



NETCARE 2024/2025 WAGE NEGOTIATIONS

REPORT 3 OF 2024

21 FEBRUARY 2024

Further to the last feedback after the commencement of wage negotiations in Netcare hospital division, further negotiations took place on 8th, 19th, and 20th February 2024.

Notwithstanding the fact that we negotiate on behalf of hospitals where we have a majority, any substantive agreement we reach is applied to all Hospersa members and other employees within the three bargaining units.

The three bargaining units comprise administration, technical support services and nursing.

Negotiations have reached the point where the employer has now tabled its final offer and we need to obtain mandates from members on whether to accept or not.

The consolidated demands are as follows:

1. **ATB Salary increase percentage: 10%**
2. **Proposed medical aid subsidy percentage: 10%**
3. **Housing assistance**
4. **Allowances to be increased by 10%**
5. **Meal Allowance to be increased from R100.00 to R200.00**

6. **Implementation date 01/03/2024 (if the wage agreement is concluded after these dates, then the union demands that the increase and benefits be retrospectively back dated to 01/03/2024)**
7. **Cellphone allowance for ward administrators.**
8. **Long Service Award – quantum to be increased.**

The negotiation process thus far

The employer's opening offer on ATB was **4%**.

In support of its opening offer, and subsequent offers, the employer cited that its offers were based on needing to find a balance between giving a fair and reasonable increase with sustaining the long-term viability of the business.

The problems they faced were, amongst many, that occupancy levels were still below pre-Covid levels which negatively impacted on revenue, the Remuneration Committee had only improved an increase in the overall wage bill equivalent to CPI and the tariff increases received from the medical aids was less than CPI.

The employer had also implemented austerity measures such as not filling vacant positions in order to save costs.

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, and all other subsequent offers have been 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

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stakeholders such as FNB to look at various options. We have removed the demand for an increase in long service award values in order to increase the value of the ATB.

parties made and countered the following ATB demands / offers over the four days of negotiation:

Our Demand Employer's Offer

10%	4%
9.5%	4.75%
9.0%	4.75%
8.75%	5.0%
8.25%	5.1%
7.75%	5.2%
7.25%	5.75%
6.75%	6.0%
6.5	6.1%

The Employer's Position:

As part of its opening offer the employer made no movement on increasing the meal allowance, medical aid, or any other allowance.

There has been various movements on these demands.

The negotiations have now concluded without any agreement, with the employer's **final offer** being as follows:

1. **ATB - 6.1%**
2. **Meal Allowance - 5.5% increase.**
3. **Technical Allowance - 5.5% increase.**
4. **Call Out Allowance - 5.5% increase.**

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5. Medical Aid subsidy Increase of R174.00 (from R2682 to R2856 pm)

Those who work reduced hours will receive a pro-rata increase.

Please also note that initially the employer offered a slightly larger ATB increase for nurses as part of their strategy to retain scarce skills.

It has always been the position of Hospersa that we negotiate equally across all three bargaining units, and this was not our demand and therefore the extra allowance for nurses should not be funded from the monies going to the ATB.

Strategically this was not a demand as the employer will in any event pay the increased ATB to nurses to our members when they do so. Effectively nurses will then receive an ATB of 6.3%.

Hospersa's Position:

The increase in allowances and medical aid has been accepted. We stand at currently stand at **6.5%** on ATB.

The way forward:

As this is a **final offer** from the employer, 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

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- 2024 is 6.1 percent (various sources)
2. CPI for 2022 was 6.9% - we received a 7.2% 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. There is a moratorium on filling non-critical posts as part of austerity measures to contain costs.
5. 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.
6. Netcare PTY (LTD) is a listed company on the JSE and the financials of the group and Annual Reports, are made public and subject to scrutiny.
7. Had Hospersa not had organisational and bargaining rights, the employer would likely have unilaterally given employees a 3 or 4% or less increase.
8. We are not aware of any other salary increases higher than 6.2% in any of the other private healthcare institutions in the country so far this year.
9. The difference between what the employer's final offer is and what our last demand was is R40 on a salary of R10 000 per month.

Implications of not accepting the final offer:

Should we not accept the employer's offer then:

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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 which will have little impact) or refer the matter to compulsory arbitration.
 3. This process will take weeks to months to finalise, and the employer will not implement the increase until the process is finalised. The increase will therefore not be implemented with effect from 1 March). On a R10 000pm salary, this will mean a loss of R610 per month to gain R40.00.
 4. There are only four or five CCMA arbitrators equipped to deal with an interest-based arbitration which will cause a delay in setting the matter down.
 5. Any gains that we may achieve from arbitration (at most 0.4%) will be negated by only receiving the increase some months down the line.
 6. No work no pay will be implemented for those that go on strike.
 7. Should the mandate be to not accept, a strike ballot will have to be held before going on strike.
- decision to accept on previous year's increases as there are many economic factors that inform the position of the employer and our demands.
5. Provincial offices are in the process of collecting mandates in this regard and members will be requested to simply indicate their acceptance of the final offer or not'.



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.

Whilst we will always want more than the employer is prepared to give, members are urged not to base their

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