

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1688 [NW2078E]

1688. Mrs G Opperman (DA) to ask the Minister of Finance:

Which municipalities, including metros, have had salary increases that were above the inflation rate in each of the past three municipal financial years?

NW2078E

REPLY:

Over the past three financial years two salary and wage collective agreements were concluded at the South African Local Government Bargaining Council (SALGBC). These collective agreements were effective for the periods, 1 July 2017 to 30 June 2021 (2017/18 to 2020/21 financial years). The terms of the agreements are applicable to all grades of municipalities and affect all employees who fall within the scope of the SALGBC. However, Municipal Managers and those employees appointed as managers directly accountable to Municipal Managers in terms of Sections 54A, Section 56 and Section 57 of the Municipal Systems Act 32 of 2000, as amended, are excluded from all the terms of these collective agreements.

The following table indicates the salary increases as per the salary and wage collective agreements applicable to the past three financial years.

Table: Salary and Wage increases for municipal workers, 2017/18 to 2019/20

Item	2017/18	2018/19	2019/20
Salary and Wage Collective Agreement (SALGBC)	Circular No. 02/2017 ¹	Circular No. 02/2017 ²	
<i>Increase clauses as per agreement</i>	<i>CPI + 1</i>	<i>7,0% (Agreed)</i>	<i>5,0% + 1,5%</i>
% Salary Increase	7,36%	7,00%	6,50%
Consumer Price Index (CPI) ³	4,71%	4,65%	4,29%
% Above CPI increase	2,65%	2,35%	2,21%

1. CPI data from STATSSA were used to determine salary related increases. Average CPI for the 12 months between February 2016 and January 2017 was calculated at 6,36% and used to determine the 2017/18 CPI forecast

2. The forecast of the Reserve Bank, in terms of the January 2019 Monetary Policy Committee Statement was used to determine the CPI for salary related increases. The Reserve Bank calculated headline CPI at 4,7% for 2019/20. However, clause 6.5 of Circular No. 02 of 2017 stipulates that should CPI fall below 5%, projected CPI will be deemed to be 5%

3. Actual estimates of CPI based on National Treasury consolidation database