WEEKLY INDUSTRIAL RELATIONS UPDATE

Sunday 16 April 2017

DISPUTES AND INDUSTRIAL ACTION

Kusile power station protest

Last Monday a protest by 600 employees at Eskom’s Kusile power station in eMalahleni entered its sixth day, with employees demanding better working conditions and skills development. Police reported 25 arrests to date after protestors have been intimidating other employees and also blockaded the transport ferrying Kusile employees.

Bus strike resolved

The nationwide bus strike was resolved over the weekend with National Union of Metalworkers of SA (Numsa), in addition to the other unions, agreeing to the employer proposal. The employer proposal is for a 9% across-the-board wage increase, overtime pay for drivers after working a 16-hour shift, a 10% night shift allowance increase and a 10% cross-border allowance increase.

Social development strike suspended

Social workers belonging to the National Education Health and Allied Workers’ Union (Nehawu) are expected to return to work this week following a five-week long strike. No formal announcement has yet been made regarding any agreement reached except that there were still several outstanding issues before the national bargaining council.

Untu seeks strike mandate at Prasa

The United National Transport Union (Untu) is seeking a mandate from members to strike at the Passenger Rail Agency of SA’s (Prasa) after the refusal by the latter to increase its final wage offer of 6%. According to Prasa, it was in dire straits with a 1.8 billion deficit that would be carried over to the next financial year, which could lead to it not being able to pay current salaries. The Commission for Conciliation, Mediation and Arbitration (CCMA) apparently issued a certificate of non-resolution of a dispute, after Prasa management returned to the conciliation without a new mandate.

Wage negotiations at Rhodes University deadlocked

Rhodes University is arguing financial distress in the current wage negotiations with unions and wants to cap salary increases at 5% in order to remain viable. However, support service workers want an increase in line with inflation and wage negotiations have deadlocked. In an internal memorandum, vice-chancellor Sizwe Mabizela said that a single percentage increase in the salary bill was equivalent to R4m and that the current offer thus translated into an additional R20m in salaries.

Samwu strike in Giyani

Protests started following nearly 350 SA Municipal Workers Union (Samwu) members’ discontent over corruption and maladministration in the Giyani municipality. The union has accused the municipal authorities of irregularly awarding tenders and nepotism.

Month-long strike at Normandien Farms (Newcastle)
Striking farmworkers, who have been squatting in the bush for more than a month, have declared not to return to work until their demands have been met. Part of the dispute is the refusal of farmer Lawrence Hoatson to recognise the Democratised Transport Logistics and Allied Workers' Union, which claims to represent 250 workers at Normandien Farms, in Newcastle. Operations have been at a standstill at the farm since workers went on strike on 6 March to protest over poor working conditions and the lack of compliance with the sectoral minimum wage. The protest escalated last week, when four workers were injured after allegedly being shot by security guards hired by Hoatson, prompting the intervention of agriculture MEC Themba Mthembu. His spokesman, Khaye Nkwanyana, said the MEC had invoked the Land Tenure Act to return the workers to their homes.

**REMUNERATION**

**Prasa’s Letsoalo was entitled to 350% pay hike**

One of the first tasks for the reinstated Passenger Rail Agency of SA (Prasa) board will be to pay Collins Letsoalo several million rand in back pay. This follows a ruling by the Pretoria High Court that Letsoalo, who was fired from his position as acting group CEO for increasing his salary by 350% in February, was in fact allowed to the increased amount of R5.9 million. The board’s firing of Letsoalo was apparently the trigger that led to former transport minister Dipuo Peters’ decision early to remove all but one member of the board four months before the end of its term in March. Judge Peter Mabuse ordered that the board be reinstated and the interim board (that Peters had appointed) be removed.

**JOB MARKET, JOB CREATION, RESTRUCTURING AND RETRENCHMENTS**

**Serito Resources to buy Anglo’s Eskom-tied coal operations**

Led by Mike Teke, Seriti Resources has agreed to buy Anglo American’s Eskom-tied domestic thermal coal operations for R2.3bn. This transaction will make the company the second largest supplier to Eskom, supplying almost a quarter of Eskom’s current annual coal provisions. Seriti is owned by four anchor stakeholders: Masimong Group, Thebe Investment, Zungu Investments and Community Investment. Seriti’s directors include Mike Teke, Thebe Energy & Resources CEO Sizwe Mncwango, Sandile Zungu of Zungu Investments and Community Investment chairperson Dr Anna Mokgokong. The amount payable will be adjusted for cash flows generated by the operations between 1 January 2017 and the date when the transaction is completed, Anglo said in a statement on Monday. They expect the sale to be concluded by the end of 2017.

**New energy minister delays signing off of Eskom PPAs**

New Energy Minister Mmamoloko Kubayi has delayed the signing off of Eskom’s Power Purchase Agreements (PPAs) with key renewable energy independent power producers (IPPs). The SA Renewable Energy Council (Sarec) noted, with concern, that the deadline set by the previous minister of energy for financial closure of outstanding PPAs would not be met. President Jacob Zuma directed Eskom in his 2017 State of the Nation Address to finalise the signing of the PPAs for these IPPs. Eskom blamed its decision to speed up its neutralising schedule of five coal power stations on the Renewable Energy Independent Power Producer Procurement (REIPPP) programme, which legally obliges it to buy all the power produced by private wind and solar plants. The National Union of Metalworkers of SA, as well as the National Union of Mineworkers, has directed its anger at the REIPPP programme, saying it should not be allowed to cause the loss of about 20,000 jobs.

**Evander mine re-opening by 15 April**
On Monday Pan African Resources (PAR) said that the R40 million renovations of underground shafts at subsidiary Evander Gold Mines in Mpumalanga would be completed by this weekend. In February the company announced the suspension of underground operations at Evander in order to allow for the renovation and maintenance of Evander’s 7 and 8 shaft infrastructure. In March, PAR announced that it had reached an agreement with the National Union of Mineworkers (NUM) to retrench 976 (30%) of Evander’s employees at an estimated cost of R54 million as a result of the revamp. The company said the retrenchment of the 976 workers at Evander was progressing and was due to be completed within a month. NUM and the company signed the retrenchment agreement after facilitation by the CCMA and NUM agreed to help prevent the closure of the mine, which would have affected more than 2,000 employees.

**R4.5bn plant investment in Richards Bay will bring jobs**

KwaZulu-Natal MEC for Economic Development, Tourism and Environmental Affairs Sihle Zikalala supervised the signing ceremony relating to an R4.5bn investment into a titanium dioxide pigment production plant in Richards Bay. The plant’s strategic partners comprise the Richards Bay Industrial Development Zone and Nyanza Light Metals and Avertana, a New Zealand-based company. It will produce titanium dioxide pigment, a product used in paint, toothpaste and colourants for food products. Construction will commence next year, while production is expected to begin in late 2019. About 550 permanent jobs will be created when the plant is operational and 1,200 indirect and 800 direct jobs will be created during construction.

**LEGAL, LEGISLATION AND COMPLIANCE**

**Clamping down on bogus colleges**

The Department of Higher Education and Training (DHET) is continuing its battle to shut down unregistered institutions. Since 2012 the department has laid 21 criminal charges against the owners of bogus colleges nationwide. Out of the 21 cases, one owner fled the country stalling the case, three have no case numbers and the rest are still under investigation. The colleges have been accused of making false claims about the qualifications they offer and who are operating without registration. The department is also aware that several of these colleges had resurfaced under different names in different locations.

**UNION ISSUES**

**Saftu loses bid at Nedlac to join last Wednesday’s protest action**

The newly established South African Federation of Trade Unions (Saftu) lost its first application for protest action, which it sought at the National Economic Development and Labour Council (Nedlac) in terms of section 77 of the Labour Relations Act. Saftu’s stayaway action would have overlapped with last Wednesday’s national day of action planned by opposition parties. The failure to secure a protest action certificate meant that Saftu's potential affiliates – speculated to be 21 unions representing 700,000 workers – could not participate in the protest at the Union Buildings on a protected basis. The application to Nedlac was heard by business, government and labour representatives on Friday afternoon. However it was dismissed because the newly established federation could not demonstrate that government and business representatives had failed to intervene in the concerned areas.

**HEALTH AND SAFETY**

**Fake sick notes**
False medical certificates issued by corrupt doctors have resulted in an investigation by the Health Professions Medical Council of SA (HPCSA). The HPCSA confirmed that it was investigating 50 doctors for issuing fraudulent sick notes. Occupational Care SA (Ocsa) estimates that the distributing of fraudulent medical certificates is costing R12bn annually due to illness-related absenteeism from work. Gauteng leads in sick note fraud with 25 doctors under investigation, while the Western Cape has 19 cases and KwaZulu-Natal has three. Ocsa data also shows that on average between 15% and 30% of staff are absent on any given day. In its estimation two-thirds of employees who fail to show up at work are not physically ill. If a doctor is found guilty of issuing false sick notes, he/she is liable to pay a R10,000 fine by the HPCSA for each fraudulent note.

**Surge in attacks on Western Cape paramedics**

Paramedics in the Western Cape are increasingly coming under attack when responding to emergencies, with many fearing for their lives. Two employees of the Melomed hospital chain's ambulance service were attacked in Athlone ten days ago. EMS spokesperson, Robert Daniels, said there were about 46 crime related incidents involving ambulances and paramedics between January and August 2016.

**Anglo American Platinum takes heat at AGM on increase in fatalities**

Anglo American Platinum’s (Amplats’) top executives were interrogated at the company’s annual general meeting about the sharp increase in the number of workers killed from 2015 and 2016. Questions were raised about the failure to disclose the amount paid to the grieving families. Corporate activist Theo Botha asked what was being done to make safety improvements and why fatalities were not given more prominence than the 3% component in the key performance indicators for the CEO’s remuneration. CEO Chris Griffith specified that the number of fatalities had fallen from 25-30 a year a few years ago to two in 2015, which showed the level of effort that had gone into attempting safety precautions. Other measurements, such as lost-time injuries, had also improved. The increase in deaths in 2016 was unsatisfactory and efforts to tackle safety had redoubled.

**Police killings back in the spotlight**

Police killings have come under the spotlight with the deaths of 79 officers between 2015 and 2016. On Thursday, close to a 100 police officers from Diepsloot embarked on a peaceful march against a lack of safety in the area. Almost 100 cases of murder have been investigated at the Diepsloot Police Station in the past year and police feel that crime in the community is putting their lives at risk. Police have also urged community members to assist in the fight against crime.

**EMPLOYEE BENEFITS**

**R10bn unclaimed in mineworker’s retirement funds**

According to the Presidency, there is R10bn of unclaimed former mineworkers' retirement benefits in various pension and provident funds. Some of these date back to the 1970s. The 1970s Mineworkers’ Provident and Pension funds has already paid over R20m to 7,200 former mineworkers, while the Amplats provident fund has paid R6.4m to 488 workers. No statistics could be obtained from the Mineworkers’ Provident Fund which is currently the largest fund in the mining industry.