



## **.PRESS RELEASE: FINALISED PUBLIC WAGE NEGOTIATIONS AGREEMENT**

For immediate release 27 July 2021

- **Government and the majority of trade unions reach an agreement on a salary adjustment for the public service.**
- **The agreement results in a more than 11% increase for the lowest earning public servants.**
- **Public servants to receive a cash allowance and a 1,5% salary adjustment.**
- **This agreement has ultimately averted mass public wage strike action.**

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Government and the majority of trade unions party to the Public Service Co-ordinating Bargaining Council (PSCBC) reached an agreement on the salary adjustment for the 2021/2022 financial year.

**DENOSA, HOSPERSA, NAPTOSA, PSA, and SADTU** representing 739 035 out of the 1, 2 million public servants signed the agreement giving it a 60,33% majority. NEHAWU, POPCRU and SAPU, in exercising their rights, opted not to sign the agreement.

Importantly, it is worth noting that as per the constitution of the PSCBC, an agreement which enjoys majority favour by the trade unions party to the PSCBC is binding on all parties, including dissenting parties.

The agreement allows for a non-pensionable cash allowance payable to all employees who were in employ of the public service on or after 1 April 2021. The allowance is paid on a sliding scale where level 1 employees receive a cash equivalent of R1220 per month and a level 12 employee receives R1695 per month.

The cash allowance is payable back dated from 1 April 2021 to 31 March 2022. If no agreement on the 2022/2023 salary adjustment is reached by 31 March 2022, then the cash allowance will continue to be paid until a new agreement is reached.

The agreement also allows for a pensionable increase of 1,5% payable to all employees employed in the public service that would not have qualified for the annual pay progression adjustment.

This agreement therefore concludes the process of negotiations that started on 1 March 2021. It also brings to an end the various disputes that were referred to the PSCBC during the process as the agreement is binding on all parties and employees in the public service.

Crucially, It is worth noting that mass public service strike action has been averted by the conclusion of this agreement.

The PSCBC would like to acknowledge the leadership of the Government and the trade unions for the manner in which these negotiations were conducted. It has been a very strenuous period but leadership was continuously and consistently shown by all parties involved, allowing the Council to facilitate the processes within an environment that was conducive for robust engagement, despite the impact that the COVID-19 pandemic has had on the ability of parties to conduct their affairs.

This agreement also demonstrates the ability of all parties to rise above adversity, including the ongoing litigation on the full implementation of the 2018 agreement which is before the Constitutional Court.

The PSCBC would like to extend its gratitude to the Director of the International Labour Organisation (ILO) Pretoria Office, Dr Joni Musabayana, Mr Mandoro Limpho and Mr Ebrahim Patelia for their assistance and contribution throughout the facilitated wage negotiation process.

We understand the pressure that public servants were under as a result of not receiving a salary adjustment in the 2020/2021 financial year as well as the anxiety caused by the uncertainty of the lengthy and drawn out processes. We therefore would like to thank the more than 1,2 million public servants for the patience, cool-headedness and resilience shown in the last 4 months while the negotiations were on-going.

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