



Private Sector Pulse

NATIONAL HEALTH LABORATORY SERVICE (NHLS)

REPORT 6 OF 2017

18 JULY 2017

AS it was previously reported the Health and Other Service Personnel Trade Union of South Africa (Hospersa) referred a dispute to the Commission for Conciliation, Arbitration and Mediation (CCMA) after wage negotiations deadlocked.

The dispute was set down for conciliation on 13 June 2017 and extended to 21 and 22 June 2017.

The employer still could not meet our demand for a 7,3% increase. We then requested the CCMA Commissioner to issue us with a certificate of outcome indicating that the dispute remains unresolved and our members can embark on a protected industrial action. We then started with the process of acquiring mandates from the members on whether or not to embark on industrial action.

Alarmed by the impasse, the Director General (DG) of the National Department of Health (NDoH) intervened and requested a meeting.

The meeting with the DG took place on 11 July 2017 and this is what transpired:

NHLS made a presentation and reiterated that even though our demand is reasonable, it has no budget to afford any increase.

NHLS pointed out that its failure to afford an increase is largely attributed to provinces' non-payments for services rendered by NHLS in all public hospitals. NHLS also stated that the

allegations of corruption by its senior officials have also contributed to its poor financials.

We pointed out that we acknowledge the dire financial situation at NHLS but stated that members should not bear the brunt of the alleged corruption by the suspended senior officials.

The Director General (DG) then put in an offer of 3% annual increase while our demand is 7.3%. The DG pleaded with us to consider this offer citing that it is all that the NDoH could afford.

The DG reminded parties that in the 2015/2016 financial year, NHLS received a bail out from NDoH and the bailout was later regarded as an audit query by the Auditor General.

The DG further informed us that NHLS is facing the same dire financial situation as in 2015/16 financial year.

The DG cited the employer's earlier presentation saying that an amount of R800 million is needed immediately to fund the wage increase demands or the institution will not be able to pay November 2017 salaries.

We responded to the DG by acknowledging the intervention but rejected the 3% offer as it is far below our demand.

We proposed that the NDoH or the National Treasury come to the rescue of the financially strapped NHLS.

We also agreed that the NHLS funding model needs to change. Currently, the

Provincial Departments of Health are given the budget from Treasury to pay for services rendered by NHLS and often decide not to process the payments.

The DG informed us that there is a bill in Parliament which proposes that the budget for NHLS services be paid directly to the organisation. This will enable NHLS to render services without having payment backlogs from Provincial Departments.

The DG further informed us that it will report the matter to the Minister of Health and the Health Committee. The DG will then convene a follow up meeting with us during the course of this week.

We will keep members informed on developments.

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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)
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Free State (051-448-4659)
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