



**REPORT 3 OF 2015**

**NHLS BARGAINING LABOUR FORUM MEETING  
HELD ON 28 APRIL 2015**

**Presentation of Financial Status of NHLS**

The Acting Chief Executive Officer and the Chief Financial Officer felt that it was important to provide an overview of the NHLS's financial position to the labour forum negotiators.

The CEO indicated that the organisation is going through a challenging time, and most posts are frozen due to an unavailability of funds to fill vacant posts. A total of 1 300 staff have resigned, which places the NHLS in a position that is forced to pay an overtime bill that is becoming extremely high. An additional 400 staff members are needed in key positions as a matter of urgency, but the NHLS does not have enough budget to appoint them.

Yet, recently, the Minister of Health spoke on Radio 702, claiming that the NHLS is now financially viable because they have paid their suppliers. Labour wanted clarity in view of the Minister's statement. The CEO indicated that the Minister was responding to a question posed by a journalist, which suggested that the NHLS did not even have money to pay salaries – never mind suppliers.

The CEO told negotiators that the organisation's financial situation had improved compared with November 2014, when they had R70-million in the bank, which was not even enough to pay two months' salaries. However, he added that while the NHLS is now in a position to pay suppliers, it is still owed R5.2-billion by provinces – and each month there is uncertainty as to whether the provinces are going to pay.

This climate of uncertainty was cited as one of the reasons that NHLS management is unwilling to grant an increase of 6% or 7% – and then risk finding itself in a situation where it is unable to pay salaries in the near future.

## **Salary Adjustment 2015/2016**

The Employer did not improve on its previous offer of a **5.5%** salary increase, which is not acceptable to Labour.

Labour is demanding a salary increase of **8%**.

Labour was on the verge of declaring a dispute, when the Employer proposed the implementation of new pay scales alongside the **5.5%** salary adjustment – with the implementation date backdated to 1<sup>st</sup> April 2015 for current employees.

The Parties resolved that the Employer will circulate a new offer, detailing the proposed new pay scales. This will enable Labour to do its own calculations between the current and proposed pay scales, alongside the **5.5%** salary adjustment, to ascertain how much members will benefit.

Labour will also solicit a fresh mandate from members as soon as the Employer's new offer is received.

*– Released by the Office of the General Secretary*