

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 1508 [NW1879E]**

**1508. Mr C Brink (DA) to ask the Minister of Finance:**

- (1) Whether he has been informed about the letter that was allegedly written by an official of the National Treasury to the SA Local Government Association (Salga) requesting Salga to apply on behalf of municipalities for exemption from annual salary increases for municipal officials in light of the adverse financial impact of the Covid-19 pandemic (details furnished); if not, what is the position in this regard; if so,
- (2) whether the National Treasury sent the specified letter and/or a substantially similar request to Salga; if not, what is the position in this regard; if so, (a) what are the relevant details and (b) will he furnish Mr C Brink with a copy of Salga's reply;
- (3) whether he alone and/or in conjunction with other Ministers have taken any further action to persuade municipalities to apply for such an exemption; if not, what is the position in this regard; if so, what are the further relevant details?

NW1879E

**REPLY:**

- (1) The Director-General of the National Treasury wrote to SALGA on 10 May 2020 and noted that "In terms of the South African Local Government Bargaining Council circular number 02/2020, dated 6 March 2020, the salary and wage increase in terms of sections 6.6 and 6.8 of the Collective Agreement will be 6.25 per cent from 1 July 2020. Clearly, this is no longer affordable considering the current economic environment. The local government collective agreement further provides, in Clause 11, for applications for exemptions from any provision of the collective agreement should the agreement be unaffordable or in cases of unexpected economic hardship." The Director-General then said that, "It is National Treasury's view that SALGA should urgently lodge an application for exemption on behalf of all municipalities who are party to the agreement to allow for consideration before the municipal financial year commences. The specific provisions from which the municipalities should be exempted should be agreed with affected municipalities."
- (2)(a) The letter was sent to SALGA on 10 May 2020. SALGA took up the issue in the South African Local Government Bargaining Council (SALGBC) and National Treasury was subsequently invited to provide a briefing to the SALGBC on 17 June 2020. National Treasury provided the briefing as requested.

- (3) SALGA is the employer representative in the SALGBC and are taking the issue forward through that structure. National Treasury respects the process in the SALGBC and has no role in the process unless we are requested to provide further information or support.
-