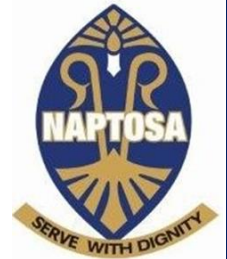


# NATIONAL NEWS FLASH



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NNF 20 of 2021

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## UPDATE ON SALARY NEGOTIATIONS

In News Flash 16 of 2021 we reported that wage negotiations of 23 April 2021 had collapsed as the state as employer had table a ridiculous 0% offer. There was no agreement and parties deadlocked. Labour was ready to declare a formal dispute by 4 May 2021. However, on Sunday, 2 May 2021 labour received notice from the PSCBC that the employer was requesting an urgent Special Council meeting to discuss the appointment of a facilitator.

On Friday, 7 May 2021, Mr Ebrahim Patelia was introduced to the Council as the facilitator. There was agreement that the facilitation process will take place from 9 – 11 May 2021 within an overall ten day facilitation period that commenced on Friday, 7 May 2021.

On Sunday, 9 May 2021, labour and the employer met separately. Labour invited two economists, Duma Gqubule and Hameeda Deedat to address labour on options available for the employer to source funding that could address labour's demands.

The options are inter alia:

- The South African Reserve Bank can finance government spending at no cost or on favourable terms. A payment holiday could be looked into and an arrangement could be made that payment is made when the country's economy improved.
- The PIC as the investment arm of the GEFP has billions in reserves. Treasury could get a loan and pay it back from savings that can be accumulated through a pension holiday from both employer and employees.
- South Africa has R800 billion foreign exchange reserves which are way above the benchmark of three months. These reserves can also be utilised to fund government spending.

These were "without prejudice" proposals, meaning that as labour we neither indicated support nor rejection. They are simply points of discussion.

NAPTOSA has a firm mandate as does FEDUSA that we will not engage on any proposals that may negatively impact on the GEFP.

The same presentation was made to the employer who were requested through the facilitator, to explore the options that could inform their revised offer.

The facilitator briefed labour that the employer was considering options presented to them by the economists. They requested for time to consult with their principals and suggested that parties return to the facilitation process on Saturday, 15 May 2021. Labour agreed to the suggested date.

Should the process of facilitation yield nothing positive, NAPTOSA and the other unions will have to consider declaring disputes. Up to now we have been cautious not to be hasty with such declarations and rather exhaust all other options first.

The process continues and membership will be kept informed when there are developments to report.

**BASIL MANUEL**

**EXECUTIVE DIRECTOR**