

**GS CIRCULAR 17 of 2021**

14 May 2021

**TO: IMATU Regional Managers**

Dear Sir/Madam

**UPDATE ON SALARY AND WAGE NEGOTIATIONS (UPDATE 8-2021):  
SECOND ROUND OF NEGOTIATIONS**

We refer to the abovementioned matter.

The second round of wage negotiations was held in Durban from 10 to 12 May 2021. The negotiations took place under the auspices of the SALGBC appointed facilitator, Ms N. Bisiwe.

SALGA indicated that they may revise their opening offer from 2.8% to **3%**, if the trade unions will consider their proposal on a total freeze of increases to benefits and conditions of service. SALGA, however, stated that this should not be seen as a formal proposal, but rather an attempt to explore options for settlement.

SALGA further highlighted their mandated preference for a multi-year agreement and indicated that they are prepared to reconsider their demand for a freeze on increases to benefits for year two and year three, if the trade unions will consider entering into a multi-year agreement.

IMATU stated that SALGA's demand for total freeze of increases on benefits will have significant implications and cannot be acceded to at this stage. Moreover, IMATU cannot consider SALGA's proposal on a multi-year agreement as SALGA has not made any proposals on what increases should be implemented in year 2 and year 3 of such an agreement.

The trade unions have decided to consolidate their demands into a single joint trade union demand. In order to make progress, the trade unions adjusted their demands as follows:

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No.	Subject	Demand
1.	Across the board increase	▪7% or R2500,00, whichever is the greater.
2.	Minimum wage	▪7% or R2500,00, whichever is the greater.
3.	Housing allowance	▪Increased to R2 000.00 p/m.
4.	Gap Market allowance	▪Increased to R2 000.00 p/m. ▪Threshold increased to R 22 000.00.
5.	Benefits and Conditions of Service linked to Salaries	▪Increased by the same percentage as the across-the-board wage increase (7%).
6.	Maximum Employer Medical Aid Contribution	▪Increased by the same percentage as the across-the-board wage increase (7%).
7.	Duration of the Agreement	▪A single year agreement.
8.	Scope of the Agreement	▪Agreement to cover EPWP workers as well.

On this basis, discussions were brought to a close.

As is evident from this feedback report, the second round of negotiations have yielded little progress as SALGA's wage offer still remains below inflation. The facilitator, however, requested parties to properly consider the pressures each party is under as well as the difficult economic circumstances prevailing in the country, which makes it the most complex wage negotiations on record.

It is important to note that what happened in the second round of negotiations are merely opening manoeuvres and there is no talk of fixed positions yet. The parties are still a long way from finding common ground and significant hurdles remain. Negotiations are ongoing and we expect some intense bargaining to occur during the third round of negotiations.

The next round of wage negotiations shall take place on 3 and 4 June 2021 in Durban.

Regions will be kept informed as the matter progresses. Please circulate this feedback report to your regional structures.

Regional Managers may contact the Deputy General Secretary: Legal and Research, should there be any further queries.

Yours faithfully



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**Johan Koen**  
**General Secretary**