



MEDICROSS WAGE NEGOTIATIONS

REPORT 2 OF 2024

15 FEBRUARY 2024

The Medicross wage negotiations commenced on 1 February 2024 and 13 February 2024. Notwithstanding the fact that we negotiate on behalf of clinics where we have a majority, any substantive agreement we reach is applied to all Hospersa members and other employees within the bargaining unit.

Negotiations have reached the point where the employer has no tabled its final offer and we need to obtain mandates from members on whether to accept or not.

Our Demands are as follows:

1. 10 percent across the board increase (ATB)
2. Increase in monthly contribution to the Netcare Medical Scheme by 10% (Current contribution is R2682.00 p.m.)
3. Housing assistance to low-income earners.
4. Implementation date of 1 March 2024

Employers' Opening Offer are as follows:

1. The employer's opening offer on ATB was 4% and no increase on medical aid subsidy.

In support of its opening offer, the employer cited that its holding company (Netcare PTY (LTD) had been subsidising Medicross after years of operating losses and now expected a return on investment.

The year ahead was expected to be a challenging one with restraints on growing revenue in private healthcare due to stagnation in private medical aid membership and people buying down.

Medicross has experienced fewer patient visits, also due to increased competition from retail store clinics.

Medical scheme funders have pressurised the employer into concluding sub-inflation tariff increases which places pressure on their margins.

The employer also raised issues of having to close two centers, a decline in the number of unique patient days, load shedding, increased competition and various other issues.

The employer's strategy will be to balance the total cost of employment to ensure sustainability of the business. It claims it can no longer afford to pay increases higher than the revenue received but wanted to

ensure employees receive a salary increase.

Hospersa's Position:

The employer's opening offer was rejected by the negotiating team. The employer was reminded of the hardships of the employees who faced ever increasing financial pressures themselves and were also victims of loadshedding, lack of economic growth, rising inflation, particularly food and transport costs and many other factors. Employees still remained the backbone of the organisation and deserved a fair and reasonable increase.

Further robust negotiations took place between the parties where both parties moved on their respective demands and offers. It has been agreed to move the long-standing issue of housing assistance to the National Consultative Forum after the employer presented evidence of it having engaged with stakeholders such as FNB to look at various options.

On 13 February, after making various increased offers on the ATB and medical aid, the employer then tabled its final offer of 6% across the board and an increase of the medical aid subsidy to R2856.00 an increase of R174.00 p.m.



As this is a final offer, we now require mandates from members whether to accept or not. In order for members to take an informed decision, the following should be taken into account:

1. Anticipated average salary increases on a national basis for 2024 is 6.1 percent (various sources)
2. CPI for 2022 was 6.9% - we received a 7% in 2023 based largely on this.
3. CPI for 2023 was 6% - the final offer is in line with this and above the anticipated CPI of 5.1% for 2024.
4. The business does face some challenges financially and it is in the interests of both parties that it be sustained. In the interests of our membership, we cannot demand unreasonable increases.
5. Netcare PTY (LTD) is a listed company on the JSE and the financials of the group and Annual Reports, including Medicross are made public and subject to scrutiny.
6. Had Hospersa not had organisational and bargaining rights, the employer would likely have unilaterally given employees of Medicross a 4% or less increase.
7. The union is not aware of any other salary increases higher than 6.2% in any of the other private healthcare institutions in the country.

Implications of not accepting the final offer

Should we not accept the employer's offer then:

1. We will have to declare a deadlock and refer a dispute to the CCMA;
2. Should there be no resolution, we will either have to then go on strike (limited to those members who fall outside the essential services determination) or refer the matter to private arbitration;
3. This process will take weeks to months to finalise and the employer will not implement the increase until the process is finalised.
4. No work no pay will be implemented for those that go on strike.
5. Should the mandate be to not accept, a strike ballot will have to be held before going on strike.

Provincial offices are in the process of collecting mandates in this regard."



HOSPERSA OFFICES

Eastern Cape (043-722-3776)
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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)

Why join Hospersa?

Individual indemnity cover of up to **two million rand** per member (exclusion apply)

Death benefit of **R5 846** for principal members after 6 months of membership

Professional legal assistance for labour-related issues at the CCMA and Labour Court

Collective bargaining **negotiating salaries** and other substantive conditions of employment.

Trained, democratically elected **shop stewards**.

Representation at **disciplinary hearings**, grievance procedures and incapacity processes

Representation on **various committees**, including Employment Equity and OHS

General Meetings with members

Bilateral **meetings with management**

Service provider benefits including **discounts on services** and stays at holiday resorts.