

Economic Outlook



Research by: POPCRU Research Unit

This research is a product of POPCRU's endeavour to make evidence-based negotiations to the government on wage adjustment review and other benefits for public servants. This research was conducted in the North West, Gauteng and Mpumalanga provinces.

Overview



Purpose of the research

- To explore the lived experiences of public servants represented by POPCRU on the cost of living.
- To determine how public servants represented by POPCRU prioritise their expenses amidst the skyrocketing cost of living.
- To highlight the preferred wage increase as informed by the expenses shouldered by the members.
- To identify other challenges the members, face in their discharge of duties.

Target population

- SAPS officers
- DCS officers
- Traffic police
- PSA appointees
- Shop stewards

Qualitative Research Approach



- ❑ The qualitative research approach was utilised because the researchers needed to interface with the participants in a natural setting and transact ideas on their diverse experiences (Creswell and Poth, 2018).
- ❑ Through the qualitative research approach, it can be posited that the findings are generalisable and transferable. This is because members' experiences with the unbearable economic climate are somewhat similar.
- ❑ **Sampling and Sample Size**
 - Purposive sampling
 - A total of 179 participants shared their views (Mpumalanga- 83), (North West- 41), and (Gauteng- 45).
- ❑ **Data collection methods**
 - Semi-structured interviews
 - Focus Group Discussions
 - Flexible and open-ended questions were utilised which enabled the interviewers to probe.
- ❑ **Data analysis**
 - Thematic Content Analysis (TCA)
 - The findings were categorised into themes.

Transport

- ❑ Fuel hikes and interest rates juxtaposed with eroded wages impede public servants from owning vehicles.
- ❑ Public servants face diverse inconveniences when resorting to public transport which is riddled with lack of scheduling and exposes members to crime especially when they are clad in their uniforms.
- ❑ Some police stations (Tweefontein, Mpumalanga) only have one vehicle.

Housing

- ❑ A 2-bedroom apartment in Gauteng costs around R800 000. This is more or less similar in other cities.
- ❑ If a constable who earns R14 733 per month is to get a housing bond, s/he will pay R8000 monthly instalment for 20 years.
- ❑ The R1600 housing subsidy is a drop in the ocean and does not make any difference if one is to either pay rentals or buy a house.
- ❑ Public servants do not qualify for both a housing and vehicle bond. Only one has to be prioritised.
- ❑ Housing subsidy to be reviewed to at least R6000 per month.

Findings



Education Summary of University Fees

The following table illustrates the increases in costs for South African registration fees and course fees across various universities and offered degrees.

University	Registration Fee for 2014	Registration Fee for 2019	Registration fee for 2024	BA	BCom	LLB	BEng
UCT	5000	5000	5500	71 400	66 140 To 98 140	72 570	80 750 To 84 060
University of the Witwatersrand	6 500	7 000	7 500 PG: 10 000	49 430 to 65 100	54 800 - 74 370	41 820 To 73 000	60 060
Stellenbosch University				55 036	57 006	55 843	74 487
University of Pretoria	6 500	7 000	7 500 PG: 10 000	37 000 To 59 000	48 000 To 66 000	47 000 To 67 000	56 000 To 64 000
University of Johannesburg	4500	5000	5 560	39 650	44 000	39 960	44 930
North-West University	7 500	9 000	11 810	30 000	45 400	45 500	60 000
Sol-Plaatje University	3 850	5 000	5 000	23 200	34 600	56 100	59 000
University of Venda	4 750	4 750	5 000	29 700	50 500	65 000	78 000
University of Limpopo	2 800	4 000	4 500	28 870	44 700	50 650	65 100
Tshwane University of Technology	1 200	1 500	1 500	45 900	50 000	65 140	69 430
University of Fort Hare	2 730	2 630	3 200	39 300	39 600	46 100	49. 00

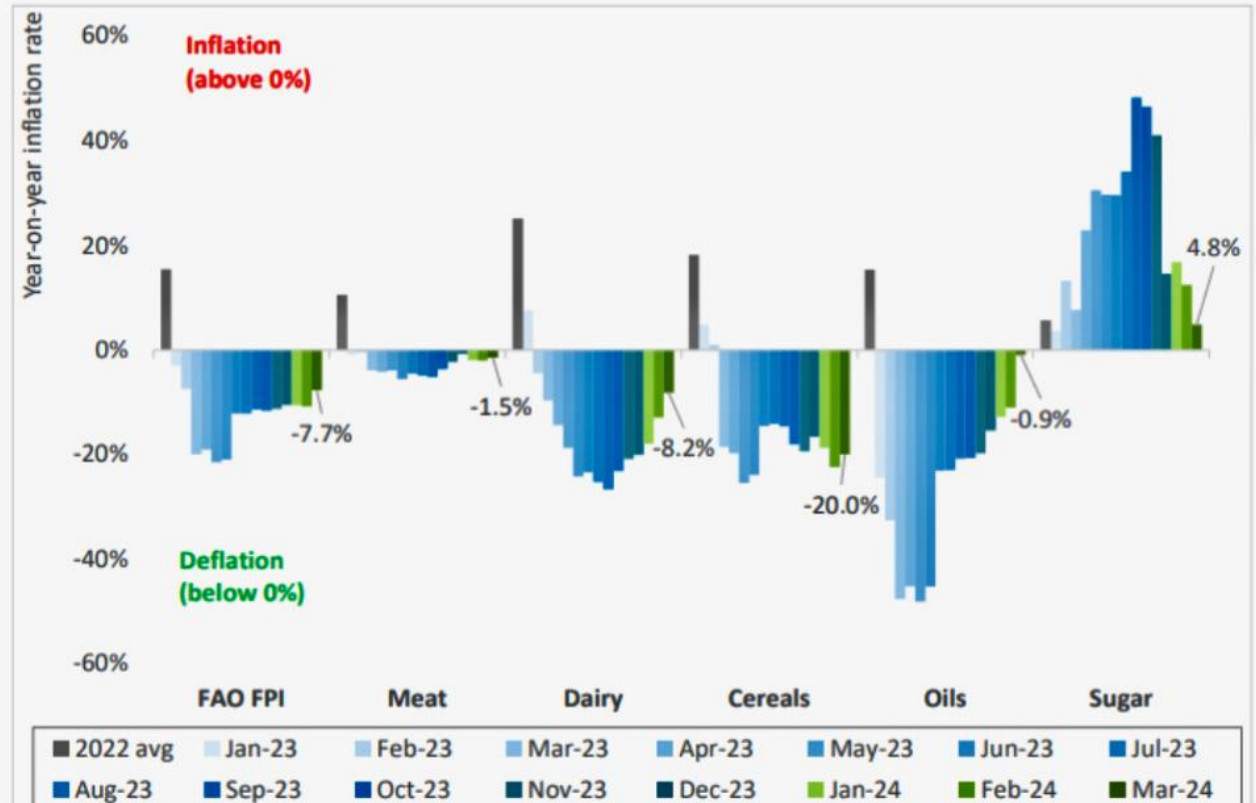
Education Summary of University Fees



- ❑ Public servants expressed deep concerns about the soaring costs of university fees, which have outpaced their stagnant salaries.
- ❑ Since most public servants do not qualify for the available funding mechanisms such as the NSFAS, they foot the expenses of exorbitant tuition fees and accommodation for their dependents.
- ❑ This research underscores the urgent need for comprehensive measures to address the economic disparities faced by public servants in accessing quality education for their families.
- ❑ The missing middle policy must be reviewed and aspire for an inclusive policy for instance those earning below R700 000 per annum should qualify.

Food Basket

- ❑ In April 2024: The average cost of the Household Food Basket is R5 336,31.
- ❑ Month-on-month: The average cost of the Household Food Basket increased by R58,38 (1,1%), from R5 277,93 in March 2024 to R5 336,31 in April 2024.
- ❑ Year-on-year: The average cost of the Household Food Basket increased by R312,36 (6,2%), from R5 023,95 in April 2023 to R5 336,31 in April 2024.
- ❑ With what public servants are currently earning, they cannot afford to buy food that can sustain them for a month.



Food and Agriculture Organisation (FAO, Food Price Index, 2024)

Medical Aid

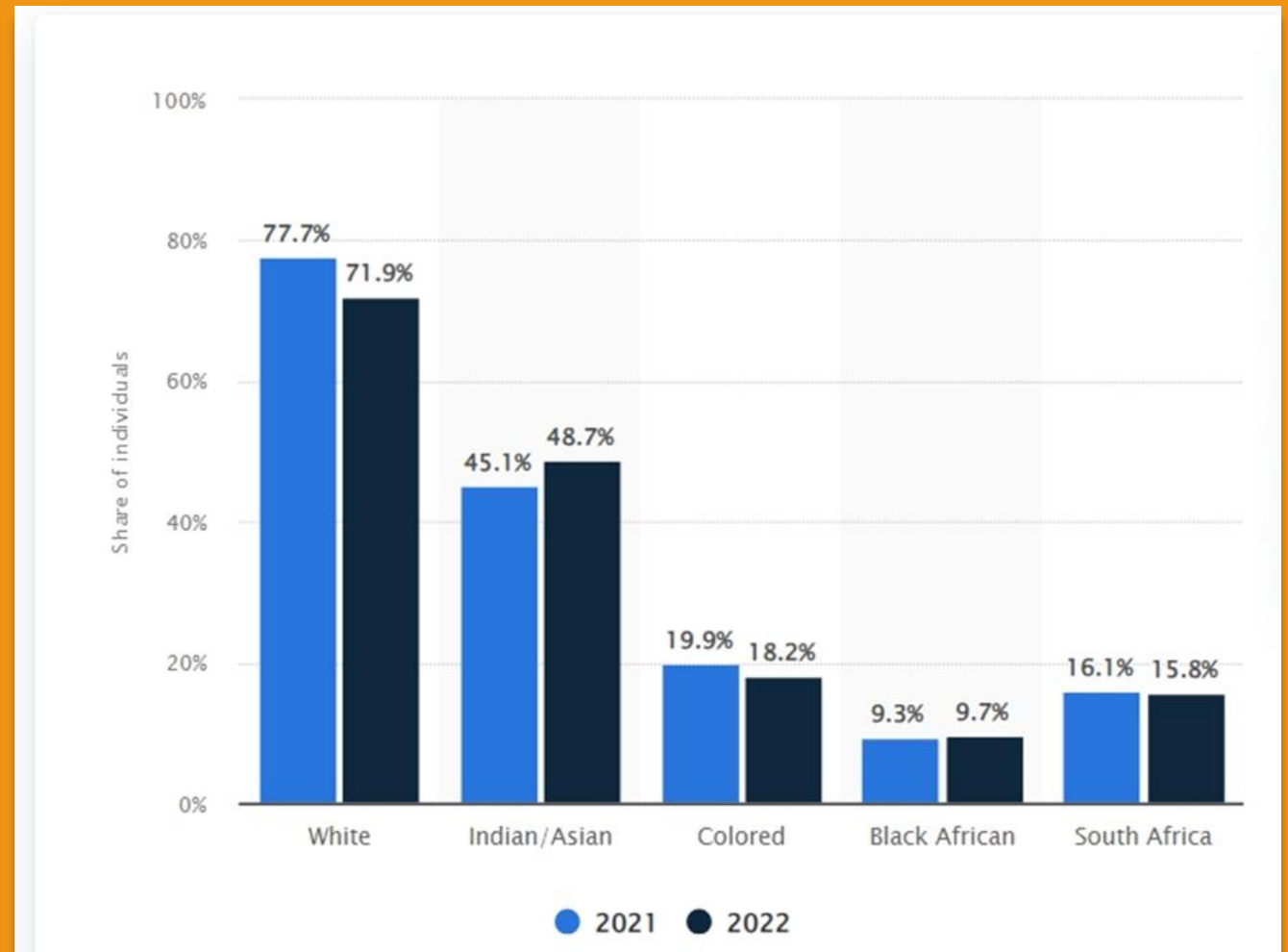
- ❑ GEMS (Government Employees Medical Scheme) must reduce the number of options available for members to choose from.
- ❑ At least remove four options and remain with two options to bridge the gap. This should be Beryl, Emerald Value, Emerald, and Onyx and remain with Tanzanite and Ruby.
- ❑ This is because the four options are much more expensive, and funds deplete before the financial year ends. Funds that are allocated for prescription or over the counter medication are not reasonable on Emerald value and Emerald considering the fact that the members pay high monthly premiums, yet the scheme has a selected few medication that they are willing to cover and some it only pays a fraction of the total, or members have to take cheaper alternatives to avoid paying from their own pockets. They also don't cover certain procedures including blood tests, this ends up requiring high co-payments after consultation.
- ❑ Tanzanite is a much more affordable option, but it has limited benefits. By removing other options, the scheme can adjust and add more benefits to this option. Allowing members access to any service provider that is closer to their residential location for those in rural areas or adding more healthcare providers on their network to avoid travelling and using their own funds for those that are in urban areas.

Medical Aid

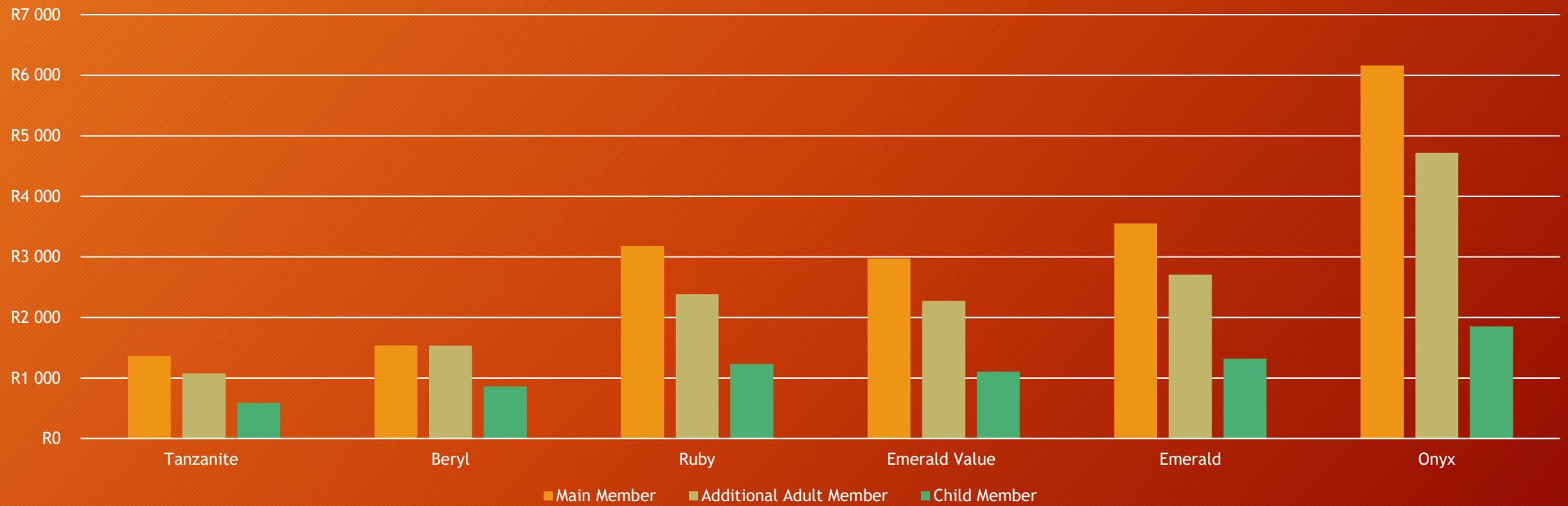
- ❑ Emerald Value offers its members premium benefits at an affordable rate as compared to Emerald and Onyx which are classified as high and top levels. Although it is lesser, it requires the members to nominate a GP, who must be a part of the GEMS network, as their first line of consultation when they seek medical care. A 30% co-payment applies on all GP claims received from a non-nominated GP. You must choose a hospital from the Emerald Value hospital network for your in-hospital needs.
- ❑ If you visit a non-network hospital (i.e. not included in the network hospitals on the Emerald Value Option) you have to make a co-payment of up to R12 000. If you're admitted into a network facility and the authorisation is not obtained (as per the Scheme rules), a late authorisation penalty of R 1 000 will be applied.
- ❑ The government should start prioritising mental health for its employees because they go through a severe condition in their line of work on a daily. This results in employees suffering from depression and anxiety.

National Health Insurance (NHI)

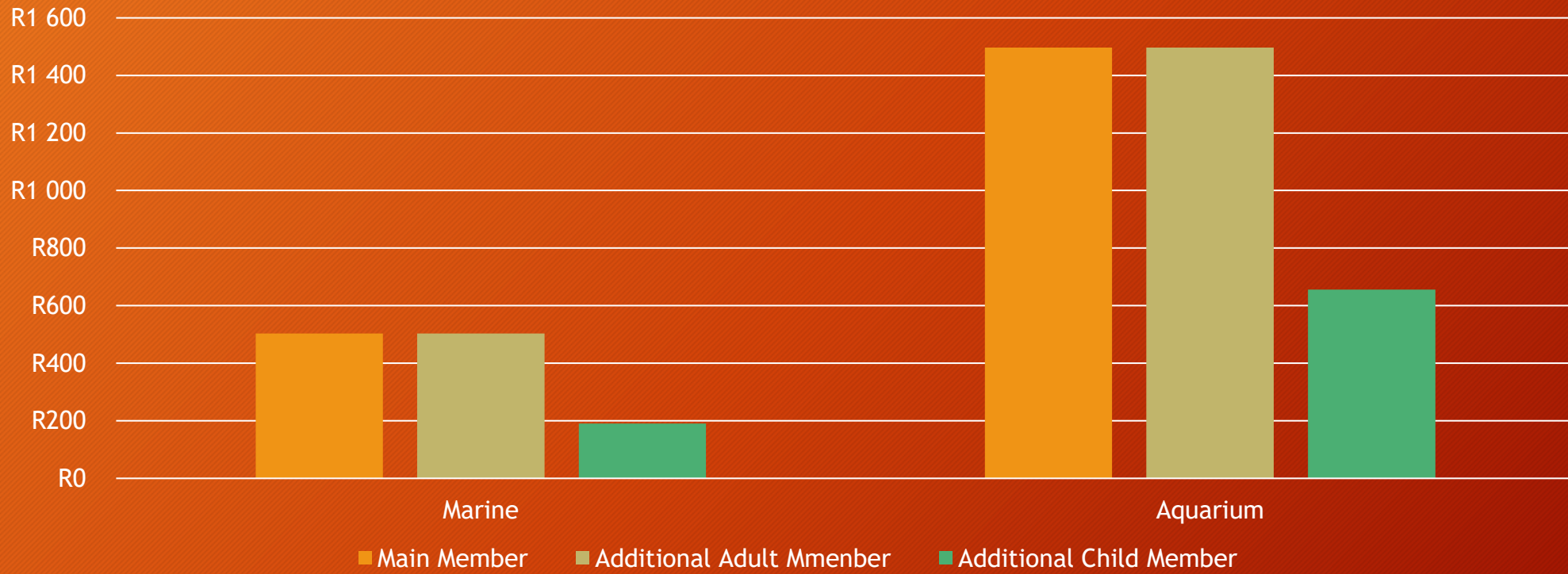
The above graph shows individuals who are members of medical aid schemes by population group. As of 2022, 15.8 percent of all individuals in South Africa were members of medical aid schemes, which presents a slight decrease from 16 percent recorded in the previous year. When comparing membership rates by population group, coverage by medical schemes were noticeably higher amongst white individuals (at 71.9 percent) and Indians/Asians (at 48.7 percent) than amongst coloured (at 18.2 percent) and Black Africans (at 9.7 percent).



GEMS



POLMED



Danger Allowance



- The danger allowance of R700 for SAPS members and R400 for DCS members is not commensurate with the level of risk faced by these members.
- PSA appointees do not receive danger allowance. Their omission from receiving a danger allowance disregards the fact that they are equally exposed to the same danger at a police station.
- There is a need to benchmark with the recently announced danger allowance for the Special Task Force and the NIU to create uniformity.
- Danger allowance for SAPS and DCS members to be pegged at **R6000**.
- PSA appointees to be considered for the danger allowance.
- Scientific research to be conducted on what constitutes danger from the viewpoint of public servants in the security cluster.

Findings



Clothing Allowance

- The current government offer of R1600 is not commensurate with the cost of clothes.
- PSA appointees are expected to buy formal wear, yet they do not receive the clothing allowance.

Resolution

- Public servants' uniforms should not be sold to any member.
- PSA appointees to be considered for clothing allowance.
- All public servants not required to wear uniforms should receive a clothing allowance to be pegged at R6000.

Proposed Wage Increase

- ❑ The general sentiments converged in proposing a double-digit from 10 to 15 per cent.
- ❑ The wage increase to be in monetary figures and not percentages.
- ❑ Importantly, the negotiators should advocate for the sliding scale which may be lobbied as follows;
 - Salary level 1-5 (15% increase)
 - Salary level 6-9 (10% increase)
 - Salary level 10-12 (7% increase)



Recommendations

- ❑ Scientific research to be conducted on mental health dynamics faced by public servants in a bid to foster psychosocial support and wellness strategies.
- ❑ To advocate for a clear promotion policy and upward mobility for PSA appointees and Traffic officers.
- ❑ To advocate for equal treatment of public servants in terms of the provision of the tools of trade (SAPS members and Traffic officers in Mpumalanga and North West provinces believe Gauteng-based stations are prioritised in terms of provision of tools of trade.
- ❑ Cross-cutting subsidies for all public servants from Ministers to the lowest rank in the public service.
- ❑ The newly established communication department needs to work hand in glove with the research institute for easy dissemination of research findings and other agendas to the POPCRU constituency.