

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 3669 [NW4336E]**  
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**3669. Mr D J Maynier (DA) to ask the Minister of Finance:**

(a) What is the (i) total cost and (ii) breakdown of such costs of the public sector wage agreement in the (aa) 2015-16, (bb) 2016-17 and (cc) 2017-18 financial years, (b) what is the sum total cost of the specified financial years combined for each specified municipality in respect of each specified province and (c) how will the public sector wage agreement be financed in each specified case?

NW4336E

**REPLY:**

The collective bargaining for local government is under the auspices of the South African Local Government Bargaining Council (SALBC). SALBC recently entered into a 3 year salary and wage agreement. The agreement reached is as follows:

- 2015/16 - 7%
- 2016/17 - average CPI (February 2015- Jan 2016) + 1%
- 2017/2018 - average CPI (February 2016- Jan 2017) + 1%

**The following responses were provided by SALGA:**

a) (i) The total cost of the negotiated 3 year collective agreement is estimated by SALGA to amount to approximately R16.682 billion. This increases the national wage bill for local government from R77.888 billion in 2014/15 to R94.570 billion in 2017/18. This calculation is based on the assumption of an average CPI of 5% for the 2016/17 year and an average CPI of 5.5% for the 2017/18 financial year.

(aa) 2015/16 - R5.884 billion; and  
(bb) 2016/17 - R5.026 billion; and  
(cc) 2017/18 - R5.772 billion

(b) The requested detail is not available per municipality. However, SALGA estimates that the increases applicable to each municipality's current wage bill will be as follows:

2015/16 - 7.55%;and  
2016/17 - 6.00% and  
2017/18 - 6.5%

(c) These increases in the respective wage bills of municipalities will be funded from municipal income generated from property rates, trading services such as electricity, water and other related service charges such as refuse removal and sanitation charges coupled with equitable share transfers from national government.