



# **SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL**

(Hereinafter referred to as "the "SALGBC or Council")

## **SALARY AND WAGE COLLECTIVE AGREEMENT**

In accordance with the provisions of the Labour Relations Act, 1995 made and entered into by and between the:-

### **SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION**

(Hereinafter referred to as "SALGA")

and

### **INDEPENDENT MUNICIPAL AND ALLIED TRADE UNION**

(Hereinafter referred to as "IMATU")

and

### **SOUTH AFRICAN MUNICIPAL WORKERS' UNION**


(Hereinafter referred to as "SAMWU")

(IMATU and SAMWU will together be referred to as the "Trade Unions")

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## 1. SCOPE OF APPLICATION

The terms of this agreement shall be observed in the Local Government Undertaking in the Republic of South Africa by all employers and by all employees who fall within the registered scope of the SALGBC.

## 2. EXCLUSIONS

Municipal Managers and those employees appointed as managers directly accountable to Municipal Managers in terms of Section 54A, Section 56 and Section 57 of the Municipal Systems Act 32 of 2000, as amended, shall be excluded from all the terms of this collective agreement.

## 3. PERIOD OF OPERATION

3.1 Notwithstanding the date of signature, this agreement shall come into operation in respect of the Parties to the agreement on **1 July 2021** and shall remain in force until **30 June 2024**.

3.2 This agreement shall come into operation in respect of non-parties on a date to be determined by the Minister of Employment and Labour and shall remain in force until **30 June 2024**.

## 4. OBJECTIVES

The objectives of this agreement are, *inter alia*, to:

4.1 Provide for general, across the board, salary adjustments as well as increases in the minimum wage for the financial years 2021/2022, 2022/2023 and 2023/2024;

4.2 Provide for annual adjustments to the maximum monthly employer contribution rate to accredited medical schemes for the financial years 2021/2022, 2022/2023 and 2023/2024 respectively, based on the 60/40 principle, subject to clause 10.1.1 below;

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- 4.3 Provide for annual increases to the Home-Owners Allowance for the financial years 2021/2022, 2022/2023 and 2023/2024 respectively, subject to clause 9.1.1 below;
- 4.4 Confirm the Parties' agreement on the terms of the Retirement Fund Collective Agreement as set out in the separate collective agreement, concluded under the auspices of the SALGBC;
- 4.5 Provide for a mechanism of withdrawal from the agreement under specified circumstances;
- 4.6 Outline a process for the review of maternity and paternity benefits as part of the review of the Main Collective Agreement;
- 4.7 Investigate the contractual, legislative, policy and financial arrangements related to the employability and employment of EPWP and CWP workers in the sector;
- 4.8 Provide for an exemption procedure conducted with the minimum of legal formalities; and
- 4.9 Provide for matters connected therewith.

## 5. DEFINITIONS

All expressions used in this agreement, which are defined in the Labour Relations Act, 1995 (hereinafter referred to as "the Act"), shall bear the same meaning as in the Act, unless the contrary intention appears, words importing the masculine gender shall include the feminine.

## 6. SALARY AND RELATED INCREASES

**Financial Year 2021/2022**

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- 6.1 In respect of this financial year, all employees covered by this agreement shall receive an increase of **three and a half percent (3.5%)** with effect from 1 July 2021.
- 6.2 In addition, all employees covered by this agreement shall receive a once-off non pensionable cash allowance as follows:
- 6.2.1 Employees earning a basic salary of **R 12 500** or less as at 1 July 2021, shall receive an amount of **R 4000.00**.
- 6.2.2 Employees earning a basic salary of **R 12 501** or more as at 1 July 2021, shall receive an amount of **R 3000.00**.
- 6.3 Payment of the once-off non pensionable cash allowance shall be made on 31 December 2021, and where not possible, by no later than 31 March 2022.

#### **Financial Year 2022/2023**

- 6.4 In respect of this financial year, all employees covered by this agreement shall receive, with effect from 1 July 2022, an increase based on the projected average CPI percentage for 2022.
- 6.5 The forecasts of the Reserve Bank, in terms of the January 2022 Monetary Policy Committee Statement, shall be used to determine the projected average CPI in terms of clause 6.4 above.

#### **Financial Year 2023/2024**

- 6.6 In respect of this financial year, all employees covered by this agreement shall receive, with effect from 1 July 2023, an increase based on the projected average CPI percentage for 2023.
- 6.7 The forecasts of the Reserve Bank, in terms of the January 2023 Monetary Policy Committee Statement, shall be used to determine the projected average CPI in terms of clause 6.6 above.

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## 7. MINIMUM WAGE

- 7.1 With effect from 1 July 2021, the minimum wage payable in the sector shall increase by **3.5%** to **R 8 620.79** per month.
- 7.2 With effect from 1 July 2022, the minimum wage payable in the sector shall increase by the same percentage as the salary and wage increase for the 2022/2023 financial year (clauses 6.4 and 6.5 above); and
- 7.3 With effect from 1 July 2023, the minimum wage payable in the sector shall increase by the same percentage as the salary and wage increase for the 2023/2024 financial year (clauses 6.6 and 6.7 above).

## 8. RETIREMENT FUNDS

- 8.1 The employer contributions to retirement funds shall be paid on the adjusted salaries per annum.
- 8.2 This Agreement confirms the Parties' agreement on the terms of the Retirement Fund Collective Agreement as set out in the separate collective agreement concluded under the auspices of the SALGBC.

## 9. HOME-OWNERS ALLOWANCE

- 9.1 The flat rate Home-Owners Allowance, currently at **R964.51**, shall increase as follows:
- 9.1.1 For the 2021/2022 financial year, with effect from 1 July 2021, by **0%**, remaining at **R964.51**.
- 9.1.2 For the 2022/2023 financial year, with effect from 1 July 2022, by the same percentage as the salary and wage increase for the 2022/2023 financial year (clauses 6.4 and 6.5 above).

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9.1.3 For the 2023/2024 financial year, with effect from 1 July 2023, by the same percentage as the salary and wage increase for the 2023/2024 financial year (clauses 6.6 and 6.7 above).

## 10. MEDICAL AID

10.1 For the duration of this agreement, and based on the 60/40 principle set out in the Main Collective Agreement, the maximum medical aid employer contribution rate to accredited medical schemes, currently at **R4 773.12**, shall increase as follows:

10.1.1 For the 2021/2022 financial year, with effect from 1 July 2021, by **0%**, remaining at **R4 773.12**.

10.1.2 For the 2022/2023 financial year, with effect from 1 July 2022, by the same percentage as the salary and wage increase for the 2022/2023 financial year (clauses 6.4 and 6.5 above).

10.1.3 For the 2023/2024 financial year, with effect from 1 July 2023, by the same percentage as the salary and wage increase for the 2023/2024 financial year (clauses 6.6 and 6.7 above).

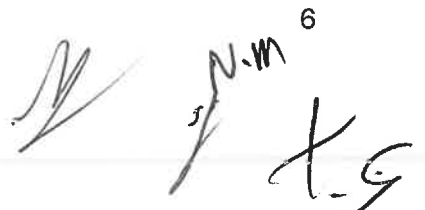
## 11. LINKED BENEFITS AND CONDITIONS OF SERVICE

11.1 Any benefit or condition of service that ordinarily increases by virtue of its link to the increase in the salary of an employee, shall increase by the same rate as the salary increase in each financial year, as set out above.

## 12. MATERNITY AND PATERNITY BENEFITS

12.1 The Parties shall review maternity and paternity leave benefits, in consideration of recent developments and amendments to Labour legislation as part of the upcoming review of the Main Collective Agreement.

12.2 A time-table for the review of the Main Collective Agreement shall be developed by the SALGBC and adopted by the Parties, to ensure that the review process

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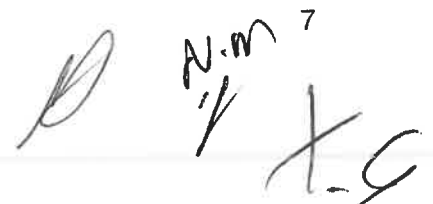
commences forthwith upon the finalisation of the 2021 wage negotiations, and concludes by no later than 30 June 2022.

### **13 EPWP AND CWP WORKERS**

- 13.1 It is recognised that a vast number of community members take part in or are employed and/or placed in different municipalities through the Expanded Public Works Programme (EPWP) and the Community Works Programme (CWP). A full SALGBC investigation shall be conducted on the interface of the EPWP and CWP programmes with Local Government generally and Municipalities in particular.
- 13.2 The investigation shall focus on looking at legislative, policy, contractual, and financial arrangements regarding these programmes as well as employment and employability of the participants on these programmes in municipalities.
- 13.3 This investigation shall be concluded within twelve months of the conclusion of this agreement. The Parties shall establish clear terms of reference to enable a report to be submitted to the Executive Committee of the SALGBC for further consideration.

### **14 WITHDRAWAL FROM AGREEMENT**

- 14.1 Any Party to this agreement (IMATU, SAMWU or SALGA), not their individual members, shall have the right to withdraw from this agreement by giving reasonable written notice to all Parties in the event of unforeseen circumstances that impact on the financial sustainability of the sector that cause economic hardship.
- 14.2 The notice of withdrawal shall only be effective if given within at least one financial quarter, in line with the municipal financial year, and with full disclosure of the factual circumstances which form the basis of the notice of withdrawal.
- 14.3 Notwithstanding clause 14.1 above, the right of withdrawal shall not apply in respect of the current declaration of a National State of Disaster emanating from the COVID-19 pandemic.

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14.4 In the event that the right of withdrawal is invoked by a Party in terms of clause 14.1, the Parties shall immediately enter into new wage negotiations and the SALGBC shall establish a time-table for such negotiations.

## 15. EXEMPTIONS

### 15.1 Exemptions Process

15.1.1 Any Party or person bound by this collective agreement concluded under the auspices of the SALGBC or which binds the Parties to the SALGBC, shall be entitled to apply for exemption from any provision of the said collective agreement.

15.1.2 All applications for exemption shall be made in writing on the appropriate application form, obtained from the SALGBC, setting out relevant information, including:

15.1.2.1 The provisions of the agreement in respect of which exemption is sought;

15.1.2.2 The number of persons in respect of whom the exemption is sought;

15.1.2.3 The reasons why the exemption is sought;


15.1.2.4 The nature and size of the municipality in respect of which the exemption is sought;

15.1.2.5 The duration and timeframe for which the exemption sought;

15.1.2.6 The business strategy and/or the financial recovery plan of the applicant seeking the exemption;

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- 15.1.2.7 The applicant's past record (if applicable) of compliance with the provisions of the Collective Agreement, its amendments and Exemptions Outcome;
- 15.1.2.8 Confirmation that the trade unions or workforce itself were advised of the exemption application at local level;
- 15.1.2.9 The relevant financial information which shall include, but not limited to the last audited financial statements together with Section 72 of Municipal Finance Management Act (MFMA) reports, combined with Section 71 reports for the current and preceding two financial years; and
- 15.1.2.10 Any other relevant evidence / documents for consideration by the Senior Panellist. However, the Senior Panellist shall determine the relevance and weight to be attached to such evidence.
- 15.1.3 An application for exemption from any provision of the collective agreement shall be lodged in writing on the prescribed form with the General Secretary of the SALGBC and the applicant shall serve a copy of the application as follows:
- 15.1.3.1 In the case of a Trade Union or employee applying for exemption from a collective agreement, submit a copy of the exemption application to SALGA and the relevant municipality affected by the application; and
- 15.1.3.2 In the case of SALGA and/or a Municipality applying for exemption from a collective agreement, forward the exemption application to the national and local offices of IMATU and SAMWU.
- 15.1.4 The Parties referred to in clause 15.1.3, as the case may be, shall be afforded ten (10) days to submit a response to the application for

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exemption to the General Secretary of the SALGBC. The party shall also be obliged to submit the response to the applicant for exemption.

- 15.1.5 The application for exemption shall be considered by the Senior Panellist.
- 15.1.6 All applications considered by the Senior Panellist shall only be based on the written exemption application and written submissions and arguments in respect of the application, if any, by the applicant and any party or person opposing the application, unless determined otherwise by a Senior Panellist. The Senior Panellist shall consider and determine exemption applications in a manner that is fair and transparent. The applications shall be determined as expeditiously as possible and may, in exceptional cases and subject to the decision of the Senior Panellist, include the hearing of evidence, where the matter cannot be decided solely on the documentation.
- 15.1.7 Notwithstanding clause 15.1.2.9 any party to this Agreement shall be free to submit any relevant evidence / documents for consideration by the Senior Panellist. However, the Senior Panellist shall determine the relevance and weight to be attached to such evidence.
- 15.1.8 The Exemptions Process shall be a financial inquiry based on the Exemptions Criteria set out in clause 15.1.15 below, along with the criteria of fairness to the employer and the employees.
- 15.1.9 In the event of applications being made that are frivolous and vexatious, such applications may be dismissed with costs.
- 15.1.10 Where a municipality submits an application for exemption, the municipality's obligation to implement the salary increase is suspended pending the outcome of the exemption application.
- 15.1.11 The Senior Panellist must consider and make a decision and issue an Exemption Outcome within 30 days of the SALGBC having received the exemption application.

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15.1.12 The onus to prove the case for the granting of an exemption lies with the applicant.

15.1.13 Parties undertake to make every reasonable effort to assist their members to discharge such onus in a full and proper manner.

15.1.14 National Exemption Panel:

15.1.14.1 The Executive Committee of the SALGBC shall establish a dedicated exemptions panel of arbitrators from the National Panel of conciliators and arbitrators of the SALGBC to constitute the National Exemptions Panel.

15.1.14.2 The Executive Committee of the SALGBC shall also establish a dedicated panel of independent financial experts made up of persons having a qualification in finance and a background and experience in local government finances.

15.1.14.3 For each exemption application, the General Secretary of the SALGBC shall appoint a Senior Panellist from the dedicated exemptions panel of arbitrators together with one financial expert from the appointed panel of financial experts.

15.1.14.4 The Senior Panellist shall hear and determine the application. The financial expert shall assist and provide advice and recommendations to the Senior Panellist.

15.1.14.5 The Senior Panellist shall undertake its duties in a fair and transparent manner and shall have the powers and functions to:

15.1.14.5.1 Grant a full or partial exemption or reject an application for exemption; and

15.1.14.5.2 Approve interim orders in circumstances where this will not affect the final outcome.

15.1.14.6 The Senior Panellist shall grant or reject an exemption application within thirty (30) days after a referral to the General Secretary.

15.1.14.7 The Senior Panellist shall have the power to condone any failure to comply with the time periods provided for in terms of this procedure based on good cause shown.

15.1.14.8 The decisions of the Senior Panellist shall be final and binding, subject to an aggrieved party's right to institute review proceedings in any court having jurisdiction to hear the matter. The Senior Panellist shall provide brief written reasons for its decision.

15.1.14.9 The Senior Panellist shall notify the parties of its decision and that the aggrieved party has the right to institute review proceedings in any court having jurisdiction to hear the matter.

15.1.14.10 An Exemption Outcome which contains the following information shall be signed by the Senior Panellist of the National Exemption Panel:

15.1.14.10.1 The full name of the applicant employer;

15.1.14.10.2 The date of issue;

15.1.14.10.3 The details of the agreement for which exemption is granted;

15.1.14.10.4 The period for which exemption shall operate;

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15.1.14.10.5 The terms and conditions, or remedial requirements of the exemption;

15.1.14.10.6 The reasons for the decision; and

15.1.14.10.7 Any other matter the Senior Panellist deems relevant.

15.1.15 Criteria and Other Factors to be considered by the Senior Panellist:

15.1.15.1 When considering an application for exemption, including an application for the withdrawal of an Outcome of Exemption by the SALGBC, the following criteria shall be taken into account (the order not indicating any form of priority):

15.1.15.1.1 Any written and/or verbal substantiation provided by the applicant or a Party to the SALGBC;

15.1.15.1.2 Fairness to the employer, its employees and other employers and the employees in the local government sector;

15.1.15.1.3 Whether an exemption, if granted would undermine this agreement or the collective bargaining process;

15.1.15.1.4 The employer is unable to afford the costs of the whole or part of this agreement;

15.1.15.1.5 The employer has short-term cash flow problems necessitating a limited exemption;

15.1.15.1.6 Unexpected economic hardship occurring during the currency of this agreement and job creation and/or loss thereof;

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15.1.15.1.7 Whether a budgetary provision, approved by National Treasury, was made for implementation of the obligation arising out of the collective agreement;

15.1.15.1.8 Any process or directives as may be agreed to by the Executive Committee from time to time; or

15.1.15.1.9 Any other factor(s) which is considered appropriate.

15.1.16 For the purposes of this section only, "Day" shall mean calendar day.

## 16. ENFORCEMENT OF THIS COLLECTIVE AGREEMENT

16.1 Despite any other provision in the Act, the SALGBC shall monitor and enforce compliance of this collective agreement in terms of Section 33A of the Act.

16.2 The General Secretary or his appointed designated agent may, in keeping with the SALGBC constitution and Section 33(3) of the Act, issue a compliance order in terms of which any person bound by this collective agreement is required to comply with the terms of this agreement, stipulating the alleged breach and requiring that such breach be rectified within ten (10) days of receipt of such compliance order.

16.3 The SALGBC may refer any unresolved dispute concerning compliance with any provision of this collective agreement to arbitration by an arbitrator appointed by the SALGBC.

16.4 If a party to an arbitration in terms of Section 33A of the Act is not a party to the SALGBC, and objects to the appointment of an arbitrator, the CCMA (herein referred to as "the Commission"), on request by the Council, must appoint an arbitrator.

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- 16.5 If an arbitrator is appointed by the Commission in terms of clause 16.4:
- 16.5.1 The council remains liable for the payment of the arbitrator's fee; and
  - 16.5.2 The arbitration is not conducted under the auspices of the Commission.
- 16.6 An arbitrator conducting an arbitration in terms of Section 33A of the Act has the powers of a commissioner in terms of Section 142 of the Act, read with the changes required by the context.
- 16.7 Section 138 of the Act, read with the changes required by the context, applies to any arbitration conducted in terms of Section 33A of the Act and clause 16.6.
- 16.8 An arbitrator acting in terms of Section 33A of the Act and clause 16.6 may determine any dispute concerning the interpretation or application of a collective agreement.
- 16.9 An arbitrator conducting an arbitration in terms of Section 33A of the Act and clause 16.6 may make an appropriate award, including:
- 16.9.1 Ordering any party to pay any amount owing in terms of a collective agreement;
  - 16.9.2 Imposing a fine for a failure to comply with a collective agreement;
  - 16.9.3 Charging a party an arbitration fee;
  - 16.9.4 Ordering a party to pay the costs of the arbitration;
  - 16.9.5 Confirming, varying or setting aside a compliance order issued by the General Secretary or his appointed designated agent; and
  - 16.9.6 Any award contemplated in Section 139 (9) of the Act.

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16.10 Interest on any amount that a party is obliged to pay in terms of this collective agreement accrues from the date on which the amount was due and payable at the rate prescribed in terms of Section 1 of the Prescribed Rate of Interest, Act 55 of 1975, unless the arbitration award provides otherwise.

16.11 An arbitration award in an arbitration conducted in terms of Section 33A of the Act and clause 16.6 is final and binding and may be enforced in terms of Section 143 of the Act.

16.12 If an employer upon whom a fine has been imposed in terms of this Section files an application to review and set aside an award made in terms of this clause 16.6, any obligation to pay a fine is suspended pending the outcome of the application.

**17. DISPUTES ABOUT THE APPLICATION OR INTERPRETATION OF THIS COLLECTIVE AGREEMENT**

17.1 Any person or Party may refer a dispute about the application or interpretation of this agreement to the General Secretary of the SALGBC.

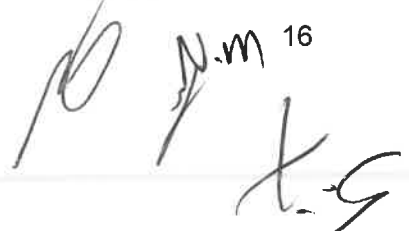
17.2 The General Secretary must appoint a conciliator from the national panel of conciliators, (doing so as far as possible on a rotational basis) to attempt to resolve the dispute.

17.3 If the dispute remains unresolved any of the parties to the dispute may request the General Secretary to appoint an arbitrator from the national panel of arbitrators, (doing so as far as possible on a rotational basis) to arbitrate the dispute.

**18. ENTIRE AGREEMENT, SEVERABILITY, WAIVER AND VARIATION**


18.1 This agreement incorporates the entire agreement between the Parties.

18.2 Any failure by any Party to enforce any provision of this agreement shall not constitute a waiver of such provision or affect, in any way, a Party's right to require

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performance of such provision at any time in the future, nor shall the waiver of any subsequent breach nullify the effectiveness of the provision itself.

18.3 If any provision of this agreement is held to be illegal, invalid or unenforceable, such illegality, invalidity and/or unenforceability shall not affect the other provisions of this agreement which shall continue to remain in force and effect.

  
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THIS AGREEMENT WAS CONSIDERED, ADOPTED AND APPROVED BY THE BARGAINING COMMITTEE OF THE CENTRAL COUNCIL IN TERMS OF CLAUSE 17.3 OF THE CONSTITUTION.

SIGNED BY THE PARTIES AT DURBAN ON THIS THE 15<sup>th</sup> DAY OF SEPTEMBER 2021.



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MEMBER OF THE SALGBC  
(REPRESENTING SALGA – MR X GEORGE)



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MEMBER OF THE SALGBC  
(REPRESENTING IMATU – MR K SWANEPOEL)



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MEMBER OF THE SALGBC  
(REPRESENTING SAMWU – MR N MOKGOTHO)



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GENERAL SECRETARY OF THE SALGBC  
MR SS GOVENDER