% and for 2006 maybe even much lesser. This looks unacceptable to this Union from what we know our members expect which better increases not worst like it is the situation.

Government is refusing bluntly to agree to the concept or principle of real wage increase over the CPIX. Only a fool will be enticed by 5.5% or 6% which Public Servants will have to repay in year 2005 and 2006 by being given 4% and 3.5% during these years.

It is against the above undermining of your intelligence that we are recommending strike action. The action that we are contemplating should be in line with the provision of the Labour Relations Act, i.e. it must lead to complete disruption of services for even a stubborn employer like this government to listen in the shortest possible time. The action must inflict maximum damage to them and minimum to us.

Additional

Public Service Co-ordinating Bargaining Council

UPDATE ON PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL MEETING HELD IN PRETORIA ON 22-23 JUNE 2004

Anticipating agreement on improvement in salaries and other conditions of service for the period 2004/05, 2005/06 and 2006/07

Objectives

To provide for annual general salary adjustment for employees for the financial years 2004/05, 2005/06 and 2006/07.

To determine the basis for the annual general salary adjustment.

To provide funding that will address macro benefits (pensions, medical and housing)

To address other demands raised by Labour parties to the Employer.

Scope

2.1 This agreement binds the Employer and Employees:-

2.1.1 Who are employed by the State, and

2.1.2 Who fall within the registered scope of the PSCBC

THE PARTIES TO THE COUNCIL COULD NOT AGREE ON THE FOLLOWING:-

Multi-Term salary adjustment

3.1 Employer's response on date of implementation demanded by Labour to 01 April of every year suggested 01 July/or date on signing of the agreement.

3.2 Labour demanded: CPIX + 8 %

Increment for 2005/06: CPIX + 9 %

Increment for 2006/07: CPIX + 10 %

Employer's response

Adoption of forward principle on inflation by using projected inflation rather than historic inflation as Independent Economist from reputable companies can be approached. (Motivation - system enables budgeting from the Employer).

Employer is prepared to offer projected inflation of 5.4 % for 2004/05.

Any addition on percentage which could be 1 % can go to performance base link-pay progression.

4. Pay Progression

Labour - demanded grading system framework to be developed by PSCBC for all sectors.

Employer - Sectors to come with proposals to DPSA.

Labour - Pay progression be adjusted to include a reduction in the number of notches.

Employer - Review should include the number of notches between salary levels.

Labour - Institute 5 % between notches.

Employer - Percentage between notches.

Employer mentioned 1 % of wage bill be funded for the implementation of pay progression and the Task Team must be established to address this matter as funds committed will be R 1.09 billion.

5. Payment of outstanding leg and rank promotions be implemented urgently is the demand by Labour as part of Resolution 7/2000.

Employer took note of that point.

6. Medical Aid

Employer referred this matter to Medical Aid Task Team.

Labour demanded an increase on Employer's contribution, an allowance for those who are not participating in the scheme by R 1371.13 for all Employees and complimentary medication to Public Servants who are regarded in the latest stages of HIV/AIDS.

Employer response - Already there are programs in place by the Department of Health to address issues around HIV/AIDS that includes voluntary counselling.

If the Employer puts aside R 1000.00 for those who are not participating Medical Aid it will cost the State R 4.2 billion which could be taken from salary increase.

7. Housing

Employer acknowledged/noted the demand by Labour to increase bond from R 70 - R 200 000.00 as survey conducted by ABSA of a small house 80-140 square metre cost R 340 000.00 as the subsidy on that one is R 283 000.00 to qualify. No agreement was reached on this point.

Employer suggested Task Team on Housing to be established to find suitable ways of dealing with all macro benefits as their mandate is 1 % for macro benefits.

8. Pensions

Labour demanded that all staff be entitled to retire at age 55 without being penalized.

Medical boarding as a result of HIV/AIDS should be as if a full term has been served. The boarding should thus be at 100 % of possible pension and other benefits.

Administrative procedures should be minimized to reduce delays.

Delegation on the Clinical Judgement of Medical disability must be devolved at institutional level to avoid delays.

Employer referred this matter to Pension Task Team.

Meeting adjourned at 16 H 30

Compiled by

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