



## WAGE NEGOTIATIONS UPDATE (MEDICROSS)

REPORT 1 OF 2017

3 FEBRUARY 2017

ON 1 February 2017 the Health and Other Service Personnel Trade Union of South Africa (Hospersa) participated in the first round of wage negotiations with Medicross.

Hospersa's wage demands were tabled as follows:

1. A wage increase of 8% across the board;
2. Medical aid subsidy increase of 11%;
3. A housing allowance of R800;
4. Twilight Allowance of R30 (from the current R27);
5. Post-retirement medical aid for employees with more than ten years' service;
6. Applying the principle of equal pay for equal work; and
7. Addressing salary disparities.

Medicross took a strange angle in their offer, attempting to link annual cost of living increases to performance-based pay increases. Attempting to justify this approach, Medicross proposed that only employees who met particular performance standards would receive an increase. The proposed increase started a below-inflation figure of a mere 4%. Medicross also warned that employees who did not reach the targets set by its performance management system, would receive a zero-percent adjustment. Medicross also rejected Hospersa's other suggestions outright and threatened that, if negotiations were not concluded by 3 March 2017, increases would not be back-dated and employees would forfeit the

additional money for the period in question.

Hospersa was amazed by this antiquated and unfair approach displayed by the Medicross negotiators. We decided to reject this approach with exception. It was even mentioned that Medicross was at best not following good HR practice and at worst, displaying unconstitutional behaviour.

It was clear that the Medicross negotiators had no grasp of the actual purpose of annual wage increases, which is to address the rising cost of living due to inflation and increased household expenses. This phenomenon is quite accurately determined by the Statistics South Africa as the Consumer Price Index (better known as the CPI).

The CPI is widely accepted by employers and trade unions as the basic minimum for fair remuneration and annual wage increments, also known as cost of living adjustments.

The current CPI (December 2015-December 2016, year-on-year, urban and rural combined) was measured to be at 7%.

Medicross' opportunistic approach of setting an arbitrary figure and then linking it to performance, is therefore totally unfair.

Hospersa indicated its concern with the reckless approach of the Medicross negotiators, and therefore signalled a deadlock and possible declaration of a dispute.

The Medicross team looked uncomfortable and requested an urgent caucus to review their strategy.

Upon their return, it seemed that Medicross saw the light and hurriedly withdrew their ludicrous offer. Instead it then opted to make an across-the-board offer, albeit one of a mere 4%, exactly 3% under CPI.

Medicross then adjourned the meeting and confirmed that the next sitting will be on 8 February 2017.

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*If you are not yet a member of Hospersa, we invite you to immediately become a member of the premier trade union in the health and service sectors.*

*Contact your Provincial Office on the numbers below and we will process your application as soon as possible.*

**Eastern Cape (043-722-3776)**  
**KwaZulu-Natal (033-342-6847)**  
**Northern Cape (053-842-2001)**

**HOSPERSA OFFICES**  
**Free State (051-448-4659)**  
**Limpopo (015-295-3272)**  
**North-West (018-462-3692)**

**Gauteng (011-791-2243)**  
**Mpumalanga (013-752-6199)**  
**Western Cape (021-591-9283)**