WEEKLY INDUSTRIAL RELATIONS UPDATE
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DISPUTES AND INDUSTRIAL ACTION

Sasol workers dispersed with rubber bullets

Last Monday hundreds of protesting Sasol workers were dispersed with rubber bullets and tear gas at the Ekandustria site outside Bronkhorstspruit. The protesters were demanding a transport allowance of R1,500 up from R350. Workers became violent when they realised the company was continuing with production, despite an agreement for activities to remain suspended amid authorised demonstrations.

Outsourced workers block entry to TUT campus

Police had to intervene last Monday when temporary workers at the Tshwane University of Technology (TUT) blocked the entrance to the main campus in Pretoria West, preventing staff and students' buses, from entering. About 100 protesters, which included security guards, catering staff and cleaners, told staff and bus drivers to park their vehicles outside the gates and walk in. They are demanding a minimum salary of R5,000 and have accused management of backtracking on a previous agreement by offering them only R3,800.

Strike by Nelson Mandela Bay refuse workers ends

Striking Nelson Mandela Bay refuse workers, members of the SA Municipal Workers Union, returned to work last Monday following a week-long stay away that saw garbage bags pile up in suburbs. The workers downed tools over long hours without overtime pay and “unpalatable” working conditions. The terms on which the workers returned to their jobs have not yet been confirmed.

NUM alleges racism at Kimberley Ekapa Mining

The National Union of Mineworkers (NUM) at Kimberley Ekapa Mining Joint Venture (KEM JV) said that it was concerned by the manner in which the mine management was allegedly treating the workers and victimising the Num leadership at the mine (particularly the branch Chair and Secretary). This comes after a slew of allegations of racism, suspensions and ill-treatment of union members.

Taxi drivers block Durban roads

The South African Taxi Association reportedly is behind the protest action in Durban (blocking roads and protest action) because of the escalating cost of the Toyota Quantum since it was introduced in the country 10 years ago. During this time the price of a basic Quantum taxi has apparently doubled to R400,000.
Cosatu intention to march to Union Buildings over state capture

Cosatu decided at its central committee meeting to stage a march to the Union Buildings to protest against state capture, but no date was set in this regard. This decision came after some of the trade union federation’s affiliates unsuccessfully proposed a march to the ANC’s headquarters, Luthuli House, to demand that President Jacob Zuma should step down as head of state.

Nehawu ends wage strike at University of Pretoria

Following a week-long strike by the National Health and Allied Workers’ Union (Nehawu) at the University of Pretoria (UP) over a salary increase (among other things), an agreement has finally been reached. Nehawu embarked on the strike last Friday, demanding a 13th cheque, an 8% salary increase, and better medical aid. On Tuesday, Nehawu and the university signed an agreement that an increase of 7%, with a once-off payment of R3,000, will be applicable for staff in post levels five to 10. For staff at post levels 11 to 17, a 7.5% increase and a R3,000 once-off payment would apply. Additionally, the university agreed that Nehawu and other labour unions would be able to participate in the appointment of a medical aid broker. Another point of contention had been the establishment of a 13th cheque and it was agreed that it would be phased in over a period of four years, by deducting a percentage from the annual negotiated salary increase. Nehawu members returned to work on Tuesday. Salary negotiations for 2018 will start in August.

Mangaung strikers reject metro’s salary offer

Olly Mlamleli, executive mayor of the Mangaung metro, says that the municipality’s employees, including striking SA Municipal Workers’ Union (Samwu) members (who are on strike already for more than three weeks), will receive a salary increase of 7.36% from 1 July. This will be as deliberated upon on in the bargaining council and in line with the budget. Mlamleli was responding to a query as to whether provision has been made in the municipal budget for the strikers’ wage demands, which include adjustments of up to R3,000 per month per worker. Samwu has rejected the 7.36% offer. According to Mlamleli, a process is also underway in terms of which all posts are being re-evaluated and which, after approval by the bargaining council, Salga and the labour forum, will lead to post adjustments from 1 August. But, Pule Molalenyane, national president of Samwu, said there was no consensus about that process. He said the workers were sticking to their demands, which included a R3,000 monthly adjustment for each worker, as well as a R40,000 once-off payment.

UWC open to mediation process over outsourcing dispute

The University of the Western Cape (UWC) says it is open to a mediation process with aggrieved workers who are demanding an end to outsourcing at the institution. On Wednesday, a group of workers and students staged a picket at the university’s Bellville campus. Activist Shaheed Mohamed said they were ready to negotiate.

JOB MARKET, JOB CREATION, RESTRUCTURING AND RETRENCHMENTS
SA’s unemployment rate hits a 13-year high of 27.7%

Statistics SA’s Quarterly Labour Force Survey released on Thursday showed unemployment in SA to be at its highest level since September 2003. The unemployment rate of 27.7% in the first quarter was up 1.2 percentage points from the fourth quarter of 2016. The youth unemployment rate rose by 1.6 percentage points to 38.6%, with 58% of unemployed people aged between 15 and 34. The economy added 144,000 jobs during the quarter, but this was offset by the number of job-seekers surging by 433,000 people. Growth in employment was seen in all industries except agriculture, trade and services. Employment was boosted by growth in the manufacturing sector, which added 62,000 jobs, and in the finance and other business services categories, which added 49,000 employees. Mining added 26,000 jobs. Unemployment increased and remained unchanged in all the provinces except the Northern Cape where it decreased.

Group Five lays off 149 employees

Group Five has streamlined the business units in its engineering and construction (E&C) cluster from 11 to four, resulting in a simplified management structure and a reduction of 13% (149) in the number of salaried employees. The streamlining of the cluster forms part of a restructuring by the listed construction and engineering group in February that it confirmed at the time would result in further voluntary and forced retrenchments. Group Five already slashed its number of employees by 23.5%, (2,841 people) between June 2015 and June 2016. In an update on the restructuring process released on Monday, the company said it continued to make progress in the implementation of the restructure of the E&C cluster to unlock shareholder value. It said the simplified management structure and reduced number of salaried employees in the E&C business was part of the realignment of the cluster's overhead costs, which were on track.

Retrenched Evraz employees received 13% of their packages as planned

Business rescue practitioners for Evraz Highveld Steel and Vanadium, which went bust amid an influx of cheap imports, said that 13% of monies awarded to the steel producer’s 2,000 retrenched employees had been paid in full. Evraz filed for business rescue in 2015. Employees have been paid approximately 13% (R3.5 million) of the total amount owed to them. The last payment to employees was made on April 12, 2017. Trade union Solidarity confirmed that the payment of the retrenchment packages was in line with the practitioners’ original plans in terms of which 10% of the retrenched packages would be paid by November 2016 and the balance as money trickled in. The practitioners also said that the Evraz structural mill was up and running after the company’s subsidiary Highveld Structural Mill signed a manufacturing agreement with ArcelorMittal SA last December.

Introduction of sugary drinks tax up for debate amid concern about job cuts

On Wednesday early parliamentary public hearings on the Rates and Monetary Bill commenced, which includes the proposed sugary drinks tax. Government and union leaders have raised concerns that industry might blame planned job cuts following introduction of the tax. Cosatu
said that while the labour federation was worried about any job losses resulting from a tax, there was also a danger that the industry could use the tax to its advantage. The entire sugar industry was in decline and 15,000 jobs had been lost in the last few years. The Beverage Association of SA (BevSA) has previously claimed that up to 70,000 jobs were in danger. The Treasury previously estimated that about 5,000 jobs would be at risk, but that was before the tax proposal was reduced from 20% to around 11% on a can of Coke. BevSA’s estimates were published before the tax was revised, but they still claim that 4,000 to 6,000 informal outlets would be closed as a result of the tax and that the total job losses would number around 24,000.

**Brian Molefe removed as Eskom CEO, board might go too**

On Wednesday, Government ordered that Brian Molefe’s return to the helm of Eskom be rescinded and conceded that it had inflicted reputational harm on the country and the power utility. Public Enterprises Minister Lynn Brown said she had met with the Eskom board and instructed it to remove Molefe from the post, following a decision by an inter-ministerial commission that considered the circumstances surrounding his controversial reappointment earlier this month. She also claimed that she would appoint an acting CEO within 48 hours, and hinted that she could also remove the board next month over the debacle that drew criticism from the ANC and sent the opposition to court to demand Molefe’s removal.

**Net1 says Belamant pay justified because shareholders forced him out**

Net1 UEPS Technologies’s new chief executive officer, Herman Kotze, said a severance payment to the company's founder and former CEO that was criticised by the company's biggest shareholders was justified because they forced him into early retirement. Net1 agreed to pay Serge Belamant R104.51 million and an approximate 14% premium on more than 1 million shares that he owned after he agreed to step down amid a controversy over the Sassa contract the company holds to distribute billions of rands of welfare payments to 17 million people. Belamant will also be paid a monthly consultancy fee to consult for the company for a two-year period after his early retirement. Net1’s second-biggest shareholder Allan Gray said it was outraged and the biggest investor, the International Finance Corporation, said it was frustrated with this development. Belamant’s three decades of service was taken into account, as was his income that was forfeited due to his early retirement, Kotze said.

**RENUMERATION AND EMPLOYEE BENEFITS**

**Cape Town to subsidise bus rides for unemployed to facilitate job seeking**

Cape Town City says it will be making provision for up to R6.6 million to pay for and subsidise bus rides for unemployed people. This is aimed at promoting access to transport for job seekers to enable them to access opportunities easier. Many people are giving up looking for work because travel costs are a barrier. The city wants to implement this initiative to take away the barrier of travel costs which sometimes prevents people from being able to access job opportunities. The city will introduce the free service during off-peak hours. Plans are under way for the initiative to come into effect by the end of September.

**Showdown looms at Parliament wage negotiations**
A showdown is looming should Parliament and its employees not resolve an impasse on salary negotiations. Workers sang and danced in the parliamentary precinct on Monday afternoon, minutes before Speaker Baleka Mbete, her deputy Lechesa Tsenoli and Secretary to Parliament Gengezi Mgidlana briefed journalists on the national legislature's R2.2 billion budget to be tabled on Tuesday. Mgidlana indicated that negotiations with Nehawu were still open and that various options were being looked at. He dismissed claims by staffers that retrenchments and a zero percent salary increase were the only options being looked at.

LEGAL, LEGISLATION AND COMPLIANCE

Mining Charter: Zuma lauds new mining charter

President Jacob Zuma said that SA's long awaited new mining charter had been approved by the Cabinet and would be gazetted in a few weeks. Delivering the Presidency budget speech in Parliament, Zuma said that through the charter the government sought to ensure that black people participate meaningfully and effectively in the sector, while it remained competitive. The Chamber of Mines has threatened legal action against the government should it impose the new conditions, saying they would frighten off investors. The Chamber said the organisation had not received any feedback from the government regarding the concerns it had raised in the past. One of the key objections to the new charter is that the industry could face additional levies and taxes of anything between R2bn and R3bn.

Mining Charter: NUM had talks with DMR on revision of mining charter

The National Union of Mineworkers (NUM) had in depth stakeholder engagement with the Department of Mineral Resources (DMR) regarding the impending mining charter redraft. Luthando Brukwe, head of transformation at the NUM, said that in the engagement the union had asked for at least 10% of mining companies to be owned by employees. It also asked that it be mandatory for producers to help employees buy their own homes. On the principle of 'once-empowered, always-empowered', the NUM advised that it should not be recognised (this is the notion that credits given to mining companies for empowerment transactions be recognised by the DMR in perpetuity even if the black-owned party concerned redeems the investment).

Illegal Limpopo chrome miners to appear in court

Five people involved in illegal mining of chrome in Limpopo were expected to appear in Sekhukhune and Mecklenburg courts on Monday. The suspects were arrested last week during an operation by the police and the Department of Mineral Resources during which five backhoe loaders; two trucks and two vans suspected to be used in the illegal mining activities were confiscated. Preliminary investigations indicate the machinery and the trucks were hired from Gauteng. Loads of unprocessed chrome, ready to be loaded, were discovered at the sites in Mecklenburg and Malipsdrift.

Eight police officers bust for alleged corruption in KZN
Eight alleged corrupt police officers – including two female officers - were arrested at the Golela Port of Entry in KwaZulu-Natal on Tuesday. The police ministry indicated in a statement that the officers would be charged with crimes such as corruption, extortion, defeating the ends of justice as well as forgery and uttering.

**Nkandla disciplinary hearing postponed**

The latest disciplinary hearing into alleged wrongdoing committed in the R246m upgrades to President Jacob Zuma’s Nkandla homestead was postponed on Thursday — for the third consecutive time. Jayshree Pardesi, Pretoria-based national director of key accounts management, appeared at her hearing in Durban on Thursday, but an argument over incomplete ‘vital’ documents meant it could not go ahead. She is one of 10 public works officials accused of flouting tender processes that led to controversial architect Minenhle Makhanya being appointed to lead the Nkandla upgrades project. She made her first appearance in October 2014 before the hearings were put on ice. In the last two months, Pardesi’s colleagues, Sibusiso Chonco — deputy director for utilisations and contracts in the Durban office — and Rakesh Dhaniram — also a director of key accounts for the national department of public works — had their hearings postponed. Pardesi’s hearing will continue from 18 to 20 July.

**COMMUNITY**

**Anglo Coal reaches settlement with ex-miners that they can stay on in their Kriel houses**

On Tuesday, Anglo American Coal agreed that 34 retired mineworkers and their families can continue staying in Eskom-owned houses in Kriel. This was notwithstanding a Magistrate’s Court ruling in August 2016 which had granted the company eviction orders. The settlement took place in anticipation of an appeal hearing in the High Court in Pretoria against the lower court’s ruling, which had been brought by Lawyers for Human Rights (LHR). Anglo dropped its opposition to the appeal and the High Court set aside the order made by the Magistrate’s Court. According to LHR, Anglo could not prove that it was the “person in charge” in accordance with the Prevention of Illegal Eviction from Unlawful Occupation of Land Act (PIE) and so had not been entitled to bring the application for the eviction orders.

**HEALTH AND SAFETY**

**Body of Eskom employee discovered at work two weeks after missing report**

Eskom said on Tuesday it was saddened by the discovery of the body of its employee, Thembisile Yende, at the Springs substation in Ekurhuleni. Yende was reported missing two weeks ago and she was last seen when she went to her workplace in Springs late in the evening on 17 May. Her family went to the police station to report her missing after she did not return home and was not answering her phone. Eskom said it was working closely with the SA Police Services (SAPS) to establish the circumstances under which Yende died.

**Farm workers’ ill-health and stress could threaten food security**
Farm workers’ battles with lifestyle diseases, HIV/AIDS and substance abuse are likely to threaten SA's food security. According to Agility Corporate, which provides healthcare risk-management solutions to medical schemes, a sickly workforce is likely to result in loss of productivity, adding to the many challenges SA farmers have to deal with, including drought, farm attacks and issues of land ownership. Diabetes and cardiovascular diseases are common among farm workers and the negative effect of stress, psychological trauma, substance abuse, financial worries and workers living with chronic illnesses were likely to worsen farm workers’ state of health.

INTERNAL UNION DEVELOPMENTS

Cosatu president risks removal

Cosatu president S’dumo Dlamini risks being removed from his position if he further brings the labour federation into disrepute. This follows his apology early last week at the Central Committee meeting for his attendance and supporting speech as President Zuma’s birthday party. It is understood that the National Union of Mineworkers (NUM), while it has accepted Dlamini’s apology, took a decision at their caucus meeting prior to the Cosatu central committee meeting that this should be the last apology accepted from him.

At the end of the conference, Cosatu president S’dumo Dlamini was given an ultimatum to both stand firm and take the union federation's resolutions seriously or else an alternative leader will be elected to head the organisation. This warning came from the National Union of Mineworkers’ (NUM) Peter Bailey, who was making the NUM’s declaration in the closing session of Cosatu’s 6th central committee (CC) meeting on Thursday. These remarks follow Dlamini’s decision to not state the federation’s stance on who should succeed President Jacob Zuma in December during his opening address on Monday. This prompted Cosatu’s first deputy president, Tyotyo James to take to the podium and unapologetically affirm the federation’s posture that Deputy President Cyril Ramaphosa should take over the reins of the ANC and the country.

Cosatu in the red as union affiliates struggle to pay subscriptions

Cosatu has run up a deficit of more than R10m in the past two years due to difficulties in its income collection, a decline in membership and financial instability in some of its affiliates. In its financials presented to its central committee (CC) meeting, the labour federation says the financial challenges have led to difficulty in the maintenance of overall federation operations and delivery of congress mandates. Seven of Cosatu’s affiliates, including the SA Municipal Workers’ Union (Samwu), the Communications Workers Union (CWU) and the SA Transport and Allied Workers’ Union (Satawu), are not in good standing after failing to pay monthly subscriptions. The situation is so dire at Satawu that it became the first affiliate in Cosatu’s history to stay away from the CC meeting due to a financial crisis. Cosatu general secretary Bheki Ntshalintshali indicated that Cosatu was losing at least R1.6m a month in unpaid subscriptions as a result of the difficulties faced by affiliates.