

PUBLIC SECTOR - TRANSPORT - ~~GENERAL~~ LABOUR

1996

More rail delays unless talks end strike

Staff Reporters

CAPE TOWN rail commuters should expect further delays in getting home tonight — unless today's talks between Cape Metro Rail conductors and the management resolve the strike.

Thousands of train commuters were affected as the wildcat strike by drivers and 160 of 270 conductors entered its second day today.

Louis Holtzhausen, manager of train services for Metro Rail, said about half the scheduled trains were operating during the morning rush hour.

"Fortunately, passenger figures are relatively low at this time of the year, so though the commuters are inconvenienced, there are trains running."

Later spokeswoman Riana Jacobs said "We hope the negotiations today will resolve the strike."

It would be easier if people could organise alternative transport, she added. However, those who depended on trains should expect delays.

The management did not want to respond to the conductors' grievances through the Press, she said, but she understood the issue was about a change of shifts which had resulted in less overtime for conductors.

She expressed surprise about the concern that fewer conductors would put passengers at risk from gangsters.

"We employed 43 community police in December and are enlarging our own security force."

Yesterday thousands of grumbling commuters sat on motionless trains at Cape Town station as workers and management negotiated over issues including security and a staff demand to work overtime.

It emerged that a report in The Argus of an assault on three young girls on a southern suburbs line at the weekend raised the ire of Metro Rail conductors who claimed the thugs may have been arrested if there had been a controller aboard.

Conductors claimed Metro Rail management had made a farce of its promise to ensure the safety of passengers by withdrawing conductors from a large number of trains each day.

They alleged that the management was interested only in saving money and not in the safety of passengers.

Drivers walked out yesterday in sympathy with the conductors' demands.

Metro Rail management replied with a brief statement in which it said the "decision of adapting work methods was jointly agreed to" after consultation with recognised labour organisations.

"If there are any further problems, there are recognised channels through which they can be addressed," a spokeswoman said.

Strike strands city commuters

ET 4/1/96

270

MELANIE GOSLING

THOUSANDS of commuters were stranded at Cape Town station yesterday after Cape Metro Rail conductors went on a wildcat strike that disrupted train services throughout the Peninsula and as far as Strand and Wellington.

Conductors, who are on strike in protest against a management decision to remove conductors from some trains, said late yesterday that the strike would continue today and lead to further delays and cancellations.

Metro management has advised rail commuters to make alternative travel arrangements today.

About 270 conductors went on strike from noon yesterday on all Metro lines to the city.

A spokesman for the conductors, Mr William Muir, said only four conductors had not joined the strike.

"We are striking because management wants to take conductors off the trains. Four years ago we had four men — a guard and three conductors — on an eight-carriage train. Now we have one conductor on an 11-carriage train," he said.

The management had refused to meet and discuss the matter with them yesterday, saying they would talk only to the

recognised unions.

"It is not we who don't want to work but management that won't let us work," he said.

"This strike is also about passenger safety. The trains are already unsafe, and with no conductors it will be chaos."

Conductor Mr Mark Jones said: "We help keep the skollie element away. If they know there are no more conductors, it will give them a free hand on the trains."

Thousands of commuters poured into Cape Town station after work yesterday, unaware of the strike. Looking tired and irritated, they milled about on platforms, waiting.

Officials used loudhailers to announce departures, and with each announcement, hundreds of passengers rushed to board the train. Then they often had to wait up to half an hour for the train to leave.

There were long queues at the station's public telephones, where only two of the six coin-operated telephones were working.

For safety reasons, officials would not allow trains to leave with a driver only.

In a statement Cape Metro Rail apologised to passengers for the strikers' "irresponsible actions".

The decision to adapt work methods had been jointly agreed to after consultation with labour, it said.

Court order against striking conductors

~~STAFF~~
STAFF REPORTER

(270)

ET 5/16/96

METRO RAIL management obtained a Supreme Court order yesterday to restrain wildcat striking conductors from taking part in an unlawful work stoppage.

The interim interdict also prohibits them from interfering with Metro business, occupying Metro's premises, except to work, and intimidating fellow employees.

About 270 conductors went on strike from noon on Wednesday on all Metro lines leading into the city to protest against a management decision to take conductors off trains.

The conductors said the strike was also about passenger safety and with trains already unsafe, chaos would reign if conductors were removed.

Following the court order,

management and representatives of the striking conductors met yesterday to resolve the strike.

The wildcat strike followed a "joint decision" to cut excess overtime, Cape Metro manager Mr André Harrison, said.

"Management considered the conductors' alleged concern for the safety of commuters as a smokescreen since they were never trained or used as security officers."

In December Metro deployed 43 community police officers to supplement their security corps and will also be appointing extra security staff this year.

Mr Harrison said although tram services were close to normal during off-peak times, more delays were expected during the peak period this afternoon and tomorrow morning when trains were required to run more frequently.

Court order ends 2-day train strike

(270) (270)
Labour Reporter *ARLT* 5/1/96

THE two-day strike by conductors which left thousands of Cape Town rail commuters stranded has ended and trains are running normally.

This follows Cape Metro Rail being granted a Supreme Court interdict restraining wildcat strikers from taking part in unlawful work stoppages or from interfering with Metro Rail business.

The court order prohibits conductors from occupying Metro Rail's premises, except for work purposes.

A spokesman for Cape Metro Rail said negotiations with representatives of the conductors were continuing.

The two-day wildcat strike by 160 conductors was sparked by a decision to cut excess overtime.

Strike disrupts harbour

JOHANNESBURG: An SA Railway and Harbour Workers' Union strike yesterday stopped operations at East London harbour after management decided to take disciplinary steps against three union members

The strike has disrupted off-loading of imported maize, but an oil tanker yesterday managed to discharge its cargo

Sapa

~~(Sapa)~~ (270) et 10/1/96

Bus drivers go on strike

By Themba Sepotokele and
Wilson Ramothata

THOUSANDS of commuters in some parts of Gauteng were left stranded yesterday when Putco bus drivers embarked on a strike in protest against claims of unfair dismissal of six drivers

Commuters in areas such as Lenasia, Soweto and Ennerdale used alternative transport to take them to and from work

Sowetan 12/1/95 (270)
because of the strike called by Transport and General Workers Union

TGWU spokesman Mr Elliot Sitole said six drivers were dismissed over the period of three months for collisions beyond their control

Putco's director, Mr Fred Stamp, could not say how many buses were grounded but was confident that the matter would be resolved

Late yesterday buses blockaded the entrance to Putco's New Canada depot

while union officials and management were locked in a meeting

Meanwhile, general-secretary of Cosatu Mr Sam Shilowa told members of Post and Telecommunications Workers Allied Union that the 24 hour national strike would continue next Tuesday even if the Government agreed to halt privatisation

Potwa marched on the Gauteng legislature in Johannesburg yesterday

R83,3-m home project launch

By Shadrack Mashalaba

TRANSNET will officially launch its new R83,3 million housing project later this month

The project is aimed at bringing home-ownership within reach of its employees by the turn of the century

Known as Vision 2000, the project hopes to build 1 205 homes this financial year. As a step towards that goal the company last year converted an under-utilised Phahameng hostel, in Mangaung, 4km from Bloemfontein CBD, into family units

External communication manager, Ms Ronnie van Jaarsveld said the first phase of the project is expected to be completed in the first quarter of this year at a cost of R4,7 million

"Of the 172 units, 42 will be available for rent to existing hostel dwellers while the remaining 130 units will be sold to both Transnet employers and private individuals on a 60 to 40 per cent basis," she said

Sowetan 19/1/76

Spoornet hitches itself to engine of affirmative action

ST (PT) 21/1/95

(270)

ROGER MATTHEWS reports on an ambitious programme to empower blacks in South Africa's railway industry

FEW industries internationally have been more bound by tradition than railways. Son-follower father promotion depended on length of service, jobs were rigidly defined, overstaffing was endemic, and hierarchies stubbornly resisted change.

South African railways were no different, but with the important added ingredient of the apartheid system which dictated that management was almost exclusively reserved for whites and the least skilled jobs for blacks. As one long serving manager says "I have to admit that many of my colleagues saw themselves as the guardians of apartheid, not least because it was a guarantor of their jobs, and those of their children in the years ahead."

The commercial writing was already on the wall for South African railways with the onset of recession at the end of the 80s which led to a sharp decline in business and greater losses. But it was to be matched, and then exceeded, by the pace of political change culminating in the 1994 general election which brought the ANC to power.

The combination of these commercial and political pressures has forced unprecedented changes on the industry, and nurtured the challenges faced by South Africa as it re-enters the world economy.

The commercial part of the process was launched in 1990 when the National Party government reorganised the transport sector. Transnet was established as the company with overall re-

sponsibility for the state-owned transport sector, and the railways, remained Spoornet, became one of its operating subsidiaries. The aim was to eliminate losses, improve efficiency and deliver a service to customers which would meet the challenge of road haulage. There was also a desire to bring more blacks into management, in anticipation of the political changes still to come.

To that has now to be added the new government's programme for the restructuring of the state sector, of which the hotly debated issue of privatisation is part. Stella Sigcau, Minister of Public Enterprises, is among those senior ANC members who strongly believe that black empowerment must be a central part of that process.

This argument has been given added force by the impact that the reorganisation of Spoornet has already had on the labour force, with total employment having fallen from 162 000 to 65 000 in the past six years. Inevitably, black workers have suffered most from the loss of jobs. Spoornet, which derives 98% of its business from long-haul freight and just 2% from passenger services, may have turned the corner with profits last year of R734-million, but the racial composition of management has been slower to change.



ALL ABOARD Black railway employees can look forward to their destination

Anton Verwey, the deputy head of human resource development at Spoornet, says that the issue of black empowerment must be seen within the overall commercialisation process, but admits that the targets set by the company are a reflection of the demographic composition of the country. In particular, the targets have been set to conform to the objectives outlined by the Black Management Forum. If achieved, this would mean

that by the end of 2000, blacks employed by Spoornet would form 80% of all trainees, 70% of supervisors, 50% of junior management, 40% of middle managers, 30% of senior managers and 20% of executive directors. Put another way, the overall composition would be 70% black and 30% white.

To move towards this objective Spoornet has adopted a 13-point human resources plan, which has at its core a commitment to appoint two blacks for every white, and to promote from within wherever possible. Evaluations are based on competence, rather than on formal qualifications and experience. This is supplemented by the most ambitious training programme within the state sector. During a 12-month period over 500 people will attend an intensive two-week course designed specifically for Spoornet by the US consultants Mercer Management Consulting, and aimed initially at experienced whites and new entry non-whites at middle management levels and above.

At the technical level, a computer-based business game has four teams competing against each other for business as they absorb the fundamentals of railway management, including planning, marketing and operations. At a personal level it means putting together long-

established white managers, who often feel they have little new to learn, with new black entrants who may have been with Spoornet only for a few months. Mercer executives, and the 15 Spoornet staff they have trained to oversee the programme, admit that entrenched racial attitudes are sometimes hard to overcome, but that there are also cheering examples of individuals acknowledging the skills and personal qualities of people with whom previously they would have had no professional or social contact.

The other key aim of the programme, according to Mr Verwey, is to instil in entrants a deep affection for the industry.

"There is huge competition in South Africa today for really capable people, so not only do we have to attract and train them, but we also have to keep them. We are hoping to make them fall in love with railways and keep alive the old belief that the railway is a job forever, something they join for life," he said.

Motivating middle-ranking white staff to believe they still have a future in Spoornet is no less of a problem, since their prospects for advancement have all too obviously been reduced.

Critics of the programme argue that Spoornet is attempting to tackle too many issues simultaneously, by forcing the pace of black empowerment while trying to become a more profit-oriented business. They might also reflect that is the challenge which no less faces the nation — *Financial Times*



WRONG SIDE OF THE TRACKS The policy of apartheid ensured that black employees had few opportunities beyond unskilled jobs

Transnet in plan to slash pension deficit

(270) BD 26/1/96 (270)

Mungo Soggot

TRANSNET is planning to encourage employees to switch from its pension fund to a provident fund — a move which could halve the pension fund's deficit at a stroke.

Officials at the transport parastatal said yesterday a transfer would not only help it cut the deficit on its defined-benefit pension fund, but would also allow employees greater flexibility when cashing in retirement entitlements.

Transnet chairman Louise Tager confirmed the plans, but stressed that any changes to the current setup would have to be approved by Public Enterprises Minister Stella Sigcau.

The deficit, which stood at R4,2bn at the end of March last year, has haunted the parastatal's financial results for years. Five years ago, when Transnet was commercialised, it was R17,2bn.

Analysts said Transnet had even resorted to the controversial move of issuing more debt to fund the shortfall.

In its last financial year the company reported its first profit since commercialisation, with a post-tax surplus of R118m (R279m loss).

An official said Transnet expected about half of its employees to move to the provident fund, which could halve the pension fund's deficit.

Continued on Page 2

Transnet

(270)
(300)

Continued from Page 1

BD 26/1/96
Under the defined-benefit scheme, Transnet has a liability to make good any underfunding or shortfall in the pension scheme. This deferred liability disappears in the case of a provident fund. However, its obligation to make an immediate payment if pension fund members shift the actuarial value of their pension entitlement to the prov-

ident fund could remain.

The official said employees would benefit as they would be able to withdraw a larger lump sum on retirement or when leaving the company. Pension fund rules limited the cash withdrawal to one-third of the value of an employee's retirement fund.

Some Transnet sources believed the scheme was being promoted by managers close to retirement who wanted to take larger cash lump sums. Others suggested the scheme would encourage older staff to retire.

Transnet starts housing plan

BD 1/2/96
Robyn Chalmers

TRANSNET Housing yesterday began its national conversion of under-utilised hostels into family units, with the launch of Bloemfontein's Phahameng hostel.

The conversion of hostels into family units is part of Transnet's drive towards home owner-

ship for its employees.

The organisation has plans to spend R83,3m on building 1 205 houses during the current financial year.

Transnet Housing corporate relations manager Derek Grobler said the process of converting single quarters into 172 family units at Phahameng hostel would be realised in phases this year at a cost of R7,5m

Transnet would rent 42 units to existing hostel dwellers, while the remaining 130 units would be sold to Transnet employers and private individuals. Prices ranged from R42 000 for a 50m² unit to R56 000 for a 75m² unit

Grobler said the project had been guided and managed by a committee consisting of Transnet housing management, as well as representatives from the local authority, community leaders, local builders and trade union representatives.

Houses on sale for Transnet workers

By ANDILE NOGANTA

270
11/2/96

APPROXIMATELY 5000 Transnet employees will become first-time home owners by the end of this year. Executive Manager of Transnet Housing Johan van der Westhuizen announced at the opening of the Phahameng Housing Project this week

The R7,5 million project has transformed the old Transnet hostel complex into family units

The project, which is the first of its kind in the Free State, also marks the first time these units have been sold to Transnet employees

Of the 142 units built out of the old hostel, 42 will be available for rent to the existing hostel dwellers. The remaining 130 will be sold to Transnet Employees and private individuals

The units will range in price from R42,000 for the smaller unit to R62,000 for the larger units

Van der Westhuizen said that a unique feature of the project was that it was "one of the first to receive the government's capital subsidy" - from the Free State Provincial Housing Board.

This means that a subsidy of up to R15,000 will be made available to new home owners who qualify, he said

270
11/2/96

Transnet warns of strike over fund

(270) (270) (270)
OWN CORRESPONDENT

Star 15/2/96
Thousands of Transnet workers would embark on a strike and bring transport services to a halt if the Government meddled in their R20-billion pension fund, SA Footplate Association general secretary Chris de Vos said yesterday

If the Government meddled with the R20-billion of members' money, they would embark on an unprecedented strike that would cripple the country's major transport services

De Vos said trustees of the Transnet Pension Fund had sought an urgent meeting with Minister of Public Enterprises Stella Sigcau and Minister of Finance Chris Liebenberg to get clarity on plans to restructure the pension fund

"It is time that the Government decided whether the fund is a state pension fund or not. It is not acceptable that they interfere when it suits them. The money in the fund belongs to the members, and the Government must stay out of it," De Vos said

The Government says it wants to restructure the fund because it is fraught with racial distortions

Government-funded transport management course up and running

By **PATRICK PHOSA**

The shortage of qualified transport professionals has prevented the Government from exercising its strategic role in transport policy formulation and management.

"The transport sector has been unable to make a full contribution towards the broader objectives of economic development and social equity," said Transport Minister Mac Maharaj yesterday at the official opening

of his department-funded transport executive management diploma course at Rand Afrikaans University in Johannesburg

Initially the course will focus on government employees

In line with its commitment

to human resource development and to further the objectives of the RDP, the Transport Department had undertaken to fund the full cost, estimated at R900 000, for the establishment of the course

MILESTONES

Star 27/2/96 (270)

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Maharaj moves to upgrade skills of transport workers

JOHANNESBURG. - The "desperate" shortage of suitably qualified professionals in the transport industry had prevented government at all levels from exercising its strategic role in transport policy formulation, the Minister of Transport, Mac Maharaj, said

He made this point yesterday while opening a transport executive management diploma (TEMD) course, funded by his department, at Rand Afrikaans University (RAU) in Johannesburg

Mr Maharaj said the transport sector had also been unable to make a full contribution towards the broader objectives of economic development and social equity.

To this end the Department of Transport had contracted with the RAU to launch the TEMD

The aim of the diploma was to improve the level of professionalism in transport.

"RAU has already become well known for its active role in teaching transport economics at graduate and undergraduate level as well as for its certificate course in road transport," Mr Maharaj said

"This worthwhile project is intended to enable university graduates from any background to enrol on a full-time basis to further their knowledge of transport-related matters."

He said this would be by means of an accelerated programme of theoretical and practical training.

He said the course would initially focus on those already serving in government departments at both central and provincial levels, and reflected the government's desire to upgrade the transport skills of the public sector as quickly as possible. - Sapa

Transnet probe finds wide abuse of perks

Robyn Chalmers

THE investigation of perks enjoyed by Transnet's management has disclosed serious shortcomings in internal controls and wide-ranging abuse

MD Anton Moolman said yesterday preliminary indications were that there was insufficient control over the perks, which included use of expense accounts, company credit cards and trips abroad. No individual manager was likely to be on the carpet over the findings, but Transnet was expected to overhaul its arrangements.

Sources said common abuses included excessive use of discretionary

expenses and special privileges, with one manager allegedly charging the services of a Hillbrow escort agency to his company credit card.

Moolman said Transnet had to ensure it was viewed as an ethical organisation. It was necessary to install a system that would ensure no further abuse took place. "The most outstanding finding was not that there had been huge abuse of the system, but rather that there was insufficient control."

Transnet chairman Louise Tager ordered the probe of perks for more than 1 000 senior staff in February.

Moolman said Transnet was still moving ahead with plans to set up a

provident fund. The finance ministry, with Tager, halted the plans last year.

The fund was intended to reduce Transnet's pension fund deficit — R4,2bn at the end of March last year — by encouraging employees to switch to the provident fund.

Moolman said pressure had been taken off the parastatal to set up the fund before the Budget after it became clear that government was not planning to alter the tax dispensation governing parastatals. Transnet's profit would cover the annual R1,87bn finance cost of debentures issued in 1990 to reduce the pension fund's initial deficit of R17,2bn to R6,8bn.

BD 9/5/96

(270)

Union vows to tackle Maharaj

(270) (252)

By Thabo Leshilo

ET(BR) 17/5/96
Johannesburg — A commitment to socialism and strong warnings against perceived government tactics to introduce privatisation through the back door marked the opening of the fifth annual congress of the Transport and General Workers' Union yesterday

Alfred Ndlovu, the union's president, blasted the public transport plan proposed by Mac Maharaj, the transport minister, for not advocating nationalisation. He said the 74 000-member union would fight it.

"We will not accept privatisation and deregulation of such a central social service for our people. The lines have been drawn, we will embark on a serious programme of mass action involving Cosatu and communities to change the policy direction," Ndlovu told the 605 delegates.

He welcomed the departure of the National Party from the government of national unity, saying the move would better enable the



DRIVING FORCE Cosatu general secretary Sam Shilowa, left, and Tito Mboweni, the labour minister, at the Transport and General Workers' Union congress in Johannesburg yesterday

PHOTO JOHN WOODROOF

ANC/SACP/Cosatu alliance to speed up the transformation of the country without hindrance and implement the reconstruction and development programme.

"Our focus must now be on the economic emancipation of our people as this is ultimately what we engaged in the struggle for — socialism."

Tito Mboweni, the labour minister, called for the strengthening of the tripartite alliance, saying the victories workers scored in the

constitution would not have been possible without the united effort of the alliance. Mboweni urged the parties at the National Economic Development and Labour Council to meet the deadlines imposed for reaching consensus on policy issues.

Sam Shilowa, Cosatu's general secretary, praised the ANC for having sided with the labour movement in its fight to have the lockout clause omitted from the constitution.

Shilowa also warned the ANC to be wary of falling into the trap of adopting "right-wing" policies advocated by business for fear of being seen to be manipulated by Cosatu and the South African Communist Party.

The congress, whose theme is Socialism the Vision — RDP the Road, is being attended by transport unions from countries including Malawi, Swaziland, Namibia, Uganda, Zimbabwe and Denmark. It ends on Sunday.

Transport workers may block roads

By Thabo Leshilo

Johannesburg — The opposition by labour to privatisation of public commuter transport may lead to a blockade of the country's major roads in July, the Transport and General Workers' Union warned yesterday.

Randal Howard, the general secretary, said the union would embark on a programme of action

that included marches to transport department offices and other government bodies to protest against proposed plans to scrap bus subsidies and replace them with a tendered contract system.

Mac Maharaj, the transport minister, announced plans in March to scrap subsidies within three years because of a lack of funds.

The department has allocated R840 million for bus commuters for

the 1996-97 period.

Speaking at the end of the union's fifth national congress, Howard said that the union preferred the government to own, operate and regulate public transport provision to safeguard jobs.

Howard said tenders and contracts would deepen the crisis in an industry already hit by low profit and job losses.

(270) (BR) ET (BR) 20/5/96

Strike call over plan to scrap bus subsidies

(270)
(228)
Sowetan 20/5/96

Transport and General Workers Union pledges programme of mass action to protest against Maharaj's policy direction

By ADAM COOKE AND SAPA

The Transport and General Workers' Union announced at the weekend its 70 000-strong membership would go on strike in July to protest against Transport Minister Mac Maharaj's decision to privatise the bus industry and contract routes to the private sector.

The announcement came yesterday at the end of the union's three-day annual congress in Johannesburg.

"The action on July 2 is meant to draw attention to our opposition to certain principles in the green paper on transport," TGWU secretary-general Randall Howard said.

The union also called on the Government to guarantee jobs in the transport ministry.

The congress resolved to campaign for a minimum wage of R1 500 a month for workers em-

ployed in the security, cleaning and transport sectors.

Speaking at the opening of the union's fifth national congress, TGWU president Alfred Ndlovu said a strong message should be sent to Maharaj that the privatisation and deregulation of "such a central social service to our people" would not be tolerated.

He added "We will embark on a programme of mass action involving Cosatu to change the policy direction."

The conflict stems from Maharaj's plan to introduce a tender or contract system in public transport, which would see the Government relinquishing its hold.

Plans to scrap subsidies over the next three years were announced in March.

Ndlovu went on to call for the congress to formulate a clear programme of action. "The minister-always says there is no need for blockades. I have news for him in

this instance there will be!"

Last year Maharaj and his nine MECs resolved not to enter into discussions with any party responsible for a road blockade while the blockade was in place.

Cosatu general secretary Sam Shilowa told the congress the union needed to put forward programmes on the future of transport: "We can't just disagree with Maharaj, we need a plan," he said.

Also addressing the congress, entitled "Socialism - the vision RDP - the road", Labour Minister Tito Mboweni said the Government was working towards ensuring that taxi drivers were recognised as workers and not as contractors.

He listed planned changes in labour, including defining truck drivers who owned vehicles as workers "to ensure that employers who subcontract to these drivers are required to meet the basic labour standards."

Department 'won't tolerate' blockade

By Thabo Leshilo

Johannesburg — The transport department would not tolerate the blockading of roads as a means of protest as proposed by the Transport and General Workers' Union at the weekend, Danie Ackerman, the director of commuter transport in the department, said yesterday

The union has declared war on aspects of the government's proposed new public transport policy which it said advocated privatisation in an industry critical to the social and economic development of the country

The vision of Mac Mahara, the transport minister, to improve efficiency in the ailing R4 billion bus transport industry through increased competition, has raised the ire of the union

The minister hoped to do this by scrapping the system whereby few bus companies were given lifelong permits to operate certain routes and replace it with a new system in which companies tendered for contracts to provide public transport for a specified period

ET (22) 21/5/96 (270)
The union said it would make public bus transport too expensive and lead to job losses

The union has drawn up an alternative policy, based on socialist principles

The union believed that the ANC government should shoulder the burden of providing public transport as a way of redressing centuries of black deprivation

They planned to lead a national strike of all public transport workers on July 2, followed by a blockade of the country's major routes. The objective was to stop the proposed contract system being included in the White Paper on national transport policy

The White Paper will be tabled in parliament in July.

Ackerman yesterday defended the tendered contract system and denied it was equivalent to "wholesale privatisation" as alleged by the union

He said the system would enable the national, provincial and metropolitan governments to design transport services in their areas. They could consider the needs of

people, the government's financial constraints and choose suitable operators to provide the services

Ackerman said the system was a success in Eldorado Park in Johannesburg, in Atteridgeville and Mamelodi in Pretoria and in Empangeni and Richards Bay since 1987

Putco had agreed to surrender its exclusive lifelong permits in these areas to enable newcomers to compete in the pilot projects

The tendered contract system enabled the public transport authorities to penalise operators for not complying with standards

Ackerman said that though job losses might occur as new operators sought to reduce costs, most operators who secured tenders under the pilot project had absorbed all the staff from the previous companies

Randal Howard, the union's general secretary said because they were motivated by profit, private operators were unlikely to invest in the service they provided in the likelihood of passenger volumes declining or their contracts not being renewed

Bus operators want slow change

JOSEPH ARANES
Municipal Staff

BUS operators have warned the government to phase in gradually changes to public transport policy, because they say improvements to the transport system cannot happen overnight.

Nic Cronje, president of the South African Bus Operators Association and chairman of Golden Arrow Bus Services, said the bus industry supported the principles of the government's new transport policy and believed it would bring about growth and improve the provision of public transport.

Central to the government's plans are the phasing out of subsidies for "monopolistic" operators and the privatisation

(270) ARL 24/5/96
of public transport. Commuter transport is now 50 percent privately owned and the other half is controlled by the state.

For the successful implementation of the new policy, the industry will have to be completely privatised to provide the required improvements in productivity and control of the sector.

Mr Cronje said that although bus operators supported the government's initiatives they had reservations about medium- and long-term stability, the cost-effectiveness of the proposed policy and its practicability.

'Because the shift of South Africans from a private car mindset to a public transport mindset is an enormous undertaking, it is imperative that the

implementation of the policy be phased in gradually.

"To sustain such a mind shift, the government will have to introduce a graded increase in public expenditure for the simple reason that there is no point in promoting public transport unless the operators can deliver on any promises made.

'Improvements to the system will not take place overnight, especially when it comes to the provision of interchanges and passenger facilities."

He warned that unless the changes took place gradually, there was a real danger that the bus industry and public transport would be destroyed.

Mr Cronje said the new policy would help endow the smaller players with economic empowerment.

J.V. Monorail may be way to

Go for Cape Town in 2004

ART 25/5/96
(270)

■ If a proposal submitted to the city council by a consulting engineer is accepted, Cape Town could have a highly efficient monorail system which would largely eliminate growing traffic problems in time for the Olympics

Staff Reporter

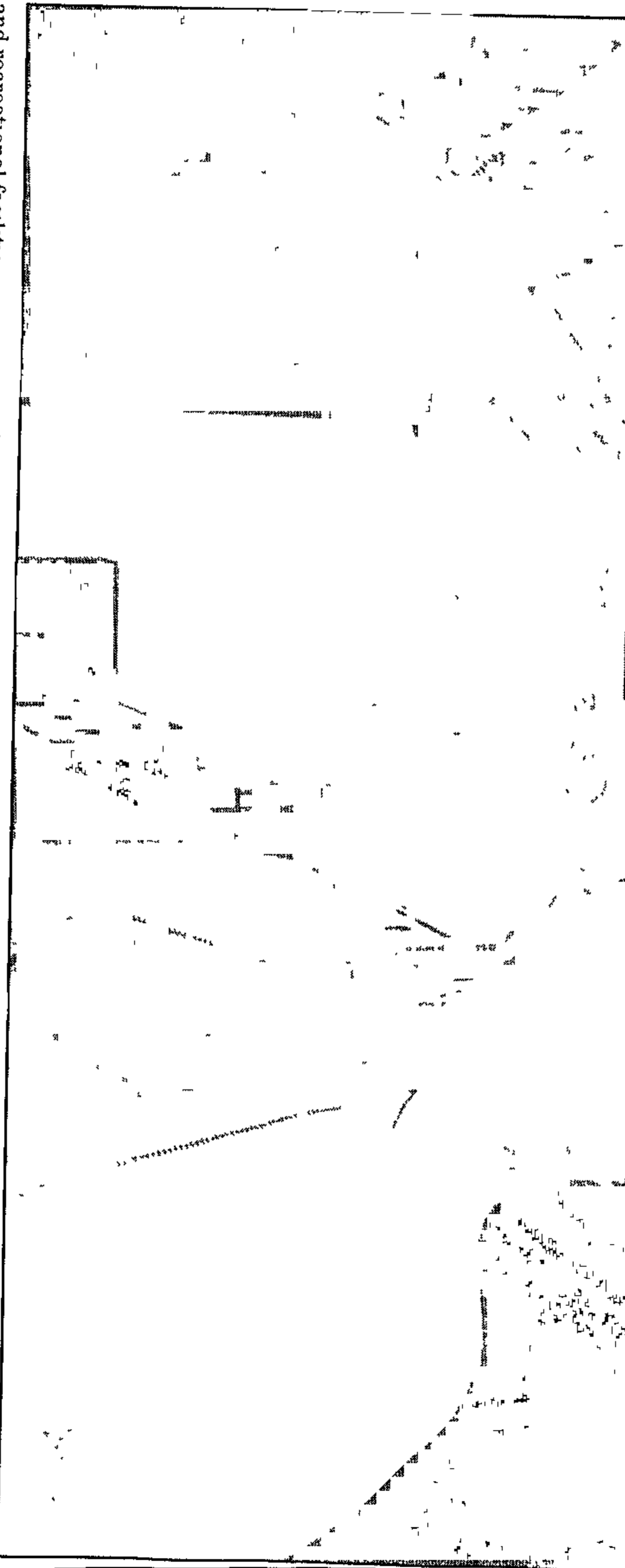
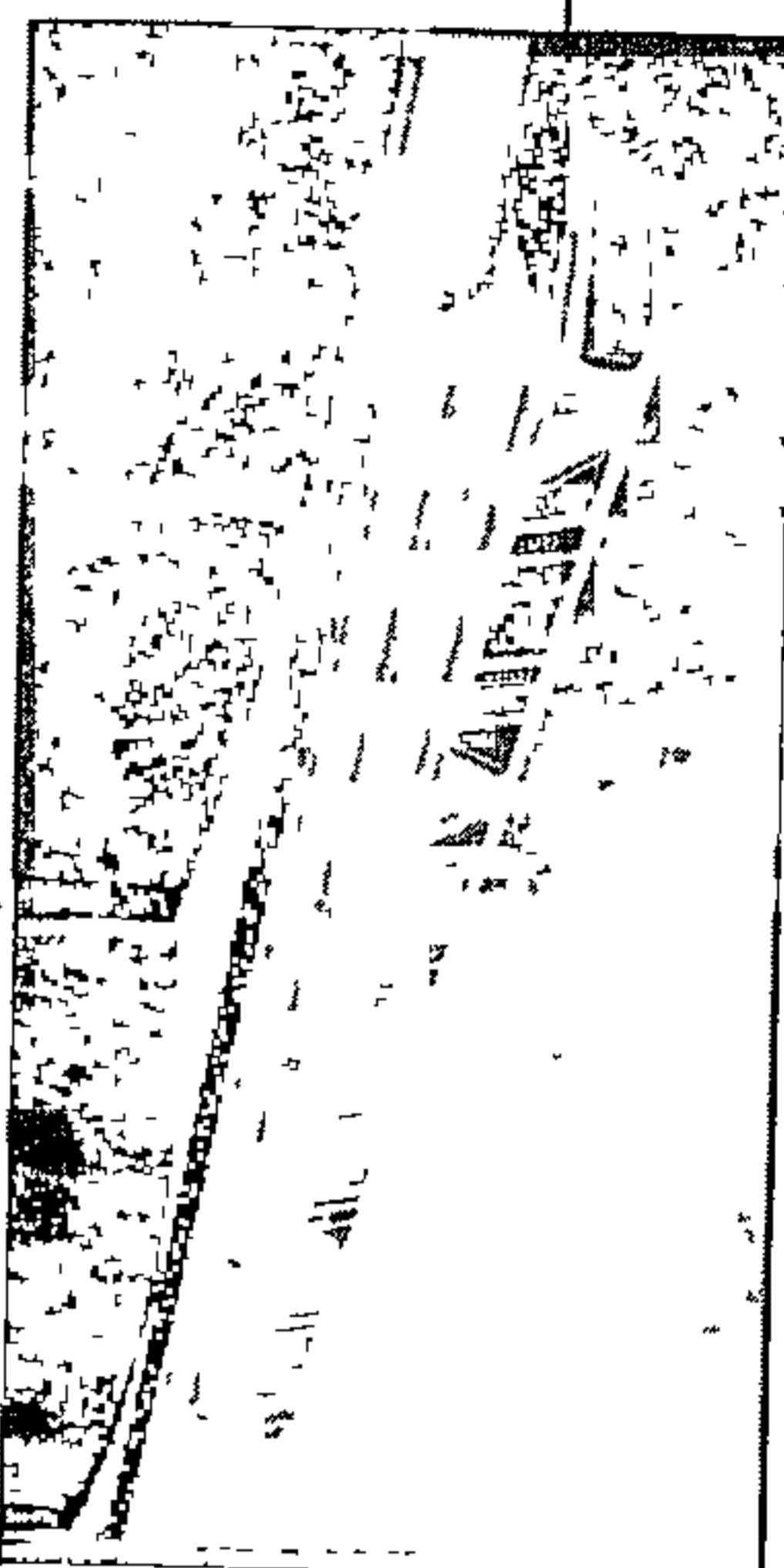
THE answer to Cape Town's growing traffic and commuter problems - estimates are they will increase by at least 30 percent by the year 2004 - is a monorail system, according to consulting engineer Gert Hanel, who has submitted a report to this effect to the city council.

A top-level advisory committee appointed by Western Cape Transport Minister Leonard Ramatlakane and headed by former Cape attorney-general Neil Rossouw, has made major recommendations. These include a call for completely new thinking by central and local government transport bodies.

Large-scale funding to the tune of R470 million was at one time promised by the national transport ministry. Sadly, this pledge has now been withdrawn, although R10 million was advanced and still needs to be accounted for.

However, the city council has commissioned an Inner City Transport Study that focuses on the provision of an integrated public transport system with large-scale development potential.

Mr Hanel, former managing director of a leading local manufacturing concern, and now an independent consulting engineer, has considerable international experience in this field. He said "I'm very concerned that the city council may adopt a less than perfect solution. Ultimately, of course, they have to take into account not only future traffic, parking and pollution problems, but also the enhancement of our rapidly growing tourist infrastructure, inner-city employment and high-density housing needs, and increased access to commercial, educational, cultural



ON THE RIGHT TRACK? A monorail system similar to this one, could bring much relief to Cape Town's traffic problems, says consulting engineer Gert Hanel, below

Picture ANDREW INGRAM, Staff Photographer

and recreational facilities.

"What the city needs is a rapid transit monorail system that provides not only a great deal of planning flexibility, but major commuter benefits as well. I have placed a thoroughly researched and documented proposal in the hands of the City's transport management team and await their directive," he said.

Such systems, Mr Hanel said, are proving invaluable in cities around the globe where at reasonable cost, modern engineering design provides a highly attractive solution to the problem of moving large numbers of people to various destinations, quickly, efficiently, and safely.

"It is an absolute fact that a monorail system similar to the one I developed at Sun City, if planned carefully

in terms of routing and environmental impact, could link the city bowl and CBD to the Waterfront, and eventually the entire inner city to its ring suburbs, by the end of this millennium. A lot depends on just how serious the council is in prioritising the needs of its ratepayers and visitors."

Elevated monorail systems are independent of road traffic, and offer reasonably inexpensive, comfortable, fast and safe travel between points, - with little noise and fuss, and no pollution, 24 hours a day.

A single monorail unit carrying only 270 passengers could move at least 10 000 people in both directions during peak hours.

From a central control room, computerised monitoring of the entire

system would provide optimal security, safety and performance.

Advanced engineering design ensures absolute ergonomic integrity and minimal environmental impact.

"Financing is quite possible," said Mr Hanel. "Under ideal circumstances, the entire project would be developed and later run by a consortium independent of the council. A major European government is in fact prepared to provide project funding. State or local government input would be comparatively minimal, with the balance found through a public rights issue.

"The monorail train system, once in operation, is self-liquidating, and would in fact be profitable. It could be an important income-earner for

the stakeholders and indirectly the council, and would provide a number of employment and support infrastructure business opportunities as well.

This would lead to substantial economic activity for traders, who would benefit from focused passenger through-traffic on the above ground platform area.

"It is quite conceivable that at least 75 percent of the system could be subcontracted locally.

"Failure by the Cape Town City Council to seriously consider the obvious advantages of this concept, modelled on similar systems now working so well in cities like Vancouver, Bremen, and New Delhi will seriously hinder development in the area."

Crippling strike threatened over transport privatisation

By WILLIAM-MERVIN GUMEDE

The Transport and General Workers' Union is planning to bring the economy to a standstill in a national strike planned for July 1.

The union plans to muster the support for the mass action campaign - which includes blockading all national roads - from its 60 000-strong support base, Cosatu and other transport industry-related unions.

The strike will be in protest against Transport Minister Mac Maharaj's decision to privatise the ailing bus industry and contract routes to the private sector. TGVU spokesman Randal Howard said the union was mobilising the ANC, SACP, the civics and other organisations to support the strike.

Howard said the union was opposed to the criteria set out by Maharaj which said the private sector had to ensure the frequency of

service and reliability. Instead, the union wanted transportation routes to be controlled centrally by the Government as this would ensure job security.

Howard charged that the union's proposals were ignored by the Transport Department when it drafted its white paper on a national transport policy which would be tabled in Parliament in July.

The Government, argued that the R4-billion bus transport industry should, by means of privatisation, be tendered out and subcontracted. The TGVU rejected this, saying transport was the Government's business.

The TGVU feared privatisation would make public bus transport too expensive and lead to job losses in the transport industry. "It would bring more stress and less job security, particularly as the industry is perceived to be shrinking," Howard said.



MAC MAHARAJ: Under fire over move on bus transportation

He said the Government should continue to subsidise public transport. "The Transport Department's budget is less than 1% of gross national product, but we want it to be raised to at least 2%. Subsidies

25/5/96

for public transport have declined dramatically in recent years, without adequate measures implemented to make transport more affordable to users.

Transport Director-General Keeso Gordhan defended the ministry's plans to privatise transport and his route concessions out to tender. He said competition would force operators to cut costs and be more efficient.

Gordhan said that putting bus permits out for tender would have the additional advantage of allowing consortiums of small local operators to tender. Transport services, particularly to rural areas, could benefit from a situation where elected governments at local, provincial and national levels determined which routes should be subsidised.

Currently operators decide which routes they want to serve. The KwaNdebele-Pretoirie route, for example, is subsidised to the tune

of R100-million a year. Gordhan said the Government could simply not afford it any more. Putco, which had a monopoly on the route and was a major beneficiary of subsidies, was expected to earn about R2.5-billion in the next 20 years if the subsidy scheme was not abandoned.

Gordhan said operators were more sympathetic than the unions to the ministry's cost-cutting proposals. Putco had already agreed to surrender its exclusive lifelong permits to routes in other areas to allow newcomers to compete with it for contracts.

Director of commuter transport, Dante Ackerman said the tender system had been implemented successfully in Eldorado Park, Atteridgeville, Mamelodi, Empangeni and Richards Bay since 1987.

Howard said the TGVU was not opposed to tendering, provided it met criteria proposed by the union.

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Transport strike looms over state plan

ARL 25/5/96

(270) (272)

■ SA's biggest transport union is threatening to strike over

privatisation plans.

WILLIAM-MERVIN GUMEDE

Own Correspondent

JOHANNESBURG - Members of the Transport and General Workers' Union plan to bring the wheels of the economy to a grinding halt in a national strike on July 2

All national roads will be blockaded as part of the mass action campaign by the 60 000 strong union, which will be supported by Cosatu and other transport-related unions

The strike is in protest against Transport Minister Mac Maharaj's decision to privatise the ailing bus industry and contract routes to the private sector

TGWU spokesman Randall Howard said the union was mobilising the ANC, SACP, the civics and other organisations in the mass democratic movement to support the strike

Howard said the union was opposed to criteria set out by Mr Maharaj which said the private sector had to ensure the frequency of service and reliability. Instead, the union wanted transportation routes to be controlled centrally by government as this would ensure jobs

Mr Howard charged that the union's proposals were ignored by the transport department when it drafted its white paper on a national transport policy, which would be tabled in Parliament in July

The government argued that the R4-billion bus transport industry should, by means of privatisation, be tendered out and sub-contracted. But the TGWU has said transport is "the business of government"

The TGWU feared privatisation would make public bus transport too expensive and would lead to job losses in the transport industry

"It would bring more stress and less job security, particularly as the industry is perceived to be shrinking," Mr Howard said

The government should continue to subsidise public transport. The transport department's budget is less than one percent of the gross national product, but we want it to be raised to at least two percent, he said

"Subsidies for public transport have declined dramatically in recent years, without adequate measures being implemented to make transport more affordable to the user"

Transport director-general Ketso Gordhan defended the ministry's plans to put rail transport and bus route concessions out to tenders. He said competition would force operators to cut costs and be more efficient

Mr Gordhan said putting bus permits out for tender would have the additional advantage of allowing consortiums of small local operators to tender

Transport services, particular to rural areas, could benefit from a situation where elected government at local and provincial levels determined which routes should be subsidised. Currently operators decide which routes they want to serve

The KwaNdebele-Pretoria route, for example, is subsidised at R100 million a year. Mr Gordhan said the government could simply not afford it anymore. Putco, which had a monopoly on the route and which was a major beneficiary of subsidies, was expected to earn about R2,5 billion in the next 20 years if the subsidy scheme was not abandoned

Breaking the operator's stranglehold would lead to cost-cutting, an increased efficiency and would allow the government to ensure subsidies were related to real costs, he added

Mr Gordhan said the operators were more amiable than the unions to the ministry's cost-cutting proposals. Putco had already agreed to surrender its exclusive life-long permits to routes in other areas to allow newcomers to compete with it for contracts

Danie Ackerman, director of commuter transport, said the tender system had been successful in Eldorado Park, Atteridgeville and Mamelodi, Empaneni and Richards Bay since 1987

Howard said the union was not opposed to tendering, provided it met with the criteria proposed by the union. Some of these were that tenders be granted to historically disadvantaged operators, that the government should provide training and financial backing for the disadvantaged operators, and that fares should be centrally regulated by transport authorities

Mr Howard said the TGWU's proposals were not "pie in the sky" and were also not based on narrow union

Transport union is preparing for a strike

Renee Grawitzky

CONFLICT over the privatisation of public transportation looms with the 67 000-strong Transport and General Workers' Union (TGWU) mobilising members and other organisations to participate in a 24-hour strike on July 2

TGWU general secretary Randall Howard said yesterday that all union members in private and public sector commuter services would participate in the action, which would include marches to the offices of the transport department.

The action was intended to

BD 13/6/96 (270)
highlight the union's opposition to government's position adopted in the green paper on a national transport policy.

Randall said the union was opposed to the view that it was not government's responsibility to provide public transport. "This is not to say that there is no role for the private sector" in this area

The union was involved in providing input to the policy review process prior to the drafting of the green paper, he said. However, the union's concerns were not taken fully into account and differences between the union and the transport ministry began to

emerge, Howard said

The union disagreed with the department in two fundamental areas relating to proposals on the tender system for contracts and the granting of subsidies.

The union was opposed to short-term contracts in relation to both employment and services granted to communities. The department was proposing, he said, the granting of contracts for a four-year period as opposed to life-long contracts

As a trade-off to employers for the removal of lifelong contracts, the department had increased subsidies 8% this year

Union accuses SAA of bugging its offices

BO 27/6/96

~~26~~ (270)
Renee Grawitzky

THE SA Railway and Harbour Workers' Union (Sarhwu) yesterday accused SAA of bugging its offices in the airline's inflight service building.

These allegations were made at a time when, the union said, relationships between it and SAA management had "become increasingly tense on account of malpractices . . . relating to service conditions of our cabin crew members".

The union said an audit of inflight service had been conducted and apparently a

provisional report was presented to both parties last night.

SAA's CEO Mike Myburgh denied SAA's involvement "in any way with the placing of a bugging device" in the union's offices and described the union's statement as inflammatory "given a prior agreement with Sarhwu to investigate differences between the union and management, and premature in light of the SAPS investigation".

SAA said when it was advised by the union on Tuesday night of the presence of a bug in its office, it referred the matter to the police for investigation

Transport workers will march tomorrow

Union says interdict will not stop strike

CT (PR) 1/7/95
By Françoise Botha

Capé Town — The nationwide anti-privatisation transport strike called for tomorrow will go ahead, union officials said yesterday, despite an interdict granted last week by a Gauteng court.

The interdict was designed to prevent the Transport and General Workers Union from participating in the dispute.

The impending strike has been called by the 68 000-strong union to force the government to include union input in the public transport debate, which has been deadlocked to now.

Sam Shulowa, Cosatu's general secretary, said on Friday that the federation supported the transport union's action and "affiliates would give solidarity to the action within their means and based on the discussions on the shop floor".

Labour morale has been buoyed by the perception that the planned July 13 strike called by the labour movement to protest against the banks' May 17 rate increase was reversed by the threat of strike action. Union leaders have decided to cancel the July 13 strike.

Randall Howard, the transport union's general secretary, said tomorrow's strike would go ahead.

According to reports, the strike call has been bolstered by pledges of support from the South African Taxi Drivers' Union and bus drivers.

The union has planned marches in most main centres, including Johannesburg, Cape Town and Durban.

The granting of a court interdict to the Road Freight Transport Association last week would not impede the strike action, union officials said.

Thami Makeleni, the union's Western Cape regional secretary, said the union had asked all shop stewards from the different freight companies to speak with management to negotiate conditions for the strike to avoid problems with the Road Freight Transport Association.

"If they fail to reach agreement on conditions of participation with management, in terms of the interdict they will not be (legally) able to

Illegal Amplats action spreads

Johannesburg — Anglo American Platinum (Amplats) said on Friday that an illegal strike had spread to two more shafts at its Rustenburg Platinum Mines and that 70 per cent of output was affected.

The company said it would be forced to proceed with dismissals today if striking workers did not return to work.

The strike began with the night shift on Tuesday. Amplats said it would not meet the workers' demands which included payment of death-benefit scheme contributions, refunds of unemployment insurance fund contributions and pro rata payment of long-service money.

Amplats is the world's largest producer of platinum. — Reuters

participate," he said. Makeleni would not say whether the members would take action individually and ignore agreements.

"The workers are very unhappy. Should government's response to the strike be negative, we may consider further action, but it will depend on the response from the department of transport," Makeleni said.

The union has been engaged in discussions with the department in a bid to stop amendments to the Road Transport Act dealing with the privatisation of public transport proposed in a Green Paper.

"We want to make inputs on the question of ownership of public transport and on the structure of the tendering process," Makeleni said.

No time frame has been stipulated for the privatisation, but once agreement has been reached on the Green Paper amendments, a White Paper will be presented to the cabinet for approval.

The Road Freight Transport Association could not be reached for comment yesterday.

□ See Q&A, Page 20

Strike goes on, transport union says

ARG 1/7/96

(270)

(182)

ESTELLE RANDALL
Labour Reporter

MISTRUST over government plans for public transport appears to be at the root of the stand-off between the Transport and General Workers' Union (TGWU) and Transport Minister Mac Maharaj

The union, claiming the government is not taking it seriously, is demanding that Mr Maharaj commit himself to state ownership of the public transport system. It fears privatisation will result in job losses

Privatisation is also seen as a deviation from the Reconstruction and Development Programme which says "an effective publicly-owned passenger transport system must be developed. All privately-controlled passenger transport must be effectively regulated and controlled"

The TGWU believes that public (state) ownership is the only way to ensure the emergence of an affordable public transport system.

But the government is unwilling to tie itself to state ownership of public transport. Instead, it has said it believes an efficient and affordable public transport system can be achieved through regulated contracts with private companies

Putting bus permits out to tender would force operators to cut costs and be efficient, the government has argued. Small local operators could also form consortiums to tender for bus route contracts.

The government has denied that it intends to embark on wholesale privatisation of public transport.

Rather, the tender system would enable local, provincial and national governments to design transport services in their areas

The tender system had been piloted successfully in several areas and had allowed public transport authorities to penalise operators who did not comply with standards

The TGWU acknowledged that they had been part of processes to draw up transport documents which were now being refined into a White Paper

But before meeting Mr Maharaj last week, TGWU general secretary Randall Howard said it wasn't simply a matter of negotiating - the government had to take the union seriously. And being taken seriously has come down to an insistence that Mr Maharaj should commit himself to promote public ownership, at least.

Last week's meeting had yielded agreement on important issues, assistant general secretary Harald Harvey said. These were that

- Public transport restructuring is necessary to enable government to control service standards, accessibility and affordability, particularly of bus services

- The government is committed to ensuring that public transport services are provided

- The present subsidy system has to be restructured to target the poor

There was also agreement to negotiate new and interim contracts which may have an impact on job security, and stable employment was seen as essential to meeting the vision for public transport.

"At our meeting with Mac he was unable to commit himself to public ownership of essential transport or even to commit himself to promoting public ownership of public transport, so the strike is still on," Mr Harvey said

As the National Economic Development and Labour Council tried to mediate on the issue on Friday, it did not appear that the strike would have much impact if it went ahead

Mr Harvey said the union was targeting passenger transport and that there would be no truck blockades. Nor would rail transport be affected

He said the strike action would include a march to parliament and other marches in major centres

Bus services in the Western Cape are unlikely to be seriously affected by tomorrow's planned strike, the Golden Arrow bus company has predicted

Jeanne Welsh, a Golden Arrow spokesperson, said drivers had told the company they would work during peak hours

Unions go ahead with ²⁷⁰~~32~~ strikes

Sowetan 2/7/96

Sowetan Reporter and Sapa

TRANSPORT Minister Mr Mac Maharaj yesterday called on Transport and General Workers Union members to review today's planned strike action

This follows the deadlock in talks between the union and Maharaj on privatisation

TGWU general secretary Mr Randall Howard said the strike would go ahead. The South African Taxi Drivers Union (Satdu) and bus drivers pledged support for the strike

In a letter addressed to the TGWU yesterday, Maharaj proposed continued mediation by the National Economic Development and Labour Council and a meeting between himself, the union and the nine provinces' MECs for Transport.

Wage increase

Meanwhile, about 6 000 members of the SA National Union of Furniture and Allied Workers yesterday marched to the Transvaal Furniture Upholstery and Bedding Manufacturers Association offices in Johannesburg to demand an R80 a week wage increase

Union spokesperson Bhebheza Mthombeni said wage negotiations had deadlocked with employers offering a R48 a week increase effective from yesterday and a further R5 in February next year

In another development, Gauteng health department spokesman Mr Popo Maja said that the strike at some provincial hospitals yesterday and today had not caused any disruptions

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BUSINESS WATCH

Edited by John Soderlund

Labour strikes back

CS (PK) 2/7/96 (270) (15)

Labour has returned with a vengeance this week as the Transport and General Workers' Union threatens to bring national road transport to a halt today and an illegal strike over a pay deal with Amplats resulted in 13 000 workers being fired yesterday. The TGWU is striking in protest against transport ministry plans to phase out subsidies on public passenger transport and privatise large parts of the industry. It is a legitimate action for a union to take in an effort to stop what it sees as a threat to its members, though it will obviously cost the country in terms of image and money. But it seems quite unnecessary for it to target the businesses of members of the Road Freight Association, which clearly has nothing to do with the formulation and implementation of public transport policy.

The Amplats situation is more complicated. The scent of money released during the payout to Impala workers when their Bop-registered provident fund was unwound recently, seems to have set nerves on edge at Amplats' Rustenburg mines. Earlier this year, and against NUM advice, Amplats paid striking workers their contributions and the company's contributions. Now, however, the demand seems to be that the workers want their unemployment insurance contributions and PAYE payments refunded. Unfortunately, Amplats cannot give back taxes paid

If there is a thread running through these events, it may be in the quality of advice being given to workers. Union leaders have convinced their members in transport that government policy can be reversed. Someone in the platinum industry has apparently told workers they can claim back taxes from their employers. On both counts, the more swiftly reality checks in the better.

Rembrandt
Rembrandt might be backward in coming forward, but such a stance does not deter others from commenting on its outlook. Smith Barney, a leading New York stockbroking firm, has been quick off the mark in according the shares a 2M (outperform, medium risk) rating.

The firm is impressed that the merged Rembrandt-Rothmans tobacco businesses have created the world's fourth-largest cigarette manufacturer.

"Rothmans International contributes about half of Rembrandt's earnings and its mix of businesses means that two thirds of Rembrandt's tobacco earnings are now generated outside South Africa" Add in Rembrandt's 17 percent stake in Gold Fields and half of its net income is rand hedge in nature, a feature which appeals to Smith Barney.

The firm also says that Rembrandt is not subject to the United States litigation concerns that plague its larger rivals Philip

Morris, RJR Nabisco and BAT. In short: "In our opinion, Rembrandt has excellent prospects and we would expect it to continue to outperform the local market in US dollar terms"

SAB
Whatever the merits of Nedcor analyst Michael Coulson's already infamous report on SA Breweries (SAB), and there are many, one justification for breaking up a monopoly or unbundling a conglomerate is that it wields too much power and it wields that power to the detriment of consumers. It is unlikely that SAB executives directed Nedcor to release an embarrassingly overstated dissociation of a well-researched and well-argued piece of work by an employee. But Nedcor did. And there will be many in the investment community and the government who will wonder if Nedcor, itself an enormous and powerful group, would have acted in this way were SAB not such a huge force in the economy. Nedcor has said all copies of the report should be destroyed. SAB will not provide copies. To the extent that their response has made it difficult for SAB's current and potential investors to get access to a thought-provoking report, those investors are the worse off. It reflects an arrogance and disrespect for local consumers which may be part and parcel of being a monopoly.

Transport strike fizzles as few march

Only 300 of 7 000 members turn up

(270)
ARL 2/9/96

ESTELLE RANDALL
Labour Reporter

ABOUT 300 people in the Western Cape answered the call by the Transport and General Workers' Union (TGWU) to stop work and march to parliament today.

The union called a 24-hour strike by its 7 000 members in the province to support its demand that the government abandon plans to privatise public transport through "regulated contracts".

TGWU believes that privatising public transport will lead to increased costs for consumers and to job losses.

The government has denied that it intends to embark on wholesale privatisation of public transport. It has argued that a "regulated contract" system would enable local, provincial and national governments to design transport services in their areas.

In a memorandum handed to Western Cape Transport Minister Leonard Ramatlakane, TGWU said it acknowledged progress had been made in negotiations between the union's national office-bearers and national Transport Minister Mac Maharaj.

There had been agreement on the need to restructure public transport and that the present subsidy system had to be restructured to target the poor.

There was also agreement to nego-

trate new and interim contracts which may have an impact on job security. Stable employment was seen as essential to meeting the vision for public transport.

"But we cannot ignore the fact that our difference over ownership is a fundamental difference," the TGWU said in its memorandum.

"To subject publicly owned public transport to regulated competition is to pass the death sentence on public ownership. It will, in effect, be privatisation of public transport even if this is not the intention."

● The one-day strike by transport workers had a lacklustre showing in Pretoria today.

Train, bus and taxi operations in Soshanguve, Mamelodi and Atteridgeville were reported to be operating normally during the morning peak hour.

However, peak-hour bus commuters from the North West township of Mabopane and neighbouring villages were left stranded as bus drivers apparently heeded the call to attend the protest march in the city centre to Mr Maharaj's office. The protest was aimed at pressing home demands for a halt to Mr Maharaj's attempts to restructure the industry by means of privatisation.

A Metro spokesman said all trains in and around Pretoria were running as normal early today.

Strikes cause commuter snarl-ups

STAFF REPORTERS

Thousands of commuters were forced to make alternative plans to get to work today when Gauteng bus services were disrupted by staff stayaways aimed at highlighting opposition to privatisation.

Trains were running normally, said a Spoornet spokesman, and taxis hit the road as usual, but municipal services based at the Village Main depot were slashed by 80% and only 52% of drivers turned up at the Milpark depot.

No buses were running from the Avalon depot which serves Eldorado Park, a spokesman for the Greater Johannesburg Transitional Metropolitan Council said.

The Roodepoort service was at full strength and buses from the

west were picking up stranded passengers along the route into the city, she said.

Putco services were cut to about 20% in northern Pretoria and between 75 and 80% on the Reef, said managing director Michael Oldham.

Tensions were also expected to heighten today in the mining and nursing sectors. Transport workers were to embark on marches in most major centres.

More than 13 000 miners were dismissed from Rustenburg Platinum Mines where a crippling strike had spread to all shafts yesterday and workers had ignored an ultimatum to return to work, said Anglo American. Strikers want PAYE deductions and Unemployment Insurance Fund con-

tributions refunded.

In Johannesburg, city bosses have warned that refuse collection may be disrupted and have asked residents to keep garbage on their properties for another week if this happens.

With the South African Municipal Workers' Union having thrown its weight behind the Transport and General Workers' Union (TGWU) protest, it is possible that Greater Johannesburg will be seriously affected.

Nurses, who took to the streets yesterday, are to intensify their demands later this month to accelerate the transformation process in health services - Sapa

► Anglo fires 13 000

BUTHE - RUF...

Travelling

Union 'ignored plea on strike action'

ESTELLE RANDALL
Labour Reporter

THE Transport and General Workers' Union (TGWU) ignored a last-minute appeal from national Transport Minister Mac Maharaj to review its decision for strike action

Mr Maharaj said the decision to go ahead with yesterday's strike was "unfortunate" because solutions could have been found through dialogue and negotiation

He believed it was important that discussions now continue, despite the strike

Insiders have speculated that the strike went ahead because it was too late to reverse the momentum built up around it. The union may also have had difficulty reporting adequately to its constituency on 11th-hour negotiations it held with Mr Maharaj

Mr Maharaj yesterday made public a letter he wrote to the TGWU's president last weekend. The letter set out areas of agreement and disagreement, and explained the government's proposed regulated contract system for bus services

It also suggested further dis-

ARL 3/7/96
cussion this month of the ownership issue at a meeting between Mr Maharaj, the TGWU and the nine provincial transport ministers

Mr Maharaj said he was told that his letter would be distributed to the union's branches. He was later informed that those branches which had responded to his request to review the strike call wanted it to go ahead

"We are committed to a regulated system of public transport where government takes responsibility to ensure service provision," Mr Maharaj said in his letter

"Such regulated contracts will enable government to have a full say about where services are provided, fares to be charged to passengers and the quality of the service

"The subsidy paid through the contract price can be used to make the fare affordable. The ticket subsidy system will be abolished and even non-workers who do not have to travel on a five-day ticket will benefit from the subsidy," Mr Maharaj explained in his letter

He said job stability in the con-

tract system would be bolstered by a built-in annual increase. However, the Transport Ministry recognised that job security should be increased and this could be done during negotiations with commuters and operators

On the issue of ownership, Mr Maharaj said in his letter that the government was not opposed to public ownership of bus companies "as long as they do not have unfair access to public funds and are able to operate efficiently". Currently, 55 percent of bus companies are publicly-owned and regulated contracts would involve public and private companies, Mr Maharaj said

The TGWU said yesterday afternoon it was "pleased" with the support its strike call had got and hoped this sent a clear message to government

TGWU assistant secretary Harold Harvey said the union would stand firm on its demand that passenger transport be government-owned

He said wages and working conditions were more favourable in the state sector than at private sector bus companies

(270)

'Don't privatise public transport'

Star 3/7/96 (1992) (270)

Bus drivers across country go on strike to protest over Government's plans

By **GOBA NDHLOVU**
AND **XOLISA VAPI**

Opposition to the proposed privatisation of public assets intensified yesterday when thousands of transport and municipal workers took to the streets of Johannesburg and other centres in support of a nationwide protest action for the retention of a publicly owned transport industry.

The Johannesburg march was characterised by transport disruptions, jamming some streets in the CBD.

Workers belonging to the South African Municipal Workers' Union, the Transport and General Workers' Union (TGWU) and the Food and Allied Workers' Union marched to the offices of the provincial government to hand over a memorandum to Gauteng transport MEC Paul Mashatile.

They called on the Government to write into the White Paper on National Transport Policy the RDP provision which stipulated that an effective publicly owned passenger transport system should be developed.

TGWU Gauteng chairman Sam Lefuwa said the approach of the RDP to develop a publicly owned public transport industry should remain the fundamental commitment of the Government in its transport policy.

"To subject publicly owned public transport to regulated competition is to pass the death sentence on public ownership," he said.

Sapa reports that commuters in Port Elizabeth used taxis to get to work as hundreds of bus drivers joined the one-day protest.

In North West, 10 buses ferried about 700 employees of a transport company in Mabopane to a rally in Pretoria.

Addressing thousands of cheering workers at Johannesburg Liberty Gardens, ending the day-long protest action, Cosatu general secretary Sam Shilowa said the Government should take full responsibility for public transport.

He said the labour federation would have a special executive meeting next week to discuss the restructuring of state-owned enterprises.

Shilowa tells transport workers to talk, not march

Renee Grawitzky
and Tim Cohen

3/7/96
COSATU general secretary Sam Shilowa tried to reassure thousands of SA Municipal Workers' Union and Transport and General Workers' Union members, marching through Johannesburg yesterday against government's plans to privatise transport, that labour could discuss such issues with the ANC and SACP.

Transport workers in major centres around the country joined the one-day strike called by unions.

Meanwhile, Transport Minister Mac Maharaj labelled the strike "unfortunate", saying it could have been averted, and accusing the unions of failing to make use of agreed mediation proposals.

In Johannesburg marchers presented to Gauteng transport MEC Paul Mashatile a memorandum on the transport unions' position on provision of public transport.

(270)
Shilowa said although government wished to run away from "our agreement", being in an alliance, "we should sit down and talk".

Cosatu wanted to ensure that the restructuring of transport services served the people and that they were owned primarily by the state.

Cosatu took pride in being part of an alliance with the ANC and SACP, he said. The fact that there were areas of disagreement on government's macro-economic strategy did not imply that "we have to throw our hands up and abandon the alliance".

"We owe it to ourselves and the alliance and members to go to the ANC to discuss these issues" rather than taking to the streets, he said.

Labour's challenge was how to take its position "further for workers".

SA Municipal Workers' Union spokesman Weizman Hamilton said the strike and march reflected growing

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March

Continued from Page 1

3/7/96
working-class opposition to privatisation, which was now official government policy. Even if those at the top were vacillating, the rank and file were opposed to privatisation. He called on Cosatu's leadership not to yield.

Maharaj said the strike had not persuaded government to change its position on ownership of the public transport system, which was not material to providing affordable public transport.

After lengthy discussions with transport union leaders last week, it was proposed that outstanding matters be mediated in the National Economic, Development and Labour Council, he said. However, union leaders declined to call off the strike, saying this decision could be made only by union branches. Maharaj then wrote to branches calling for further talks, but was apparently rejected.

Maharaj's letter affirmed that he was not opposed to public ownership of

bus companies as long as they did not have unfair access to public finance, and pointed out that 55% of bus companies were publicly owned.

Sapa reports that the strike disrupted bus services in several parts of the country. In Johannesburg, a bus service spokesman said 40% of buses were operating. The Johannesburg council said it had suspended bus services affected by the march.

In Port Elizabeth commuters used taxis as hundreds of bus drivers joined the protest, gathering in New Brighton to march to the city hall.

A spokesman for Golden Arrow Bus Services in Cape Town said drivers were to join a march in the city, but the service would be back to normal by rush hour. Western Cape transport MEC Leonard Ramatlakane received a memorandum from about 3 000 strikers who marched to provincial government buildings.

There were also marches in Durban, Bisho and Bloemfontein.

However, port officials in Cape Town and Durban said the strike had little effect on ports.

Union rejects Maharaj's mediation appeal

By Thabo Leshilo

Johannesburg — The Transport and General Workers' Union yesterday questioned the motive behind last week's appeal by Mac Maharaj, the transport minister, that the union abandon its plans to strike over privatisation of public bus transport in favour of mediation

(270) (270) CT(BR) 4/7/96
The transport union turned down the request that the matter be mediated by the National Economic Development and Labour Council (Nedlac), suspecting the move was just a ploy to have it drop its protest. The strike went ahead on Tuesday.

Harald Harvey, the union's assistant general secretary, said the

union had felt the mediation would achieve nothing because Maharaj had already said he was "not prepared to give in" to the demand for continued state ownership of public transport.

Elsa Kruger, the minister's spokesman, said the call for mediation was an absolutely genuine attempt to resolve matters.

Union agrees to Ampros plan

Lukanyo Mhyanda (270)

20 11/7/95
THE Transport and General Workers' Union said yesterday it reluctantly accepted moves by Anglo American Property Services to axe 900 cleaning and security staff, but accused Ampros of acting unilaterally.

The union said it had decided to co-operate with the company's decision purely to secure jobs for union members with the new management. Secretary-general Randall Howard said Ampros had decided to axe staff before consulting unions and had not justified the decision by disclosing its financial position. He said the union was not convinced of the need for outsourcing, but it would go along with the plan.

Ampros would be concentrating on its core portfolio and asset management activities and transfer other duties to specialist companies from July 22, deputy GM Fred Bihl said yesterday.

Ampros had managed to secure alternative employment for the affected staff and would provide severance packages for workers who rejected the offer. Bihl said providing cleaning and security services had become specialised and Ampros did not have the expertise to provide the best service for tenants. The move was in line with market trends; it was the only big letting company still providing the services in-house.

Rail union expects a wage deal

(270)

CT(BR) 22/7/96

The union has said it expects a deal on wages and conditions for the next year. It says it will accept a 3% increase in wages and a 1% increase in the pension contribution rate. The union also wants to see a 1% increase in the cost of living allowance. It says it will accept a 1% increase in the cost of living allowance. It says it will accept a 1% increase in the cost of living allowance.

The union says it will accept a 1% increase in the cost of living allowance. It says it will accept a 1% increase in the cost of living allowance. It says it will accept a 1% increase in the cost of living allowance. It says it will accept a 1% increase in the cost of living allowance. It says it will accept a 1% increase in the cost of living allowance.

The union says it will accept a 1% increase in the cost of living allowance. It says it will accept a 1% increase in the cost of living allowance. It says it will accept a 1% increase in the cost of living allowance. It says it will accept a 1% increase in the cost of living allowance. It says it will accept a 1% increase in the cost of living allowance.

Spoornet managers and workers face retrenchment

(270) ET(BE) 23/7/96
By Jonathan Rosenthal

Johannesburg — Workers and managers are likely to be retrenched to ensure the economic viability of Spoornet, Mafike Makwanazi, the executive director of the rail transport parastatal said yesterday

This is despite the expectations of the South African Railway and Harbour Workers' Union that retrenchments could be avoided through moderate wage demands in the wage round with parent company Transnet, he said.

Makwanazi discounted full-scale privatisation of Spoornet, saying that track and rolling stock were likely to remain in government hands.

Spoornet employed about

54 000 of the 96 800 people employed by Transnet.

"There are no guarantees that we will be able to achieve job savings at the end of the day but we will enter into negotiations on the issue," Makwanazi said

"The real question is, do all these people add value?"

Although unwilling to reveal numbers, he said downsizing would be across the board, with a focus on management

By 2000 he plans for management structures to be representative of the demographics of the country. Of a section of 383 managers, only 15 are women and a handful more are black, he said

Within the next few months, he expects between 30 and 40 percent of managers to be black or female.

Transnet is facing action over director

Amanda Vermeulen

(270)
BD 26/7/96
TWO unions, representing half Transnet's work force, have threatened legal action against the parastatal after internal financial misconduct charges were dropped against executive director Siphon Nyawo.

The unions have called on Transnet chairman and ombudsman Louise Tager to investigate the matter.

Technical Workers' Union secretary-general Christo van Heerden said yesterday he had approached Tager formally to look into the 181 charges of financial misconduct "being swept under the carpet".

Nyawo was appointed a Portnet executive director shortly after all charges of credit card abuse, which emerged after an internal probe instigated by Tager, were dropped. Van Heerden alleged that former Portnet CEOs Neil Oosthuizen and Philip Venter had resigned recently in protest against Nyawo's appointment.

Nyawo's credit card expenses ap-

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Transnet

(270)
BD 26/7/96
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parently included cash withdrawals, air tickets for a friend, bursaries and hotel rooms. Van Heerden said the credit cards were allocated to senior management "for official Transnet business only".

The Technical Workers' Union and its sister organisation, the SA Footplate Staff Association, representing 60 000 Transnet employees, had also called on Tager to investigate alleged abuses of Transnet's medical aid scheme by Nyawo.

Van Heerden said the unions were threatening legal action against

Transnet on the grounds that there appeared to be a double standard at work regarding the treatment of financial abuses by staff and management.

Van Heerden said a train conductor had been dismissed earlier this year over a R5,20 shortfall, yet Nyawo's credit card expenses, estimated at more than R100 000, had been ignored and he had been promoted.

Van Heerden had also written to Deputy President Thabo Mbeki to complain about the matter, saying previous attempts to get Tager to take action had been ignored. He alleged in his letter that Nyawo was related to Public Enterprises Minister Stella Sigcau.

Sigcau's office denied this yesterday, saying Nyawo addressed the minister as "auntie" as a sign of respect.

Racial tensions rise at Transnet as unions accuse each other

By Thabo Leshilo

Johannesburg — Racial tension is on the rise at Transnet, with the SA Railway and Harbour Workers' Union (Sarthwu) yesterday lashing out at the transport parastatal's predominantly white unions, accusing them of racist rhetoric and of threatening the stability of the company.

At the centre of the fallout between Sarthwu and the predominantly white Technical Workers' Union (TWU) and SA Footplate Staff Association lies disagreement over this year's wage-settlement offer by Transnet.

Sarthwu, which is the majority union, is comfortable with the company's wage offer of R233 a month across the board. The offer amounts to an increase of 19 percent for the lowest paid workers, most of whom belong to Sarthwu.

However, both the footplate association and the technical union have rejected the offer, which amounts to an increase of 4,5 percent for middle-income employees — the bulk of their membership.

Tshidiso Moshao, Sarthwu's assistant general secretary, accused the unions of refusing to settle the wage talks despite the fact that Transnet had proved it could not afford to pay more.

He described as racist the demand by the two unions to know how much the company's six new black executive directors were being paid and for rejecting the amnesty which followed the recent investigation into the misuse of Transnet credit cards as a cover-up to protect some senior black managers.

The footplate association and the chairman and ombudsman of Transnet, about the way the investigation was conducted. It uncovered widespread misuse of credit cards because of weak controls, and has led to stricter regulation.

Mashao said "These questions have never been asked while whites were running the company. We, as Sarthwu, representing the majority of working people within Transnet, distance ourselves from this rhetoric and would like to throw our full support behind Stella Sigcau, the minister of public enterprises, for the transformation programme she has instituted within Transnet."

Chris de Vos, the general secretary of the footplate association, denied Sarthwu's allegations of racism. He said Sarthwu's failure to support the two unions' complaints to Tager against Siphon Nyawo, an executive director alleged to have misused his credit card, was politically motivated.

De Vos defended the linking of the new executive directors' salaries to this year's wage talks, which continue on Thursday. He said the unions had the support of SA Salaried Staff Association and the Employees' Union of SA

(270) CT(192) 30/9/96

Louise Tager

CERTAIN statements appearing in the Press have indicated a lack of understanding, or a selective understanding, of the issues surrounding credit card investigations undertaken by Transnet. Here is a factual account of the events

An investigation was instituted in February into the system of controls applied to the 4 500 credit cards held by Transnet managers. This was not an investigation into managers' perks because a credit card is not a perk, it is issued for business expenses.

The investigation showed that in most cases controls were not adequately administered (although some supervisors were more diligent than others), that there were no limits on expenditure and cash withdrawals were being made, albeit lawfully.

There was no investigation of individuals. Random samples were taken from different divisions for the purpose of ascertaining the effectiveness of the control system and the way it was being administered.

Matters probed included significant cash withdrawals, the absence of supporting vouchers and reconciliations, and the absence of review by a more senior member of management. Items identified were listed with a view to further investigation.

However, the sheer volume of such items identified rendered further investigation impractical.

The individuals concerned, both the card holders and their supervisors, have thus not been given the opportunity to explain the apparent anomalies of the past, many of which could have reasonable explanations.

Upon completion of the investigation, the report was handed to human

Transnet's credit card probe misunderstood

BD 1/8/96 (270)

resources and transformation executive director Joe Ndhlela with the request that he take steps to improve the situation.

Ndhlela's recommendations for a course of action were accepted by the executive committee of Transnet comprising the MD, the deputy MD, executive directors and the chairman.

The recommendations, which were implemented on July 1, included the withdrawal of the cards from those managers who had no business reason to have credit cards, thus reducing the number of cards. A limitation on the amount which could be spent was placed on every card, and cash withdrawals were prohibited.

In view of the inadequacy and unevenness in the application of controls, it was also decided to place a moratorium on all credit card investigations. All such investigations were thus stopped and individuals have been given the opportunity to respond to this act of amnesty.

In terms of a circular sent to management, those who do not respond will have to face the consequences if misuse is established at a later stage.

Unfortunately the impression was created by the Press that there was wholesale abuse of the credit cards.

This has not been proven to be the case, as explained above. What was found was that the systems of monitoring and control were not being carried out properly.

These findings reflected negatively on supervisors who in most cases were negligent, haphazard and in dereliction of their duties in reconciling monthly slips, monitoring and counselling their subordinates.

The report was made available to the trade unions and other interested parties. Certain trade unions, however, were aggrieved by the decision to grant a moratorium to card holders and demanded that their members be granted a similar moratorium from disciplinary procedures.

They refused to accept that it was the inadequate system of controls which had given rise to the moratorium on card holders whereas there was no problem with the system applied in disciplinary procedures, nor had there been any complaints that the procedures were inadequate or improper.

The complaining unions then decided to target a certain individual and requested the newly established office of the ombudsman to investigate the allegations contained in a "charge sheet" which they had in their possession.

In response to this request and in accordance with the normal procedures followed by the office of the ombudsman, Ndhlela was requested to investigate the complaint.

Prof Louise Tager is chairman of Transnet.

Transnet offers credit card amnesty

BD 1/8/96 (270)
Robyn Chalmers

TRANSNET has offered amnesty to managers who might have abused company credit cards, provided they explain their actions.

The parastatal said yesterday it had halted further investigation into credit card abuse, given what it termed inadequate and uneven application of controls on the 4 500 company credit cards in circulation.

But it had issued a circular to management calling for explanation of their actions. Those who failed to respond would "have to face the consequences if misuse is established at a later stage".

The parastatal, which ordered a probe into credit card abuse earlier this year, had decided against pursuing individual cases.

Its decision has incensed several unions and many employees. A leaked internal document alleges that new Portnet CE Siphon Nyawo had faced internal charges relating to 181 instances of alleged credit card abuse totalling almost R110 000.

The documents alleged the instances — between February 1994 and December last year — included unauthorised ATM withdrawals, unauthorised business class flights and using the card to pay for takeaway food. Chairman Louise Tager declined to comment yesterday.

Transnet said certain trade unions were aggrieved by the decision to grant a moratorium on credit card probes, and demanded that their members be granted a similar moratorium on disciplinary procedures.

The unions had called on Deputy President Thabo Mbeki to fire Public Enterprises Minister Stella Sigcau and

Continued on Page 2

Transnet (270)

Continued from Page 1

Tager, and called for an investigation into the composition of Transnet's top management. A spokesman for Mbeki was unable to comment.

The Federation of SA Labour Unions yesterday supported the unions — the SA Footplate Staff Association, Salstaff and the Technical Workers' Union — which represented 40 000 Transnet employees.

"Fedsal supports its three trade unions embroiled in a fight with Tager

over the clumsy handling of the credit card fraud," general secretary Dannhauser van der Merwe said.

Transnet said the unions had refused to accept that it was the inadequate system of controls which had led to the investigation being halted. It said there was no problem with the system applied in disciplinary procedures.

A new control system had been implemented on July 1, which included a limitation on the amount which could be spent on every card, the withdrawal of cards from certain managers and the banning of cash withdrawals.

See Page 15

Too many cards end

Transnet

(270)

inquiry

Sentinel 7/8/96

By Shadrack Mashalaba

TRANSPORT parastatal Transnet has placed a moratorium on further credit card investigations

The decision was made after it was found that the volume of cards in question (about 4 500) rendered any further inquiries into the matter impractical

The individuals who faced allegations of misusing their cards have been given an opportunity to explain to the management the anomalies in their credit card accounts

The corporation has said that those who fail to respond and are later found to have misused their cards will be severely dealt with

Controls flawed

The investigation that Transnet has conducted so far revealed that in the majority of cases controls were not adequately administered. However, it ruled out wholesale abuse of credit cards.

On completion of an investigation instituted in February this year, a report was handed to the corporation's executive director for human resources and transformation, Joe Ndhlela

In the report Ndhlela was asked to improve the situation. He made recommendations for a course of action that were accepted by Transnet's executive committee, comprising of the managing director, executive directors and the chairman

The recommendations included the withdrawal of cards from managers who did not need them, imposing a credit limit and the abolition of cash withdrawals. The recommendations were implemented on July 1

Drivers and artisans threaten to halt rail services

(270) CT (PR) 2/8/96

By Thabo Leshilo

Johannesburg — South Africa's train services may be brought to a halt if train drivers and railway artisans go on strike after the declaration of a wage dispute by three predominantly white Transnet unions yesterday.

The South African Footplate Staff Association, the Technical Workers' Union and the Employees' Union of South Africa rejected the company's offer of a 4,8 percent increase for the middle-income group. The three unions represent about 40 000 members. Most are from the middle-income group.

However, the South African Railways and Harbours Workers' Union (Sarhwu), the Black Trade Union of Transnet, Transnet Allied Trade Union and Salstaff accepted Transnet's offer of a 19 percent increase for low-paid workers.

Together they represent about 56 000 of the company's 96 800 employees in the bargaining unit.

Soon after the dispute was declared, the three trade unions and Transnet agreed to appoint Hans van der Dries of the Independent Mediation Service to mediate the dispute. Mediation starts on Tuesday.

"At this stage, indications of large-scale strikes are not excluded, though union leaders will execute all means to avoid strikes until all prescribed dispute (resolution) mechanisms of the industrial council have been exhausted," said Chris de Vos, the general secretary of the footplate staff association.



FIGHTING STANCE David Oosthuizen, the president of the Technical Workers' Union, and Christo van Heerden, the union's secretary-general, say Sarhwu is "in bed with management" PHOTO JOHN WOODROOF

He said the union would "guide its members on a legal strike" if the dispute was not resolved within a month.

"Naturally, such action will cause major economic disaster," De Vos said.

As an example he cited the one-day strike by train drivers in November last year, which left at least 700 000 commuters stranded in Gauteng and Natal.

The train drivers' union called the strike to protest against an internal disciplinary inquiry against three members. They had been acquitted of culpable homicide after 67 people died in the 1994 Marianhill train accident, near Durban.

Karel Mostert, the president of the Transnet Employees' Union, accused the company of creating

friction among the trade unions by making them decide how to allocate the R270 million it said was available for increases.

"We are not against the demand of our colleagues for closing the wage gaps. But we don't agree that they (Transnet) should do so by taking money away from the middle group. It's like robbing Peter to pay Paul," Mostert said.

He said the 4,8 percent increase was even more unacceptable considering that people who rented their homes from Transnet had to pay market-related rents, employees' contributions to the company medical aid scheme was being doubled and a cap was being placed on overtime pay.

He said the offer should be increased to at least 8 percent. That would increase Transnet's

wage bill by a further R63 million.

David Oosthuizen, the president of the Technical Workers' Union, expressed dismay at Sarhwu's decision to accept the company's offer. Sarhwu is the company's largest trade union.

"I am at a loss for words. How can a union which was so militant in the past accept crumbs. They are now in bed with management," Oosthuizen said.

Lyall Masse-Hicks, the president of Salstaff, said his union supported the capping of overtime pay because it reduced the cost of overtime work a person, meaning even more people could work overtime.

Con Jooste, the senior industrial relations manager at Transnet, had not responded to questions at the time of going to press.

Unions oppose Transnet wage offer

Reneé Grawitzky

BD 2/8/96 (125) (270)

THREE predominantly white Transnet unions declared a wage dispute with the company yesterday after they refused to accept a wage option which would effectively narrow the wage gap between the lowest and higher paid workers.

Transnet confirmed that the SA Footplate Staff Association, the Technical Workers' Union and the Employees' Union of SA had declared a dispute and the parties would be meeting in mediation next week.

The predominantly black unions including the SA Railway and Harbours Workers' Union (Sarhwu) and the Black Trade Union of Transnet supported a wage option which would narrow the wage gap

In terms of this option workers could earn an across the board increase of R233 which for lower paid workers would amount to about 19%, but would amount to 4,5% and upwards for workers higher up the pay scale.

The unions opposing such an option have proposed R233 across the board or 8%, whichever was the greater.

The company said negotiations this year had been conducted very differently to previous years. Unions had now been informed that the company could allocated R270m for salary increases and the unions, with input from management, were able to decide how this amount should be distributed.

The company said the unions were granted full financial disclosure including the salaries and cost of management to the company.

Rumbles over Transnet's actions on credit cards

(270) PWD 2/8/96

MORE than R5 400 is claimed to have been spent on SAA flights that were never made, almost R1 000 on medical bills for visits to a gynaecologist and R23,75 on a Nando's Chickenland takeaway.

These are just some of the items of alleged irregular spending on the Transnet credit card of executive director Sipho Nyawo. Scores of recorded card transactions are listed in what is said to be a Transnet "charge sheet" drawn up against Nyawo. The charge sheet contains more than 180 allegations of disciplinary violations, most of which relate to credit card usage.

Transnet has decided to place a moratorium on all credit card investigations, a move which has outraged a range of stakeholders in the parastatal and precipitated an attempted smear campaign against top Transnet managers.

Nyawo's internal charge sheet and a number of other largely unsubstantiated accusations against top Transnet management were leaked to the media this week as dissatisfaction mounted over changes being made within the organisation. The allegations against Nyawo

included his incurring of excessive expenses, the unauthorised withdrawal of money from automatic teller machines with company credit cards, the buying of business class air tickets when he was only entitled to economy class travel, and being absent from work without leave.

The amount of money under question on the charge sheet is well over R100 000

Nyawo is not the only person at Transnet being singled out by disgruntled parties who allege that the whole credit card abuse issue has been poorly handled, politically and managerially

Transnet contends that the purpose of the investigation was to ascertain the effectiveness of the control system and the way in which it was being administered. As a result, random samples from different divisions were taken, and there has been no investigation of individuals

The investigation found that, in most cases, controls were inadequate and a new system was put in place on July 1. No individuals have yet been asked to respond to accusations of improper use of card accounts, and some may well be

ROBYN CHALMERS

cleared once they are allowed to do so. While the disgruntlement in the parastatal, and particularly that of trade union members, over a moratorium being placed on credit card investigations is understandable, it would be far more so if no further action was envisaged being taken.

Transnet has said that it has granted a temporary amnesty to managers who might have abused their credit cards. But those who do not respond to the moratorium and explain their actions will have to face the consequences if misuse is established at a later stage.

As long as Transnet's management keeps this promise and brings to justice offenders—including any who may be in top management positions—its critics will have no leg to stand on. It is also important that any funds owing are repaid.

However, if it extends the moratorium indefinitely and does not discipline abusers of the system, there is likely to be a huge backlash.

The issue of privatisation is becoming another thorn in the side of

Transnet. While chairman Louise Tager is firm on the need for a consultative process to outline

Transnet's options regarding some form of privatisation, it is also clear that some top management members are hesitant about pushing ahead with privatisation in the light of huge liabilities—of up to R14bn—linked to the pension fund and the existence of a number of loss-making divisions. The reasoning is that it would be foolish to move ahead rapidly with privatisation until progress is made on reducing the pension fund deficit and turning around loss-making divisions.

Proposals to sell off part or the whole of Transnet while it is still weighed down by liabilities means government is unlikely to realise the best possible price.

There remains little clarity on government plans for Transnet. A report submitted by the transformation task team to government last December containing recommendations on the way forward has yet to be fully debated by all the stakeholders. Further investigations into privatisation possibilities are continuing with the support of all in-

involved players—unions, government and Transnet management—but there is little transparency.

This is of concern, mainly because it leads to wild speculation

A further hurdle is how to stem the spate of resignations among top, largely white, management. MD Anton Moolman will leave at the end of this month to be replaced by deputy MD Saki Macozoma, while Portnet CEO Neil Oosthuizen and port operations CEO Philip Venter are others who have quit. There is speculation that the latter two left after the charges against Nyawo were withdrawn, but there is also mounting dissatisfaction generally over the transformation process.

There is also a perception that an affirmative action policy is being forced onto the parastatal, and people are being appointed who are ill-equipped to handle their portfolios. And there is unhappiness over reportedly huge salaries being paid to appointees in management.

There is clearly a minor uprising within Transnet which has the potential to do significant damage if action is not taken soon to defuse discontent.

LETTERS

Wage dispute continues amid threats of violence

Mediation fails at Transnet

By Thabo Leshilo

Johannesburg — Efforts to mediate the wage dispute at Transnet collapsed yesterday, amid rising tensions between mainly white train drivers and artisans and mostly black general workers

The dispute declared by the Technical Workers Union, Employees Union of SA and SA Footplate Staff Association last week is now set for advisory arbitration on August 22 and 23

after the parties could not reach agreement

Four other unions, SA Railways and Harbour Workers Union, Salstaff, the Black Trade Union of Transnet and the Transnet Allied Trade Union, have agreed to accept the company's offer that they share R270 million, which translates into an increase of 19 percent for low-paid workers and 4,8 percent for the middle-income group. They also agreed to the capping of overtime pay,

which would make a further R56 million available for distribution to the middle-income workers, raising their 4,8 percent to 7,5 percent

David Oosthuizen, the president of Technical Workers Unions, said threats had already been made against members of the three unions which were now being seen as preventing general workers from getting hefty increases in order to narrow the gap in wages. He said the possi-

bility of violence would increase each day the dispute remained unresolved

"It is very, very worrying. I have not seen anything like it in my 39 years with the company. But we are prepared to go to war if they implement the increase unilaterally," Oosthuizen said

Derrick Simoko, the general secretary of Sarhwu, denied the union was involved in the alleged intimidation

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Unions square up over implementation of Transnet wage deal

By Thabo Leshilo

Johannesburg—The South African Railways and Harbour Workers' Union (Sarthwu) threatened yesterday to embark on a protest to force Transnet, the transport parastatal, to implement this year's pay rise.

The unions opposed to the wage deal sought legal advice to stop the move.

Sarthwu held an urgent meeting with the management yesterday to demand that the proposed settlement, reached by four unions and Transnet last week, be finalised and put into effect. Sarthwu did not want to wait for the dispute declared by three other unions to be resolved because it could take at least a month.

Tshudiso Moshao, the assistant general secretary of Sarthwu, said "We cannot be held to ransom by the other unions which refuse to settle." He said Sarthwu reserved the right to do whatever was necessary to implement the 1996-7 wage increases. "We will possibly hit the streets," Moshao said.

Con Jooste, the industrial relations manager at Transnet, said the demand by Sarthwu had placed the company in a dilemma because there could be no legal settlement with any union until the dispute had been resolved.

Sarthwu, Salstaff, the Black Trade Union of Transnet (Blatu) and Transnet Allied Trade Union (Tatu) have accepted the company's wage increase offer of R270 million. The offer amounts to a R233-a-cross-the-board rise for the parastatal's 96 800 employees who belong to the bargaining unit.

The Technical Workers' Union, South African Footplate Staff Association and Employees' Union of South Africa, which represent train drivers and artisans, accounting for about 4,8 percent of skilled workers, have rejected the offer. They also opposed the decision to limit overtime for a year, because it robbed their members of the chance to improve their earnings.

Lyall Massey-Hicks, the president of Salstaff, said his members supported the limiting of overtime "as a creative means of increasing the amount of money available for distribution in terms of a salary settlement".

The Technical Workers Union (TWU) and the South African Footplate Staff Association said they were consulting their lawyers to stop the "unilateral implementation" of the deal agreed to by the other unions.

David Oosthuizen, the president of TWU, said his union would "stop at nothing" to prevent the restricted settlement being implemented because it would be unfair to workers affected by the dispute.

Oosthuizen warned of growing restlessness among TWU members eager to dump tools "to teach the company a lesson" after mediation failed to resolve the dispute on Tuesday. The dispute goes to advisory arbitration on August 22 to 23.

(270) ET (PR) 8/8/96



DEVASTATING Christo van Heerden, the general secretary of the Technical Workers' Union

PHOTO: JOHN WOODROOF

Transnet unions ask minister for help

By Thabo Leshilo

Johannesburg — The three trade unions in dispute with Transnet sent a letter this week to Stella Sigcau, the public enterprises minister, asking for an urgent meeting to avert a threatened strike over wage increases

Christo van Heerden, the general secretary of the Technical Workers' Union, wrote the letter on behalf of his union, the Employees' Union of South Africa, and the South African Footplate Staff Association.

He said Sigcau had intervened successfully during last year's wildcat strikes over wages at the parastatal and would be able to help prevent serious disruptions of the railways and harbours

He said Transnet showed no signs of budging from its position that it could not afford to pay more

"This is making the growing threat of industrial action by the members inevitable," he said

He said a strike by the three unions could be devastating because they represented vital employees without whom the trains and ports could not operate. The bulk of Transnet's 96 800 employees, however, belonged to

CT(BR) 9/8/96

the South African Railways and Harbour Workers' Union, Salstaff, the Black Trade Union of Transnet and the Transnet Allied Trade Union. These unions have all accepted Transnet's wage offer

"We, as the leaders of the trade unions, believe that any disruption of the train commuter services or the ports will be adverse for the economy and our image as a company both locally and abroad," Van Heerden said

Advocate Mdutshane, a spokesman for the public enterprises ministry, said yesterday that the letter had been received on Wednesday and Sigcau would contact Van Heerden at the weekend.

The unions declared a dispute last week after rejecting an offered wage increase of 4,8 percent for artisans, train drivers and operating staff

They are also against Transnet's policy of limiting overtime to improve the wage increase to 7,5 percent. They have demanded that Transnet increase its budgeted wage offer of R270 million to bring their increase to at least 8 percent

Mediation failed to resolve the dispute this week. The two parties will go into advisory arbitration in two weeks

Transnet credit card abuse row escalates

Tim Cohen

(270)
BD 14/8/96

CAPE TOWN — The row over Transnet executives' use of company credit cards is set to widen following a DP decision to ask for investigations by the public protector, the auditor-general and Parliament.

Such a probe would compound the woes of Transnet chairman Louise

Tager, whom the DP attacked yesterday after reports that she received a R900 000-a-year salary package, despite working for Transnet part time. DP public enterprises spokesman James Selfe said he intended approaching the public protector and the auditor-general with documentation

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(270)
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dealing with transactions made by Transnet directors. He would ask Senate public enterprise committee chairman HJP Lebona to ask Tager and other Transnet senior executives to appear before the committee to explain what action they intended taking.

Transnet has acknowledged instituting a probe in February of 4 500 credit cards held by Transnet managers. As controls were inadequate, a moratorium was placed on the probe and individuals would have an opportunity to respond to the "amnesty", Transnet said. It denied there had been wholesale abuse of credit cards, saying this had not been proved. Trade

unions had targeted an individual — Portnet CE Siphon Nyawo — and called for investigation of 181 allegations of gross misconduct involving about R120 000, spent in the two years to November last year, Transnet said.

It was claimed that Nyawo used company credit cards to spend large amounts at hotels in SA and abroad, on cash advances and on car hire bills, submitted an acquaintance's gynaecologist's bills for payment by Transnet, and granted bursaries worth about R40 000 to two medical students without the necessary authority.

Selfe said taxpayers had a right to know what action would be taken against officials involved in the misuse of credit cards. "The squandering of public money is of serious concern and cannot be left to the management of Transnet to explain away."

Progress on Transnet dispute

BD 15/8/96

(270)

Reneé Grawitzky

AN IN principle wage agreement reached on Tuesday between Transnet and four Transnet unions, representing an estimated 63 000 workers, would be subject to review pending the outcome of the dispute with three other white Transnet unions

The four unions — the SA Railway and Harbour Workers Union, the predominantly white Salstaff, the Black Trade Union of Transnet and Transnet Allied Trade Union — agreed on an across the board increase of R233 plus a non-pensionable allowance so that all employees would not receive less than a 7,5% increase. This agreement was reached despite the withdrawal of three unions from the negotiations after they declared a dispute.

The three, Technical Workers Union, The Footplate Staff Association and Employee Union of SA, representing 23 000 workers, declared a dispute two weeks ago and withdrew from the negotiations pending mediation and advisory arbitration. The parties met in mediation last week, but failed to

resolve the dispute which would be referred to advisory arbitration on August 22 and 23

In view of the three "hold-out" unions, Transnet and the four unions agreed, at this stage, to only implement the increase for those workers earning R2 000 or less per month.

Sources close to the negotiations said even though the three unions represented a minority in the higher categories, it would be considered bad faith bargaining to implement in those categories pending the outcome of the dispute.

The negotiations process this year differed from previous years. Transnet explained that through a facilitated process involving extensive information disclosure, consensus was reached with all the unions that an agreed amount be utilised for wage increases.

The unions, guided by Transnet, proposed various scenarios and designed over 20 wage models. The three unions opposed a particular wage model which the other four unions representing the majority of workers supported.

Sigcau wary of Transnet pay plan

BD 15/8/96

(270)

Robyn Chalmers

PUBLIC Enterprises Minister Stella Sigcau sought yesterday to distance herself from the row over salary packages for Transnet executives

She said salary proposals presented by Transnet chairman Louise Tager had not been approved. She had "serious reservations" given the sums involved, and that she had not been given adequate information on additional perks and fringe benefits.

It has been reported that Tager's package for her part-time work is worth R900 000 a year — a figure Sigcau has denied — and that five new Transnet executives, including new MD Saki Macozoma, are in line for similar packages, on five-year contracts.

Previous Transnet chairman Marius de Waal's salary is understood to have been R185 000 a year.

Latest reports show Telkom's 13-strong board enjoyed a combined salary of R2,8m a year in the 1996 financial year, while Eskom's 11-member board shared R8m between them last year.

Sigcau said Tager had provided a breakdown of the proposed salaries and the issue was being discussed

Speculation about the figures was based on "incomplete and inaccurate data". She said earlier this week that the issue was an "internal matter".

The finance ministry, which has been pushing for greater corporate governance within parastatals, was unable to comment officially yesterday. However, ministry sources said parastatals had been given a "free hand" in the past, and greater transparency was needed on the issue of remuneration. Transnet's 1995 report shows that its remuneration committee was headed by De Waal.

Public Enterprises director-general Siphoshe Shabalala said parastatal executives' salaries were decided internally, but the relevant minister had the authority to review these salaries.

There were no examples of parastatals' proposed salaries being forcibly scaled down, but concerns over high salaries would be negotiated. His office was moving ahead on determining an appropriate form of corporate governance for parastatals. Issues under scrutiny included the effectiveness and efficiency of the board of directors and CEO of each parastatal.

Continued on Page 2

Tager

(270)

Continued from Page 1

The salaries row follows another controversy over Tager's handling of alleged credit card abuse by parastatal staff. Transnet has offered its managers amnesty if they explain their actions, but is refusing to say how many have come forward.

Reneé Grawitzky reports that the question of the salaries of the five new executive directors was raised in recent wage negotiations with Transnet by several white trade unions.

An SA Railway and Harbour Workers' Union spokesman said the question of the wage gap was being dealt with in negotiations at the Transnet Industrial Council. The entire management structure would be investigated, the union said.

11 The Star 15/8/96

Sigcau concerned about Transnet salary proposals

Star 15/8/96 (270)

Chairman wants whopping personal package of R900 000 a year
but minister says she hasn't approved any salary adjustments

By HELEN GRANGE

Public Enterprises Minister Stella Sigcau has "serious reservations" about Transnet salary package proposals submitted by its chairman Professor Louise Tager, who reportedly requested a personal package of R900 000 a year.

A statement yesterday from Sigcau's office said she was concerned about public speculation around the proposed salary structures for Transnet executives, stressing that she

had not yet approved any salary adjustments.

Tager's salary proposals had been submitted in their preliminary format, but in view of the Government's belt-tightening exercise, the size of the sums involved, together with inadequate information relating to additional perks and fringe benefits, "serious reservations" were expressed by Sigcau.

These were accordingly conveyed to Tager and the matter would be discussed further with the remunerations committee,

the statement said.

Repeated attempts to contact Tager this week were unsuccessful.

The R900 000 figure reported in a daily newspaper as the package she proposed is more than what President Nelson Mandela receives and double the package for such a post according to remuneration tariffs for chairmen and board members of state corporations as decided on by the Cabinet in 1993.

According to the tariffs, which have since never been upgraded, the

total package of chairmen of state corporations such as Transnet, Spoornet, Eskom and Telkom should amount to R368 889 a year.

Tager cannot work fulltime at Transnet because she is chairman of the Business Practices Committee and a director of, among others, the Barlows group.

Her predecessor, Dr Marius de Waal, earned R185 000 until the termination of his service as chairman in December last year.

Settling the 'bones' of contention with Transnet

(270) (270) (270) 16/8/96

INSIDE LABOUR

Some time today Transnet workers should be celebrating a generally unexpected upturn in their fortunes or the country could be preparing for a significant disruption in the transport sector



TERRY BELL

That seemed the only conclusion to draw last night as Stella Sigcau, the public enterprises minister, prepared to meet representatives of the Technical Workers Union (TWU), the Footplate Association (Safsa) and the Employees Union (Eusa). These unions organise among the key staff in all Transnet operations and include in their memberships employees ranging from train drivers and railway signallers to aircraft technicians and artisans

If they did not get their way in terms of higher pay at the generally unpublicised meeting last night, they are almost certain to go ahead with their threatened strike. If they succeeded in persuading the minister to award them a higher basic increase, the increase will have to be passed on to all other Transnet staff.

The unions scheduled to meet the minister last night were the traditional, and therefore still mainly

white, Transnet organisations. They were up in arms at the wage agreement signed on Wednesday between Transnet and the South African Railway and Harbour Workers' Union (Sathwu) and its allies, which include the more than 90 percent-white salaried staff association Salsaf.

This agreement, which allows for a R233 across-the-board payment for all employees, has been castigated as inadequate by most traditional unions. Significantly, however, it was reached by a possibly unique process of negotiation. All Transnet unions, including the traditional unions, agreed that they would not put any demands on the table, instead they insisted that Transnet open its

books and tell the unions what the company could afford. A figure of R270 million, based on commercial criteria, was agreed and the financial cake was accepted as baked. The cutting up began — as did the problems.

It had been agreed on the union side that no members should end up with less than a 7.5 percent increase in their pay packets. But after dividing the amount agreed to be affordable, higher-paid employees — those earning more than R3 000 a month — found themselves with a 4.6 percent pay rise. For lower-paid employees, R233 meant a 19 percent increase. To meet the criterion of a 7.5 percent increase, it was also agreed that anyone not qualifying

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for a pay rise of that magnitude would have it made up by a non-pensionable allowance, which was to be funded by a cap on overtime payments.

That would mean a loss for skilled staff such as train drivers, who tend to face considerable amounts of compulsory overtime, and who still happen to be largely white. That has led to the ironic situation where traditional unions now appear more militant than the much larger, Cosatu-aligned Sathwu.

"The result of what Sathwu has done is to lower the rate for the jobs at the upper levels," said Christo van Heerden, the general secretary of the TWU. "Not so," responded Sathwu's assistant general secretary, Tshudiso Moshao. "What they are complaining about is the way we divided up what was available. Yet they also said they supported closing the apartheid wage gap."

As far as Sathwu was concerned, TWU and its allies represented a minority desperate to sent a minority desperate to cling to its privileges. Van Heerden admitted that most of his members were "part of the haves" under the old order. And he agreed that this created problems. "But we are not a white union. About 30 percent of our membership is people of colour," he said.

"That's a blue lie," said Moshao. "TWU and the unions around it were the bastions of white Afrikanerdom. They are the

"By the year 2000 the white Afrikaners' hold on the technical and higher-paid jobs will be broken," said Moshao. Moshao also dismissed allegations that Sathwu was "in bed with management." But he accepted Van Heerden's analogy that Transnet management had thrown some "bones to the dogs and we are fighting over them."

"Only we are not fighting," said Moshao. "They are, and good luck to them. We are happy with what we got, but if they can get more, we'll also be happy."

"That may well be, and neither the TWU nor Sathwu have expressed an intention to amalgamate."

Transnet (270)

executive pay structure 'not finalised yet'

Nov 17/18/96

Transnet said yesterday the salaries for its chairman and executive directors "have not been finally determined" and a committee would recommend to Public Enterprises Minister Stella Sigcau "appropriate remuneration levels"

A remuneration committee of the board of directors, including five non-executive directors, would take into cognisance the parastatal's diversity, its asset base of more than R40-billion, and turnover of R18-billion a year in making the recommendations.

Chairman Louise Tager was appointed in a full-time capacity for five years by Sigcau in January, it said.

Tager also chairs the Harmful Business Practices Committee and is a director of Barlows

Sigcau earlier denied reports that Tager earned R900 000 a year at Transnet alone. The minister said Tager's annual salary was about R500 000.

Sigcau said media speculation on the proposed salary structures for Transnet executives was bound to be based on premature, incomplete and inaccurate data because the matter would still be discussed further with Parliament's remunerations committee.

The IFP yesterday called on Sigcau to "urgently veto" proposed salary increases for Transnet executives - Sapa

Card inquiry new saga in Transnet's tale of woe

(270)

ST(BT) 18/8/96

By SVEN LUNSCHÉ

PUBLIC Enterprises Minister Stella Sigcau will this week order an independent investigation into the abuse of company credit cards by Transnet executives

The department's director-general, Siphoshe Shabalala, confirmed on Friday the inquiry would be set up after consultation with Transnet executives, but would be staffed by outsiders

Meanwhile, Transnet chairman Louise Tager has broken the silence on the furore over her alleged R900 000-a-year salary and the R800 000-a-year salaries said to be earned by five executive directors appointed in April

Tager said her salary and that of executive directors had not been finalised by Sigcau "I do not know where newspapers got the R900 000 figure from," she said.

Sigcau said this week she was seeking more information on perks and fringe benefits, indicating that a R500 000 salary had been recommended for Tager

"A remuneration committee of Transnet's board of directors, which includes five non-executive directors, is charged with recommending appropriate remuneration levels for Transnet directors, taking into account its diversity, its R40-billion asset base and R18-billion-a-year turnover," Tager said on Friday

She said salaries of the five new executive directors needed to be judged by similar packages paid to managers in the private sector

Tager also rejected allegations that she was a part-time chairman "I spend all but half a morning every two weeks at Transnet and work long hours" She had wanted to step down as chairman of the Business Practices Committee at the end of June but was asked to stay on until the drafting of new regulations.

Shabalala said the department gave three Transnet unions an undertaking that the misuse of credit cards would be examined immediately

Tager was not aware of the new investigation but said Transnet's internal inquiry was continuing This included a probe relating to 181 instances of alleged card abuse totalling R200 000 by new Portnet chief executive Siphoshe Nyawo

She said "A brief amnesty period has been instituted to allow executives to come clean and pay up It is not a cover-up," Tager said effective new control audits were now in place.

Transnet managers came under fire from a different source on Friday — the commission investigating this month's Tembisa stampede which cost 15 lives

The commission's report describes the calibre of management at Metro Rail, a Transnet subsidiary, "as less than satisfactory" The report calls for increased private sector involvement in the running of rail services

Tiego Moseneke, chairman of the commission, said on Friday that neither the unions, Metro Rail management or the Department of Public Enterprises were willing to move in this direction.

The concession proposals were first made by the Department of Transport a few weeks ago but met with stern resistance. On Friday Transport Minister Mac Maharaj gave renewed emphasis to the proposal by backing the commission's recommendations.

Maharaj said the main contributing factor to the Tembisa tragedy was the poor state of commuter rail services infrastructure, which had been neglected since the early eighties.

"In the medium term, government is considering a move towards the concessioning of the operation of Metro Rail services on state-owned rail infrastructures, on a competitive basis, by either public or private sector operators," he said.

Transnet will call in forensic accountants over abuse of credit cards

Lukanyo Mnyanda

TRANSNET is to call in independent forensic accountants to help investigate credit card abuse by senior managers.

Chairman Louise Tager said yesterday the move — agreed to last week with Public Enterprises Minister Stella Sigcau — was part of a continuing investigation and would show Transnet had “nothing to hide” on the issue.

The parastatal's board ordered an internal probe into credit card use — there were 4 500 in circulation — earlier this year. In June it offered transgressors a one-month amnesty from disciplinary action, if they explained their actions.

Tager said it was not clear how many managers had responded, but Transnet's internal auditors had several prima facie cases which it was going to pursue.

“We have cases to roll out,” Tager said. “We want to make absolutely sure that we do this properly. We are not going to be letting people off the hook.”

Tager did not rule out the prospect of criminal inquiries after the probe. The decision follows growing controversy over the credit card issue. Unions and many employees were incensed about the amnesty, and the DP last week called on the public protector and auditor-general to investigate.

It has also been alleged that new Portnet CEO Siphiso Nyawo faced internal charges relating to 181 counts of credit card abuse totalling almost R110 000, but so far no action has been taken against him.

Tager said the Nyawo allegations were being separately investigated by human resources director Joe Ndhlala. She had told Sigcau last week that “we are doing our job ... I said we are not covering anything up.”

The parastatal has also been dogged by controversy surrounding management salaries. Sigcau last week dismissed reports that Tager was being paid R900 000, but said she was not happy with salary proposals from Transnet's remuneration committee.

Tager declined to quantify her pro-

posed salary. The proposal would reflect the new executives' level of responsibility. Tager's predecessor Martinus de Waal is understood to have been paid about R245 000 a year.

“De Waal was there for one or two days a week,” Tager said. “He had no responsibility other than to be chairman of the board. I have a full-time appointment and responsibilities far beyond anything he had. People should be paid for responsibility they carry and the work they do, in accordance with market principles.”

CREDIT SQUEEZE

Transparency clouds the issue

CT (FOR) 20/8/96 (270)

Thabo Leshilo

Louise Tager, the chairman of Transnet, must wonder whether transparency in management is worth the trouble

In February she instituted an investigation into the system of controls governing the use of company credit cards by senior managers. What started as a move to improve accountability at the transport parastatal has now become a divisive racial and political row

Central to the quarrel over credit cards lies the decision by the executive committee of the board of Transnet not to prosecute managers who had misused company credit cards. Their decision came after Dlamini & Ngidi, the independent firm of chartered accountants, had exposed "a number of disturbing breakdowns in procedures and controls", leading it to conclude that "expenditure using Diners Club cards is out of control"

The auditors' review of transactions made on the 1 605 Diners Club cards from the beginning of April last year to the end of March this year showed that there were no documents to substantiate claims in 60 percent of the instances, reconciliations were not properly approved in 80 percent of instances and that expenses were not supported by vouchers in 30 percent of the instances

The auditors also found that "limitless expenditure can be incurred by each cardholder, exposing Transnet to invalid expenditure on a large scale" A sample of 70 cards was used

The four predominantly white unions of Transnet, the Technical Workers' Union, the South African Footplate Staff Association and the Employees' Union of South Africa have pounced on the amnesty from prosecution given to managers found to have misused their credit cards

Already, the Technical Workers' Union has had a case against a member, who lost R6 305 belonging to Transnet, thrown out by an arbitrator because of the amnesty. The arbitrator found that the amnesty — from April 1 last year to June 30 this year — meant that "different disciplinary standards are applicable to senior Transnet employees than those applicable to the rank and file"

However, the South African Railway and Harbours Workers' Union (SARHU), the majority black trade union of Transnet, and the six new black executive directors say the row over credit cards is being exploited for political gain by parties opposed to the government's transformation of Transnet

"We view these developments as a threat to the stability of the company and we strongly suspect that they represent a continuation of old apartheid tactics of dividing South Africans according to their racial origin," Tshidiso Moshao, the assistant general secretary of SARHU, said recently

The four unions, however, deny the charge of racism, saying that their actions are purely motivated by the desire to ensure equitable treatment for their members, who sometimes get fired for petty offences

Joe Ndhlela, the executive director responsible for human resources and transformation, accuses "certain individuals among white senior managers" of using the credit-card



NO CREDIT Louise Tager, the chairman of Transnet, and Christo van Heerden, the secretary-general of the Technical Workers' Union

GRAPHIC: JAMES DE VILJERS

issue to discredit the new executive directors and undermine their ability to run the company

"They are just trying to create a storm by making untrue allegations. This is clearly the result of individuals who are still married to the past during which they had certain (reserved) privileges. They suddenly want to create the impression that blacks can't manage the company," says Ndhlela

He refers to the publication by the media of the allegations that Sipho Nyawo, the executive director of Portnet, as a case in point. Ndhlela says the trade unions deliberately choose to ignore the fact that the credit-card investigation was not aimed at any individual but was intended to correct inadequate controls over credit cards

He says the fact that the alleged case against Nyawo dates back to 1994 only serves to prove the maladministration which had been occurring at Transnet before the new executive committee was appointed

"What type of company allows somebody to stay working for so long if he is guilty of unacceptable behaviour? Also, the fact that the charges (against Nyawo) were leaked to white unions only confirms the agenda of the propagandists," said Ndhlela

Nyawo's lawyers told Tager that their client was being "victimised by a coterie of persons who are totally opposed to the various affirmative-action policies implemented by him" (in his previous position as manager, planning and development at Portnet in January 1994)

Yet another executive director, Gloria Serobe, has had allegations levelled against her in documents which were sent to Business Report by anonymously people recently

Serobe laughs at the allegation that she is not qualified to be the executive director for finance at the transport parastatal. She has a bachelor's degree and a master of business administration degree from Rutgers University, New Jersey

Her 12-year career in finance includes having worked for Exxon Corporation in the

US, Epic Oil Mills, Munich Reinsurance and spent four years at Standard Corporate and Merchant Bank, where she traded interest-rate swaps and handled mergers and acquisitions

Another allegation against her is that she has spent more than R100 000 on furniture and fittings for her new office at Transnet after being appointed in May. However, Ndhlela who approved the expenditure for her office, said the costs had been far less, at R27 000, and that some of her juniors had far more expensive offices

According to Ndhlela, the six black executive directors and their non-executive chairman, Tager, have gained the wrath of some whites in senior positions and private companies guilty of massive corruption at Transnet

Sources at SAA say the new executive directors are responsible for plans to have SAA scale back last year's order of nine new aircraft from Boeing. The directors are said to be of the view that SAA cannot afford the R3,5 billion for the planes

Ndhlela has accused the opponents of change at Transnet of being responsible for the bomb-scare which led to the disruption of a meeting of the PX division he was addressing about transformation in Durban on August 6

According to Ndhlela, the matter of credit cards has now been laid to rest following the moratorium on prosecutions and amnesty. Tighter controls governing the use of credit cards have also been put in place

But, Christo van Heerden, the secretary-general of the Technical Workers' Union, says his union will not rest until Nyawo and others alleged to have misused their credit cards are hauled before a disciplinary committee — and probably fired

The second prize, he says, will be to have the company extend its amnesty to other employees. So determined is he that he has called on Stella Sigcau, the public enterprises minister, and Deputy President Thabo Mbeki to get to the bottom of the credit-card "circus", as he prefers to call it

This resolve, coupled with last week's call by the Democratic Party that the public protector and the auditor-general investigate the matter, will ensure that Transnet will continue to be under the spotlight for some time

This is a threat to the company and we suspect they represent a continuation of old apartheid tactics

Transparency clouds the issue

CT (POR) 20/8/96 (270)

Thabo Leshilo

Louise Tager, the chairman of Transnet, must wonder whether transparency in management is worth the trouble

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GRAPHIC: JAMES DE VILLIERS

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Transnet may avert strike

By Thabo Leshilo

CF (PA) 21/8/96 (270)

Johannesburg — The dispute between Transnet and the Technical Workers Union, the South African Footplate Staff Association and the Employees Union of South Africa goes to mediation tomorrow amid optimism that a threatened strike might be averted.

Christo van Heerden, the secretary-general of the Technical Workers Union, said yesterday that the strike might be prevented after the unions' meeting with Stella Sigcau, the public enterprises minister, last week.

The unions asked her to get Transnet to improve the

R270 million it has budgeted for wage increases so middle-income employees could get an increase of at least 8 percent, instead of the planned 4,8 percent. The unions also want a proposed cap on overtime to be scrapped.

The unions met Siphso Shabalala, the director-general of the public enterprises department, and two of its officials, Mvuyo Nziba and Kennedy Memani, at the weekend. Van Heerden said he expected to be contacted by Sigcau's office before tomorrow's mediation.

The mediation will be conducted by Barry Jammy of the Independent Mediation Services of South Africa.

Unions plan to block agreement

Reneé Grawitzky

THREE unions in dispute with Transnet are expected to apply for an interdict soon to ensure the company does not implement a section of a wage agreement reached with four other unions on the capping of overtime worked.

The application had been proposed to coincide with the start of the advisory arbitration process today. This process could turn into a negotiation process instead, as the three unions attempt to rely on the public enterprises ministry to put pressure on Transnet to change its positions.

The Technical Workers' Union, the SA Footplate Staff Association and the Employees' Union of SA declared a dispute with Transnet after it became evident that four other Transnet unions, representing the majority of workers, appeared to agree on a wage increases model.

The four unions — the SA Railway and Harbours Workers' Union, Salstaff, the Black Trade Union of Transnet and

BD 22/8/96 (270)
Transnet Allied Trade Union — agreed on an across-the-board increase of R233 plus a non-pensionable allowance so that all employees would not receive an increase less than 7,5%. The agreement also made provision for the capping of overtime worked — a move the disputing unions said would prejudice their membership.

Technical Workers' Union general secretary Christo van Heerden said yesterday that ministry officials and acting minister Alec Erwin appeared sympathetic to the union's concerns.

He said there appeared to be room to move to avoid industrial action.

Van Heerden said meetings were held with the ministry to ensure the ministry, as the shareholder, was informed that "its agents in the parastatal were dealing with negotiations in fair and equitable manner".

Van Heerden said the union "will pursue the possibility of reopening negotiations".

It is understood that the parties had been unable to agree on the terms of reference of the advisory arbitration.

Public protector to decide on credit card probe soon

(270)
Robyn Chalmers

BD 22/8/96

THE public protector would decide within the next month whether a formal investigation into allegations of credit card abuse at Transnet would be launched, assistant Tienus Schutte said yesterday.

"We have asked Transnet to provide us with the full documentation regarding the use of credit cards in the organisation to assess whether or not we will become involved," he said.

Schutte said one of the factors which would influence the public protector's decision was whether an investigation had been launched by any other external organisation. It should be ensured that no duplication occurred.

Schutte said the public protector was reacting to calls from the DP and the Technical Workers' Union to look into the alleged abuse of credit cards as they believed an external investigation was required.

The public protector had the right to investigate complaints against the state, any enrichment of individuals at the expense of the state or any dishonesty regarding the use of public funds.

Transnet MD Saki Macozoma said he was unaware of the public protector's inter-

est in the parastatal, and declined to comment on earlier reports that Transnet would call on independent forensic accountants to investigate the issue.

Transnet chairman Louise Tager said at the weekend that the calling in of forensic accountants had been agreed upon with Public Enterprises Minister Stella Sigcau.

It was part of a continuing investigation and Tager said it would show that Transnet had "nothing to hide".

An internal investigation was instituted in February into the system of controls applied to the 4 500 credit cards held by Transnet managers.

The investigation showed that in most cases controls had not been adequately administered, that there were no limits on expenditure and that cash withdrawals were being made.

Human resources and transformation executive director Joe Ndhlela recommended a new control system — which was implemented on July 1.

His recommendations included the withdrawal of cards from managers who did not require them for business reasons, that a limit be placed on the amount which could be spent on each card, and that cash withdrawals be prohibited.

AFFIRMATIVE ACTION

(270)

PORTNET'S BRIDGE TOO FAR

FM 23/8/96

Transnet chairman Louise Tager has denied knowledge of an extraordinary document spelling out how affirmative action must apply within the Portnet division. The document defies market principles and makes black economic empowerment the major criterion for the award of tenders.

Previous tender rules are set aside in the interests of awarding supply contracts to firms "with black participation" — even if they quote prices 12% above those of "white firms." Tager is named as "the key mover for this transformation."

But Tager said she had never seen the document and, though it reflected "elements of policy," she could not agree with the formulation. Transnet was committed to black economic empowerment but the Portnet document, in her view, had gone too far in quantifying how this should occur. She would investigate.

Portnet executive director Siphon Nyawo associated himself with this disclaimer.

The document surfaced in this week's parliamentary debate on the Public Enterprises vote when the DP's Mike Ellis quoted from it. He had received it from someone in Transnet and argued the public corporation's black empowerment vision was "out of control."

In its 1995 annual report, Transnet's intention to restructure from "a business point of view" was stressed. But the Portnet document — sent to business unit managers in Durban and signed by Siyabonga Gama, acting manager of planning and development — insists that the primary goal must be "transformation" even at the expense of contracts being awarded at better prices.

The document adds "Transnet resources are being reinvested to support the development needs of SA. Business unit managers are advised that, in terms of this initiative, no detrimental effect should be caused to their performance appraisal as a result of a negative deviation in costs. The overriding consideration shall be the amount and extent of

black economic empowerment formations which operate within the business unit. This initiative carries the full support of the chairman of Transnet."

It records that 50% of Transnet's audit functions have been granted to black accountants, 20% to firms with black partners and 30% "has remained with traditional practices/firms which do not yet have black partners." Furthermore, the company is "looking at the Transnet legal work to follow in the footsteps of the audit system now in place."

Patronisingly, it urges "special efforts have to be made where a black contractor may not have the requisite skills administratively. Portnet staff should harness capacity around this area which (is) identified as one of the fundamental weaknesses of emerging businesses."

Though "this does not mean that all white businesses must be discarded they have to be aligned to our new vision and the benefits of including blacks at ownership level have to be articulated to them." Following approaches from and to white suppliers, the message had been put across that intensified affirmative action "puts them in a better position for us to consider continuing with existing contracts."

Naively, the document stresses that "we are particularly cautious that these new formations do not merely emerge as 'fronts' as a ploy to gain business." It adds that "(these) provisions shall remain in place until Transnet financial guidelines are finalised."

This is why, "for the time being, a price of up to 12% more than a white firm with no black participation is considered reasonable to award such a contract to a black business."

These antimarket principles have emerged at a time when Transnet is under fire for alleged credit card abuse by its senior managers. Tager herself has not specifically denied that she is being paid R900 000 a year to run Transnet but has reportedly defended salaries of this magnitude by saying that she has "a full-time appointment and responsibilities."

This is fair enough but circulation of the Portnet document without her knowledge suggests she is unaware of how curiously Transnet's vision is being interpreted in one of its major divisions.

Said the DP's Ellis "Portnet's business units will in future be measured not in terms of efficiency but by an affirmative action quota."

The DP accordingly voted against the

50 CURRENT AFFAIRS

Public Enterprises allocation. To prevent further misunderstandings, Tager will have to be more precise about Transnet's black economic empowerment policy. ■

5.1.

ODD MAN OUT

FM 23/8/96

Does the esteemed position held by Portnet CE Siphon Nyawo entitle him to a separate investigation on allegations concerning credit card abuse? Or is it the perceived gravity of the situation?

Not so, says Transnet chairman Louise Tager. Apparently the allegations against Nyawo were sent to the office of the ombudsman by "certain" trades unions.

"These allegations included other issues which did not arise from the credit card contraventions. For this reason and in the light of the severity of the allegations and the status of Nyawo, a separate investigation was instituted, which does not preclude internal audit from including Nyawo in its investigation," says Tager.

This news is indeed welcome as it was previously understood that the fate of any other senior member of Transnet's staff who allegedly abused his/her credit card had been left in the hands of forensic accountants while it appeared Nyawo had been singled out for a private probe to be conducted by executive human resources director Joe Ndhlela.

The nature of the complaints, says Tager, required that the matter be handled by human resources and under the auspices of Ndhlela "a thorough investigation is being undertaken."



Louise Tager rooting out fraud

She adds that when the deadline for the moratorium ended on June 30, the process of investigation by internal audit followed by disciplinary hearings in cases of prima facie abuse continued and is continuing. "This fact has been omitted from most press articles, yet it was contained in a note sent from Transnet about the credit card investigation," Tager says.

In an earlier statement, Transnet says "Unfortunately, the impression was created by the press that there was wholesale abuse of the credit cards." If, as one is frequently told, first impressions count, then how does Transnet have the naiveté to hold the press responsible when it says the results of the random probe "rendered further investigation impractical" due to the "sheer volume" of items identified? Indeed, were it not for the role of the media in this tawdry affair, one wonders if it would have seen the light of day?

In the midst of the furor, Tager herself is under fire over her proposed salary (see *Current Affairs*). Declining to quantify it, she nonetheless must consider herself slapped on the wrist by Public Enterprises Minister Stella Sigcau who declares herself "unhappy" with salary proposals from Transnet's remuneration committee.

Beeld newspaper — which first mentioned a salary of R900 000/year for Tager — rarely gets it wrong.

The whole unhappy saga has totally besmirched an already tainted Transnet.

Tager is adamant on one point: Transnet, she says, is committed to the principles of transparency and accountability. "Fraud and corruption will not be tolerated at Transnet."

"We will take every step necessary to root it out at whatever level it exists. You can be sure that this will be done with a professionalism, accountability and responsibility of such a kind that has not previously been seen."

Stirring and welcome words indeed — and if, as indicated by Tager, she is serious about transparency and good governance, nothing short of full disclosure will satisfy. ■

'Fatcat bosses'

now face strike

By DERRICK LUTHAYI

TRANSNET, still reeling from allegations of credit card abuse and a public outcry at proposed annual salaries of R900 000 and R800 000 a year for the chairman and executive directors respectively, faces another battle - a looming strike from unhappy workers

Their problems do not end there. The Public Protector has entered the fray and has asked for documents relating to the use of credit cards held by 4 500 senior managers to enable him to launch an investigation

There have been allegations that there was abuse of a credit card system which was in place until the end of June this year

The Public Protector's intervention follows to calls by the Democratic Party and the Technical Workers Union to probe the alleged abuse of the credit cards

Some of the allegations are against Portnet chief executive, Siphso Nyawo. It is claimed that he incurred ex-

(270) CP 25/8/96

penses of R110 000 from 181 accounts. The matter is being handled by Transnet human resources director, Joe Ndlela, as allegations do not refer only to credit card abuse

The Public Protector has the right to investigate complaints against anybody, including the government, any individuals who enrich themselves at the expense of the state, and any case of dishonesty with the use of public funds

Transnet chairman, Professor Louise Tager, in reply to City Press on Friday, said an investigation was undertaken in February into the system of controls governing credit cards issued to managers for business expenses

"The investigations, which took samples from different divisions, found that the system of control was too loose - card holders could withdraw cash and had no limits on their cards, and managers were negligent in their supervision," she said

After the investigations the following action was taken

- Cardholders were given until the end of June this year to repay

amounts that had been spent privately,

- During the moratorium period (early June to end of June) investigations and prosecutions were stopped;

- From July 1 an internal audit has been in progress with investigations of transgressions, several prima facie cases have been established, and disciplinary hearings will be held

Tager said the investigation was an internal matter and that it would be unfair to the individuals to disclose the numbers and names of people involved. In some instances criminal prosecutions could follow

Since the beginning of July, a strict system of controls has been implemented with fewer cards issued. Limits have been reduced and no cash withdrawal are permitted

Meanwhile the Technical Workers Union, South African Footplate Staff Association (Safsa), and the Employees Union of South Africa on Friday took their dispute to Barry Jammy of the Independent Mediation Services of South Africa for mediation

Safsa general secretary, Chris de Vos, said the mediation comes after

Transnet management concluded an unsatisfactory deal with Sarhwa, Blatu, Tatu and Salstaff. They had agreed to a 19 percent increase for lower paid employees and 4,8 percent for the higher income group.

"We entered into the dispute with management and members want to go on strike. We had discussions with Public Enterprise Minister, Stella Sigcau, who we requested to intervene

"We later met Professor Siphso Tshabalala from her office and told him that the amount of R270 million for salary increases for Transnet was not sufficient, especially in the view that all Transnet business units excluding PX had made a big profit of R1,6 billion which could be channelled to the pension fund," said De Vos

He added that Transnet could not plead poverty - especially in the light of the massive salary packages proposed for the chairman, Professor Tager, and seven executive directors

White unions 'champions of worker rights'

Transnet agrees to wage increase

(270)

CT (OR) 27
27/8/96

By Thabo Leshilo

Johannesburg — Transnet, the transport parastatal, has bowed to pressure from three trade unions representing train drivers, operators and artisans and will have to find an extra R57 million for wage increases for the year to avert a threatened strike. It had budgeted R270 million for wage increases.

The Technical Workers Union (TWU), the South African Footplate Staff Association (Safsa) and the Employees Union of South Africa (EUSA), said yesterday that Transnet's management offered to improve the wage increase after talks held last Thursday, Friday and Sunday.

The move will make the predominantly white, conservative unions the champion of workers' rights, given that the South African Railway and Harbours Workers Union (Sarhwu), the biggest union, accepted Transnet's R270 million wage offer earlier this month.

Christo van Heerden, the secretary-general of the TWU, said Transnet's management offered to find an additional R57 million to improve its wage offer to the middle-income group from 4,8 percent to an effective 8 percent.

However, the additional 3,2 percent would be non-pensionable, to avoid increasing the deficit of about R4 billion in the pension fund. He said Transnet had also dropped its proposal that overtime be capped.

Tshidiso Moshao, the assistant general secretary of Sarhwu, warned of dire consequences if Transnet gave in to the pressure from the three unions.

"It will set a wrong precedent. It is going to harden our attitudes in future negotiations because it will show that we can get more by putting pressure on management."

Several attempts to elicit com-

ment from Transnet drew a blank.

Con Jooste, Transnet's industrial relations manager, indicated recently that the company would not be able to meet the demand for increases beyond the R270 million.

He said Transnet would have to borrow the money for a further increase, but that would be difficult because of its over-gearing.

Terrance Naidoo, Transnet's general manager for finance, confirmed that the company's gearing was too high. It stood at 70 percent of its total operating assets. He said the company owed R12 billion against its R40 billion operating assets.

Van Heerden said the unions would seek a new mandate from their members whether they should accept the revised offer. They hoped to have it by Thursday.

He said Transnet's move could help prevent a threatened strike by the three unions, but there could be problems because of the non-pensionable portion.

"We have a strong mandate for an effective 8 percent pensionable increase. Having the company not contribute an equal amount (as the employee) to the pension fund is like asking our members to subsidise their salary increase and we are dead against that," he said.

Chris de Vos, the secretary-general of Safsa, was more upbeat about the prospects of a settlement being reached this week.

The four other unions, Sarhwu, Salstaff, the Transnet Allied Trade Union and the Black Trade Union of Transnet accepted the R270 million increase. Transnet previously budgeted for the 96 800 employees included in the industrial council negotiations.

The increase amounted to as much as 19 percent for the lowest-paid employees, who earn up to R1 500 a month.

Transnet faces 'threat'

(270) Sowetan 27/8/96

Transformation of parastatal scares 'privileged guard'

By Pamela Dube
Political Reporter

AGGRESSIVE RESTRUCTURING of Transnet by the new management is the root of controversies threatening to tear the parastatal apart, says Portnet's new executive director Siphon Nyawo.

In fact, "had the old guard not reacted, we would have been shocked and disappointed", Nyawo says.

He says the past six months has seen not only the talk of restructuring but the arrival of new blood "to take the process through".

Since May, 52 new senior managers were appointed at Transnet - which includes among others, Portnet, PX Services, Vannex Spoorinet, Autonet, South African Airways and Petronet.

The most significant of the injection of new blood was the appointment of six executive directors.

Controversial appointments

The appointments were controversial, particularly that of Nyawo, who had earlier been threatened with disciplinary action for the 'abuse' of credit cards.

The charges were dropped following protests from staff who felt Nyawo was being victimised unfairly by Transnet's "old guard".

Insiders say Nyawo was singled out because of his aggressive talk of the implementation of affirmative action policies.

While avoiding the controversy surrounding his ascendancy to the top most position at Portnet, Nyawo says the appointment of particularly black managers in Transnet is central to the success of the transformation process.

The whole system had to be overhauled for us to succeed. It is necessary to bring people who are sympathetic to Government policies and the

majority of our workers."

In the past, he argues, policies of this multi-billion rand parastatal were decided upon by a few members of the board. And the implementation of those policies and decisions "were in the hands of one man, the managing director. That had to stop".

Controversies around the credit cards, the resignation of Transnet managing director Anton Moolman, the writing off of the 30 417 mm-con-

tainers belonging to the group's parcel delivery service division, PX, took the focus away "from the real issue", he says.

And the real issue is the transformation of the corporation.

Nyawo's focus is on Portnet, Autonet and the National Infrastructure Plan (NIP). Changing of faces in top management is not his only concern.

He believes there is a need to change the operations, particularly in

Portnet currently manages and controls all seven of South African ports - Richards Bay, Durban East, London Port Elizabeth, Mossel Bay, Cape Town and Saldanha.

Portnet's main concern is to provide safety entry and departure general harbourage provision of efficient and expedient discharge shipment and trans-shipment of cargo.

He says the organisation is investigating ways of tightening security at harbours to counter the rampant theft of cargo at the ports.

There is also a tendency of big ships giving false information on the type of cargo they are carrying so as to avoid heavy import tax. Another major problem at ports is the importation and exportation of illegal substances, including narcotics.

Defiant...Portnet's Siphon Nyawo says the credit card controversy has clouded the real issue which is transformation.



"The ports have become more accessible to this lucrative business". He says at South African ports unlike in other countries there is little control of entry and departure of visitors.

Portnet's management has also started tackling the problem of unequal funding of the ports.

Nyawo says in the past, management was biased in favour of the Western Cape harbours and "in the process other ports like Durban and East London suffered".

We are now focusing more attention on underdeveloped regions. Implementation of affirmative action policies should not only focus on management positions.

He says there is need to attract and train more black people in technical jobs at harbours.

"For too long jobs in the engineer-

ing field have been in the hands of whites. That will soon change."

However, Nyawo is quick to emphasise that bringing in more blacks into the mainstream of shipping business does not mean existing professionals will be replaced.

But despite his conciliatory remarks on the issue, he is critical of the tendency by white professionals who, "whenever we talk of black empowerment they start shouting standards".

"People who were advantaged have become arrogant and too noisy. Many people in this country are scared of doing the right things to correct the imbalances of the past because those who were advantaged still have the resources to manoeuvre and manipulate things."

Transnet announcement due today

CT (PR) 29/8/96 (270)

By Thabo Leshilo

Johannesburg — Transnet, the transport parastatal, and the three trade unions with which it is embroiled in a wage dispute, the Technical Workers Union, the South African Footplate Staff Association and the Employees Union of South Africa, are expected to make an important announcement regarding the status of the dispute today.

The parties discussed the dispute in Johannesburg yesterday. Chris De Vos,

the secretary general of the South African Footplate Staff Association, said the parties would make a joint statement after today's meeting.

The unions declared a dispute with management on August 1, demanding that Transnet increase its R270 million budgeted wage increase offer and drop a proposed limit on overtime. Four other unions, including the South African Railway and Harbour Workers' Union, have accepted the amount, which benefits Transnet's lowest paid employees.

Private sector eager to play a role with Transnet

Robyn Chalmers
and Adrienne Gillomee

PRIVATE sector organisations have shown keen interest in Transnet's announcement this week that it would be seeking private sector involvement in the financing, rehabilitation and operation of infrastructure.

Standard Corporate and Merchant Bank public finance division head Colin Coleman said yesterday that talks would be held with Transnet soon about ways to assist in promoting private sector partnerships.

Coleman said the SA Infrastructure Fund — a fund in excess of R500m which would take equity stakes in infrastructure projects — was established to encourage such developments. It would also consider providing private equity risk capital to undertake such transactions.

"This includes Spoornet's requirements to rehabilitate railway infrastructure, SA Airway's search for a strategic equity partner and Portnet's needs to enter into joint ventures to undertake rehabilitation and greenfield expansions of ports."

Transnet's new strategy would in the long term support job creation and the expansion of SA's infrastructure while providing opportunities for black

economic empowerment, he said. Sanlam GM Nick Christodoulou, who manages the group's Development Fund, said yesterday that it was encouraging that parastatals were coming forward to seek private sector involvement for infrastructure development.

He said although there had been no discussions with Transnet on the matter, they looked forward to future relationships with the parastatal.

Future growth co-ordinator Michael Leeman welcomed the move by Transnet and saw the news as "very positive". The fund would look to providing finance on a project-specific basis, with scope for managing the risks involved in some of the projects.

Transnet MD Saki Macozoma said this week that motivating factors behind the new strategy included a need to reduce the parastatal's reliance on the state and capital constraints. More than R3bn was needed to be invested in Spoornet's infrastructure to replace old trains and tracks, and R2bn was required to revitalise SA's ports.

Macozoma said Transnet's role as an infrastructure owner would gradually diminish, with the construction of new infrastructure largely undertaken with the private sector, but stressed the new strategy still had to be thrashed out with all stakeholders.

BD 29/8/96 (270)

Mine teams given acclaim

Reneé Grawitzky

INCREASED productivity at Impala Platinum Mines in the past year has been attributed largely to the introduction of the self-directed work teams headed by a crew captain, who has replaced the traditional white miner.

Impala said yesterday the introduction of the crew captain had resulted not only in increased productivity and efficiency in the stope, but had led to increased decision making by workers and more equitable distribution of bonuses.

In the past the miner was a white contract person who had 100 people working under him and he was the only one eligible to qualify for a blasting certificate. The change in legislation had allowed black workers to qualify for blasting certificates.

The crew captain now supervises a team of 12 workers. Together they decide on all issues relating to safety and productivity and are

able to determine their production bonuses each month.

If the team achieves more than above a certain level, a production bonus kicks in and is shared by the whole team, whereas previously the miner received — and never shared — a production bonus based on the productivity of the workers under him. Impala spokesman Anne Dunn said if the whole industry went this route, it could be revolutionised.

The introduction of the crew captain with a blasting certificate and supervising a team of 12 ensured that the mine had at least one person per panel with a blasting certificate.

Impala indicated that positive spin-offs of such a move had been reported in the area of safety and productivity as these employees had been given increased training and responsibilities.

The union said "employees would demonstrate to management they could produce efficiently if given the incentive".

No wage deal with white unions

Reneé Grawitzky

THREE predominantly white Transnet unions meet management today in an attempt to reach agreement on the ongoing wage dispute — despite earlier speculation that a wage deal had been struck.

The three — Technical Workers' Union, Footplate Staff Association and the Employee Union of SA — representing an estimated 23 000 workers, declared a dispute with the company after they rejected a wage option approved by four other Transnet unions representing the majority of workers.

The agreement struck with the four unions provided for an across-the-board increase of R233 plus a non-pensionable allowance so that all employees would not re-

ceive less than a 7,5% increase.

The unions and management were supposed to meet in advisory arbitration last week, but instead the unions came up with a number of counter proposals which they indicated was the basis of a deal.

Transnet management indicated that they would consider it but gave no undertaking that an agreement had been reached contrary to reports earlier this week.

Transnet Group IR manager Con Jooste said: "There is no deal and incorrect perceptions have been created by previous reports which implied that Transnet had struck a deal in the face of threats of strike action."

The deal with the other unions was costed at R270m which was the amount Transnet made available for wage increases this year.

COMMENTS

Transnet, unions' wage dispute ends

Ingrid Salgado

(270)
BD 2/9/96

THREE predominantly white unions settled a month-long wage dispute with Transnet yesterday when they signed an agreement based on the same principles as a recent deal struck with four other unions

The Technical Workers' Union, Footplate Staff Association and Employee Union of SA — which represent about 23 000 workers — agreed to an across-the-board increase of R233 and a non-pensionable allowance, giving workers a minimum 7,5% increase, Transnet human resources senior manager Con Jooste said.

They also agreed that R52m needed

for the non-pensionable allowances would be gleaned from squeezing overtime allowances.

Unions and Transnet's 14 divisions would negotiate the terms of overtime savings in each division. Yesterday's deal put in place a dispute-resolution mechanism should these negotiations falter, Jooste said

The unions previously rejected a wage option signed by four other Transnet unions which represent the majority of workers. The deal was costed at R270m — the amount made available for wage increases this year.

Transnet last week denied reports that it had struck a deal with the three unions to avert strike action

Settlement averts wildcat rail strike

By Thabo Leshilo

Johannesburg — The settlement of the month-long wage dispute at Transnet on Sunday averted possible disruptions at Richards Bay's port, the main iron-ore exporting Saldanha-Sishen rail line, and train services country-wide, which could have started yesterday, Business Report heard yesterday.

Christo van Heerden, the secretary-general of the Technical Workers' Union (TWU), one of the three predominantly white trade unions party to the dispute, said members of the three unions would have embarked on wildcat strikes yesterday had the dispute not been resolved.

The deal came after three months of talks and provided for a R233 across the board increase for each of the 96 800 employees covered by the Transnet Industrial Council. The increase amounts to an average rise of up to 19 percent for workers earning below R1 500 and a 7,5 percent increase for higher paid staff. Of the latter increase, only 4,8 percent is pensionable and the rest consists of non-pensionable allowances.

The settlement of the dispute follows a similar agreement entered into by Transnet and four other unions last month, SA Railways and Harbour Workers' Union, Salstaff, Transnet Allied Trade Union (Tatu) and the Black

Trade Union of Transnet (Blatu). It does not increase Transnet's budgeted wage increases of R270 million for this year.

The only significant difference between the deal reached with TWU, Satsa and the Employees' Union of South Africa (Eusa) lies in how the R52 million, not R57 million as reported earlier, is to be raised to fund the non-pensionable portion of the increase.

The agreement with Sarhwu, Salstaff, Tatu and Blatu provides for the money to be raised by capping the overtime pay at last year's rate. However, that entered into with TWU, Satsa and Eusa excludes the cap, providing instead that this be done through better "management" of overtime.

The three unions were strongly opposed to the proposed freezing of overtime pay for a year, arguing that it robbed their members of the opportunity to improve their earnings. They declared a dispute primarily because of the planned cap.

"It is a major breakthrough. Management is going to cover the R52 million by other ways instead of having us subsidise our own increase," Van Heerden said, pointing out that the agreement was on condition that management raise the R52 million through means other than capping overtime. This agreement would have to apply to all unions

Van Heerden said Transnet management was trying to play down what TWU, Satsa and Eusa had achieved by threatening to go on strike to placate the four unions that settled early.

"They are actually trying to help them save face," said Van Heerden. He also accused the company of renegeing on an agreement that details of their settlement not be published, pending the outcome of a meeting on Thursday this week.

He said a letter of complaint would be delivered to Joe Ndhlela, the Transnet executive director for human resources.

Chris de Vos, the secretary-general of Satsa, said he had tried to contact Con Jooste, the Transnet general manager for human resources, to clarify a newspaper report attributed to him yesterday. The report apparently said their agreement was not different from that with the four other unions.

Vic van Vuuren, Transnet's general manager for human resources, said the seven business units of the multi-modal transport parastatal would have to improve productivity and reduce the amount of overtime to save the R52 million required.

Tshidiso Moshao, the assistant general secretary of Sarhwu, declined to comment before seeing the wording of the agreement, but he said he understood it was not significantly different to

that of Sarhwu.

Sarhwu, the majority union representing 43 000 workers as compared with the 23 000 members belonging to Technical Workers' Union, Satsa and EUSA, had accused the three unions of stalling this year's wage negotiations, which started in May, because of racism.

Last month, Moshao accused the historically white, conservative unions of racist rhetoric for threatening to embark on a crippling strike to back their demand that Transnet raise its budgeted increase to bring the proposed rises for middle-income earners to an effective 8 percent.

The Cosatu-affiliated union was comfortable with the R233 across the board increase for all employees, because it most benefited the lowest-paid workers, which comprise most of its members.

On the other hand, the three predominantly white trade unions were determined to down tools, claiming they represented key employees, such as train drivers and artisans, without whom Transnet would not function.

The three unions have denied the allegations and defended their decision to link the directors' salaries to this year's wage talks. They instead accuse Sarhwu of having lost the will to fight and being in cahoots with management.

Transnet hopes to resolve unions' complaint

Retired judge investigates card 'scam'

(270) CT(BR) 6/9/96

By Thabo Leshilo

Johannesburg — Transnet has brought in Justice John Trengrove, a retired Appeal Court judge, to try to resolve the growing controversy over allegations that Siphon Nyawo, Portnet's executive director, misused his company credit card, Louise Tager, the transport parastatal's chairman, said yesterday.

She said Trengrove had been chairing an internal inquiry established to investigate complaints of unequal application of the company's disciplinary process by the Technical Workers Union, South African Footplate Staff Association, Employees Association of South Africa, and Salstaff, Transnet's predominantly white trade unions.

The unions oppose the recent amnesty from prosecution granted to senior managers alleged to have misused their credit cards, causing Transnet to incur substantial losses, whereas their members have been



DENY DENY DENY Siphon Nyawo, Portnet's executive director

fired for petty offences

The unions allege that Nyawo abused his card 181 times.

They have demanded either that he be charged and possibly fired or that the amnesty, which applied from April 1 last year to June 30 this year, be extended to other employees.

Nyawo denies any wrongdoing and says the alleged 181 misuses merely reflected the legitimate transactions he had made in his former position as Portnet's manager for planning and development.

He has not been tried for the alleged abuses, which date back to 1994, and was not among the managers ordered to repay money owed to Transnet.

He declined to comment about the inquiry yesterday, saying it was an internal matter.

The controversy over Nyawo has degenerated into a divisive political and racial row, both inside and outside Transnet.

The South African Railway and Harbour Workers' Union, the mainly black union affiliated to Cosatu, has accused the four predominantly white unions of using the issue as a pretence to sabotage the black majority government's transformation plans at Transnet.

Tager said Transnet hoped that using Judge Trengrove to chair the inquiry would enhance the credibility of its findings and "put the whole thing to rest".

She said the findings of the inquiry, which has been going on for the past few weeks, would be made public soon after its work had been concluded.

Second probe into Transnet credit charges

(270)
Robyn Chalmers

BD 9/9/96
TRANSNET's top management has launched another internal probe into allegations of credit card abuse by senior managers.

A Transnet spokesman said at the weekend MD Saki Macozoma had informed staff that all credit card expenditure between April 1 last year and July 31 this year would be reviewed by auditors.

This follows an internal probe ordered by the board this year.

In June it offered transgressors a one-month amnesty from disciplinary action if they explained their actions. This decision was met with outrage by trade unions, employees and the DP.

The spokesman said the new investigation had been ordered to ensure specific people were not targeted. Transnet has complained that new Portnet CE Siphon Nyawo had been unfairly judged after allegations of 181 counts of credit card abuse, totalling more than R110 000.

Chairman Louise Tager said last month that the Nyawo allegations were being separately investigated by human resources director Joe Ndhlela, but recent reports said retired Appeal Court judge John Trengrove would attempt to resolve the issue.

Macozoma had made it clear that offenders would face disciplinary and criminal sanctions.

There remained uncertainty over the calling in of independent forensic accountants to help investigate the allegations. The move was initially announced by Public Enterprises Minister Stella Sigcau last month, but no formal announcement has been made.

Blacks to become train drivers

(270)

sowetan 10/9/96

Metrorail programme is aimed at addressing past imbalances

By Shadrack Mashalaba

METRO RAIL HAS BEGUN its first intensive programme to train blacks to become fully fledged Metro train drivers – a move aimed at addressing previous imbalances

According to Metrorail, the first group of 35 blacks started their training last week

Metrorail says the introduction of the programme is a move to address past imbalances. This move will see about 180 blacks being trained as train drivers by the end of the company's financial year

Previously, train driving in South Africa was the exclusive preserve of whites. Until recently some blacks had been driving goods trains

Metrorail senior manager of train services Mr Charles Erasmus says the training, which will comprise theoretical and practical training, will take place in Johannesburg, Pretoria, Durban and Cape Town

The theoretical training, according to Metrorail, is expected to be completed by the end of December this year

Metrorail communications officer

‘Previously train driving in South Africa was the preserve of whites’

Mr Bintu Petsana says she expects the trainees to be behind the wheels by the end of April next year

“On completion, drivers will be deployed on major metropolitan areas where training is being conducted. Negotiations on how to fill the remaining 145 candidates are still on track,” she says

The programme comes as a result of an historic agreement reached with the South African Footplate Association (Safsa) last year

In terms of the agreement, potential train drivers will no longer be required to have at least two years of goods train driving experience before driving Metro commuter trains

Petsana says it will be necessary for the organisation to look outside Spornet to fast-track their recruitment exercise

JOB BREAKERS

Star 11/9/96
Course for
small bus
fleet men
(270)

BY PATRICK PHOSA

The Department of Transport has embarked on a free-of-charge countrywide pilot training course for small bus fleet entrepreneurs to pave the way for them to participate in the tendering system.

The course is intended to empower small, medium and micro enterprises with the necessary know-how in the tendering and cost accounting procedures for the provision of public passenger services.

Department of Transport economist Jacob Modubu said many small bus fleet operators were being left out of the tendering system because of their ignorance of the system.

"The department experienced problems when inviting tenders because only large businesses applied. This necessitated a training course for small businesses because we wanted to reach out and empower them as well," Modubu said.

The department will hold its fourth course next Tuesday and Wednesday in Nelspruit, Mpumalanga. The department has already held courses in Gauteng, KwaZulu Natal and Northern Province.

The courses would be upgraded where necessary after all provinces had been covered, Modubo said.

Marriage will create unified black-voice

Transnet union merger is likely to get goahead

By Thabo Leshilo

Johannesburg — The South African Railway and Harbour Workers' Union (Sarhwu) will merge with the Black Trade Union of Transnet (Blatu) and Transnet Allied Trade Union (Tatu) next month, in a move that will see Transnet having a single, powerful and predominantly black trade union.

Tshudiso Moshao, the assistant general secretary of Sarhwu, said yesterday that the merger will take place at a conference to be held in Johannesburg.

It will unite Sarhwu's 43 000 members with the about 8 000 members of Blatu and 2 000 members of Tatu.

The merger will result in the formation of a new union that will represent more than half of the 96 800 employees belonging to the Transnet Industrial Council. It is expected that the new union will affiliate to the Congress of South African Trade Unions (Cosatu).

The merger follows the recent fallout between the three trade unions and the traditionally white-dominated Technical Workers Union (TWU), South African

Footplate Staff Association (Safsa) and Employees Union of South Africa (EUSA).

Tensions between the unions were sparked off by a disagreement over this year's wage negotiations with Transnet.

Sarhwu, Blatu and Tatu had accepted the company's budgeted wage increase offer of R270 million. TWU, Safsa and EUSA had rejected the offer.

TWU, Safsa and EUSA had later declared a dispute with Transnet and had threatened to go on strike.

Moshao had alleged that the three rival unions were waging a campaign against transformation and affirmative action at Transnet.

The three had denied the allegations and had countered that the militant Sarhwu had lost the will to represent the interests of workers and was siding with management.

The white unions have since settled their dispute with Transnet.

The merger between Sarhwu, Blatu and Tatu comes amid protracted discussions to merge Sarhwu with the Transport and General Workers' Union, also a Cosatu affiliate, which has about 70 000 members.

CT (BR) 18/9/96 (270)

Unions sue for being called racist

CT(BR)19/9/96 (270)

By Thabo Leshilo

Johannesburg — The South African Railways and Harbour Workers' Union (Sarhwu) is being sued for defamation to the tune of R180 000 for accusing its formerly white rival unions at Transnet, the Technical Workers' Union (TWU) and the SA Footplate Staff Association (Safsa), of racism

Tshidiso Moshao, the assistant general secretary of Sarhwu, Christo van Heerden, the secretary-general of TWU and Chris de Vos, the secretary general of Safsa, confirmed yesterday that a civil case had been brought against Sarhwu and that the papers had been served on Monday

The charge is related to the allegations Moshao made against TWU and Safsa in July, when he accused the unions, together with the Employees' Union of South Africa (EUSA), of racist rhetoric, of being opposed to the transformation at Transnet and of threatening the stability of the transport parastatal

At the heart of the matter lay disagreement over this year's wage increase offer by Transnet Sarhwu and three other unions



ON THE CHIN Tshidiso Moshao (left) of Sarhwu and Chris de Vos of Safsa. Safsa and the TWU have brought a civil case against Sarhwu for accusing them of racism

PHOTO JOHN WOODROOF

wanted to accept the company's proposed increase while TWU, Safsa and EUSA rejected the offer

TWU and Safsa said they had suffered damages amounting to R90 000 each because of the allegations of racism

Moshao said the union would defend the action

Van Heerden said the civil action against Sarhwu was necessary to "set the record straight" and show that TWU and Safsa were truly mixed unions, having been "among the first unions to open our doors to black members

in the 1970s"

He said the allegations of racism had had a negative effect on efforts by his union to attract black members at Transnet He said his union was beginning to make inroads in what had historically been the domain of the predominantly black Sarhwu

TWU, Safsa and EUSA have refused to take the blame for having been exclusively white in the past and claim to have also been the victims of apartheid policies that prohibited blacks from joining trade unions



FIRST [unclear] [unclear] [unclear] [unclear] [unclear] [unclear]

Black driver makes history

~~CT~~ CT (AR) 24/9/96 (270)

B. Thabx Lesh'o

Thabx Lesh'o, 41, 11th St, is the first Black driver to be licensed in the state of Michigan. He was licensed on September 14, 1996. Lesh'o, who is a graduate of the Michigan State University, is currently working as a driver for the state's Department of Transportation. He has been driving for several years and has a clean record. He is proud of his achievement and hopes it will inspire others.

The Michigan Department of Transportation (MDOT) announced today that Thabx Lesh'o has become the first Black driver to be licensed in the state. Lesh'o, 41, of 11th St., was licensed on September 14, 1996. He is currently working as a driver for the state's Department of Transportation. Lesh'o has a clean driving record and is a graduate of the Michigan State University. He is proud of his achievement and hopes it will inspire others to pursue their dreams. The MDOT congratulated Lesh'o on his accomplishment and stated that it is an honor to have him as a member of the state's driver's license community.

Transport sector facing nationwide wage strike

Reneé Grawitzky

DD 25/9/96

(270)

SEVEN transport unions representing 60 000 transport workers meet on Friday to finalise arrangements for a strike ballot in the goods transport sector following failure to resolve a wage dispute

Transport and General Workers' Union national organiser for the sector Thulam Dlamini said yesterday the seven unions and the employer association party to the national industrial council for the goods transport industry had been unable to resolve the wage dispute despite numerous meetings. The unions were demanding increases ranging between 13% and 18% while employers offered increases between 6% and 7,5%, he said.

He said. "It is clear workers are not going to back down this year and will vote for industrial action."

The industry could face a nationwide strike by the last week in October

Large companies including Rennies, Unitrans and Cargo Carriers were party to the industrial council negotiations

SAA staff work to rule

(270) (22)
About 3 000 technical staff at South African Airways are working to rule over a wage dispute. **ARC 2/10/96**

The technicians, who began their action yesterday, do out-maintenance work on aircraft. Most of them are based in Johannesburg.

An SAA spokeswoman said flights were not likely to be affected but there might be slight delays.

Work-to-rule means the technicians, members of the SA Airways Engineering and Allied Workers' Union, will not work overtime and will do only the work they are required to perform. - Labour Reporter

Security staff threat to quit

JUDY DAMON

(270)

STAFF REPORTER

ARL 2/10/96

Metrorail security staff operating from the Philippi satellite station have threatened to cancel their services unless Metrorail provides their offices with better facilities

Residents of the area and community leaders listened to the security men's grievances at a meeting in Philippi yesterday

Commanding officer Bennie Gouws said that initially the officers had been there for crime prevention on trains, but they had since become the lifeline against crime for the community

Work-to-rule policy adopted by SAA workers

Stephané Bothma

INDUSTRIAL action by the SA Aviation Engineering and Allied Workers union yesterday disrupted SAA's international and domestic services, resulting in a number of flights being delayed, some for up to four hours

Two other carriers, Air Namibia and Comair, who have contracts with SAA Technical for the main-

tenance of their aircraft, were also affected by the protest action.

Union members, representing about 2 000 highly trained SAA technical staff, yesterday morning started enforcing a work-to-rule policy after salary negotiations failed. The union warned that it would embark on a full-blown strike from next Wednesday.

The work-to-rule involves a ban on; overtime work, emergency

call-outs and the working of swing shifts and demand shifts by union members

The union demanded an increase of 25%, while SAA said as a result of its unsatisfactory results for the first quarter, as well as the depressed airline industry worldwide, it could only offer a 10% increase on the total cost of employment plus a 20% productivity incentive bonus if targets were met

(270) (270)

BD 3/10/96

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Industrial action delays SAA flights

By ERIC JANSSEN

Two international flights of SA Airways were delayed by several hours as trade union members adopted a work-to-rule policy yesterday.

SAA spokesman Leon Els said last night's flights to New York and London had not taken off as scheduled, and were expected to leave at 11am and noon today respectively.

A number of domestic flights were also delayed yesterday and similar disruptions could be expected later today, he added.

If the situation is not resolved soon, the union has threatened a full-blown strike to start on October 9.

Els said the delays were due to industrial action taken by members of the SA Aviation Engineering and Allied Union. The union, which is demanding a 25% salary increase, has rejected SAA's offer of a 10% increase linked to a 20% productivity incentive bonus if targets are reached.

(270) Star 3/10/96

TRANSNET

LABOUR PAINS HURT PROFITS

Transnet chairman Louise Tager believes the State-owned transport monolith has become wealthier. But in doing so, it has also become much poorer.

To the outside eye, a R253m loss in the 1996 financial year would seem a depressing performance — particularly after 1995 had brought in an R118m profit. Gradual commercialisation over the past few years raised hopes that management and government were serious about halting Transnet's cash haemorrhaging.

But Tager says "A company cannot and should not be judged by its financial results alone."

So, though she concedes the financial results are disappointing, she insists Transnet "has grown immeasurably. It has eagerly taken on the mantle of government's growth and development policies and discarded the archaic and biased business frameworks of the previous authorities, and become wealthier for it."

Politically correct sloganeering? It sounds like it. If anyone has become wealthier, though, it is the work force. Because management succumbed to union pressure for higher-than-expected pay rises, Transnet's wage bill last year rose by 17,3% to R7,975bn from R6,8bn in 1995 — despite a fall in the number of employees and in productivity.

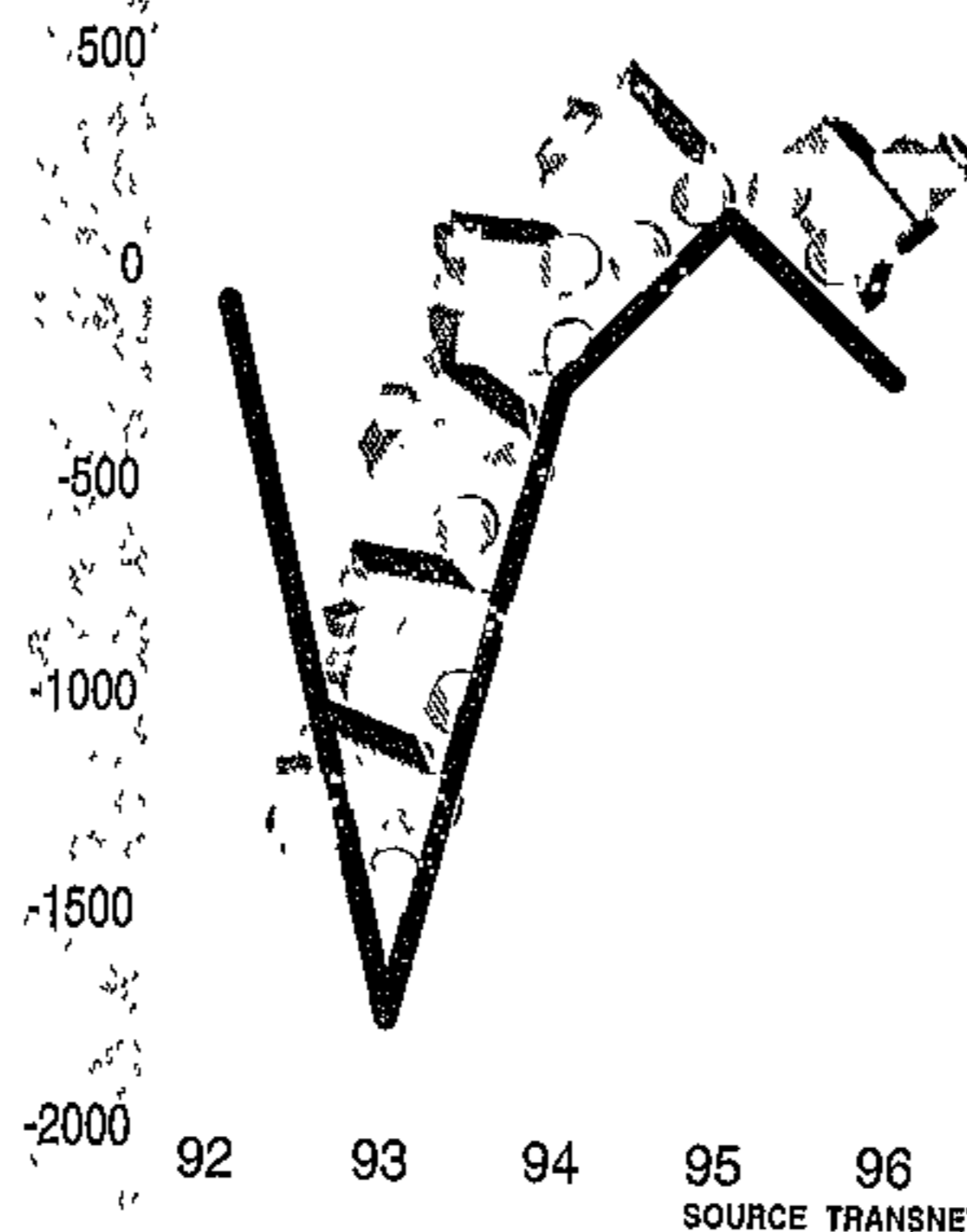
This unexpected labour bill, which increased the average wage by nearly R1 000 a month, contributed immensely towards Transnet's overall deficit. Had the unions been held to a 10% increase, for instance, Transnet's 1996 salary bill would have been R7,48bn — a R495m saving, or almost twice as much as Transnet's overall loss.

Despite suggestions that Transnet's new board is ill-equipped to stand up to union pressure, MD Saki Macozoma insists there is no "runaway wage train."

The intention to create "wealth" rather than short-term profits looks like continuing for some time. Tager, who has taken charge of Transnet's procurement policy and tendering systems, has ordered CEs of all business units and subsidiaries that "a target of 50% of the procurement of

goods and services (be) sourced in a manner that advances black economic empowerment."

She warns "Any unjustifiable deviation, especially where the previously disadvantaged could have been accommodated, will not be tolerated." To police this *diktat*, Transnet has created a "procurement subaudit committee" to monitor performances.



Where a tenderer is 100% owned by "a previously disadvantaged (group or person)," the price preference is 10%. For a company 50%-owned, it's 5%. On top of these is an extra 2% preference for disadvantaged women or disabled people.

In theory, therefore, Transnet may be required to pay up to 12% over the market rate for goods and services. But there's a further sting. "In the event where business units/subsidiaries are prepared to carry an extra premium and consider this initial investment to be in Transnet's interest in the long term, the 12% maximum preference may be increased."

In other words, there is no set limit to the extra costs that Transnet — and ultimately government and the taxpayer — may bear. It is estimated, though, that the process will cost Transnet R40m a year.

According to Tager, it is not permanent but will eventually be phased out "depending on the amount of training and orders/contracts already channelled to the previously disadvantaged."

Transnet continues to be hurt by its pension and medical aid funds. Individually, some Transnet services performed well in 1996. Portnet made a R1,4bn profit, SA Airways R324m, Petronet R180m, Spoornet R98m and Autonet R23m. The PX transport service lost R433m. Overall, Transnet's net profit after finance costs was R1,79bn.

But, as Anton Moolman, who retired as MD at the end of August, says "This was not sufficient even to cover the contribution to the pension fund and to cover the medical aid fund's liability for pensioners of R1,98bn." On the positive side, the pension fund's assessed deficit fell from R4,2bn to R3,2bn last year.

Transnet has committed itself to capital projects worth R8,27bn between now and 1999 — including R3,22bn in 1997, R3,26bn in 1998 and R1,20bn in 1999. Of that, R3,63bn is already contracted, more than three-quarters of it in US dollars. A large slice will go towards the purchase of new SAA aircraft from Boeing. To meet the order, Transnet has just announced an additional US\$100m, five-year loan to meet the extra needs of the original Boeing contract, which has grown as the rand has weakened. ■

Work-to-rule (270) delays flights (270)

JOHANNESBURG: South African Airways technical ground staff yesterday voted to continue a work-to-rule started on Wednesday that has so far delayed several international and domestic flights.

Negotiations are continuing but the union representing ground staff said it was not optimistic a solution would be found to prevent a full-scale strike next Wednesday.

CT 410 196

We'll lock out workers - SAA

(270) (~~185~~)

BY LARA SMITH

STW 7/10/96
A further three South African Airways domestic flights were delayed by between one and two hours this morning as the airline considered a lockout of workers engaged in industrial action over a wage dispute.

SAA spokesman Leon Els said today's disruptions were in addition to 103 domestic and 64 international flights which had been delayed since the start of the work-to-rule action.

He was optimistic SAA and members of the SA Aviation Engineering and Allied Union (SAAEAU) would hold further meetings later today.

The proposal to implement a lockout follows a lengthy meeting between the union and SAA yesterday to try to defuse the situation.

Yesterday, seven international and five domestic flights were delayed at Johannesburg international airport.

The union members have threatened a full-scale strike if a solution is not found.

SAA go-slow could grow into full strike

08/10/96

(270)

Bonile Ngqiyaza

THE dispute between SAA and its employees escalated yesterday with the SA Aviation, Engineering and Allied Union threatening a full-blown strike tomorrow if the impasse was not resolved speedily

"SAA has indicated to us that they are going to lock us out on Wednesday, and obviously, we will have to reconsider our tactics if they do that," said union spokesman Joe Joubert

The union, representing 2 000 technical staff and engineers, has been involved in a go-slow since last week, and is demanding a 25% annual increase in salaries compared to SAA's 10% across the board offer

SAA spokesman Leon Els said an ultimatum, notifying the union of the intention to implement a lock-out tomorrow unless

employees resumed normal duties by noon today, had been communicated to the union "Union members who continue to participate in the industrial action will be barred from entering SAA premises and will not receive remuneration"

SAA was finalising arrangements to continue scheduled services with minimum delays when the lock-out was implemented

Sapa reports that the dispute was costing "hundreds of thousands of rands" daily

Els said the industrial action caused the cancellation of two domestic flights and the delay of four international flights before lunch time yesterday "We have not yet calculated the figure but it's costing us hundreds of thousands of rands in hotel accommodation, chartered flights and so on"

He said passengers on the two cancelled flights, one bound for Durban from Johan-

nesburg and the other bound for Johannesburg from Durban, were accommodated on Comair and Sun Air flights

International flights to Kinshasa, Dubai and Harare and the Johannesburg to Cape Town leg of a Frankfurt flight were delayed between 30 minutes and two hours Five domestic flights were also delayed

Joubert said a 25% increase would make SAA employees' salaries market-related In 1988 the union carried out a market evaluation and asked for an appropriate salary increase This had not been granted and the 25% increase demand was "calculated from what we have lost since 1988"

Els said the salaries in dispute started at around R3 000 In addition to the 10% across the board increase offered by SAA, there was a 20% productivity incentive bonus, he said

SAA warns workers of lockout

(270) Powerman 8/10/96

SOUTH African Airways last night issued an ultimatum to its protesting ground technical staff to stop their work-to-rule campaign by midday today or face a lockout from tomorrow morning.

SAA said in a statement it had decided on the measure because it had not been able to reach agreement with the SA Aviation Engineering and Allied Union Union president Mr Joe Joubert, could not immediately

ly be reached for comment

The union's 2 000-odd members have been enforcing a work-to-rule since last Wednesday, resulting in delays to several major international flights and to domestic flights.

SAA said union members who continued to participate in industrial action after midday today would be barred from entering SAA premises from 9am tomorrow and would not receive remuneration. "SAA is finalising all necessary

arrangements to continue scheduled services with minimum delay when the lockout is implemented," the company said. Travellers would be informed in time if any changes were made to flight schedules.

"Every endeavour will be made to minimise delays and disruptions to services resulting from implementation of the lockout," said SAA.

"The industrial action began last Wednesday when the SA Aviation,

Engineering and Allied Union declared a salary dispute.

The action was costing SAA "hundreds of thousands of rands" daily, the airline's chief spokesman Mr Leon Els said yesterday.

Yesterday the work-to-rule action caused the cancellation of two domestic flights and the delay of four international flights before lunchtime, Els said - *Sapa*

● See Page 20

no-pay lockout threat

SAA union ignores

Airline forced to use charter aircraft,
provide meals and hotel vouchers:

delays on both local, overseas flights

BY PRISCILLA SINGH,
STUART KELLY
AND GOBA NDHLOVU

The 2 000 South African Airways engineering and technical staff, who have been on a work-to-rule since Wednesday, have been given until noon today to resume normal duties or face being locked out of SAA premises without pay

The airline's ultimatum to workers was issued as delays continued on domestic flights and it was forced to cancel two more international flights (to Munich and London) last night

The 9pm SAA flight to Frankfurt was delayed by an hour and accommodated the Munich passengers. The London passengers were accommodated by British Airways

The lockout, which threatens to plunge SAA deeper into crisis as yet more flights face delays or cancellations, will take effect from 9am tomorrow, the airline said.

SAA spokesman Jackie Rakitla said the airline was working on contingency plans to ensure minimum disruptions to passengers in the event of a lockout.

"We are unable to confirm details of how we intend to do this," he said, though he believed the plan could include the chartering of more aircraft, both domestic and international, from charter companies. SAA is already chartering three aircraft to help cope with the problem.

Members of the SA Aviation, Engineering and Allied Union

were unperturbed by the lockout threat. At a mass meeting at Johannesburg international airport yesterday, union members voted overwhelmingly for continuing their work-to-rule action.

This meant workers would strictly confine themselves to the fixed hours of work and would under no circumstances work overtime, said the union's chairman, Joe Joubert.

He said the union was sticking to its demand of a 25% increase and was adamant that workers would go on strike if management "remained stubborn".

Since the crisis began last week, SAA has had to dish out meal and hotel vouchers to passengers on international flights because some flights have experienced delays of up to nine hours

SAA spokesman Mike Pfeiffer said: "The technicians are not striking yet, they are on a go-slow. This means few flights so far have had to be cancelled outright. Domestic flights have been delayed for about an hour only, but international flights have been hardest hit. We're arranging alternative flights with other airlines where possible to keep delays to a minimum.

"Our international flights may be reshuffled to meet the needs of as many passengers as possible"

Meanwhile, passengers said last night they were unimpressed with what they called SAA's inability to deal with the industrial action.

One passenger, who preferred not to be named, said: "Thank God for Virgin Airways. A little decent competition ought to sort SAA out."

Star 8/10/96 (270)

SAA plans lockout on union protestors

(270) (270) CT (PR) 8/10/96
THABO LESHILO

Johannesburg — SAA threatened yesterday to lock out members of the Aviation Engineering and Allied Union tomorrow morning unless they had abandoned their work-to-rule protest by noon today.

The protest over pay by the 2 000-strong union started on Wednesday last week and has already resulted in the disruption of several local and international flights. The union is demanding a 25 percent increase while the company is offering a 10 percent increase and a 20 percent productivity incentive bonus.

SAA spokesman Leon Els said that the carrier had to accommodate passengers on other carriers while some foreign airlines had brought their own technical personnel to sign off their aircraft before departure.

"Union members who continue to participate in the industrial action will be barred from entering SAA premises from 09:00 on Wednesday, 9 October 1996 and will not receive remuneration," SAA said.

He said the national carrier was in the process of concluding arrangements to continue scheduled services with minimum delays when the lockout was implemented.

"The travelling public will be timeously informed if any changes are made to flight schedules. Every endeavour will be made to minimise delays and disruptions resulting from the implementation of the lockout," he said.

He said plans included re-booking passengers on other airlines or even chartering aircraft from other airlines. The union was not available for comment.

Strike threat: SAA extends its deadline for lock-out

ARG 8/10/96

(270) (270)

ESTELLE RANDALL
LABOUR REPORTER

South African Airways has extended from noon until later today a deadline for technical staff to resume normal duties or face a lock-out tomorrow.

SAA spokeswoman Zelda Schwalbach said officials of the SA Aviation Engineering and Allied Union had asked for the deadline to be extended to give the union more time to talk to members. The union had earlier threatened to strike tomorrow if its wage demands were not met.

SAA yesterday told union members, who had been engaged in the work-to-rule action since last week, that it would lock out those who did not resume normal duties by noon today. Those who continued industrial action would be barred from entering SAA premises from 9am tomorrow and would not be paid.

Ms Schwalbach said about 10 percent of the 2 200 members of the union had already signed an undertaking to resume normal

duties today. Nevertheless, SAA had made plans to charter three aircraft and to use other airlines to ensure passengers were not delayed if the strike went ahead.

Ms Schwalbach said SAA would concentrate on its main routes – Johannesburg-Cape Town, Johannesburg-Durban, Johannesburg-London and Johannesburg-New York.

Other airlines would be used to transport passengers on secondary domestic and international routes.

She said domestic flights were likely to be delayed between 30 minutes and an hour. International flight delays would be "more serious". Passengers would be informed of changes to flight schedules and special telephone lines had been set up at Cape Town airport. The numbers are 936-2543 and 936-2544.

The union is demanding a 25 percent wage rise. SAA is offering 10 percent and a 20 percent productivity-linked bonus.

Picture on page 6

The MINISTER Madam Speaker, when the remuneration committee explained this matter to us they said that the salary had to be market-related because of the nature of the business she was dealing with, and she is giving 100% of her time

Mr J T ALBERTYN Madam Speaker, further arising out of the hon the Minister's answer, is it really necessary for it to be a full-time post, since she increased the number of executive directors from one to six? Is it really necessary for them to have a full-time watchdog? [Interjections]

The MINISTER Madam Speaker, one would actually need an army of people to deal with what is happening at Transnet at the moment and coming up on a day-to-day basis I think that she has to be there at the moment

An HON MEMBER What about the General? Put him there!

The MINISTER [Inaudible]

Dr T G ALANT Madam Speaker, the action is very slow. Arising from the hon the Minister's reply, may I ask whether she could explain to Parliament what these high salaries to so many people contribute to the annual losses of Transnet? [Interjections]

The MINISTER Madam Speaker, I think that I would like to reply to that question when it is put in writing, because doing so now would mean recollecting the history of past salaries and their contribution to the state of affairs in which we find Transnet at the present moment [Interjections]

Mr D M STREICHER Madam Speaker, further arising out of the hon the Minister's reply, may I ask her when she envisages that we will get the final figures on the package that the other directors, either executive or non-executive directors, get. Secondly, would she be prepared

The DEPUTY SPEAKER Order! Hon member, I believe the question before us is about the chairperson of Transnet. If there is a question about other people, could that be put in writing? [Interjections]

Mr D M STREICHER Madam Speaker, on a point of order I think the Minister has indicated in her reply that there is going to be a further investigation into the salaries of the other directors [Interjections] Could we get an idea of how that will be done? If the hon the Minister is not prepared to reply to that, may I ask her to give us

HANSARD

an indication of what difference is between what the present chairperson is getting and what the previous chairman got? I would like to know the difference between the salaries of those two incumbents of the position

The MINISTER Madam Speaker, the previous chairperson, who used 25% of his time, got R212 220. One can multiply that to work out the figure for 100% of the current chairperson's time. Questions standing over from Wednesday, 18 September 1996

Transnet credit card misuse: certain person

270 implicated

*15 Mr A J LEON asked the Minister for Public Enterprises

- (1) Whether a certain person, whose name has been furnished to her Department for the purpose of her reply, was (a) the subject of allegations concerning the misuse of company credit cards and/or (b) implicated in the Transnet internal inquiry into credit card usage, if so,

- (2) whether the aforesaid was taken into account in the decision to appoint the said person to a senior position in Transnet, if not, why not, if so, what impact did it have on the decision?

N1675E

The MINISTER FOR PUBLIC ENTERPRISES

- (1) (a) Yes

- (b) Yes. Transnet's ongoing internal investigation into the use of company credit cards has identified instances of *prima facie* abuse by certain card holders, including the person named

In order to ascertain whether actual abuse occurred, this particular matter is currently the subject of an internal disciplinary inquiry chaired by a retired Judge of Appeal, John Trengove

- (2) At the time of the appointment a number of inconsistencies became evident, including generally inadequate control relating to the use of credit cards. A general amnesty was given by the company for people to come forward. The person in question did not come forward. Due to the position he now holds, and in order to ascertain whether or not actual abuse had occurred, the issue is

now the subject of a thorough investigation and it is the results of such an inquiry which will determine the future course to be taken

Mr A J LEON Madam Speaker, arising out of the hon the Minister's reply, with great respect, she has not answered the question as set, because on the evidence at my disposal, which the Minister has as well, there was a series of comprehensive charges standing against Dr Sipho Nyawo at the time. We were told yesterday by the chairperson of Transnet that she had not made the appointment and that the hon the Minister had the prerogative of making the appointment. Knowing that and taking it into account, why did the hon the Minister proceed with the appointment on 1 July 1996 of someone who was at best facing serious charges within the company, when that was known at the time of the appointment of the said director?

The MINISTER Madam Speaker, at the time of the appointment of the said director, a number of inconsistencies had become evident. In his particular case, every transaction he made was said to have been an abuse of funds. Because the whole issue was so clouded, the board then declared an amnesty for everybody concerned. Because the person in question was good at his type of work, and there was a general amnesty, the appointment was made [Interjections] No, I am being honest about it.

But when, on later scrutiny of the evidence which I asked to be brought before me, we looked at what was appearing in some of the internal processes, I then said that an investigation of a serious nature must take place, whose consequences would determine the course of future events.

Mr A J LEON Madam Speaker, further arising out of the hon the Minister's reply and on the basis of how the decision was made, surely simple prudence and common sense should have suggested to her at that time that even a question mark hanging over a director—it was more than a question mark, with more than 140 allegations of credit card abuse at that time—indicates that the appointment should not be made, and should be held over and suspended. Surely the difficulty that the hon the Minister is now facing, in view of the fact that the same director is not just facing an investigation by Justice Trengove into credit card abuse, but we are told that it goes into other matters not restricted to credit cards, is that it is

going to be much more difficult, more expensive and more problematic for her to act now, when she need not have appointed that person, whatever else he was doing, as an executive director as recently as 1 July, in the light of the evidence that she had. That is the question that she must answer

The MINISTER Madam Speaker, the issue was one of great controversy, but it now transpires that an inquiry has to take place. It is better to act than not to act at all, and we are doing that now [Interjections] I think we had better let the matter rest and I will deal with it as I see fit through the current inquiry [Interjections] Some of the people on the other side should not talk, as they have left so many things undone [Laughter]

Transnet: investigation into alleged offences
*21 Dr D J DE VILLIERS asked the Minister for Public Enterprises †

- (1) Whether she or her Department intends investigating alleged offences by any senior employees and managers of Transnet, if so, (a) what offences are to be investigated and (b) what amount is involved,
- (2) whether she will make a statement on the matter?

N1681E

The MINISTER FOR PUBLIC ENTERPRISES

Madam Speaker, this question is similar to Question 32, which will follow later, and it is, in a way, a cousin of the one to which I have just replied. But all the same, I will present a reply.

- (1) Yes

- (a) All credit card expenditure by all employees is under investigation by Transnet's Internal Audit Department, assisted by three external audit firms, and with my full knowledge. Disciplinary inquiries have already been instituted in cases where *prima facie* abuse has been identified and will be instituted in all other cases identified during the investigation. Any amounts found to be irregular will be recovered and appropriate disciplinary action will be taken.

- (b) At this point in time it is difficult to approximate the amount involved, but it is part of the total credit card expenditure of over R10 million. That

is not the amount which might come out in the end

New questions

Contraband/goods illegally imported

*1 Mr M F CASSIM asked the Minister of Finance

The DEPUTY MINISTER OF FINANCE Madam Speaker, having discussed the matter with the hon Ken Andrew, we request that Question 29 be held over as the Minister of Finance is still abroad, and that it be put forward next week if that is acceptable to the House

*29 Mr K M ANDREW — Finance [Question standing over]

A

Borolelo location: building of houses in Swarttruggens

*34 Mr P H CHAUKE asked the Minister of Housing

(1) Whether the building of houses in Swarttruggens in the Province of North-West will benefit the inhabitants of the Borolelo location, if not, why not, if so, how,

(2) whether any tenders have been or are to be awarded in this regard, if so, which will benefit the Borolelo community?

N1695E

The MINISTER FOR PUBLIC ENTERPRISES Madam Speaker, I am presenting this reply on behalf of the hon the Minister of Housing

As this is a provincial matter of principal and policy, I am not in a position to reply to this question. The member is requested to put his question through the right channels to the legislature of the North West Province

(a) Quantity	Value	Description
1 174 million	R280 000	Cigarettes
2 966 kg	R250 000	Aluminium household goods
23 500 kg	R 150 000	Frozen chicken portions
116 288 Items	R1 198 106	Clothing
1 843 Cartons		
300 Bales		
25 608 kg	R1 285 123	Textiles
7 728 Bales		
590 Cartons	R 48 850	Batteries
3 361 Items	R 513 234	Tyres
590 Cartons	R 105 197	Towels

(a) Quantity	Value	Description
360 Cartons	R 121 986	Dust-cloths
50 000 Items	R 150 000	Sildene
4	R1 250 000	Vehicles
300 Cartons	R 207 000	Bathroom accessories
Total	R5 557 496	

(b) The smuggled goods are stored in State warehouses and depots

(c) (i) and (ii) Clothing will be offered to welfare organisations in African countries. The textile goods will be sold per tender for export only. The cigarettes will be given to the Department of Correctional Services. The frozen chicken portions will be sold by tender provided it is fit for human consumption. The other goods will as soon as possible be sold at State warehouse sales

(2) It is not considered necessary to make a statement on the matter

Criminal charges laid against two persons

*2 Mr A J LEON asked the Minister for Safety and Security

(1) Whether criminal charges have ever been laid against two persons, whose names have been furnished to the South African Police Service for the purpose of his reply, if so, in each case, (a) what charges and (b) when,

(2) whether any of these persons has been charged, if not, why not, if so, in each case, (a) what sentence was handed down and (b) what sentence was served?

N1789E

(1) RASHAAD STAGGIE

(a) Charge	(b) Date	(a) Sentence handed down	(b) Sentence served
1 Keemanshoop (1513/69) — Assault with the intention to do grievous bodily harm	1969-11-04	One hundred (100) days imprisonment	Unknown

The MINISTER FOR SAFETY AND SECURITY Madam Speaker, the answer to this question contains details involving no fewer than 40 cases. I wonder whether the hon Mr Leon would mind if I tabled the answer

Mr A J LEON Madam Speaker, I have no objection in principle. However, I think it is important to state, as the hon the Minister knows, that this question relates to the Staggie brothers and their convictions, or lack of convictions, sentencing and the whole consequence of that for the particular community. So perhaps, after a careful examination of the hon the Minister's reply, we could ask some subsequent questions, unless he would summarise brief what the gist of the answer is

The MINISTER Madam Speaker, I could read all the details, but I think it would take up 40 days [Laughter] It seems that Mr Leon is willing to accept my proposal

The DEPUTY SPEAKER Order! Could the answer be tabled in writing?

(Reply laid upon the Table with leave of House)

(1) Yes

(a) and (b) See attached tables

(2) Yes

(a) and (b) See attached tables

SAA-union negotiations break down again

Bonile Ngqiyaza
and Linda Ensor

(270) ~~102~~
BD 9/10/96

NEGOTIATIONS between SA Airways and the SA Aviation Engineering Union broke down again yesterday afternoon—prolonging the problems facing the airline

SAA rejected a union offer to suspend industrial action for 14 days until mediation had been completed and said it would lock out all staff who had not indicated they would resume duties by the 2pm deadline yesterday

SAA management extended its deadline from noon to 2pm yesterday for ground staff to return or be locked out

Spokesman Leon Els said about 500 workers were expected back at work today and the airline was hoping to run normal domestic and international schedules with "minimal delays".

He said SAA was prepared to go to mediation to resolve the matter, but wanted to cut its losses which already amounted to R7m-R10m since the be-

Continued on Page 2

SAA

(270) ~~102~~
BD 9/10/96

Continued from Page 1

gining of the union's work-to-rule policy last week.

SA Aviation Engineering and Allied Union president Joe Joubert accused SAA management of unfair labour practices, saying it had threatened union members "behind our backs".

The union, representing about 2 000 skilled personnel at airports around SA, has rejected SAA's final salary increase offer of 10% across the board and a 20% production bonus.

Transnet executive director Zukile Nomvete said SAA had lost R10m as a result of the work-to-rule action taken by maintenance and engineering "fat cats". The costs related to the chartering of additional aircraft, accommodating passengers and finding passengers seats on other airlines.

Nomvete took a hard line against the "labour aristocrats" demanding a 25% salary increase and gave the firm undertaking that they would be locked out from today if they persisted with their industrial action. Some staff locked out would be retrenched. He said contingency plans were in place to ensure that work continued if there was a lock out.

"The days of the labour aristocracy are over," Nomvete said. The engineers earned substantial sums in salaries, overtime, Sunday pay, shift allowances

and productivity bonuses. The total basic wage bill for 2 000 engineers and pilots was R132m. This made SAA uncompetitive and it had recorded a R20m loss in the first quarter of the year to March.

"Exorbitant" fuel costs had also played a significant role and Nomvete said representations had been made to Mineral and Energy Affairs Minister Penuel Maduna for the supply of petroleum to be deregulated as SAA was suffering under the monopoly enjoyed by Natref and Sasol.

The cost of fuel made Johannesburg International Airport one of the most expensive in the world.

High labour costs were largely to blame for Transnet suffering a net loss of R253m last year when wages rose 17,3% to R7,97bn and the board was adamant that its mandate of a 10% wage increase would not be exceeded this year.

"We are determined to keep it at that level but can expect reaction from the labour unions," Transnet MD Saki Macozoma said in a briefing on Transnet to the portfolio committee on public enterprises.

Sapa reports Labour Minister Tito Mboweni said at Johannesburg International Airport he and government were not in favour of SAA imposing a lockout. "It's going a little too far," Mboweni said.

His meeting with the union and SAA management was "only to hear their stories and not to mediate".

(270) (132)
SAA says no to
offer by workers
sowetan 9/10/96

SOUTH African Airways management yesterday rejected a conditional offer by striking SA Aviation Engineering and Allied Union members to suspend their industrial action which has disrupted flights since last Wednesday

SAA spokesman Mr Leon Els said the union's conditions for suspending the strike were unacceptable, and workers would be locked out from the 6.30am shift from today.

"The lockout clause will be applicable to those members who continue with the industrial action as from tomorrow (Wednesday)," he said

SAA management and union officials were last night locked in a further meeting at the airport.

Labour Minister Tito Mboweni earlier yesterday said he and the Government were not in favour of SAA imposing a lockout in their pay dispute with the union.

"It's going a little too far," he told journalists at Johannesburg International Airport

More than 500 of the 2 200 technical staff involved in the dispute had yesterday indicated to SAA they were prepared to return to work under usual

conditions, Els said, adding that these workers would not be locked out

The work-to-rule action, which began last Wednesday, had cost the airline between R7 million and R10 million in charter fees, hotel expenses, meal vouchers and loss of revenue

SAA could not afford to go beyond its 10 percent salary increase offer, which includes a 20 percent productivity incentive, Els said

"Inflation and the state of the industry just do not allow us to go beyond our offer," he said

Since the action began, six international flights and 14 domestic flights had been cancelled. Eighty international flights and 130 domestic flights had been affected by the work-to-rule.

Passengers on cancelled flights had been flown to their destinations on other airlines or on charter flights at SAA's expense.

Els said SAA management could not accept the union's threat that it would take further industrial action should a resolution not be reached within 14 days

"We cannot afford that," he said -

Sapa

SAA lockout begins!

more flight delays

(270) (S)

LEE WARREN



75% of technicians are unable to go on duty this morning: claims of intimidation by airline and union

By SHIRLEY WOODGATE

All domestic flights were likely to be delayed by at least one hour today as South African Airways locked out technical staff at airports country-wide after the breakdown of negotiations with the SA Aviation Engineering and Allied Union.

And staff manning the airline's special help line said four international flights - to Mauritius, Windhoek, Munich and Dusseldorf - had been cancelled. Claims of intimidation are being made by both sides.

SAA spokesman John Hare said every effort was being made to get international passengers on to other flights.

Several aircraft had been chartered and the services of other airlines were enlisted to help passengers who had been forced to change or delay their flight plans.

The work-to-rule industrial action had so far cost SAA between R10-million and R15-million and

was escalating "by the minute", he said.

Extra security staff were posted at the gates from the start of the lock-out at 5.30am today when about 400 staff members (25% of the workforce) reported for duty as usual, Hare added. The remaining 75% of the aviation technicians are locked out.

Hare said some workers who wanted to resume their duties had been intimidated at the gates.

But the union's president, Joe Joubert, said SAA was intimidating people by approaching workers on an individual basis to persuade them to accept its wage offer and return to work.

He said this constituted an unfair labour practice "We are taking legal advice on this action, and are challenging SAA to do collective bargaining and not approach individuals," he said.

Hare said SAA denied approaching individuals to settle and also denied Joubert's accusation that SAA was employing outside

Nov 9/10/96

staff to service aircraft.

But Joubert stuck to his guns, claiming aircraft chartered by SAA to help out from France and New York had brought their own technical staff to service the planes.

Yesterday, SAA gave 2 200 technicians, engineers and mechanics until this morning to call off their work-to-rule action and accept a 10% increase.

The union's reaction was that it was prepared to suspend industrial action subject to certain conditions. But SAA spokesman Leon Els said one of the conditions calling for a 14-day mediation period was unacceptable.

Both sides indicated discussions would continue today, with SAA hoping the union would adopt "a more reasonable attitude".

Labour Minister Tito Mboweni has expressed concern about the industrial action and held talks with both parties yesterday.

■ SAA has set up a passenger help line. The number is (011) 978-3557

CT9/10/96

Chaos at airport as SAA staff action disrupts flights

LISA TEMPLETON

THE work-to-rule by South African Airways engineering and technical staff has led to cancelled flights and produced chaos at Cape Town International Airport where relatives and tour operators have waited hours to meet passengers.

Flights have been disrupted for the past week by the action, called by the SA Aviation Engineering and Allied Union in response to a pay deadlock.

Last night the SAA rejected a conditional offer by striking union members to suspend their action and said they would be locked out from the start of the 6.30am shift today.

SAA spokesman Mr Leon Els told Sapa the union's conditions for suspending the action were unacceptable.

"The past week has been a nightmare," said Mr Henri Havenga, manager of Thompson's Touring. "Many of our clients have been booked on different flights from those they were scheduled to take."

SAA is not always forthcoming with information about where they are. There was no way of tracking tourists once they had been moved off their scheduled flights, Havenga said.

On Friday, a Japanese group he had been due to meet from Johannesburg was switched from a domestic to an international flight.

By the time we found each other they were hysterical," Havenga said. Another tour operator, who asked not to be named, said a group of 17 French tourists had been put on different planes from Johannesburg. Because of the time

needed, they had to scrap plans for a city tour and visit Table Mountain yesterday. Others at the airport waiting for four hours.

Mr Johan Fourie was to have collected eight people for a seminar at the University of the Western Cape, but only one was on their scheduled flight. By lunchtime, Fourie had yet to find six of the group.

There was no one available at SAA for comment.



LONG WAIT: About 50 people wait for friends, relatives and tourists in the domestic arrivals hall at Cape Town International Airport yesterday. Some people waited more than four hours. **PICTURE: THEMINKOSI DWAYISO**

S

SAA to lock strikers out

~~127~~
GUY OLIVER

(270)
LABOUR EDITOR

ET(BR)9/10/96

Johannesburg — The South African Airways will lock out about 2 200 union members this morning and has warned that retrenchment could follow.

The lockout was described by Leon Els, the national carrier's spokesman, as "the only resolution". It pre-empts the call by the South African Aviation Engineering and Allied Union for a strike over wage increases.

The union has demanded a 25 percent wage increase while SAA has only offered 10 percent, given the prevailing market conditions within the industry.

The union's work to rule in support of its pay demands since last

Wednesday has caused numerous domestic and inter-national cancellations and delays. It has cost the airline R7 million to R10 million, Els said.

Union and management were locked in talks yesterday to avert the action, and Tito Mboweni, the labour minister, became involved in the dispute. Last night Mboweni was still engaged in talks with the union.

However, before the talks he told reporters at the Johannesburg International Airport that he was "only here to hear their stories and not to mediate".

The minister said the lockout was unnecessary.

Els said management had not met with Mboweni but was dealing with Stella Sicgau, the public en-

terprises minister.

Els said the airline had adopted an open door policy with the lock-out and, provided employees accepted management's terms and returned to work "normally", which included the lifting of the overtime ban, they would not be prevented from resuming their duties. The no-work no pay principle would apply.

He said about 500 members had "indicated" they would return to duty today.

Els said contingency plans had been made by the airline to ensure that delays were kept to a minimum, with charter airlines and the use of other airlines to ferry SAA passengers.

The union was not available for comment.

More SAA chaos looms as extra staff walk off job

(270) (E2) ARG 9/10/96

ESTELLE RANDALL AND TYRONE SEALE
STAFF REPORTERS

More SA Airways flights may have to be cancelled tomorrow as technical staff who had agreed to resume normal duties walked off the job today to join their colleagues who were locked out.

They are members of the Aviation Engineering and Allied Union, who have been on a work-to-rule action since last Wednesday.

At Cape Town International Airport all 30 technical staff walked off the job today

Union president Joe Joubert said. "Those who went to work have changed their minds. They are exercising their right to be included in the lockout."

Domestic and international flights were badly affected early today when SAA locked out technical staff.

Passengers should change their flight dates if possible, said SAA spokeswoman Zelda Schwabach.

In spite of the lockout, the SA Aviation Engineering and Allied Union and SAA are likely to agree today on mediation. The union is demanding a 25 percent wage increase. SAA is offering 10 percent and a 20 percent productivity-linked bonus.

Ms Schwabach said about a quarter of the 2 200 union members had returned to work earlier today, but numbers were "growing".

Union president Joe Joubert, who was locked out at Johannesburg International Airport, said he estimated that 30 percent of members there had returned to work.

The union was investigating legal action over SAA's approach to members to resume duties. "This is a collective action. They're not supposed to approach our members individually," he said.

Aviation union's application rejected

(270) BD 10/10/96
Bonile Ngqiyaza

THE Pretoria Supreme Court yesterday rejected with costs an SA Aviation Engineering and Allied Union application to declare illegal an SAA document which demands that workers renounce industrial action and accept its terms of an increase.

SAA required the workers to sign the document before they could be allowed on to its premises.

Negotiations between the airline's management and the union broke down on Tuesday following the company's rejection of a union offer to suspend industrial action for 14 days until mediation had been completed.

The union, representing about 2 000 skilled personnel at airports around SA, has rejected SAA's final salary increase offer of 10% across the board and a 20% production bonus.

Yesterday's application for an interdict by the union was triggered by the view that SAA was engaging in an unfair labour practice by approaching individuals at the gate instead of nego-

tiating with union representatives, union president Joe Joubert said.

SAA spokesman Leon Els said a work-to-rule policy by SA Aviation Engineering and Allied Union members, which started on October 1, had led to severe disruptions of services and had cost SAA about R40m to date.

The losses, he said, were caused by arrangements such as flights chartered, hotel accommodation, meals, additional overtime, transport for passengers and loss of goodwill.

Els confirmed passengers were being issued with food vouchers to use at the airports. The vouchers — compensation for missed meals or meals while passengers were waiting for SAA flights — totalled R500 000.

He denied, however, that pilots had been granted 40% annual increases, but said it would be inappropriate to compare different categories of jobs. "In the light of conditions prevailing in the industry and in SA, as well as when compared to settlements reached by

Continued on Page 2

Application

(270) BD 10/10/96
Continued from Page 1

unions in the country, the airline considers this offer fair and reasonable".

The airline downplayed reports of major cancellations, saying it had not experienced delays longer than three hours from Johannesburg. On the Johannesburg-Durban-Cape Town "gold-

en triangle" delays had been minimised to one hour at the most, it said.

Only flights to Bloemfontein had been cancelled and passengers accommodated on SA Express.

On the international front, one flight to Mauritius had been cancelled yesterday and passengers accommodated on Air Mauritius which was expected to depart today. A flight to Munich and Dusseldorf had been delayed for 24 hours and was set to leave today.

FRIDAY, OCTOBER 10, 1963

Is airline's action legal?

(270) (270)
BY GOSA NDILOVU

Star 10/10/96
South African Airways' intention to lock out the 2 000-strong South African Aviation Engineering and Allied Union (SAAEAU) today has raised questions over the legality of the airline's use of the lockout clause, which has been referred back to the Constitutional Assembly by the Constitutional Court

In terms of the interim constitution, which is applicable pending the certification of the new constitution, the Labour Relations Act of 1956, with its controversial lockout clause, can be legally used.

The LRA gives managements the power to implement a lockout, but they must first follow the proper procedure in applying for the sitting of a conciliation board.

Labour Minister Tito Mboweni said early yesterday SAA management had not yet applied for a conciliation board sitting, which would render a lockout illegal.

Mboweni said last month that the new LRA, which was thrashed out last year and is currently being altered to meet with the Constitutional Court's requirements, was likely to be implemented on November 11 this year.

In the new LRA, lockout as a labour strategy has been recognised, but its scope has been narrowed and it is not a right protected by the constitution.

Hopes for a settlement, but SAA lockout chaos hits flight schedules

(270) Star 10/10/96
BY SHIRLEY WOODGATE
AND PRISCILLA SINGH

Delays and cancellations of SAA flights continue on the second day of the lockout of most of the 2 200 technical staff whose union work-to-rule industrial action is now entering its second week.

But both sides were cautiously optimistic this morning of a breakthrough in the stalemate over wage negotiations that has cost the airline millions to charter aircraft from other airlines, and various expenses.

SAA spokesman Leon Els said about 30% of domestic flights were on time yesterday, and average delays were about one hour within a range of 30 minutes to three hours.

Today's flight from Johannesburg to Bloemfontein was cancelled and the entire domestic flight plan had again been rescheduled, he said. Flights to Buenos Aires, Windhoek and Bulawayo have been cancelled.

Attitudes have softened on both sides after the Industrial Court (IC) yesterday dismissed an urgent interdict against the airline for allegedly intimidating union members by approaching them individually.

SAAEAU president Joe Joubert claimed SAA had been intimidating union workers into sign-

ing a document accepting the 10% wage increase, as well as a 20% productivity incentive bonus, and to resume normal work.

The SAA action constituted an unfair labour practice, the union said.

But IC acting president Mr Justice M A E Bulbulia dismissed the SAAEAU application with costs, saying the court did not want to enter into the dispute.

Today Joubert said although SAA had claimed the ruling as a victory, there was a subtle difference between making a ruling and not granting the application because the IC did not want to enter a hornets' nest.

"We are open to negotiation and have offered to suspend our action so that we can sit and talk under normal conditions.

"We spoke to the chief negotiator last night and we are cautiously optimistic we can talk today. But the SAA attitude is very hardball," he said.

SAA spokesman Leon Els said last night: "The lockout is still in place until all the members decide to come back to work and SAA is not prepared to budge on this decision.

"The point of the matter is that SAA cannot afford to give the workers more than 10%."

Today he was optimistic that talks would resume and that

terms of mediation would be finalised as the union had indicated members were prepared to go back to work so that talks could begin. The terms of mediation were still a stumbling block, he said.

SAA said 600 technicians had returned to work.

Joubert disputed the figure, saying even more technicians had joined their colleagues outside the gates.

"This is part of SAA's power play with us," he said.

He added that SAA's alleged R40-million loss due to industrial action would have covered the 25% increase the union was demanding.

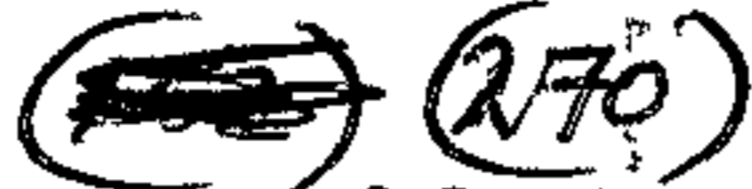
SAA has chartered at least four aircraft with their own crews and technicians to cope with the delays and cancellations.

A union member said it was the technicians who kept the aircraft in the air and they took home an average of R5 500, whereas a senior 747 pilot had a package of about R45 000 a month.

"The technicians and mechanics are treated like the dogs of the airline and we are not going to take it lightly, but fight back and stand up to management," he said.

► See more stories on

SAA gains victory over striking union



THABO LESHILO & GUY OLIVER

Johannesburg — South African Airways (SAA) expects technical workers to abandon their week-long work-to-rule protest today after their union failed to obtain a Supreme Court interdict to prevent the company from forcing individual members to break the protest yesterday.

The court's decision is a significant strategic victory for SAA in its efforts to make union members sign letters binding them to abandon the protest and accept the 10 percent wage increase offered by the company.

The South African Aviation and Engineering Union began the protest on Wednesday last week to back its demand for a 25 percent across-the-board wage increase. The action resulted in flight disruptions and caused SAA an estimated loss of R40 million.

Leon Els, a spokesman for SAA, said "We trust many will sign the letters indicating they will return to normal work as quickly as possible." He said by signing the letters, the protesters would be automatically accepting the management's final wage increase offer of 10 percent across-the-board and a 20 percent productivity incentive bonus.

Joe Joubert, the union's spokesman, said that after the Pretoria Supreme Court had rejected the union's interdict with

costs, that "it will be up to members to reject company attempts to subvert the union."

He said the delays caused by the dispute were a result of the management's handling of the situation. The union had agreed to return to normal working conditions with the proviso that the two parties go to mediation and, should mediation fail, that the union reserve the right to take further industrial action. This was rejected and SAA imple-

mented a lockout yesterday morning.

Joubert said relations between the company and the union were tense, and that there would be no immediate return to work.

Els said that about 500 union members had already returned to

work. But the union said that many had immediately walked off when the company expected them to accept the 10 percent wage increase.

The union, which supports the privatisation of the airline, broke from the industrial council in 1993 and now bargains on a "one to one" basis with the national carrier.

Meanwhile, the South African Railway and Harbour Workers' Union (Sarhwu) said yesterday they were confident that wage talks in the Transnet Industrial Council Airways Chamber would be resolved tomorrow. The dispute between SAA and Sarhwu occurred outside the chamber.

By signing the letters, the protesters will be accepting the final 10% wage offer

CT (BR) 10/10/96

SAA cancels (270) ~~SA~~ more flights in lockout

TWO more SAA international flights were cancelled last night as the airline continued to lockout striking employees

SA 280 to Perth and Sydney was rescheduled to leave late today and SA 264 to Munich and Dusseldorf was delayed by at least 24 hours. Three other overseas flights were cancelled earlier yesterday

This comes as the wage dispute between SAA and the SA Aviation Engineering and Allied Union remains deadlocked.

SAA said it would continue with the lockout until staff return to work, but the union said it would resist management's attempts to be "split and conquered"

So far, only 600 of the 2 200 workers have returned to work

The union wants a 25% pay hike, but SAA has offered 10% and a 20% productivity-linked bonus

Yesterday, SAA won the first round of its legal battle when the Industrial Court dismissed an urgent interdict application against the airline for "intimidating union members" The court said it did not wish to enter into the dispute. —

Own Correspondent

CT 10/10/96

More delays as SAA and union stay deadlocked

ARL 10/10/96

(270) (2)

ESTELLE RANDALL
LABOUR REPORTER

Only 600 of 2 200 South African Airways technical staff nationwide reported for duty today as the airline continued its lockout of members of the SA Aviation Engineering and Allied Union.

Domestic flights were expected to be delayed today by up to an hour and international flights by up to 24 hours

Union members started working to rule on October 2 after SAA refused a 25 percent

pay rise, offering instead 10 percent and a 20 percent productivity bonus. Workers were locked out yesterday.

Spokeswoman Zelda Schwalbach said SAA yesterday accommodated all domestic passengers on later flights. But three international flights were cancelled and passengers left only today for Mauritius, Australia and Germany.

She said SAA was operating four chartered aircraft with their own crews and technicians to address the delays.

SAA management was expected to meet the union later today, union spokesman

Joe Joubert said.

Mr Joubert said SAA had intimidated union workers into signing a document accepting the 10 percent increase and 20 percent productivity incentive bonus, and to resume normal duties.

Until the new Labour Relations Act (LRA) comes into effect on November 11, the LRA of 1956 applies. This gives employers the power to implement a lockout – but they must first follow the proper procedure and apply for the sitting of a conciliation board. SAA has said the union rejected its offer of a conciliation board hearing.

SAA and union agree to appoint private mediator

PD 11/10/96 (270) (482)

SA AIRWAYS and the SA Aviation Engineering and Allied Union had agreed to private mediation to resolve their salary dispute, Labour Minister Tito Mboweni announced yesterday.

Mboweni said he had been talking to both parties with the intention of appointing a mediator. However, they told him yesterday afternoon that while they appreciated his efforts they wanted to proceed with private mediation.

Mboweni said his intention was to see mediation of some sort implemented, and if the two parties wanted private mediation he was happy to agree with that arrangement. "I would like to encourage both of them to take this route very seriously," he said.

Earlier yesterday Mboweni said he might appoint a mediator in terms of an amendment to the Labour Relations Act which empowers him to do so in order to

resolve deadlocked industrial disputes. Union president Joe Joubert said yesterday evening that union officials and SAA representatives went into a meeting at 5.30pm to explore options available to them through mediation.

Earlier yesterday the union met Public Enterprises Minister Stella Sigcau. The management of the airline met the minister later.

Mboweni and Cosatu president Sam Shilowa had also met earlier in the day and later issued a joint appeal for an end to the bitter salary dispute.

The union started a work-to-rule protest action on Wednesday last week to demand a 25% across-the-board salary increase. SAA is offering 10% and a 20% productivity incentive bonus.

On Wednesday SAA implemented a lockout of union members who continued to implement the work-to-rule. — Sapa

Dreamer feels exploited

By Abdul Milazi

LEWELYN DE BEYER joined the South African Airways in 1980 armed with an aircraft technician certificate and a dream of better things — today he feels exploited.

The 35-year-old De Beyer of Kempton Park is one of the 2 000 aircraft technicians who have been locked out by SAA at the Johannesburg International Airport for refusing to accept a 10 percent wage increase.

The workers, who are all members of the South African Aviation Engineering and Allied Union (SAAEAU), are demanding a 25 percent salary increase, which they claim is owed to them from 1988

Same salary

Despite having been with the airline for more than 15 years, De Beyer still earns R5 860, the same salary received by his wife who works as a secretary for a Johannesburg firm.

The situation outside the SAA's staff entrances was more like a picnic than a strike as some of De Beyer's colleagues brought beach umbrellas

Technicians went on a work-to-rule strike to support their pay demand

(270) Xaverien 11/10/1986

“We never went on strike in the first place. We came to work and management tried to force us to accept their offer in writing, and only those who signed the forms were allowed through the gate. That is not a strike”

and gas braais to camp outside the airport premises.

A spokesman for SAAEAU Fanus Meyer said the technicians were not on strike, but were locked out by management.

“We never went on strike in the first place. We came to work and management tried to force us to accept their offer in writing, and only those who signed the forms were allowed through the gate. That is not a strike,” argued Meyer.

Trouble for the SAA began last

week when the technicians went on a work-to-rule strike in support of their demand. The airline responded by locking them out on Tuesday.

SAA has since lost more than R40 million through finding accommodation for stranded passengers, rebooking them with other airlines and other expenses.

According to Meyer, giving the technicians the 25 percent increase would cost the airline R6 million a year.

“The 25 percent we are demanding

is actually a salary adjustment owed to us from 1988, when the SAA gave us increases which were not market-related due to financial difficulties. We are saying they should repay us what is due to us,” said De Beyer

Incentive bonus

He argued that the 20 percent production incentive bonus offer from management was a once-off payment given yearly if the airline performed well. “They (SAA) should not fool the public by saying it is part of their offer”.

Although SAA denies it, the industrial action has brought most flights — both international and domestic — to a halt.

Most passengers, including *Sowetan* assistant editor Len Maseko, were told by the airline's information desk that their flights were cancelled “because all domestic flights were cancelled”.

However, SAA spokesperson Anelda Duvenage said only international flights were cancelled and “domestic flights were running well” except for a flight from Johannesburg to Bloemfontein.

Negotiations stall as SAA, union dig in

(270)

By SHIRLEY WOODGATE

ARU 11/10/96

Despite agreement on mediation to resolve the nine-day wage dispute that has disrupted SAA flights, the Aviation Engineering and Allied Union warned today that the terms of reference remained a major stumbling block.

Union president Joe Joubert said: "We will meet if management changes its attitude, but the SAA insists it is going into mediation with no new money.

"We cannot start talks if they insist on that stance"

The lockout of three-quarters of technical aviation staff at major airports countrywide continued today, ahead of a scheduled 1pm meeting to determine the terms of reference

SAA spokesman Leon Els said delays of up to an hour could again be expected today on domestic flights, and that the timetable had been rescheduled for the third day running.

The Windhoek, Bloemfontein and Maputo flights were cancelled, and tonight's Zurich/Paris flight has been delayed until midday tomorrow.

The union started its work-to-rule action last Wednesday, and a week later SAA locked out union members who continued with the protest

The union wants a 25% across-the-board increase, and SAA is offering 10% plus a 20% productivity incentive bonus.

On Wednesday this week in the Pretoria Industrial Court, the union failed to obtain an interdict preventing SAA from intimidating union members

The union accused SAA of approaching members individually and asking them to agree in writing to a 10% salary increase before returning to work

Labour Minister Tito Mboweni and Congress of SA Trade Unions (Cosatu) president Sam Shulowa yesterday called for an end to the salary dispute after meeting to discuss the issue.

Earlier, Mboweni said he was considering appointing a mediator in terms of an amendment to the Labour Relations Act. But both parties agreed to private mediation. Mboweni said the dispute should not be allowed to continue, and he called on SAA and the union to commit themselves to constructive dialogue, while Shulowa said the dispute could be solved amicably.

Shulowa said Cosatu was concerned at the lockout, particularly as it came so soon after the Constitutional Court ruling on the constitutionality of a lockout

The Constitutional Court ruled in August that employers' lockout rights need not enjoy constitutional protection.

Cosatu did not condone the workers' action, particularly since they intended to hold transformation to ransom, said Shulowa.

He called on the aviation union to consider suspending its protest to give mediation a chance. The same should apply to management's use of the lockout, he said

(270)

SAA lashes out at white technicians

By THABO LESHILO
11/10/96

Johannesburg — South African Airways is to accelerate the recruitment of black flight technicians in the wake of the costly protest by the white technicians' South African Aviation Engineering and Allied Union, a senior manager at Transnet said yesterday. The union represents about 2 000 of the company's 2 200 technicians.

"The company is tired of being held to ransom by white staff who are highly paid," the source said. The union began its work-to-rule protest last Wednesday to support its demand for a 25 percent wage increase. It rejected SAA's offer of a 10 percent wage increase and a 20 percent productivity bonus.

The protest disrupted operations at the national airline, forcing it to cancel several flights. SAA has estimated its losses to be about R40 million.

This week SAA locked the protesters out of Johannesburg International Airport. The union later lost a court bid to prevent the company negotiating with individual members to break the protest.

By yesterday afternoon a quarter of the 2 000 protesting workers had resumed normal duty and signed agreements to accept the 10 percent increase.

Mediation

SAA and the union met late yesterday afternoon to discuss voluntary mediation of the dispute after Tito Mboweni, the labour minister, threatened to appoint a mediator in terms of the Labour Relations Act.

Joe Ndhlela, Transnet's executive director of human resources, expressed confidence that the parties would agree on mediation. "There is a getting together. The parties are not poles apart," Ndhlela said.

The Freedom Front fiercely criticised Transnet's new black executive directors yesterday, blaming them for the protest by technicians at SAA.

Joseph Chiole, the Freedom Front's spokesman for public enterprise, said the top management and board of Transnet had little insight into the situation at the national airline.

He said the party had already called for a snap parliamentary debate next Wednesday into the management of Transnet and its control by Stella Sigcau, the public enterprises minister.

Pressure mounts to end SAA dispute

ARG 11/10/96 24 (270) (15)

ESTELLE RANDALL
LABOUR REPORTER

Pressure is mounting on South African Airways and the South African Aviation Engineering and Allied Union to settle their dispute, which has already cost SAA R40-million.

SAA and the union had "in principle" agreed to private mediation but had yet to agree on the terms of reference, SAA spokesman Zelda Schwalbach said today.

This meant that flight delays would continue. Only about 60 percent of flights were

now operating, Ms Schwalbach said

Members of the union on a work-to-rule since Wednesday last week have been locked out by SAA.

Yesterday Public Enterprises Minister Stella Sigcau and Labour Minister Tito Mboweni warned SAA and the union to settle their differences or face the prospect of a mediator, appointed by Mr Mboweni, taking over.

But SAA and the union yesterday opted for voluntary mediation

Talks between the two parties will continue today.

Decision on disruptive SAA dispute awaited (270)

By JACQUI REEVES

Star 12/10/96

South African Airways technical staff and management are expected to decide early this morning whether a work-to-rule, which has reduced the airline's flight schedule to chaos, will be suspended during mediation which starts today.

SAA spokesman Mike Pfeiffer said management hoped to "get everything sorted out as soon as possible". Halting the work-to-rule would be the focus of the early morning meeting.

Agreement was reached earlier this week on mediation to resolve the nine-day pay dispute, but the national carrier and the South African Aviation Engineering and Allied Union have yet to agree on terms of reference for mediation.

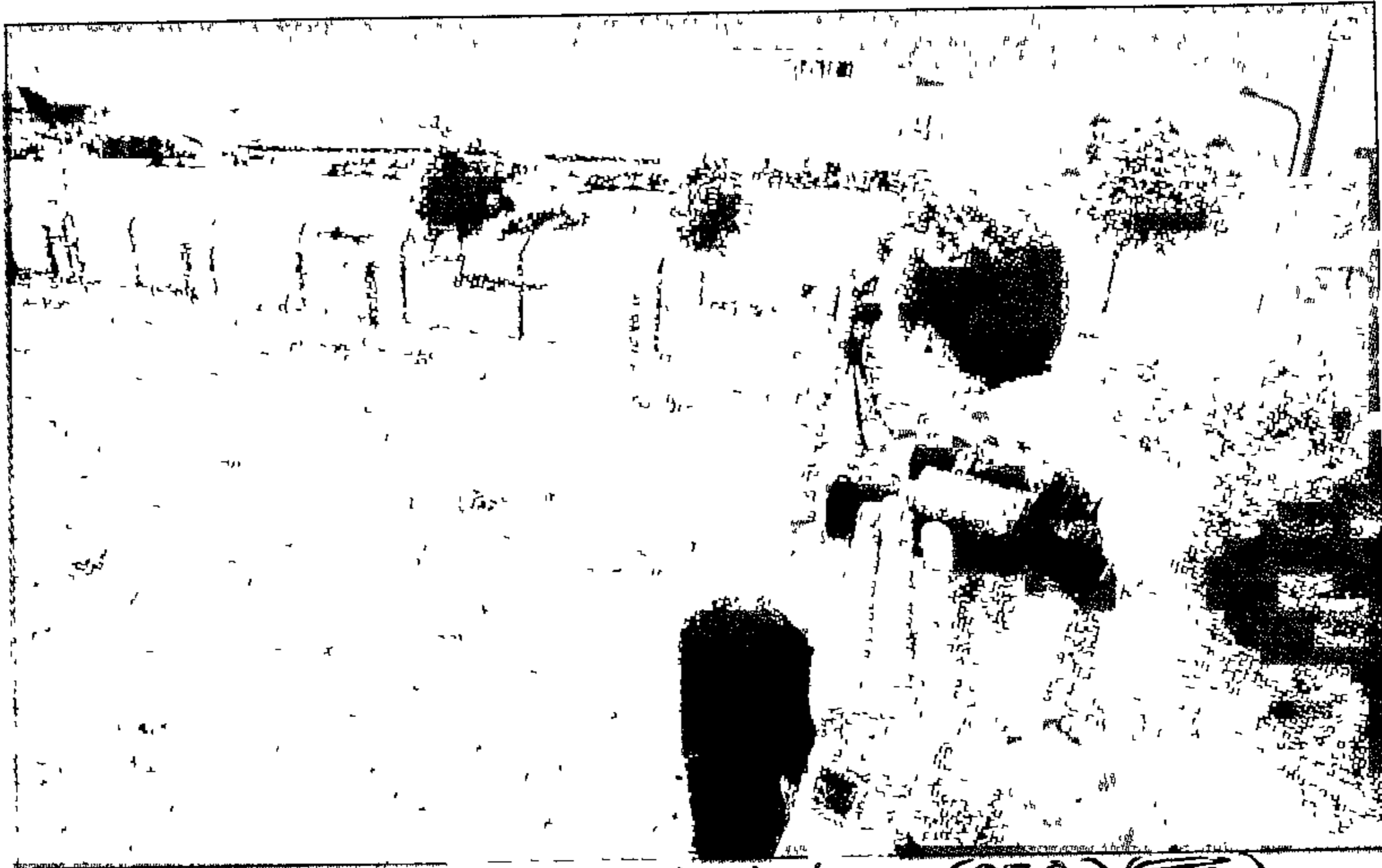
While negotiators frantically tried to resolve the dispute this week, frustrated passengers were put on standby for flights or transferred to other airlines. Yesterday SAA was running only 75% of its scheduled flights.

Pfeiffer estimated SAA's losses at more than R40-million, largely because four aircraft had been chartered for its passengers, complete with technical staff and crews. "Planes have been brought in from the US, Europe and Iceland."

Local companies Millionaire and Nationwide were also chartered for SAA passengers.

The industrial action began on Wednesday last week. This week SAA decided to lock out the 75% of union members who refused to return to work.

The union wants a 25% across-the-board increase. SAA is offering a 10% rise and a 20% productivity-incentive bonus.



ST 13/10/96

(270) (E)

By CAROL PATON

SA AIRWAYS flights will be back to normal by the end of the week following agreement yesterday between airline management and the SA Aviation Engineering and Allied Workers' Union to end the lock-out when mediation begins tomorrow

SAA spokesman Leon Els said the airline would phase in its usual domestic timetable by Friday

But SAA will count the costs of the lock-out for weeks to come as it tries to catch up with compulsory maintenance schedules which have resulted in a growing number of aircraft being grounded

Els said that by yesterday there were eight aircraft which could not be used as they had not undergone the necessary maintenance to meet with safety regulations. He said SAA had been forced to use charter aircraft for its international routes as its B747s, which require a large number of technicians to carry out routine checks, stood idle in

SAA counts the cost as lock-out ends

hangars

"It will take one or two weeks to catch up on the backlog," he said

However, technicians said it could take months and that SAA would be forced to continue with the charters

Most of the 2 000 workers involved in the wage dispute are flight engineers or aircraft mechanics who carry out maintenance checks and repair components. They are the front-line in flying safety

"One slip and that's it. It's not like a car where you can turn off the road. If we make a mistake, there's no turning back. Especially for SAA, which flies long distances over the sea," said one

Technical workers refused an offer of a 10 percent increase. SAA locked them out on Wednesday after the union threatened to strike for a 25 percent increase

Els said a quarter of SAA's maintenance staff had accepted management's offer and continued to work

However, technicians who were locked out said "corners were being cut" in maintenance and that the airline was using special provisions which allow aircraft to fly for 10 percent longer before undergoing maintenance.

According to maintenance schedules enforced by the Civil Aviation Authority, an aircraft must

undergo certain checks after a set number of flying hours. After 550 hours, 747s must undergo a complete check requiring 40 man hours

"It could get to the stage where all the aircraft need big checks and there is no one to do them. It will take the airline months to recover," a technician said

Els denied that aircraft were flying for 10 percent longer before maintenance checks

Rennie van Zyl, a spokesman for the authority, said the 10 percent margin existed to take account of "unforeseen circumstances" and was an accepted practice worldwide. "It could well be that SAA is using it. But the fact that the airline is cancelling flights means safety is being complied with," he said

Els said seven international flights had been cancelled and the number of domestic flights had been reduced

Although mediation begins tomorrow, both parties have reserved their rights to industrial action

SAA and union take dispute to mediation

Reneé Grawitzky

SAA and Transnet could be forced to reopen negotiations with six other unions it has settled with if it reaches a higher wage agreement with the SA Aviation Engineering Union during mediation commencing today.

However, sources said a resolution to the dispute would depend on Transnet and SAA ensuring a settlement brokered in mediation was not influenced by the settlements achieved with other unions.

SAA spokesman Leon Els said the parties agreed to go to mediation unconditionally and without any preconditions set

BD 14/10/96
Despite the agreement signed on Friday, he said the extent of movement was in the hands of the mediator.

SA Aviation Engineering Union spokesman said given the fact that the union represented aviation ground engineers and technicians, they should not be compared to other workers in the industry such as those in marine, road and rail. The union said it had never demanded salaries equal to any other group of employees within Transnet.

The parties agreed to go to mediation on Friday and agreement was reached on the simultaneous lifting of the lock-out by manage-

(452) (270)
ment and an undertaking by the union that its members would return to work today.

The agreement reached on Friday, covering between 15 000 and 20 000 workers, provided for a R241 pensionable increase a month. Where the increase was less than 7,5% of the monthly pensionable salary, a further non-pensionable allowance would be paid to employees to make up the percentage difference.

The agreement also stipulated the union's signatory reserved the right to reopen negotiation if another trade union in SAA reached an agreement higher than 10% on total labour costs.

SAA, union start to clear backlog

By Shirley Woodgate

Efforts are under way to get SAA flight schedules back to normal, now that the technicians' work-to-rule and the airline's retaliatory lockout have ended.

The SA Aviation Engineering and Allied Union and SAA have agreed to mediation of the costly 13-day dispute by Charles Nupen of the Commission for Conciliation, Mediation and Arbitration.

SAA spokesman Leon Els said there were no delays yesterday and all passengers would be able to make normal bookings from today. They had been forced to be on standby during the massive disruption of local and international timetables since Wednesday's lockout following the work-to-rule which started on October 1.

The union's action was in support of its demand for a 25% across-the-board salary increase, while SAA offered 10% and a 20% productivity-incentive bonus.

Union president Joe Joubert said: "There is a huge backlog of work to catch up on. But we will get stuck in and put these planes back in the air. That includes at least five jumbos at Johannesburg international, representing plenty of company capital on the ground." He was cautiously optimistic that mediation would succeed, since SAA had dropped its stance that it had no more money to offer the staff.

Els said the industrial action had cost the airline more than R40-million, mainly for aircraft chartered to replace its grounded planes, while technical staff lost about R2,5-million in salaries.

Sapa reports that local domestic airlines, which employ their own technical staff, cashed in on their main rival's industrial dispute, with Comair and Sun Air flying virtually full up as they snapped up SAA passengers.

NEWS BRIEFING

Nupen to head wages mediation as SAA go-slow comes to an end today

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Johannesburg — An agreement was reached on Saturday to suspend the costly industrial action by members of the Engineering and Allied Union, South African Airways (SAA) at the airport. Both parties have agreed to resume work from 9 am on Monday. The airline's statement said: "The members will be returning to normal duties." It added that the agreement was reached after agreeing on Friday to mediation by Nupen a mediator who is affiliated to the Commission for Conciliation, Mediation and Arbitration. The mediation will begin on today. The industrial action has caused the delay and cancellation of a number of domestic and international SAA flights and cost the airline more than R40 million. — Sapa

CT (BR) 14/10/96 SAA privatization Page 19

WS

AIRLINES *Trade unions likely to take equity stake in national carrier*

SAA boss spells out route to survival

AUDREY D'ANGELO

Windhoek — Privatisation, with trade unions becoming shareholders, was the only way SAA could survive, said Mike Myburgh, the chief executive officer of South Africa's strike-battered national airline

In a paper read on his behalf at the Association of Southern African Travel Agents (Asata) annual congress on Friday, he said that increasing competition, rising costs, including jet fuel and wages, and organised labour "striving for power" would lead either to "the demise of the airline or to the joint solution of employee share participation"

Privatisation was a necessary reaction to several forces, Myburgh said

These included the need for

funds with which to acquire the latest expensive technology to compete effectively, and the unions' wish for a share in ownership

He foresaw that the unions would have a large equity stake and would realise that "competition really does put a limit to the salary and wage increases that can be extracted from an airline company"

Myburgh said that increasing deregulation of the international airline industry, leading to completely uncontrolled "open skies" with every airline free to provide any service it wanted, was inevitable

He did not believe this would result in the survival of only a few mega-airlines, but in the formation of airlines in powerful alliances

He thought this in turn

would lead to lifting restrictions on foreign ownership of national carriers

"While airlines like Lufthansa are still required to ensure that not more than a percentage of their shareholding is in foreign hands no one knows if British Airways (BA) is really British in terms of the majority of its shareholders

"The strategic importance of an airline to a country's economy or its defence starts to fade as soon as the country reaches any level of maturity in its economy

"I think that there are already several southern African countries where this maturity will be attained in the next five years and where foreign ownership will be allowed to a greater extent than 25 percent

"In fact, alliances and fran-

chising are an attempt at circumventing the ownership rules in order to increase global reach and economies of scale while still under the regime of bilateral aviation agreements between governments

"Although we are still a little time away from large cohesive alliances that dominate the skies, I am convinced that this will come"

Myburgh referred to the fact that SAA already had ties with two airline groups, through its commercial partnership with Lufthansa and code-sharing arrangements with American Airlines

"It is evident that there are numerous cross-conflicts in the alliances that already exist SAA is not the only airline that finds itself with a foot in each of the two main alliance groups"

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Union washes its hands of letter

Reneé Grawitzky

(270) (22) PD 15/10/96

THE SA Railway and Harbour Workers' Union (Sarhwu) yesterday distanced itself from a document allegedly written jointly by Cosatu and Fedstal representatives, accusing SAA and Spoor-net of breaching the national framework agreement (NFA) on state asset restructuring.

The Fedstal-aligned Salstaff said the document was drafted by labour's negotiators in the transport sector's task team, while Sarhwu assistant general secretary Tshidiso Moshao said: "It is with great shock and dismay to learn that certain elements within Fedstal are becoming disruptive of the NFA process."

The document, claimed to be

signed by Cosatu and Fedstal representatives party to discussions on Transnet's restructuring, outlining labour's concerns around processes under way at SAA and Spoor-net, was circulated yesterday by unknown sources. The letter was also circulated to Transnet, SAA and Spoor-net management and to the public enterprise and transport ministries

Moshao said the document was fictitious, the contents misleading and inflammatory and was a mischievous attempt by "disgruntled elements (within Fedstal) who are not in favour of transformation and restructuring"

A Salstaff spokesman said it was important for labour to stand united in the face of the possible implementation of plans already

agreed to between government and management

Other labour sources said government and management had already decided on restructuring and were merely "going through the motions in terms of the NFA" Spoor-net and SAA, such sources claimed, were trying to circumvent the process by trying to bring various unions on board at enterprise level without holding discussions within the sector task teams

The document claimed Spoor-net was going ahead with restructuring on the basis that it did not "affect labour or unions". Sarhwu said Spoor-net had outlined plans to restructure management structures Spoor-net and SAA could not be contacted for comment

SAA in air again as staff call off action

(270)
BY PRISCILLA SINGH

Star 15/10/96

SAA flight schedules should be back to normal by the weekend, airline spokesman Leon Els said today.

Airline technicians ended their work-to-rule yesterday and the wage dispute has now gone to mediation.

Domestic flights are up to 80% on schedule, with jumbo jets being used to get all inland passengers to their destinations according to the revised timetable.

Technical staff resumed normal work as mediation got off the ground yesterday. Three international flights which were cancelled yesterday due to the backlog in maintenance schedules – to Kinshasa-Accra, Miami and New York – were expected to take off today.

"All the other international flights are still on schedule, but minor delays should still be expected on domestic routes," Els said.

The SA Aviation Engineering and Allied Union and management were still engaged in mediation talks late yesterday. Els said the parties had not reached consensus but talks were forging ahead.

Meanwhile, technicians at all major airports were working flat out to get the jumbos and smaller aircraft in the air again.

Y NEWS

LABOUR *Effects of industrial action are still being felt*

SAA dispute mediation may be in for long haul

THABO LESHILO AND
AUDREY D'ANGELO

Johannesburg — Mediation in the dispute between SAA and the South African Aviation Engineering and Allied Union began in earnest yesterday but indications were that it could be a long, drawn-out process

The mediation, headed by Charles Nupen, started at 10 30am. The union suspended its-work-to-rule protest and SAA in turn ended its lock-out of union members

Leon Els, the spokesman for SAA, said the parties were still in mediation at the close of business yesterday. "There is no time scheduled (for the mediation). The parties will work as long as it takes to resolve the dispute," he said.

The union protest backed a demand for a 25 percent wage increase after rejecting SAA's final

wage offer of a 10 percent increase and a 20 percent productivity incentive

The effects of the 11-day protest by 2 000 ground technical staff, which has cost the company more than R40 million, continued to be felt yesterday. Els said a domestic flight had to be rescheduled while a flight to Accra was cancelled and three flights to New York and Frankfurt were delayed.

The national airline expected to resume its normal international schedule by the end of the week, but it would take two weeks for SAA's domestic timetable to return to normal because of backlogs in maintenance work.

SAA concluded a wage deal with six other SAA unions, including the South African Railway and Harbours Workers' Union, on Friday. The parties agreed to a 10 percent wage rise

Stick to the pact, Cosatu and Fedstal warn Tager

THABO LESHILO

Johannesburg — Cosatu and the Federation of South African Labour Unions (Fedstal) yesterday opposed the recently mooted plans to restructure South African Airways and Spoornet, saying the move was contrary to the framework agreed by the government and labour.

Cosatu and Fedstal warned Louise Tager, the chairman of Transnet, that there would be dire consequences if she went ahead with restructuring SAA and Spoornet in contravention of the national framework agreement concluded earlier this year. The agreement sets the parameters for the restructuring or privatisation of state assets.

In a letter dated October 11, the federations gave Tager until yesterday to give a written assurance that she would fully comply

with the agreement. Copies of the letter were sent to Stella Sigcau, the public enterprises minister; Mac Maharaj, the transport minister; and the chief executives of SAA and Spoornet.

The protest was sparked by recent reports of an overhaul of the management at Spoornet, the state-owned railway company, and the appointment of advisers to conduct a strategic audit review of SAA in preparation for restructuring.

Vic de Vries, a spokesman for Transnet, confirmed receipt of the letter but declined to comment. Siphos Shabalala, the director-general of the department of public enterprises, also declined to comment.

However, a source at Transnet said the complaint from the federations was likely to have been discussed at the weekly meeting of Transnet's executive committee yesterday.

Union letter on restructuring 'is real'

René Grawitzky and Robyn Chalmers

THE Federation of SA Labour Unions (Fedal) yesterday denied claims by the SA Railway and Harbour Workers' Union (Sarhwu) that a letter signed jointly by Cosatu and Fedal representatives and sent to Transnet, SAA and Spoornet management was fictitious.

The letter in question accused Spoornet and SAA of breaching and circumventing the process outlined in the national framework agreement on state asset restructuring.

It urged Transnet management to

cease restructuring and to respond to several allegations by yesterday.

Sources close to the process pointed to political manoeuvring by individuals who wished to bring into question Transnet's restructuring process and the transformation. This was ahead of a snap debate in Parliament today dealing with Transnet's management and restructuring process.

Transnet executive director Zukile Nomvete said he was at a loss to understand the unions' allegations. He said he had personally corresponded with all the unions involved before SBC Warburg was appointed to review

and value SAA.

"In addition to this correspondence, the issue was fully discussed with all the stakeholders during sectoral task team meetings," said Nomvete.

Spoornet was not available for comment yesterday, but Spoornet management said at the time of announcing its restructuring exercise that the process had been discussed with stakeholders.

Fedal vice-president André Venter said yesterday that it was not Fedal's aim to disrupt transformation or the process under way in terms of the agreement. He said Sarhwu attempted to discredit Fedal by implying it was

opposed to transformation.

Venter said Fedal was committed to, and taking part in, the restructuring and transformation process. "It has never been the stance of Fedal to resist or to rely on ideological rhetoric."

He said Fedal had not as yet received a response from Transnet management and had sent a follow-up letter yesterday, trying to clarify Fedal's position and reaffirm it did not wish to frustrate or delay restructuring.

The original letter in question, Venter said, had been signed by Sarhwu on behalf of Cosatu and Salstaff on behalf of Fedal.

Board moves to calm waves in Telkom's Internet surf

Edward West

THE Competition Board moved to resolve a complex disagreement between the Internet Service Providers' Association (ISPA) and Telkom yesterday over alleged restrictive practices in the Internet connecting market.

The board said that while access to the Postal Service Telephone Network (PSTN) would be dealt with by the new Telecommunications Act, the board favoured legislation that would open up the telecommunications grid as quickly as practicable.

This followed the board's belief that

cross-subsidisation, scope existed for predatory or transfer pricing. There was concern that Telkom would discriminate against non-SAIX aligned Internet service providers in service, installation and maintenance.

It was also alleged that by not enjoying the same access to the PSTN, non-SAIX Internet-aligned service providers faced higher cost structures.

Telkom denied it was engaged in any restrictive practices and was willing to put structures in place to prevent such behaviour occurring.

Telkom said discussions about access to the PSTN and exchanges would

Farmers launch attack on agriculture dept

Louise Cook

KIMBERLEY — Farmers launched a scathing attack on Land Affairs and Agriculture Minister Derek Hanekom at the opening of the SA Agricultural Union (SAAU) congress last night.

SAAU president Chris du Toit said that the land affairs and agriculture ministry was irrelevant to the survival of farmers.

He said consumers blamed farmers for high food prices, but the consumer paid the price for the "rest of the world's lack of confidence in SA's politicians".

Du Toit accused Hanekom of playing down the achievements of SA com-

mercial farmers. Those achievements included that productivity in the farming sector had increased 66% since 1960 while it had risen only 6,3% in non-farming sectors.

Labour productivity in farming had jumped 135% in the past 10 years compared with 41% in non-farming sectors, and productivity of fixed capital in farming had risen 44% over the past 10 years but had dropped 30% in non-farming sectors.

SA was one of only seven net exporters of food in the world,

Sanlam chairman Marinus Daling said government's macroeconomic policy was one of the best to emerge from an SA government.

Full-time member

— A basic salary of R183 432 and R142 731 per annum for the chairperson and a member respectively

Part-time members

— A basic salary of R142 731 per annum (i.e. remuneration of R71 per hour or part thereof)

- (b) (i) (ii) As a result of the new salary grading system which was approved for the public service with effect from 1 July 1996 the remuneration of the members should be adjusted as follows

Full-time members

— A basic salary of R233 079 and R177 486 per annum for the chairperson and a member respectively

Part-time members

— A basic salary of R177 486 per annum (i.e. remuneration of R89 per hour or part thereof)

The proposals received regarding the remuneration will soon be submitted to Cabinet and the Minister of State Expenditure

Tonga magistrate's court: fine for rape/assault

*9 Ms S C VOS asked the Minister of Justice

- (1) Whether, with reference to a newspaper article in *Business Day* of 20 August 1996, a copy of which has been furnished to his Department for the purpose of his reply a fine of R450 or six months' jail was recently imposed on a 14-year-old Mpunalanga schoolboy by a Tonga magistrate's court for the rape of and assault with a panga on a 25-year-old neighbour, if not what is the position in this regard, if so, why a heavier sentence was not imposed.

- (2) whether he will consider reviewing the provisions of law which allow magistrates to hand down such sentences for offences of this nature, if not, why not, if so, what are the relevant details,

- (3) whether he will make a statement on the matter?

N1896E

The MINISTER OF MINERAL AND ENERGY AFFAIRS (for the Minister of Justice)

Difficulties were experienced in obtaining information relating to the first portion of the question. The Attorney-General of Pretoria and the Magistrate at Tonga were approached for comment and both report that the case cannot be traced on the available information.

Through the Division Liaison Services and the SA Press Association the source of the newspaper report was traced to the African Eye News Agency in Nelspruit. This agency was contacted and a report containing more particulars, including the magistrate's name, was obtained. The Magistrate at Tonga states that even with the further particulars, the case cannot be traced. The magistrate referred to in the report, Mr Mabuzza, does not recall the case at all. Rape cases are, in any event, only heard in the regional courts. The local regional court was also approached, to no avail.

A message was left with the African Eye News Agency to provide further information and to request the reporter to contact the Department. He works on a freelance basis, however, and it is not known when he will be available again.

Business interrupted in accordance with Rule 199(3) of the Standing Rules for the National Assembly.

Transnet: abuse of company credit cards

*10 Mr A J LEON asked the Minister for Public Enterprises

- (1) Whether an investigation has been conducted by Transnet into allegations concerning the abuse of company credit cards by employees, if so, (a) what was the nature of the allegations being investigated, (b) against how many employees were these allegations made and (c) what total amount of money was involved.

- (2) whether any Transnet directors have been investigated, if so, (a) which directors and (b) what amount was involved in each case?

N1897E

The MINISTER FOR PUBLIC ENTERPRISES

Transnet Limited furnished the following reply to the hon member's question—

- (1) Yes

(a) The investigation covers all instances where Company credit cards were used for payments not in the normal course of the Company's business. The payment of personal expenses via a Transnet credit card is not permitted, and such payments are thus included in the investigation.

(b) The investigation was instituted following an earlier review of the system of internal control relating to credit cards. A total of 51 individuals have already been identified where *prima facie* abuse of Transnet credit cards allocated to them has occurred. In each case such *prima facie* abuse is then subject to a full disciplinary inquiry, in terms of Company policies and procedures, in order to determine whether there was an actual irregularity, and what action to take. It has not been possible to follow up on all card holders to date and it is anticipated that the total number will increase by approximately 15.

(c) The total amount of actual abuse can only be determined following the disciplinary inquiries referred to above. The best estimate which can currently be made is that the total actual abuse is approximately R600 000.

- (2) Yes

(a) All holders of Transnet credit cards, regardless of their status in the organisation, have been investigated. This includes all the Executive Directors, *prima facie* abuse has only been identified in relation to one Director, Mr Sipho Nyawo, and is currently the subject of a full disciplinary inquiry.

(b) The total amount involved, which includes expenditure not paid via a credit card, is R106 277. Additional matters, which are difficult to quantify in Rands, amount to approximately R30 000.

Commission for Conciliation, Mediation and Arbitration: budget

*11 Mr A J LEON asked the Minister of Labour

- (a) What annual budget was allocated to the Commission for Conciliation, Mediation and Arbitration for the 1995-96 financial year and (b) of the amount so budgeted, what amount was allocated towards the subsidisation of (i) bargaining councils and (ii) private agencies for the resolution of disputes?

The MINISTER OF LABOUR

N1898E

(a) There was no annual budget allocated towards the Commission for Conciliation, Mediation and Arbitration for the 1995-96 financial year. However, funds were made available for start-up costs and an amount of R4,5m was transferred during February 1996.

- (b) (i) and (ii) Falls away

Mossgas, subsidies

*12 Mr J A JORDAAN asked the Minister of Mineral and Energy Affairs

What was the total amount received in subsidies by Mossgas during the 1995-96 financial year?

N1899E

The MINISTER OF MINERAL AND ENERGY AFFAIRS

R121 6 million

SA Navy: submarines

*13 Mr D H M GIBSON asked the Minister of Defence

- (1) (a) How many submarines are owned by the South African Navy, (b) what is the (i) age and (ii) condition of each of these submarines and (c) what functions do these submarines fulfil.

(2) whether the submarines currently owned by the Navy are adequate for the purposes for which they are used, if not, in what ways are they inadequate, if so, what are the relevant details?

N1900E

Transnet letter saga takes a bizarre turn

THABO LESHILO

CT (B&E) 16/10/96

(270)

Johannesburg — Salstaff, the union representing skilled employees of Transnet, said it and the South African Railway and Harbours Workers' Union (Sarhwu) had co-authored a letter accusing Transnet of trying to unilaterally privatise South African Airways (SAA) and Spoornet.

The bizarre revelation by Andre Venter, Salstaff's general secretary for industrial relations, came after Sarhwu had distanced itself from the letter. The Sarhwu denial came from assistant general secretary Tshidiso Moshao — the same man Venter claimed had co-signed the letter with Ruben Cloete, Salstaff's vice-president, last Thursday.

Venter said Cloete and Moshao wrote the letter to air concerns that Transnet was engaged in actions tantamount to restructuring SAA and Spoornet without consultations with the unions as required by the national framework agreement (NFA).

The Cosatu-affiliated Sarhwu is the majority union at Transnet. It and Salstaff, which is affiliated to the Federation of South African Labour Unions (Fedasal), are the main unions engaged in sectoral discussions on Transnet's restructuring.

Yesterday Venter expressed shock and dismay at comments made by Moshao in a newspaper report in which he distanced Sarhwu from the letter and accused "certain elements within

Fedasil" of trying to disrupt the NFA process.

Venter said "Fedasil, enjoying what we consider a good working relationship with Cosatu and its affiliates in the respective forums we serve in, was unpleasantly surprised and shocked and dismayed by the press release and article."

He said Sarhwu and Salstaff often wrote joint correspondence to the management of Transnet on behalf of their federations, without using any letterheads.

He said the letter, drafted by Salstaff, was initially intended to be addressed to the ministers of public enterprises and of transport, with copies to the chief executives of SAA and Spoornet. However, Moshao had felt that would be "politically incorrect" and the

letter was then sent to Louise Tager, the chairman of Transnet, and the chief executive officers of Spoornet and SAA, with copies to the ministers. The letter followed recent reports of an overhaul of management at Spoornet and a strategic audit at SAA.

Moshao said both issues had been fully explained to the unions, would not lead to job losses and did not constitute restructuring of state assets as covered by the NFA.

However, Salstaff, which represents most of the managers affected by the moves to make Spoornet more market driven and competitive, is worried that the changes, which include slashing 10 regional managers' posts from the beginning of next month, could adversely affect its members.

Marcus slams Transnet over pension fund

(270) News 17/10/96

Minister reveals that 3 975 people
under 35 years are on 'retirement'

By PATRICK BULGER
Parliamentary Correspondent

Cape Town - Retired Transnet managing director Anton Moolman received a R3-million "golden handshake" and a pension of R62 600 a month for the rest of his life when he left the parastatal earlier this year, Deputy Finance Minister Gill Marcus told Parliament yesterday.

Marcus made the disclosure during a heated snap debate on Transnet - called by the Freedom Front's Joseph Chuole, who slammed Transnet's affirmative-action policies.

He requested the debate against the background of the state-owned transport conglomerate's slump in profitability from a R118-million profit last year to a loss of R253-million this year.

Moolman (59) was replaced as

Transnet managing director by former ANC MP Saki Macozoma.

Marcus said it was "disturbing" that Moolman, whom she did not name but referred to as "the former MD", was also chairman of the board of trustees on the Transnet Pension Fund.

Marcus queried several other anomalies involving the Transnet pension fund.

"Given that the retirement age for men and women is between 58 and 63, how does the pension fund have 3 975 pensioners under 35 years of age; 3 097 aged between 35 and 39, 4 300 aged between 40 and 44, and 6 595 aged between 45 and 49, and at an annual cost to the pension fund of R185,2-million?"

Democratic Party leader Tony Leon slammed the current Transnet management, claiming Macozoma had no business experience.

SA AIRWAYS
FM 18/10/96

DOWN DRAUGHT

Last week's industrial action by the SA Aviation Engineering Union cost SA Airways (SAA) about R50m. But the R50m may be only the tip of the iceberg.

According to executive manager Charles Fairweather, SAA Cargo had to refuse perishable cargo, and freight for Bangkok and Singapore Goods to Rio de Janeiro were delayed.

"Everything's under control now," he says. "We are getting freight out on mixed passenger and chartered freight aircraft. But, he adds, the damage is done. Loss of goodwill is perhaps the heaviest cost. "It's a disaster when we let customers down. They may look at rival airlines, which could mean job losses."

Tourism into SA has been badly affected, says Mike Beevers, MD of Micor Travel. "I would say 10% of tourists who booked to come to SA have cancelled," he says. "We had passengers stranded here and overseas."

The industrial action was the result of

116 BUSINESS

SAA's rejection of the union's demand for a 25% wage increase for its members who earn an average R8 000 each. SAA offered a 10% increase and a 20% productivity-linked bonus, which the union rejected, and called on its members to work to rule.

SAA countered by shutting out workers. At the time of going to press, both parties were still in mediation, presided over by Charles Nupin.

The irony of the situation is not lost on SAA CE Mike Myburgh. "They (the workers) got a good increase last year (on average every Transnet employee's pay packet was increased by R1 000) and they shared in the R25m gainshare payout." Half of that was divided equally among SAA's 10 600 staff members, which worked out to R1 180 per employee, the other half was distributed on a salary-related basis. Speak of biting the hand that feeds? ■

Transnet executives riding the 'gravy train'

Huge packages for seven, including almost R1-million for managing director

By Patrick Buzam
Cape Town

Transnet executive directors are paid close to R1-million a year, Public Enterprises Minister Stella Sigcau told Parliament.

Her disclosures yesterday follow a heated snap debate in the National Assembly on Wednesday when the Freedom Front's Joseph Chonde slammed the parastatal's affirmative action policies against the background of on Transnet's slump from a profit of R118-million last year to a loss of R253-million this year.

During that debate, deputy finance minister Gill Marcus had revealed that the last Transnet managing director, Arntun Moolman (59), was given a R3-million "golden handshake" on retirement and a pension of R62 600 a month for life.

Yesterday, Public Enterprises Minister Stella Sigcau was replying to a question from National Party Senator Gerhard Koorhof. She took the unusual step of releasing salary details which had been secret and also undertook to release at a later date pay details of executives serving on other state enterprises.

Koorhof described the salaries she revealed as "extreme" and said he hoped the seven executives were giving the country value for money.

Sigcau disclosed that Transnet chairman Louise Teger earns R500 000 a year, although this is subject to "full-time attendance" at the conglomerate which includes SA Airways and Spooner. Transnet's new managing di-

rector is former ANPC MP Saka Mazonza, who Sigcau revealed is paid R319 424 as well as "company contributions" of R600 576, which brings his "total package" to R920 000 a year or R76 666 a month.

(For details of packages paid to his executive directors, see the graphic.)

But Mazonza is not as well-paid as his predecessor, Moolman, who was appointed by the NP government. In his time as MD, Moolman was receiving a "guaranteed package" of R1-million and a "bonus" of R253 000.

SA Airways chief executive Mike Myburgh receives a total of R594 675 a year, while Spooner, chief executive Braman la Roux gets a total of R782 135 a year.

The six executive directors of Transnet each gets a total package of R830 000 a year or R69 166 a month. The five whose names are known are Zulu Nontwe, Joe Ndlela, Mafika Mkhwanazi, Gona Scobie and Sipho Nyawa. The sixth director's identity is still uncertain.

In her revelations on Wednesday, Marcus also questioned anomalies about Transnet pensions.

She asked why, given the retirement age for men and women is between 58 and 63, does the pension fund have 17 967 pensioners younger age 49 at an annual cost to the fund of R185.2-million?

Mafika begged with DP leader Tony Leon that parliamentary control over Transnet needs to be strengthened.

Five MPs pay - DP



NATASHA PINCUS

Desperate search... a police sniffer dog helps comb the debris for trapped construction workers after the collapse of a Pretoria shopping complex.

Plans not passed for crash building

By Natasha Pincus
Star 18/10/96

Building plans were never approved for the shopping centre which collapsed in Pretoria North yesterday killing four workers, says the city council.

Louis Schoeman, from the council's legal services, said as a result the site had never been inspected. All possible steps had been taken to stop construction of phase one, which is now completed. Trust Bank building that may yet be condemned for lack of planning permission.

Meanwhile, police have started probing four cases of culpable homicide over the building's collapse.

Two boxes of site-workers were found yesterday and shortly after midnight two more were recovered under the rubble.

Police spokesman Captain Dave Harrington said one worker was still unaccounted for and could be buried in an uncleared section of the rubble. Nine people rescued yesterday are still in hospital.

Police construction expert Willie du Preez said the accident could have been caused by the use of under-strength concrete mixture of the precast concrete panels.

The second phase of the R75-million shopping complex had never been approved by the council and phase one was granted only after construction.

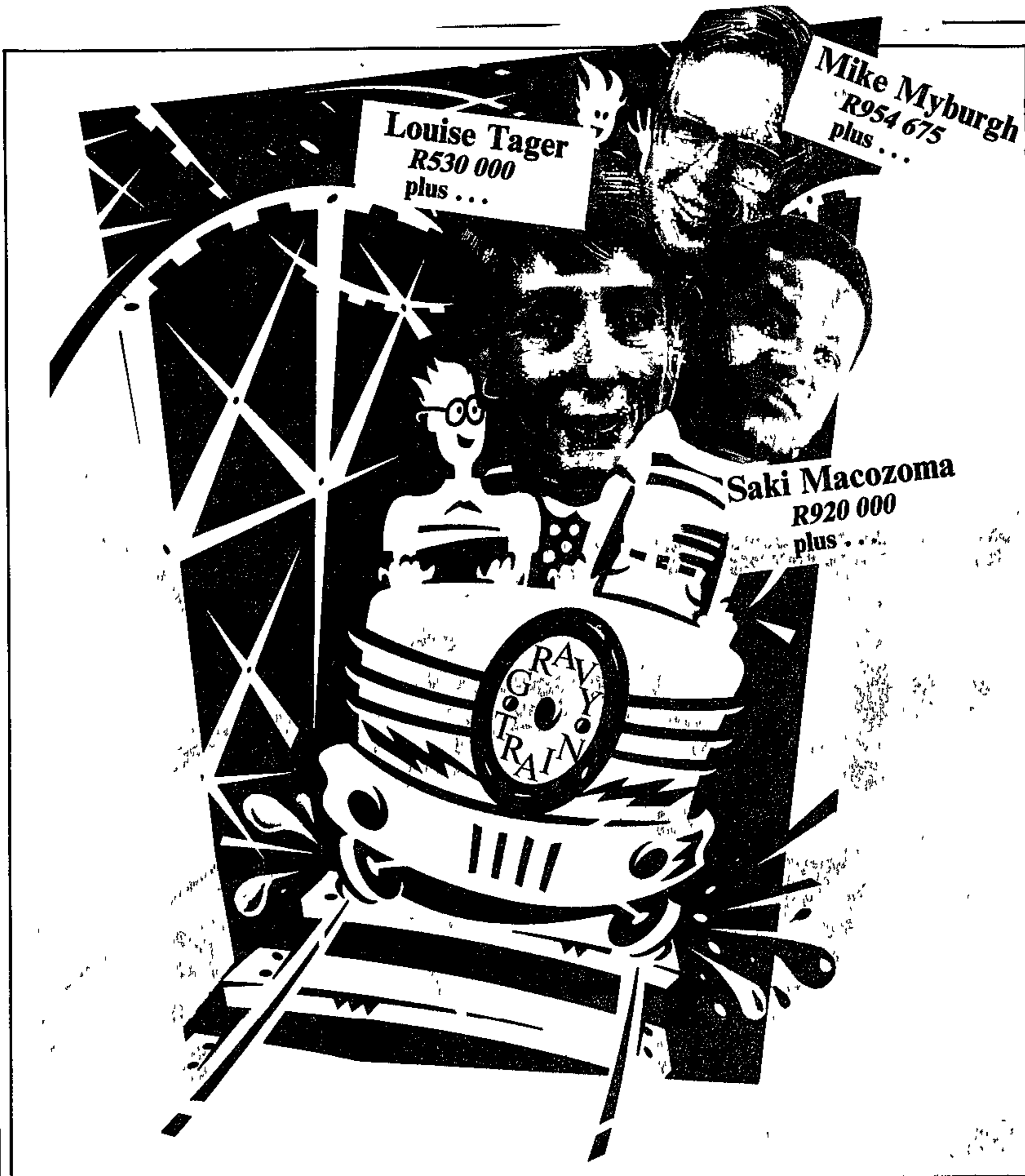
BRIEFS

R1m salaries at Transnet
(270) CT 18/10/96

TRANSNET executive directors — who head the loss-making government-owned parastatal — are paid close to R1 million each a year, Public Enterprises Minister Ms Stella Sigcau told Parliament yesterday

This follows the disclosure earlier this week that former Transnet managing director Mr Anton Moolman was given a R3m retirement payment in addition to R62 600 a month for the rest of his life. Sigcau also undertook to release details of executives serving on the boards of other state enterprises.

NP Senator Gerhard Koornhof said described the salaries as "extreme", adding he hoped the executives were giving the country value for money



LAPPING UP GRAVY Louise Tager, Mike Myburgh of SAA, and Saki Macozoma Transnet's fatcats can sometimes get nearly a million rand a year while ordinary workers get a pittance Sticks Morewa isn't faring badly!

Fatcats get fatter as workers struggle

By **ANDILE NOGANTA**

AMID all the furore over the fatcat status of the Transnet top brass, the ordinary worker at the bottom end of the giant state transport company is struggling to make ends meet.

The disparity between what Transnet's highest paid executive and lowliest labourer earns makes it one of the widest in any country.

Minister of Public Enterprises Stella Sigcau, disclosed in Parliament this week that Transnet's MD, Saki Macozoma, who joined the parastatal a few months ago, earns R920 000 a year before deductions. The other six executives, who have also not been with the company for very long, earn R830 000

The entertainment allowance of these executives is almost double the monthly salary of Thomas Khoza (37), who started working for the parastatal fifteen years ago and earns a paltry R1 200 before deductions

With his meagre earnings, Khoza has to support a family of six

To make ends meet, Khoza runs a "spaza" shop - township lingo for a small café from his four-roomed home in Diepkloof, Soweto

Before he started running the business, Khoza's family and always came out short

He said he had to pay about R200 a month on accounts while R300 went towards transport costs. He also had to send R400 a month to his home in the Northern Province

He said he had done well enough to afford an old bakkie, which he uses to ferry goods for his business.

"Most of what I have, I bought from profits from my spaza shop. My formal employment at Transnet doesn't give me much.

■ SARHWU, the union that represents the largest number of Transnet employees reacted with shock at what it called "the alarming" payout to Dr Moolman, the outgoing Transnet managing director

SARHWU called on Transnet's new management to review all financial transactions that took place in Moolman's time. If irregularities should be found to have occurred, those who authorised them should be charged, the statement said

CP 20/10/96

(270)

Tougher line on graft at Transnet on the cards⁽²⁷⁰⁾

ST 28 (MT) 20/10/96

SPECULATION is growing that Portnet executive director Siphon Nyawo, accused of misusing his Transnet credit card to the tune of almost R200 000, may soon be out of a job

This comes after Transnet faced strong criticism from government and other political parties about the running of its pension fund and the payment of salaries approaching R1-million to executive directors

Transnet chairman Louise Tager says it would be unfair to speculate about Nyawo's future at this stage. She has, however, confirmed that the completion of an inquiry into his activities, heard by retired judge John Trengrove, is "imminent"

A source in Stella Sigcau's Ministry of Public Enterprises has indicated that the department will respect the Trengrove recommendations. The source repeated rumours that Nyawo may be offered a chance to resign if found guilty

Nyawo has been accused by Transnet's predominantly white unions of abusing his credit card 181 times to an amount of R200 000. He denies any wrongdoing, saying his card was used legitimately in the normal course of Portnet's business

However, he finds himself at the centre of the investigation ordered by Tager after an outcry over the widespread misuse of credit cards

Sources indicate that Sigcau is keen to answer criticism, recently among her own Cabinet colleagues, of her handling of the Transnet troubles. Opposition parties this week called for her dismissal

Sigcau said that Transnet's six executive directors each re-

EXECUTIVE PERKS

By ZILLA EFRAT

ceived a salary package of R830 160 while Tager earned R530 400 a year in her non-executive capacity

SA Airways' chief executive Mike Myburgh earned R954 675 last year, but was outdone by Transnet's deputy managing director, Saki Macozoma, whose package is worth R920 000

Topping the earnings list, however, is Transnet's former managing director, Dr Anton Moolman, who earned R1,3-million last year. His guaranteed package was R1-million. He was able to earn a maximum bonus of R500 000, but had collected only R253 000 of this

Earlier, Deputy Finance Minister Gill Marcus told Parliament that on his retirement, Moolman received a R3-million golden handshake and a monthly pension of R62 600

She found it "most disturbing" that Moolman had been chairman of Transnet's pension fund and a beneficiary of the fund at the same time

Marcus alleged cases of gross mismanagement and fraud in Transnet's pension fund

According to Sigcau, Transnet's executive directors received a salary of R287 876 and a travel allowance of R249 048

In addition, Transnet contributed R3 900 a year to their medical aid schemes, R83 016 for "deferred compensation", R166 032 to a provident fund and R14 113 to a disability fund. They also received a R11 970 subsistence allowance and a R2 500 allowance for entertainment expenses

Fabcos defends black Transnet bosses' pay

THABO LESHILO

Johannesburg — "There is nothing wrong with a black man earning a good salary." That is the stern response from organised black business to the furrow over the handsome salaries paid to Saki Macozoma, the managing director of Transnet, and his executive directors.

The Foundation of African Business and Consumer Services (Fabcos) and the National African Federated Chamber of Commerce and Industry (Nafcoc)

said Macozoma's salary package of R920 000 a year was not unusual given that he is at the helm of the transport parastatal which has assets of R40 billion. Macozoma's predecessor, Anton Moolman, had been paid a package of R1 million and a bonus of R253 000 a year.

Sigcau told a parliamentary debate called by the Freedom Front last week that each of the five new executive directors of Transnet earned R830 000 a year and Louise Tager, the non-executive chairman, was being paid

R530 000 a year. The highest paid manager is Mike Myburgh, the chief executive of SAA, at R954 695 a year.

Mashadu Ramano, the general secretary of Nafcoc, dismissed the criticism of the salary packages by the Freedom Front, National Party and Democratic Party as "hogwash". Bill Lacey, an economist at Saecob, said it was difficult to judge the performance of state enterprise managers, unlike in the private sector, where high pay went with company performance.

Joseph Chiole, the Freedom Front's spokesman for public enterprises, believed the salaries were too high. He said it was unacceptable that the salaries were determined by a Transnet remuneration committee comprised of the company's board of directors, on which the executive directors of the company serve.

Chiole dismissed as nonsense the view that the huge salaries were justified by Transnet's size. The Freedom Front preferred that Transnet be fully accountable to parliament or

21/10/96

(230)

be privatised

He maintained it was impossible for the government to exercise proper control over Transnet because Stella Sigcau was a shareholder on behalf of the government. Louis Brockett, the deputy secretary-general of the South African Footplate Staff Association, said the salaries were a disgrace. He said most Transnet employees earned less money in one year than the top managers earned in a month. "We will definitely take up the matter with Transnet," he said.

47 SAUER STREET

~~(270)~~ (270)
CT (AR) 21/10/96

Pension fund monster eats everything that comes its way

Stella Sigcau, the minister of public enterprises, in June described Transnet as an "inherited area of discomfort" that would pose difficulties to any planned restructuring.

"How can we think of privatisation when we have that pension fund which is like a monster with a big open mouth that swallows everything that comes its way?" she asked.

Since then the discomfort around the R40 billion state-owned transport utility has turned to red-cheeked embarrassment. Last week's revelations over the grossly mismanaged pension fund and hefty salary packages for top executives added to the maelstrom stirred by heavy financial losses for the year, a long-running debacle over the misuse of credit cards and the disappearance of PX containers.

Sigcau has dubbed the parastatal "Pensionet". Its run of scandal and loss should make restructuring an imperative.

Last week, a parliamentary question to Sigcau revealed that Transnet awarded mighty salary packages to the tune of R1 million a year to executive directors South African Airways chief Mike Myburgh, Saki Macozoma, Transnet's managing director, and Anton Moolman, the former managing director; all earned salaries of around R1 million. Until now these have remained a secret.

Basic salaries were beefed up with generous travel and entertainment allowances, contributions to medical aid schemes, provident funds and disability funds, and deferred compensations. The largesse of black directors appears much like of their white counterparts

Joining the fray, Gill Marcus, the deputy finance minister, lifted the lid on a R3 million handshake to Moolman on his retirement. She

also questioned why the pension fund mysteriously had 18 000 pensioners under the age of 49, when the average age of retirement is between 58 and 63.

Although Sigcau has promised to reveal the salaries of other executives in public enterprise, Transnet has inevitably drawn attention away from other areas of her portfolio. Eskom, the national electricity utility, is rumoured to offer new senior appointments and old timers similarly inflated packages. And what stops others in the public service measuring themselves against Transnet's benchmark of state remuneration?

Disclosure is central to the controversy. Someone who does not own shares in a listed company on the stock exchange has more chance of finding out what that company's directors are paid than he does of a public enterprise, of which we are all shareholders. Do we have to wait for parliamentary questions by National Party senators to find out what should be public knowledge?

Unions, like the South African Commercial Catering and Allied Workers' Union, were shocked by the evidence that wage differentials in the public sector are as wide as those in the private sector. But their response was muted as they prepared a cool reception for Michel Camdessus, the head of the International Monetary Fund, who came to give Trevor Manuel, the



JAMES LAMONT

finance minister, a pat on the back for the macroeconomic package announced in June.

Though the macroeconomic policy is far from infallible, Cosatu decided absence was the best form of defence. It spurned a scheduled meeting with Camdessus because, it said, the time allocated was too short to cover all the issues, when it need only have made mention of 40 percent unemployment to challenge Camdessus' prevailing wisdom. That left the National Progressive Primary Healthcare Network to articulate its opposition to the IMF with a failed attempt to occupy the VIP lounge at the airport.

A mercurial Swiss professor presented the week's most illuminating critique of the local economy. He so good-humouredly lambasted the South African Chamber of Business at its annual convention that no one realised. Like this weekend's release of *Transpotting*, the film about witty Scottish drug addicts, only on reflection did the audience twig the fast-talking, foreigner warning of bleak and failed lives. After all, the organisation for which Professor Stephane Garelli works placed South Africa a dim 44th out of 46 in its World Competitiveness Report.

According to Garelli, a Gallup survey of young people in China discovered last year that only 4 percent of respondents quoted Mao-tse Tung when asked what they wanted to do as adults. After 47 years of communism that shows poor market penetration. Some 68 percent, however, said they wanted to "work and get rich". Our society show signs of wanting the latter without doing the former.

□ Peter Bruce is on leave

Engineering union's action 'cost SAA about R50m'

~~#11~~ (270) ET (BR) 23/10/96

AUDREY D'ANGELO

Cape Town — SAA has lost about R50 million because of the work-to-rule industrial action and strike by its aviation engineering union, according to an airline source

This was on top of losses suffered already because of rising costs and lower passenger numbers during the winter months

But Leon Els, SAA's senior public relations manager, said

yesterday that mediation talks with the union were going well and passenger numbers on international flights had picked up

Els said the weak rand was encouraging tourism and the exchange rate would positively affect foreign currency earnings

He confirmed that SAA and Scandinavian Airlines System (SAS) were discussing a commercial alliance including a code-sharing agreement under which they would market seats on each

others' aircraft, and offer a joint frequent-flyer programme

He said this was a move towards joining SAA's commercial partner Lufthansa in a global alliance which included SAS, Thai Airways and Varig

Els said that when the code-sharing arrangement with SAS came into effect, passengers from South Africa would fly to Frankfurt with SAA or Lufthansa and on to a Scandinavian destination with SAS, using one ticket and

checking in only once

SAS announced yesterday that it planned to form an alliance with SAA "to gain a foothold on the African continent" But its director, Curt Lundqvist, was quoted in the Danish business magazine Economic Weekly as saying this would not be cemented immediately

SAA and SAS are facing increased competition from other airlines

Call for probe of Transnet pension fund

Robyn Chalmers

THE public enterprises portfolio committee will recommend to the Cabinet that a judicial commission of inquiry be established to investigate Transnet's pension fund before December

Committee chairman Mandla Mso-mu said yesterday there were unacceptable practices being investigated at the pension fund, which had been approved during the tenure of the previous government

"Security was built into the fund for white employees and the majority of the beneficiaries at present are white, a situation which is becoming increasingly untenable to the portfolio committee," said Mso-mu. Other problems — which were

pointed out in Parliament earlier this month by Deputy Finance Minister Gill Marcus — included the large number of pensioners who were under 50 and were costing the fund more than R180m a year.

Marcus described as "most disturbing" information that former Transnet MD Anton Moolman was the fund's chairman as well as a beneficiary of the fund. Mso-mu said that there were suggestions in a previous debate on Transnet that other trustees were also beneficiaries

Mso-mu said the pension fund issue had the ability to discredit Transnet in the eyes of international investors, particularly in the light of current talks on the proposed unbundling and privatisation of Transnet assets.

He said that once an investigation was launched, there could be no further "wild" speculation on the state of the fund and well researched findings by investigators would help clear up the issue as well as give government pointers on the way forward.

A public enterprises ministry spokesman said that although the commission had the right to recommend a judicial commission of inquiry to investigate the pension fund, the ministry was not convinced this was immediately necessary

HSBC Investment Bank, which was advising government on the restructuring of state assets, had been given the task of investigating Transnet's pension fund and the medical aid fund. "(Public Enterprises Minister Stel-

la) Sigcau believes it would be preferable to await the results of the investigation by HSBC before launching a further inquiry," he said

Sigcau said at a recent privatisation conference the ministry was on top of the situation at Transnet

"We have been aware of the problems relating to the pension fund and the medical aid there," she said.

Sigcau said the investigation process had kicked off in May this year when all the members of the inter-ministerial Cabinet committee had discussed the issue of the pension fund.

She said the ministries of public enterprises and finance were then given the task of dealing with the matter, which culminated in Marcus's address to Parliament.

... of ...

Transport workers union threatens labour action

By Abdul Milazi

SOUTH Africa faces a repeat of the massive 1994 truck blockade, which brought major businesses to a halt, as members of the Transport and General Workers Union go on a strike ballot on Monday

TGWU president June Dube said the union decided to ballot its members for a national strike after wage negotiations with the Road Freight Employers Association deadlocked last month

The TGWU demands a 14 per cent wage increase while employers offer nine percent

Dube said members were currently planning the strike action but did not rule out blockades of major national routes

"If members vote for a strike, we might see similar blockades to those of 1994"

TGWU has continually called for the Government to maintain control

of the transport industry to ensure jobs, better wages and that the needs of the majority were catered for

In its proposal document for a national transport policy, TGWU argued that private companies dominated the industry and this led to massive retrenchments and low wages

Shipping industry

The shipping industry is dominated by Safren and Grindrod-Unicorn groups, while ownership in the road freight industry is widely spread

However, an emerging trend of growing concentration of ownership is becoming evident, most notably the Laser, Tencor and Imperial Groups buying smaller operators

Dube said the monopoly was normally followed by retrenchment and sub-contracting

"Redistribution of ownership, unless properly managed, is no guarantee for wealth distribution"

Samuelan 31/10/96 (270)

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Bus fund pensioners outraged⁽²⁷⁰⁾

CTCBR 18/11/96
FRANÇOISE BOTHA

Johannesburg — Members of the Golden Arrow Bus Services pension fund plan to meet with the Financial Services Board (FSB) today in a bid to resolve the R85 million dispute between the management and pensioners

This was despite being told by Barry Gie, a director of the company and chairman of the fund, that some of the pension fund surplus reverting to the company was "not negotiable" and that the "battle lines had been drawn".

A spokesman for outraged pensioners said they were prepared to loan the company the fund surplus, if they could get the support of the FSB.

"Alternatively, we are prepared to give the company the R85 million that they are demanding, provided they deduct a sum from the surplus that will enable deceased pensioners' spouses to get a full pension for life."

"We also want R2 000 a year to be paid to each pensioner over a 20-year period in addition to the 13th cheque bonus based on the new pension scale, rather than the old scale as offered by the trustees," he said.

(270) (270)

Truckers' strike to start on Wednesday

CT 18/11/96

GUY OLIVER

LABOUR EDITOR

Johannesburg — The Transport and General Workers' Union rejected a revised offer from the Road Freight Association on Friday and served notice today that a strike would start on Wednesday.

Yesterday Thulani Dlamini, the union's national organiser, said the revised offer fell 4 percentage points short of the union's demand and, in terms of the legal requirements, the union would be giving the employers the necessary 48 hours' notice today.

Dlamini said that, because of the extent of support, it would be "fully blown strike action" and not just the industrial action that had earlier been suggested. "We will select central points where workers will gather and we will be picketing companies that intimidate workers or plan to use

scab labour."

Because of the 48-hour notice period that was required, the union has not planned any roadblocks. Earlier Dlamini had said that some drivers were considering roadblocks reminiscent of the 1994 Mooi River blockade.

The R8 billion-a-year road freight industry employs 36 000 union members and stretches across virtually every sector of the economy. Analysts said the timing of the strike, so close to the Christmas period, would put additional pressure on the already sluggish economy.

The union is seeking a 14 to 18 percent across-the-board increase. Nico Badenhorst, the industrial relations director of the Road Freight Employers' Association, said the revised offer represented a 10 to 15 percent wage increase, after talks between the two parties were deadlocked in late September after the association's then final 9 percent offer.

Truck drivers to strike after pay offer rejected by unions

ESTELLE RANDALL
LABOUR REPORTER

Preparations for a nationwide strike on Wednesday by goods truck drivers, which could seriously disrupt the economy, are being finalised today after seven unions rejected a pay offer. The Road Freight Employers' Associa-

tion had offered a 10 percent across-the-board increase, said Thulani Dlamini, national organiser of the Transport and General Workers' Union and spokesman for the seven transport unions involved

Mr Dlamini said the rejection of the offer meant the unions would give employers 48 hours' notice of the strike today as they are required to do by law

ARG 18/11/96 (270)
The employers' association previously offered increases of 9 to 13 percent. The unions demanded 14 to 20 percent

The stoppage will be the first legal strike under the new Labour Relations Act. The industry employs about 36 000 workers, who overwhelmingly backed a strike

The strike could severely affect important sectors of the economy.

SAA and union strike 16-month wage deal

Ingrid Salgado

(270)
BD 18/11/96

SAA and the SAA Allied and Engineering Union reached a 16-month wage agreement yesterday, bringing to an end a wage dispute which cost the airline about R200m and resulted in lengthy flight delays.

Union members would receive a 10% salary increase this financial year — the same amount as that offered by SAA at the start of the dispute — while R1,8m would be available for distribution in the following four months.

This amount had been set aside for a new round of wage negotiation which will start in June, SAA spokesman Leon Pils said.

The union embarked on two weeks of industrial action at the beginning of October causing severe disruptions to SAA's flight schedule. Mediation started a month ago.

Union president Joe Joubert said the agreement was "long overdue" since the parties had to participate in two mediation processes to resolve their differences.

Management and the union would now have to rebuild a good working relationship for the sake of SAA's technical division, he said.

Transnet executive director responsible for SAA Zuleide Nonvete welcomed a resolution to the "unfortunate" wage dispute. The agreement would allow SAA to resume the reliable service that its customers deserved, he said.

Nonvete praised staff who had pulled together to minimise the discomfort to customers during the industrial action.

Commission for Conciliation, Mediation and Arbitration director Charles Nupen said the parties had worked systematically to resolve their differences since they entered negotiations four weeks ago against the backdrop of significant tension in the airline.

"I am pleased that the mediation process has assisted the parties to reach an agreement," Nupen said after the agreement.

LABOUR RELATIONS *Taking 36 000 trucks off the road 'will be disastrous'*

Trucking strike 'could last for two weeks'

CT(BR) 19/11/96 (270)

GUY OLIVER

LABOUR EDITOR

Johannesburg — Unionists were confident yesterday that tomorrow's planned national trucking industry strike, which they said would disrupt all sectors of the economy, could be sustained for at least two weeks.

Negotiations yesterday between the Road Freight Association and seven transport unions failed to avert the planned strike.

The unions' strike committee presented the employers' association with a non-negotiable "showstopper", the core of which was dropping its demand for a 14 to 18 percent across-the-board wage rise to 12,5 percent.

Nico Badenhorst, the association's labour relations director, said last week that the employers could not offer more than 10 percent across the board. He said the industry had increased minimum wages by 70 percent this year to close employee wage gaps. The average wage in the industry is R321 a week in the urban areas.

Thulani Dlamini, the Transport and General Workers' Union (TGWU) national organiser, said the strike ballot of the seven unions gave a more than 83 percent strike mandate from



SLOWDOWN Strike committee members Elna van der Walt, the secretary of the Motor Transport Workers' Union, Emily Fourie, the deputy general secretary of the Professional Transport Workers' Union, Thulani Dlamini, the Transport and General Workers' Union national organiser, and Lucky Mokau, the Professional Transport Workers' Union organiser. PHOTO JOHN WOODPOOF

its about 36 000 members and the required 48-hour strike notice had been served. Only about 70 percent were balloted because some employers had disrupted balloting, he said.

The strike committee had also been in talks with Cosatu affiliates for secondary strikes and would know the level of support by Thursday, he said.

Badenhorst was pessimistic that a resolution could be found today and said a strike was imminent. Taking 36 000 trucks off the road would be "disastrous" and, apart from the effect on related industries, such as

banks' cash in transit, chemical industries, fresh produce, livestock, waste disposal and steel, it could affect the rand and foreign investor perceptions, he said.

The seven unions balloted were the TGWU, the Professional Transport Workers' Union (PTWU), African Miners and Allied Workers' Union, the Motor Transport Workers' Union, the South African Transport Workers' Union, the Turning Wheel Workers' Union and the Transport and Allied Workers' Union (Tawu).

No strike fund has been established.

Sibido Molekane, a Tawu organiser and strike committee member, expected that workers could stay out for at least two weeks.

Molekane ruled out government involvement in settling the dispute. "If Tito (Mboweni, the labour minister) wants to be involved, he must put in an amendment in the LRA."

Emily Fourie, the PTWU's deputy general secretary and strike committee member, expected cash to dry up at bank cash dispensers. It was the first time in 50 years that the sector had resorted to strikes, she said.

30 000 drivers

set to strike

Sowetan 19/11/96

270



By Abdul Milazi

EMPLOYERS and workers in the R8 billion-a-year road freight industry are headed for a big showdown tomorrow when thousands of truck drivers go on strike in support of their wage demand

The planned strike will see more than 30 000 truck drivers dumping their gigantic 20 metre-long vehicles on major toll gates across the country, a repeat of the 1994 blockades

Transport and General Workers Union (T&GWU) president June Dube said "All the sectors will be affected, from small to big business"

T&GWU is demanding a 14 to 18 percent across-the-board wage increase while the Road Freight Employers' Association is offering 10 percent

Wage talks deadlocked last month when employers refused to move from their nine percent offer T&GWU balloted their members from last Monday

"On Friday the majority of our members voted for a strike and we decided to give employers the manda-

tory 48 hours' notice of our intention," said Dube

He said it was all systems go unless employers came up with a better offer between now and tomorrow

The strike enjoyed support even from non-union members which would make it the biggest ever seen since 1994

He warned that workers would also be picketing companies which intimidate workers and those which use scab labour

The 1994 blockades puzzled both business and Government as nobody knew which union was behind the action

Transport Minister Mac Maharaj and Labour Minister Tito Mboweni had to intervene to save the economy

The Road Freight Employers' Association leadership was still locked in an urgent meeting and could not comment at the time of going to press

Dube said there were no scheduled talks between the two parties which meant that it was highly likely tomorrow's strike would go ahead as scheduled

11th-hour bid fails to halt trucker strike

Chaos looms tomorrow

ESTELLE RANDALL
LABOUR REPORTER

Eleventh-hour attempts to resolve a wage dispute between trucker unions and employers have failed to head off tomorrow's nationwide strike, which could cause serious disruption.

If it goes ahead, the truck drivers' action will be the first legal national strike under the new Labour Relations Act.

Employers expect 36 000 trucks owned by 450 employers to stand idle. This will disrupt road transportation of vital commodities, including fuel and food.

It will also prevent the removal of chemical waste and deliveries of money, and hit courier services.

At issue are demands from seven unions for a 12,5 percent wage increase, a subsistence allowance of R31,50 a month, a minimum shift allowance of R15, paid maternity leave with a guarantee of returning to work and a 13th cheque phased in over two years. Employers have offered a 10 percent wage increase.

Yesterday's meeting with employers failed to settle the dispute, even though unions revised their demand from 14 percent to 12,5 percent.

Road Freight Employers' Association spokesman Nico Badenhorst said employers had been prepared to explore a settlement somewhere between their 10 percent offer and the unions' 12,5 percent revised offer, but the unions had refused to move from 12,5 percent.

Asked about contingency plans to lessen the effects of the strike, Mr Badenhorst said: "In an industry where we'll

ARG 19/11/96
have about 36 000 trucks standing still, there's virtually no contingency plan you can make."

Describing the strike as "potentially dangerous", he said it would affect large national trucking companies such as Jowells, Imperial, Rennies, Unitrans, Fidelity Guards, Com Security, Frasers International, Cargo Carriers and Bolting.

Mr Badenhorst said no further meetings with the unions were planned at this stage, nor was there any decision to call in assistance from a third party - such as the Commission for Conciliation, Mediation and Arbitration, a dispute resolution agency established under the new act.

Mediation in September failed to settle the dispute.

Thulani Dlamini, national organiser for the Transport and General Workers Union and spokesman for the seven unions, said that tomorrow workers would stop work and gather at central points.

In Cape Town they would gather at Keizersgracht in District Six, in Johannesburg at the Library Gardens, in Durban at Albert Park and in Pretoria at the Union Buildings.

He said the strike would continue "for as long as it takes to get an agreement." Workers would picket companies which employed "scab" labour during the strike.

By Thursday unions in the Congress of SA Trade Unions (Cosatu) would indicate what support they could give strikers. Cosatu in the Western Cape is meeting tonight to consider support action.

About 84 percent of trucking union members balloted last week voted for strike action.

Deliveries set to grind to a halt as truckers strike to back pay

Reneé Grawitzky

THE failure of transport unions and road freight employers to resolve a transport industry wage dispute will see delivery of cash and goods grind to a halt tomorrow

Pickets and marches are planned while trucker blockades are likely on major highways if employers do not take their trucks off the roads

A management consultant warned that the strike could be ill-timed for the seven unions involved as it was close to

the annual shut-down period. However, it could act as a most effective tool as it would affect major industries, stopping Christmas deliveries.

The strike call came amid union allegations that some firms tried to hijack the last strike ballot required in terms of legislation. The new Labour Relations Act does not require unions to ballot before a strike

Coin Security, Cross Cape, XPS and Springbok Patrol were among the firms accused of obstructing balloting by confiscating ballot boxes or not al-

lowing union representatives onto premises to conduct ballots.

Prior to a meeting yesterday, the unions revised their wage demand from increases of 14%-18% down to 12,5% across the board, and 13%-18% on the minimum rate, which in some areas was R606,49 a month. Employers indicated increases of 30%-70%.

General Workers' Union co-ordinator Thulani Dlamini said the revised demand was intended to be a "show stopper" and if employers did not ac-

cept it, workers would be forced to move into strike mode.

Unions said last night employers were not prepared to agree to the final demand, instead proposing splitting the difference between their 10% final offer and the unions' 12,5% demand

Road Freight Employers' Association spokesman Nico Badenhorst said the unions were not prepared to explore alternative positions. Unions had their minds set on industrial action. "However, we could keep the strike as short as possible," he said

Professional Transport Workers' Union spokesman Emhlo Fourie said employers were not serious about addressing the issue of the living wage, with some still attempting to negotiate minimum rather than actual wage rates. The strike would affect cash deliveries, which could result in firms not having money to pay workers on Friday, and workers not paid on Friday could also strike, Fourie warned

Employer sources said the transport strike could pose a threat to centralised bargaining in the industry.

demands

Thousands of truckers

Determined to press home their pay and peripheral demands despite peace moves by new conciliation body

STAFF REPORTERS
AND OWN CORRESPONDENT

Thousands of truck drivers started their strike today to press home pay demands, despite last-minute attempts at conciliation last night to prevent action that could have serious effects on the economy, especially if it is lengthy and interferes with deliveries by commerce and industry over Christmas.

There have been threats of road blockades despite their union's promises, and this morning police and traffic authorities were closely monitoring all major routes. But by 9am, all the potential trouble spots - in particular on the N3 between Johannesburg and Durban - were pronounced quiet, with traffic flowing normally.

Reports of "all quiet" came from Villiers and Mooi River on the N3, Colesberg on the N1 and industrial areas in and around Gauteng.

Authorities said they would remain on standby all day to deal with any possible eventualities.

Late last night, truck owners were drawing up contingency plans to avert major disruptions to their schedules and companies were hoping the dispute would be resolved soon.

Even if nothing comes of the blockade, the industrial action is expected to cause widespread disruption in deliveries of fuel and other vital commodities. It has affected as many as 36 000 trucks owned by 450 trucking companies including Jowell's, Imperial, Rennes, Untrans, Fidelity Guards, Coin Security, Fraser International and Cargo Carriers.

Police have warned they will act firmly against anyone break-

ing the law.

The unions involved in the dispute are the 23 000-strong Transport and General Workers' Union, the Professional Transport Workers' Union, the African Miners and Allied Workers' Union, the Motor Wheel Workers' Union, the Motor Transport Workers' Union, the Transport Workers' Union and the Transport and Allied Workers' Union.

The unions want a 12,5% wage increase, a subsistence allowance of R31,50 a month, a minimum shift allowance of R15, paid maternity leave with the guarantee of returning to work and a 13th

cheque phased in over two years. Employers have offered a 10% wage increase.

In spite of the strike, the Road Freight Employers' Association and the seven unions involved in the dispute returned to mediation last night at the request of the Commission for Conciliation, Mediation and Arbitration.

A compulsory dispute-resolving mechanism established under the new Labour Relations Act. They will continue the mediation process tomorrow.

Charles Nupen, national director of the commission, said the new Labour Relations Act required them to intervene in disputes which affected the public and this was why they had stepped in yesterday to help resolve the goods transport crisis.

"It's very important that the parties agreed to go for conciliation. No doubt we came in at a very late stage but it's good that it has started," Nupen said.

And labour relations director for the employers' association, Nico Badenhorst, added "We appreciate the willingness of the unions to negotiate."



Nico Badenhorst ...
spokesman for employers' association.

20/11/96

Star
Start Strike



(270)

New efforts to resolve truck drivers' strike

Mediator 'hopeful' (270) (2)

ESTELLE RANDALL
LABOUR REPORTER

Thousands of truck drivers went on strike nationwide today in spite of new talks to settle their pay dispute.

The strike, which could cause widespread disruption of deliveries of fuel and other vital commodities, is affecting up to 36 000 trucks owned by 450 companies

The unions undertook not to block roads during the strike and police have warned they will take firm action against anyone breaking the law.

The unions involved are the 23 000-strong Transport and General Workers' Union, the Professional Transport Workers' Union of SA, the African Miners and Allied Workers, Turning Wheel Workers' Union, Motor Transport Workers' Union of SA, SA Transport Workers' Union and the Transport and Allied Workers' Union.

The unions want a 12,5 percent wage increase, a subsistence allowance of R31,50 a month, a minimum shift allowance of R15, paid maternity leave with the guarantee of returning to their jobs and a 13th cheque phased in over two years

Employers have offered a 10 percent wage increase.

Workers may review their demand for a

12,5 percent increase in wages, in preparation for tonight's continuation of settlement talks facilitated by the Commission for Conciliation, Mediation and Arbitration, a compulsory dispute-resolving mechanism established under the new Labour Relations Act

Employers are also expected to get a fresh mandate which may see them move from their last offer of 10 percent

The Road Freight Employers' Association and the seven unions returned to mediation last night at the request of the commission and will continue the mediation process this evening

Charles Nupen, national director of the commission, said the new Labour Relations Act required them to intervene in disputes which affected the public and this was why they had stepped in yesterday to help resolve the goods transport crisis

"It's very important that the parties agreed to go for conciliation. We came in at a very late stage but it's good that it has started," Mr Nupen said

Thulani Dlamini, national organiser for the Transport and General Workers' Union and spokesman for the unions involved, said employers had tried last night to "confuse workers" by telling them the dispute had been resolved

ARG 20/11/96

Truckers' strike goes on despite late agreement

BD 20/11/96

(270) (270)

Reneé Grawitzky

THE countrywide truckers' strike goes ahead today, despite an 11th-hour agreement between the seven transport unions and road-freight employers to appoint a senior mediation commission to conciliate in the wage dispute, which began last night

Transport Minister Mac Maharaj and major employer organisations welcomed the intervention of the Commission for Conciliation Mediation and Arbitration and expressed the hope that the dispute would be resolved speedily. Industry sources said the strike would not be protracted.

However, a number of major employers expressed concern about the strike's consequences especially if accompanied by blockades.

In the face of such threats, both Maharaj and the SA Police Service appealed to workers not to take unlawful action. Police said firm action would be taken against those who broke the law

Unions including the Transport and General Workers' Union (TGWU) called on strikers to avoid confrontation, and last night the conciliation process was still continuing. Unions and employers indicated that even if an agreement was reached it would be

practically impossible to call off the strike at such a late hour with the eventuality that the strike could continue for a day or two.

Workers balloted in favour of a strike in support of wage demands ranging from 14% to 18% across the board. Employers revised their offer to 10% and thereafter the unions tabled an unmandated demand of 12,5% which was rejected by employers at a meeting on Monday. TGWU general secretary Randall Howard said last night that at the start of the conciliation process the union had reverted to its original demand of 14%.

Financial institutions including First National Bank and Standard Bank indicated that contingency plans were in place in the eventuality of disruptions to cash deliveries, as some employers were concerned about payment of weekly wages.

Meanwhile, XPS and Springbok Patrols distanced themselves from union allegations that they had been obstructive in the balloting process

Springbok Patrols said the company had not been approached regarding balloting facilities and was not party to the dispute. Its conditions were governed by a wage determination, not the industrial council

Lekota's removal 'threatens democracy'

BD 20/11/96

Wyndham Hartley

CAPE TOWN — The Democratic Party (DP) has attacked the imminent removal of Free State premier Patrick Lekota as a case of rule from African National Congress (ANC) headquarters and as a threat to constitutional democracy in SA.

The DP's chief constitutional negotiator, Colin Eglin, said yesterday the

removal of a provincial premier as a solution to an internal party problem in the Free State "abandons the concepts of accountability, transparency and representivity that underpin our constitution"

Eglin asked whether the solution would be to simply "sack President Nelson Mandela without reference to the legislature or the voters who elected him to office"

Truckers' strike gets into gear, but few disruptions are reported as bosses and

By PRISCILLA SIMON AND GORA NDILOVU

The countrywide strike by truckers has caused some disruptions in parts of Gauteng, while negotiations between seven trade unions and company bosses go ahead

As the strike went into its first day yesterday, major retail stores in cities throughout the country have not reported any disruptions, but business expressed fears that the strike could spread

Workers are demanding a 14% across-the-board increase and an additional 15% for minimums which include a R15-a-day shut allowance. They have also threatened to picket trucking companies if their demands are not met

Police in the Western Cape and KwaZulu Natal said there were no disruptions yesterday, only marches by small groups of drivers

However, during a march in Johannesburg yesterday, a few of the truck drivers intimidated strike-breakers and threatened to set the trucks alight

Outside the The Star premises in President Street, a driver from Long Distance Transport arrived with a delivery of paper reels and was pulled out of his truck and threatened with a bushknife by one of the strikers

The driver had been recruited by the Link truck rental agency to ensure there were no disruptions to its schedules

He was manhandled and kicked by about six men and managed to escape from the clutches of the angry union members when they threatened to chop him up if he went back into his truck

Another driver, recruited in Durban, was also harassed near The Star building by a group of union members shortly after his arrival in the city centre

Business has warned that millions of rand could be lost daily if the strike continues

SA Chamber of Business spokesman Peggy Drotsky said

the strike had begun at a time when Christmas shopping was in full swing and shop shelves were emptying at a rapid rate

However, major chain stores said the strike had not yet affected them

Pick 'n Pay spokesman Gail Schoeman said its trucks were running as normal "So far we

have received no report of lateness and our trucks have been in and out without a problem," Schoeman said

OK Bazaars also reported a normal business day

The company's truck-tracking official, Sylvester Bunu, said he had not experienced any problems with deliveries

unions hold negotiations

Nov 21/11/96

Road transport strike gets off ~~(270)~~ to a slow start ⁽²⁷⁰⁾

OWN CORRESPONDENT

ET 21/11/96

DURBAN: The strike by about 36 000 road freight industry workers countrywide got off to a slow start yesterday after union officials and employers went to mediation in a last-minute attempt to resolve their wage dispute.

This followed a decision by local Transport and General Workers Union officials to initiate strike action today if the mediation process failed to resolve the dispute.

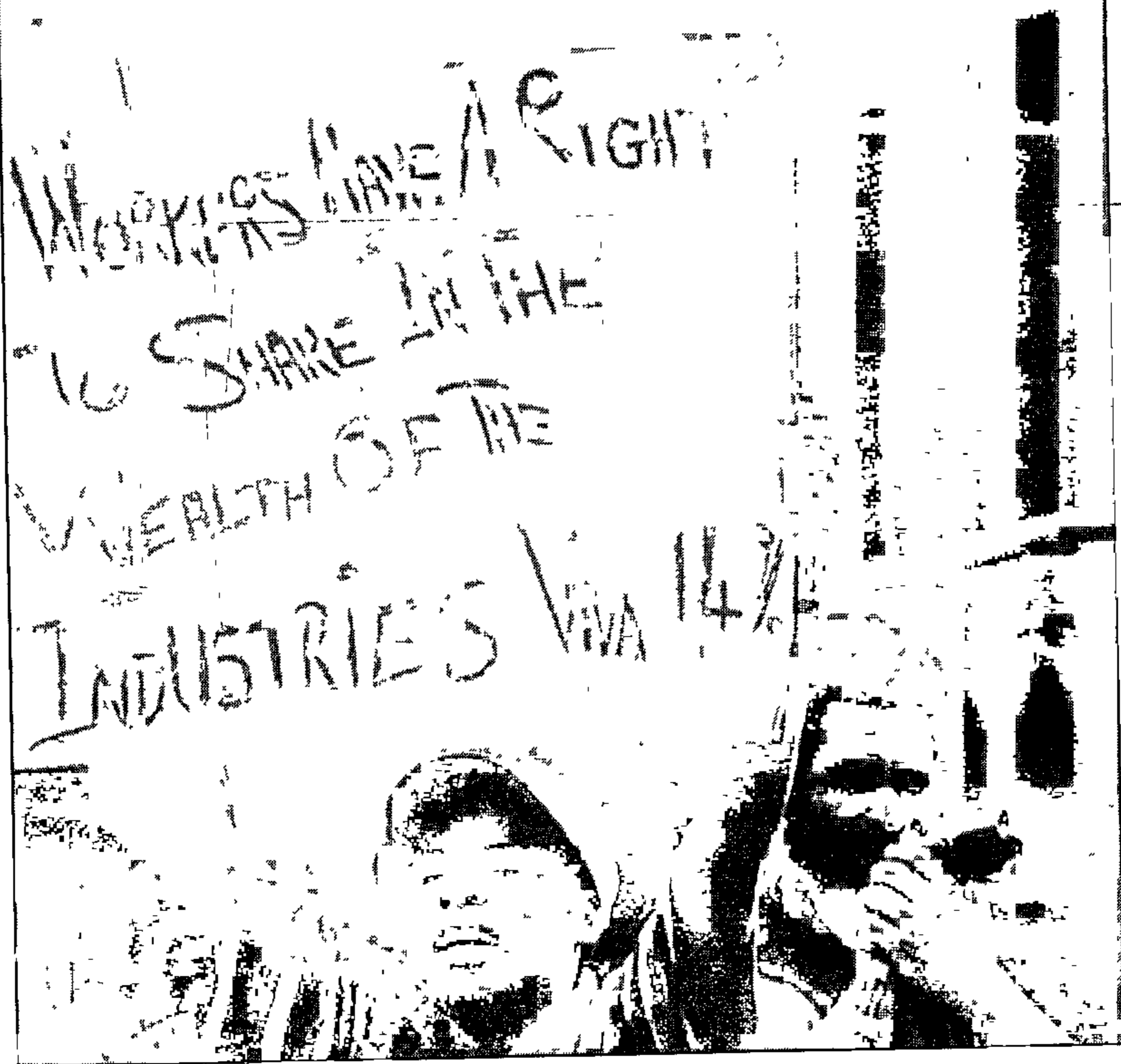
Union spokesman Mr Simon Mdluli said workers would meet at Curries Fountain sportsground today to await the outcome of mediation.

Road Freight Employers Association spokesman Mr Nico Badenhorst said it was difficult to gauge whether the strike by drivers in various parts of the country was already having an effect. Whether a full scale strike could still be averted depended on the mediation.

Fears have been expressed that the strike could disrupt the delivery of essential commodities.

KwaZulu-Natal Road Traffic Inspectorate chief Mr John Schnell said yesterday the region's main routes remained quiet with no signs of obstruction despite rumours of a planned truck blockade.

He said security force personnel were deployed at strategic points along various routes and a communication system had been activated to closely monitor the developments.



Thousands of truckers gathered at Johannesburg's Library Gardens yesterday to press for their demands for a 12,5 percent pay increase. The countrywide strike involves 23 000 truck drivers from several trade unions. See Page 28. PIC JOE MOLEFE

36 000 trucks now idle

Sowetan 21/11/96 (270)

Sowetan Correspondent

THOUSANDS of truck drivers went on strike throughout South Africa today in spite of new talks to settle their wage dispute.

The strike, which could cause widespread disruption of deliveries of fuel and other vital commodities, affects up to 36 000 trucks owned by 450 companies.

The unions undertook not to block roads during the strike and police have warned they will take firm action against anyone breaking the law.

The unions want a 12,5 percent

wage increase, a subsistence allowance of R31,50 a month, a minimum shift allowance of R15, paid maternity leave with the guarantee of returning to their jobs and a 13th cheque phased in over two years. Employers have offered a 10 percent wage increase.

Road Freight Employers Association spokesman Mr Nico Badenhorst said he was confident that the dispute could be resolved at further talks and the unions are hoping the dispute will be settled within the next three days.

Mr Thulani Dlamini, national organiser for the Transport and

General Workers' Union and spokesman for the unions involved in the dispute, said employers had on Tuesday night tried to "confuse workers" by telling them the dispute had been resolved.

In Cape Town workers yesterday gathered at Keizergracht near the city centre, in Johannesburg at Library Gardens, in Durban at Albert Park, and in Pretoria at the Union Buildings.

If the strike continues it could seriously disrupt road transportation of chemical waste, fuel, money from automatic banking machines and courier mail.

Talks on truckers' wage dispute fail

(270) (E)

ESTELLE RANDALL

LABOUR REPORTER

ARG 21/11/96

Talks to settle the wage dispute and end the national road transport workers' strike have broken down.

Last night employers walked out of the settlement talks with the seven unions, a union source said. The talks were initiated by the Commission for Conciliation, Mediation and Arbitration in terms of the new Labour Relations Act.

The source said the breakdown could anger striking workers at the countrywide meetings planned for today when they heard reports of what had happened.

The strike, which began yesterday, has been incident-free so far. No roads have been affected after the unions agreed not to mount blockades.

An official statement from the unions is expected later today.

The national director of the Commission for Conciliation, Mediation and Arbitration, Charles Nupen, is also expected to issue a statement and to report on last night's mediation breakdown to Labour Minister Tito Mboweni.

Picture on page 9

Talks continue as truckers stand firm on demands

Reneé Grawitzky

THE truckers' strike — the first major countrywide strike under the new Labour Relations Act — started slowly yesterday with indications that it could accelerate today, industry sources said last night.

The conciliation process chaired by Gavin Hartford, a senior commissioner on the Commission for Conciliation Mediation and Arbitration, continued last night and was expected to go on late into the night, especially in view of the decision taken by striking workers to reject

any move away from a 14% demand. Before the conciliation process began, the seven unions party to the dispute had tabled an unmandated reduced demand of a 12,5% across the board increase.

Close to 2 000 workers gathered at the Library Gardens in Johannesburg rejected this move and said that 14% was the final demand.

Transport and General Workers' Union national co-ordinator Thulam Dlamini said workers had indicated that now that they were on strike they were not prepared to compromise on 14%.

Despite fears of blockades, no incidents of violence were reported.

The major financial institutions indicated that cash deliveries were not disrupted as those security companies affected by the strike used non-union members for deliveries. First National Bank said some disruptions with cash delivery were experienced but contingency plans had been put into place.

The strike began with union claims that employers were trying to underplay the total impact of the strike, with poor turnouts to some of the mass meetings blamed on em-

ployer intimidation.

Employer sources confirmed that some used various tactics to ensure workers did not go out on strike.

Other industry sources attributed the poor turnout to the failure of the leadership of the seven unions party to the dispute to mobilise properly.

They also pointed to a lack of coordination between the unions and their members. One employer said there appeared to be some confusion as to when the strike was supposed to start.

Dlamini said last night that he expected more people to join the

strike today while union federation Cosatu had agreed to embark on sympathy action from Monday if the dispute had not been resolved.

The jurisdiction of the industrial council for the motor transport undertaking is a central aspect of the dispute with security companies such as Springbok Patrol claiming that the council has no jurisdiction over employees involved in the transport and delivery of cash (cash in transit).

The council and other security employers, however, argue that the council does have jurisdiction.

IFFP leader mobbed at hearing

Farouk Choithia

BD 21/11/96

DURBAN — Inkatha Freedom Party (IFP) KwaZulu-Natal midlands leader David Ntombela was escorted by police from a Maritzburg truth commission hearing yesterday after African National Congress (ANC) supporters threatened to kill him, IFFP spokesman Philip Powell said.

Commission spokesman Mdu Lembede confirmed that police threw a "ring of steel" around Ntombela, who is a provincial MP, because of concerns for his safety. Lembede said he did not know anything about death threats being made.

Lembede said Ntombela initially asked his lawyer Petrus Coetzee to read a statement on his behalf to the commission, and remained in an adjacent room. This led to the crowd shouting that if Ntombela refused to appear before the commission, Coetzee should not be allowed to make a submission.

A crowd of more than 1 000 had arrived to hear Ntombela testify on the 1990 "seven-day war" in the midlands in which at least 80 people died and thousands were left homeless. The ANC regarded Ntombela as a warlord

who had been a key figure in the conflict, observers pointed out.

Lembede said that after negotiations it was agreed that Ntombela would accompany Coetzee to the stage. Police were "all over" Ntombela, he said. Coetzee then read the statement in which Ntombela criticised the commission.

IFFP defence spokesman Philip Powell said that Ntombela later left under heavy police guard, but was followed by the crowd. He was whisked into the nearby KwaZulu-Natal legislature building, and the gates locked. Powell claimed the crowd shouted that Ntombela "must die".

He said ANC KwaZulu-Natal safety and security spokesman Bheki Cele appealed to Ntombela to leave in an armoured police vehicle. He eventually left escorted by six police vans.

Powell said the incident showed that the commission, which the IFFP had initially opposed, had the potential to "rekindle civil war" in KwaZulu-Natal. Lembede said he was "more than satisfied" that the commission was bringing about reconciliation. ANC spokesmen could not be reached for comment last night.



Hundreds of striking transport sector workers gathered at Library Gardens in Johannesburg yesterday to receive a report back on the conciliation process. Picture: TREVOR SAMSON

Truck strike over, deal to be signed

Star 22/11/96

The agreement ending the truckers' national strike is expected to be signed this afternoon in Johannesburg after the dispute was resolved in principle by arbitration yesterday.

Transport and General Workers' Union co-ordinator Thulani Dlamini said after a deal was made with employers that the seven unions and the Road Freight Employers' Association would first consult their constituencies about details of the agreement to obtain a mandate for signing.

"I am, however, confident the strike will be over this afternoon. The agreement was fair and balanced and both parties appeared to be happy with it," he said.

The agreement was facilitated by the presence at the talks of members of the Commission for Conciliation, Mediation and Arbitration.

The successful meeting was initially held in an atmosphere of acrimony, following a breakdown in talks on Wednesday night.

Before yesterday's talks, about 3 000 workers, who had marched through Johannesburg, mandated representatives to return to the table with their original 14% across-the-board demand.

During a mass rally in Johannesburg's city centre scuffles broke out between traffic officers and police on the one side, and the truckers on the other. The fighting began when a traffic officer began ticketing workers' cars which had been parked illegally on the pavements. But peace was restored quickly, before anyone was injured.

There were also minor traffic disruptions in Johannesburg when workers marched to Braamfontein. - Staff Reporters

LABOUR *Mediation agreement will be presented to unions today*

Transport strike may be called off

ob st
anie
GUY OLIVER

(270) (152) CT (BR) 22/11/96

JIC
LABOUR EDITOR

Johannesburg — The two-day-old national transport strike could be called off today after the Road Freight Association and a seven-union strike committee agreed on wages and working conditions during marathon mediation talks

Thulani Dlamini, the Transport and General Workers' Union national organiser, said the deal was unmandated and would be presented to the seven unions' members today

Details of the deal would remain confidential until striking workers were given an

opportunity to vote on the latest proposal, Dlamini said

He was confident the workers would accept the terms.

The industry's first strike in 50 years, whose effect was felt throughout the South African economy, began on Wednesday after the two parties had deadlocked over wage and working conditions in late September

The Commission for Conciliation, Mediation and Arbitration, a dispute resolution body set up under the new Labour Relations Act, was brought in on the eve of the strike in a bid to find a resolution

The impact and effectiveness of the strike was difficult

to gauge, but Herman Lemmer, the freight association's chief executive, guessed it had cost the industry about R16 million to R20 million so far. He said an agreement in principle had been reached and would be confirmed today. He was also confident his association's 450 members would accept the deal.

On Monday, the union strike committee presented the association with a "take it or leave it" offer of a 12,5 percent wage increase, dropping their core wage demand of a 14 to 18 percent increase. The employers had offered 10 percent

□ **Business Watch, Page 20**

TRANSNET 70

INDECENT DELAY

Fm 22/11/96
 Despite Transnet chairman Louise Tager's repeated claims that governance would be transparent and good, one of its executive directors Siphon Nyawo, who was charged with 181 cases of credit card abuse, was allowed to lead a charmed life for six months before he was sacked

And repeated warnings that fraud must be dealt with swiftly were seemingly ignored, and Nyawo was allowed to stay

Tager says the long delay was "to be fair" and allow Nyawo enough time to defend himself. The wheels at Transnet were undoubtedly turning, but the first positive public display of the good governance and transparency in the matter was the appointment in July of retired Supreme Court Judge John Trengrove to chair the investigation into the affair. The next was Nyawo's suspension and eventual dismissal.

Trengrove chaired an internal disciplinary inquiry, so taxpayers, who are Transnet's true shareholders, will never know the 65 counts Nyawo was found guilty on, the 48 that were withdrawn and the 68 counts on which he was cleared.



Louise Tager

And they may never know the outcome of the 121 disciplinary hearings into alleged credit card abuse being conducted internally at present. Trengrove is not chairing these hearings.

Tager blames the number of alleged credit card abuses "on the bad system we inherited which created too much

laxity"

The question now is, who will succeed Nyawo? Tager says Public Enterprise Minister Stella Sigcau, who has the sole right to appoint executive directors, will appoint two directors to make up Transnet's complement of seven executives. One will then be chosen to be deputy MD. There is a feeling Sigcau would like at least one white person to be an executive director.

Tager claims not to know who Sigcau has in mind, but sources within Transnet speculate that SA Airways (SAA) CE Mike Myburgh may get the nod. He is white and has the necessary skills to take over from Nyawo. He proved that by increasing Portnet's profits and turning it around, from an inflexible civil-service structure into a user-friendly market-oriented operation, within a year of being appointed assistant GM Harbours by Transnet's predecessor, SA Transport Services (Sats) in 1987.

Many would like him to take over Zukile Nomwete's job as executive director in charge of SAA, and see Nomwete head Portnet. If Myburgh goes, who will fill his shoes? The name of SA Express chief operating officer Israel Skosana is being bandied about in transport circles. ■

Truckers' dispute comes an to end

STRIKING truck drivers and employers reached agreement last night on their wage dispute after extensive mediation, and a potentially disruptive strike is likely to be called off once the agreement is signed today.

Mr Thulam Dlamini, national coordinator of the Transport and General Workers' Union, the largest union involved in the talks, confirmed that an agreement had been reached but could not divulge any details.

He said the seven unions involved, and the employers, would have to go back to

their respective constituencies with details of the agreement, including the wage increases agreed, to obtain a mandate to sign the agreement

Once this was obtained - and he was confident both parties' constituencies would oblige - the agreement would be signed

This would probably take place at 2pm in Johannesburg today.

"The agreement is very fair and balanced and none of the parties are likely to reject it," Dlamini said.

The agreement was facilitated by the presence at the talks of members of the Commission for Conciliation, Mediation and Arbitration

Mr Gavin Hartford, the senior commissioner who chaired the talks, could not be reached last night to confirm the agreement

Employers and union leaders resumed mediation talks yesterday after an all-night session broke down early yesterday morning

Workers had insisted on an across-the-board 14 percent wage increase - Sapa.

(152) (270) (270) sawetan 22/11/96

Truck drivers' strike could end today

BD 22/11/96

(270) (152)

Reneé Grawitzky

AN AGREEMENT in principle reached in the transport industry yesterday could end the truckers' strike, which saw roads blockaded and a traffic officer assaulted yesterday

Seven unions and the Road Freight Employers' Association said they could not divulge details of the agreement, which, if acceptable to their respective constituencies, would be ratified today

Sapa reports Transport and General Workers' Union spokesman Thulani Dlamini said the deal would probably be signed in Johannesburg today

"The agreement is very fair none of the parties is likely to reject it,"

Dlamini said. However, the strike would continue until the agreement had been signed, he said

The agreement was facilitated by the presence at the talks of members of the Commission for Conciliation, Mediation and Arbitration

Senior commissioner Gavin Hartford, who chaired the talks, could not be reached to confirm the agreement

When the strike began, employers revised their offer from 9% to 10% against union demands of 14%-18%

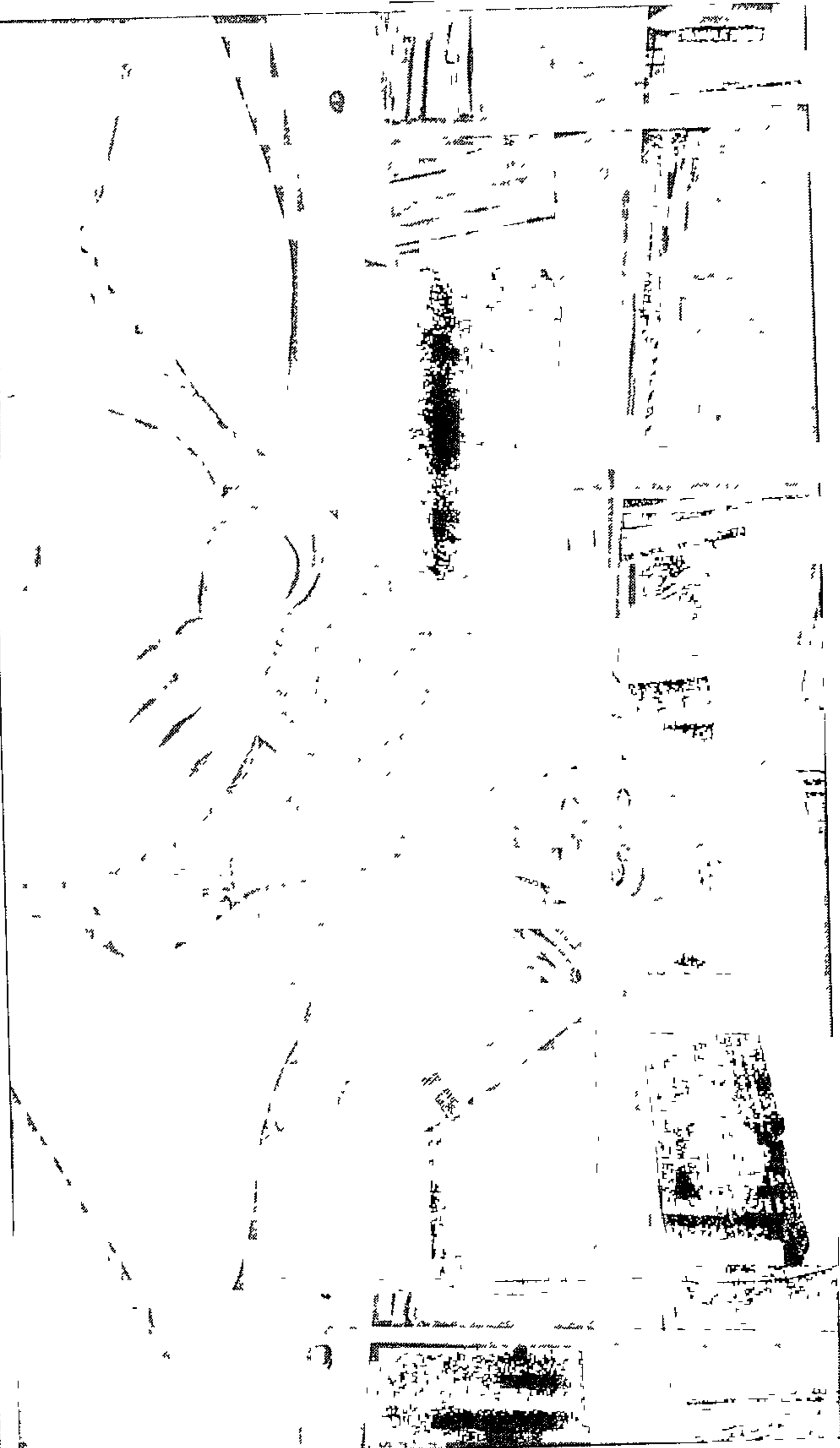
Police said last night that a blockade at Ekangala, near Bronkhorst-spruit, continued into the late afternoon. A minor blockade in Ngdwana, near Nelspruit, had not caused any dis-

ruption as strikers parked 90 trucks alongside the road, not in it.

The traffic officer was assaulted when about 3 000 strikers met at Library Gardens, Johannesburg to back their demands. Some objected to being ticketed for parking illegally and the officer was allegedly pushed around when she tried to reason with them

In Cape Town a truck driver threw a brick through a truck window near Keizergracht, where about 100 truckers met to discuss the strike

Major industries reported that although the strike spread yesterday, major deliveries were not disrupted as non-contract labour or drivers from labour brokers had been employed



Picture: JULANI VAN DER WESTHUIZEN

There are demagogues on the loose. You did not do something wrong. You are vulnerable.

Fury as Mac dumps blonde spokesman

DROPPED . . . Elisa Kruger, who is seeking compensation for her dismissal
ST 24/11/96
(270)

A GLAMOROUS former spokesman for Transport Minister Mac Maharaj has accused officials in his department of firing her because she was a white Afrikaner inherited from the old order.

Elisa Kruger, who was featured in Femina magazine in February as one of the three "most powerful public relations officers in the country", told the Sunday Times she intended taking her case to the industrial court because she had not been properly compensated for losing her job. Ironically, all three women featured in the article have now left their jobs.

The others, former Justice spokesman Sue de Villiers and former Labour spokesman, Shareen Singh, resigned earlier this year.

And in another irony, a picture of Maharaj at Kruger's high-society wedding to Australian Randal Godden was published in this month's Style magazine.

Kruger said that in the eyes of director general Keso Gordhan, appointed by Maharaj, she had become "politically incorrect. I have been unfairly dismissed and mentally ha-

By RAY HARTLEY
Political Correspondent

rassed," she added. Maharaj this week denied the charges, saying Kruger had been made redundant after he decided to restructure his department, changing her job description in the process. He said Kruger was welcome to apply for the new post, which had been "changed dramatically" to include speech writing and liaison with other government departments. The post has also been downgraded to deputy

director level. Far from conducting a vendetta against her, said Maharaj, he had kept her on at director level. "I was proud that there was at least one woman in the management," he said. Kruger has supplied the Sunday Times with notes she made after a conversation with Maharaj on a flight between Cape Town and Johannesburg in early September. She says the conversation shows that Maharaj was aware that she was being victimised by his officials.

In the notes, which Kruger lodged with her lawyer shortly after the conversation, Maharaj is quoted as having confided in her. "They will make your life even more of a hell now. On Tuesday night I thought you were on the verge of a nervous breakdown. I don't want to see you crushed." She also quotes Maharaj as saying "There are demagogues on the loose. You did not do something wrong. You are vulnerable."

She said the conversation lasted for the duration of the two-hour flight, during which she was seated at his side and ended with her sobbing when Maharaj warned her "You are going to get crushed". Maharaj has angrily rejected Kruger's version of their conversation. "It's a lot of rubbish," he said. He said he had spoken to her on the plane, but merely told her she was taking the matter up incorrectly. Kruger said her conversation with Maharaj took place after she addressed a letter to Gordhan asking him to explain a series of events which she be-

lieved proved she was on a "hit list" aimed at purging the department of old-order Afrikaners. In the letter to Gordhan, Kruger cited seven incidents that demonstrated his "hostile attitude" towards her, among them that he had falsely told people she drove a rented Mercedes-Benz while in Cape Town and that she had gone on a trip to Mozambique with Maharaj but had done no work. She says that the decision to fire her may have been prompted by her reference in the letter to a fellow employee, Pict Oberholzer, whom she suggested was also fired because he was a white Afrikaner. Maharaj admitted to wanting to get rid of Oberholzer, but said this was because he suspected that "he was the first spy put in my ministry". He said he discovered that Oberholzer had worked as former Defence Minister Magnus Malan's personal assistant and that he had been transferred to the Transport Ministry when Maharaj got the job. Oberholzer rejected the charge that he had been a spy. "Not true. I worked for Malan



HANDS OFF: Transport Minister Mac Maharaj, who says that far from wanting to get rid of Kruger, he was "proud" to have a woman on his team. Picture: TERRY SHEAN

Quick solution gets the wheels turning

ST 24/11/96

(270) ~~(155)~~ By CAROL PATON

THE strike by truckers in the goods transport industry was brought to a speedy end on Friday thanks to the dispute resolution procedures put in place by the new Labour Relations Act

Conciliation began the night before the strike started and produced a solution after three days. The man responsible for the breakthrough deal was Gavin Hartford, a senior commissioner of the Commission for Conciliation, Arbitration and Mediation.

Under the old system, it often took days before mediation could get started once a strike was under way.

Hartford, a former trade unionist with 10 years of negotiating experience, was conciliating his first dispute for the commission.

On Tuesday, a day before the strike began, the commission made an offer to unions and employers to intervene in the dispute — a provision made by the Act for cases where the public interest would be affected.

"Because we had the capacity to talk to the parties pro-actively, we could raise with them immediately the possibility of conciliating the dispute," said Hartford.

"The process from there was to use every effort to bring the parties together on the substantive issues. Because of the industrial action there was a higher degree of urgency to find a resolution."

On Friday night, six of the seven transport unions involved in the dispute and the Road Freight Employers' Association signed the settlement granting workers a 13 percent wage increase — one percentage point short of the union demand. The agreement will remain in force for 14 months.

A significant long-term component to the agreement is for the establishment of a wage modelling group to research wages in the industry in order to standardise minimum rates of pay across the provinces. The commission will be contracted to help the parties plan a wage structure for the industry.

The new Labour Relations Act is centred on the conciliation and mediation of disputes through the commission or a bargaining council.

Parties may not take industrial action, such as a strike or a lockout, before a dispute has been conciliated.

But because the truckers dispute began weeks before the Act came into effect it was not conciliated before the strike began.

The job of the mediator is to help the parties generate options and to frame proposals that help to resolve the issues that divide them, said Charles Nupen, director of the commission.

It often works because a proposal coming from a mediator is viewed more positively than the same proposal would be if it came from the opposing party. Mediators are also able to provide the parties with more information and knowledge about the issues they are negotiating.

In the case of the truckers' strike, Hartford held only two joint sessions with both parties — the first session and the last. For the rest, he spent time with them in their separate caucuses.

"The modus operandi of the conciliator in that situation is to only carry over to the other party what they have been authorised to carry over. He then works with the parties, shuffling back and forth and structuring proposals," he said.

"In this dispute, as in many others, the parties acknowledged that they had insufficient knowledge of the industry or of wages. Part of our job is to bring that kind of knowledge to the negotiations so that they can be conducted on a more informed basis."

Hartford, whose central responsibility while working for the National Union of Metalworkers of SA was to negotiate the national contract for the automotive industry, has a wealth of knowledge on issues like wages, job grading and training.

"The life and soul of my activity in the union was to negotiate. While as a conciliator you don't represent a party but you represent the common interest, the process is very much the same. Having been a union negotiator, you can get very quickly into the substantive issues. You know them because that's where you've come from."

Nupen said: "Before the introduction of the new Labour Relations Act, most disputes were mediated by professional people such as lawyers. In developing the commission we have drawn people from those ranks but also from trade unions and management so that we can tap into and draw on their experience."

Portnet director suspended (270)

Star 1/11/96
Portnet executive director Siphon Nyawo was suspended yesterday by Transnet chairman Louise Tager on the orders of Public Enterprises Minister Stella Sigcau. He is also the subject of an inquiry that he and other senior Transnet executives had abused their company credit cards.

Nyawo has been accused of misusing his Portnet credit card 181 times to the tune of about R200 000.

Retired judge John Trengrove will release the findings of his inquiry next Wednesday.

Beeld newspaper has reported that Nyawo owned Strategic Planning Institute, a service supplier to Portnet. Nyawo has denied this. — Staff Reporter.

Stella Sigcau acts against Sipho Nyawo

Transnet⁽²⁷⁰⁾ director suspended

CT(BR) 1/11/96

THABO LESHILO

Johannesburg — Sipho Nyawo, the suspended Transnet executive director, denied yesterday that he owned Strategic Planning Institute (SPI), a company that is a services supplier to Portnet, the port authority that falls under his management.

Nyawo was suspended by Louise Tager, the chairman of Transnet, on the order of Stella Sigcau, the public enterprises minister, after the allegation was published in Beeld yesterday.

"The article published in the Beeld Finance section as of 31 October, 1996 is malicious and has absolutely no basis in reality or fact," Nyawo said in a statement bearing the letterhead of Strategic Planning Institute, the Section 21, or non-profit, company at the centre of the furore

The public enterprises ministry said the decision to suspend Nyawo had been taken in the hope that it would allow Transnet "to continue with its normal business without being hindered by further publicity they can do without".

Before being suspended, Nyawo was the subject of an inquiry by retired judge John Trengrove into allegations that he and other senior Transnet managers had abused their company credit cards

Nyawo disputed the allegations that Portnet was SPI's "lifeline" and he was the company's executive director

"The truth is that Portnet rep-

resents a very small portion of SPI's client base, which includes a number of clients drawn from private companies, government and NGOs "

He denied being the owner of the company and said there was no conflict of interest from his association with SPI and Portnet "The truth is that SPI has no shareholders and no proprietors At no stage was Nyawo, or any of the SPI board members, paid for their contribution as non-executive directors He has absolutely no financial benefit from SPI activities," he said.

He said SPI was an "independent non-partisan and multidisciplinary research and training non-governmental organisation which operates within the context of the Reconstruction and Development Programme".

Nelson Ndimisa, the president of the South African Railway and Harbours Workers' Union, who was also an executive director of SPI, dismissed the claim that Nyawo owned SPI.

Christo van Heerden, the secretary-general of the Technical Workers' Union, which has complained to Transnet for its failure to censure Nyawo for the credit card issue, welcomed the suspension.

Joe Ndhlela, the executive director responsible for human resources at Transnet, said Judge Trengrove's findings on the alleged abuse of credit cards would be released next Wednesday

Nyawo said he had been suspended for one week

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Sigcau wields the stick in Portnet row

(270)
BD 11/11/96

**Robyn Chalmers
and Lukanyo Mnyanda**

TRANSNET chairman Louise Tager suspended controversial Portnet executive director Siphon Nyawo yesterday — after intervention by Public Enterprises Minister Stella Sigcau — as allegations of misconduct and credit card fraud mounted.

Tager said Nyawo would be suspended until retired judge John Trenchgrove's investigation into the allegations had been completed. Transnet sources said this was expected to be done by next Wednesday, when a decision on Nyawo's future would be taken. "Whatever its findings, the process of reaching a decision will be transparent and will be fully discussed with Nyawo," Tager said.

In an unusual step, Sigcau "instructed" Tager to suspend Nyawo with immediate effect, saying the negative publicity resulting from his alleged actions could not be allowed to continue. Sigcau said her actions should not be interpreted as an arbitrary step forced upon her by media reports about Transnet, but as a necessary step under the circumstances. "We hope this decision . . . will allow Transnet to continue with its normal business without being hindered by further negative publicity, which it can do without," a statement said.

The controversy surrounding Nyawo arose earlier this year when an internal document was leaked.

It alleged that Nyawo had faced internal charges relating to 181 instances of credit card abuse totalling almost R110 000.

The document alleged the instances — between February 1994 and December last year — included unauthorised ATM withdrawals, unauthorised business class flights and using the card to pay for take-away food.

An investigation was launched into the allegations.

Nyawo's claim to be a doctor was brought into question last month when it was reported that the University of California — where he claimed to have completed his doctorate — had no record proving that he studied there.

More disclosures followed this week when Sake-Beeld reported that Nyawo was a founding member of the Strategic Planning Institute, an organisation supplying Portnet with management services, human resources development and transformation services.

In addition, the paper said SA Railway and Harbours Workers' Union (Sarhwu) former president Nelson Ndinisa — who was allegedly appointed by Nyawo — was forced to leave a senior Portnet post following the credit card allegations, although Ndinisa had nothing to do with the scandal.

Nyawo was not available for comment yesterday and was understood to be abroad. But Portnet CEO Lor Funnell has denied that Ndinisa was ever employed by Portnet and said his interaction with the company was purely in his capacity as union president.

The Technical Workers' Union welcomed the decision to suspend Nyawo, saying it restored "our trust in the minister's credibility".

Sarhwu, which has supported Nyawo throughout the crisis, declined to comment yesterday.

FRAUD *Amount involved still unknown*

CT(BR) 6/11/96

(270)

Transnet finds 121 cases of card abuse

JONATHAN ROSENTHAL

Johannesburg — Transnet, the state-owned transport parastatal, has uncovered 121 cases of prima facie abuse of credit cards, Louise Tager, the chairman, said yesterday.

The irregularities ranged from frequent cash withdrawals and "obvious private expenditure" to the forging of vouchers among some of the company's 4 000 cardholders.

Tager said she could not quantify the amount involved because many offenders might be able to justify their expenditure. "But it is not going to run into astronomical sums," she said.

She said the investigation should be seen in perspective. It showed a high degree of responsibility by Transnet's managers, as only 121 cases had been identified out of more than 4 000 cardholders.

Tager said the names of alleged offenders could not be released until they had a chance to defend themselves.

The investigation did not examine allegations of credit

card abuse, reportedly totalling R110 000, by Siphon Nyawo, the executive director of Portnet, who was suspended last week following new allegations of misconduct.

Retired judge John Trenchgrove has conducted an investigation into alleged card abuse by Nyawo. His report would be presented to Transnet this week, Tager said.

Transnet said yesterday that a number of charge sheets had already been prepared and alleged offenders would appear before disciplinary inquiry panels before the end of the month.

"In appropriate cases, criminal charges will be instituted and the losses will be recovered," the company said.

Transnet said it had offered offenders a moratorium when it launched the investigation in June but nobody took up the opportunity.

The investigation was conducted by three auditing firms and Transnet's head of internal audit. It covered only the period between April last year and June this year.

Credit card abuse revealed

By Shadrack Mashalaba

TRANSNET has identified a total of 121 cases of alleged abuse of company credit cards, which it says will be followed by appropriate criminal charges to recoup the losses

In a Press statement released by the office of Transnet chairman Professor Louise Tager yesterday, the parastatal said an internal investigation was instituted after it was discovered that there were company employees who had abused the cards. The investigation covered the

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some time 6/11/96
period between April 1 1995 and June 30 1996 and was conducted by the auditors Dlamini and Ngidi, Fisher Hoffman Sithole and KPMG

The alleged offenders will appear before disciplinary inquiry panels before the end of November 1996

The audit did not cover the alleged abuse of a company credit card by one of Transnet's executives, Siphon Nyawo

Nyawo is currently on suspension pending investigations by a judge. An announcement is expected soon. Transnet has 4 000 cardholders

and the investigation had found that irregularities ranged from frequent cash withdrawals and obvious private expenditure to the forging of vouchers accompanied by no accountability

Tager commended the investigative team for their dedicated service and thorough professional work

She said the company was committed to the highest standards of ethical conduct, transparency and accountability

The corporation introduced a new credit card system on July 1 this year

Transnet to charge credit card offenders

Robyn Chalmers

TRANSNET has uncovered 121 cases of company credit card abuse by its employees and charges are being prepared against offenders

The cases, which range from frequent cash withdrawals and obvious private expenditure to voucher forgery, exclude 181 instances of alleged credit card abuse by suspended executive director Siphon Nyawo

This comes just before a decision, expected today or later this week, on Nyawo's future. Retired judge John Trengrove has probed the allegations against Nyawo. Transnet chairman Louise Tager said yesterday that Trengrove had yet to deliver his findings

(270)
"The outcome of this hearing must not be prejudiced," she said in response to speculation that Nyawo would be fired

Tager said a number of charge sheets had been prepared on the 121 cases of credit card abuse "The alleged offenders will appear before disciplinary inquiry panels before the end of November. In appropriate cases, criminal charges will be instituted and the losses will be recovered"

The amount of money involved would be disclosed once the disciplinary hearings had been completed. The investigation, launched earlier this year, covered the period between April 1 last year and June 30 this year. It was conducted by auditors Dlamini & Ngidi, Fisher Hoffmann Sithole and

BD 6/11/96
KPMG. Tager said a risk-based stratified sample was used during their investigation and the "auditors are completely satisfied that no material abuse has escaped detection".

In July Transnet offered amnesty to managers who might have abused company credit cards, provided they explained their actions. The parastatal said yesterday that no one had used this opportunity

An earlier investigation found credit card controls lax. As a result, Tager said, Transnet introduced new credit card controls on July 1. Some cards were withdrawn, spending limits were instituted and cash withdrawals were prohibited. A full review of credit cards would be performed.

Transnet man must go - Sigcau

(250)
JONATHAN ROSENTHAL AND
THABO LESHILO

CT(BR) 7/11/96

Johannesburg — Stella Sigcau, the public enterprises minister, has recommended to the Cabinet that Siphon Nyawo, the executive director of Portnet, be dismissed because of an investigation into alleged credit card abuse, Wandile Zote, a ministerial spokesman, said last night.

But the decision had to be ratified by the Cabinet, which was still meeting at the time of going to press last night.

Zote said that a report on the investigation conducted by retired judge John Trengrove was given to Sigcau yesterday. "She has read the report and on the basis of that she is satisfied that she has taken the correct decision," he said.

Nyawo was under investigation for 56 counts of credit card abuse, which reportedly totalled R110 000, and was suspended last week following new allegations of misconduct relating to his alleged involvement in Strategic Planning Institute, a service supplier to Portnet.

Zote said though Nyawo was not found guilty on all 56 counts, there were sufficient grounds to call for his dismissal.

The alleged abuses reportedly included unauthorised ATM withdrawals and unauthorised business class flights.

Nyawo could not be reached for comment last night, but he previously denied any wrongdoing with regard to his credit card transactions or his involvement in the institute.

He said that the alleged credit card misuses reflected legitimate business transactions he made in his former position as Portnet's manager for planning and development. On Tuesday, Transnet said it had found prima facie evidence of credit card abuse among 121 other managers.

Judicial probe not on agenda

(270)
Linda Ensor

CAPE TOWN — A judicial commission would not be called to probe the Transnet pension fund until other avenues had been fully explored, Parliament's public enterprises portfolio committee decided yesterday.

The committee would first await the outcome of the finance department's report on all public sector pension funds.

Public Enterprises Minister Stella Sigcau told the committee the report would propose what should be done holistically with the pensions funds and how the financial crisis facing some of them should be dealt with.

She said the finance department was expected to produce the report shortly.

If the report was found deficient in respect of the Transnet pension fund, the committee hold its own public hearings to gather more information. Only if these failed to generate a solution, would the committee apply for a judicial commission.

Committee members felt that only by adopting this procedure would they be able to establish sufficient grounds for calling for a commission of inquiry.

Sigcau indicated that she was discussing a language policy for SAA with other departments.

BO 7/11/96

Portnet chief fired for 'gross misconduct'

(270) Star 8/11/96

Criminal charges could be brought against Sipho Nyawo, fired from his post as an executive director of Portnet for gross misconduct, including credit card abuse.

Transnet chairman Louise Tager said yesterday that Nyawo was found guilty by a disciplinary inquiry on 65 counts of misconduct after originally facing 181 charges. He was cleared of 68 charges and 48 were withdrawn.

Public Enterprises Minister Stella Sigcau recommended to the Cabinet on Wednesday that Nyawo be dismissed after receiving a report on the findings of an

investigation conducted by retired judge John Trengove.

Tager said the misconduct related to Nyawo's failure to account properly and adequately for cash withdrawals and other credit card expenses.

It also included the unauthorised purchase of air tickets at Portnet's expense, being absent without leave, and claiming medical and other benefits on behalf of a person who was not entitled to them.

Tager said Nyawo had indicated his willingness to repay the R50 000 involved - Sapa

TRANSPORT *Early results of ballot shows overwhelming call for industrial action*

Strike could paralyse economy

JAMES LAMONT
INDUSTRIAL EDITOR

Johannesburg — An expected strike over wage increases by seven transport unions in the R8 billion-a-year road freight industry later this month threatens to bring the economy to a standstill

The early results from a strike ballot conducted by the Transport and General Workers' Union (TGWU) showed overwhelming support for industrial action against the members of the Road Freight Employers' Association, Thulani Dlamini, the union's national organiser, said yesterday

After five ballot days, the union's Eastern Cape, South, North and West Transvaal and South Natal branches voted for industrial action Dlamini and Nico Badenhorst, the freight association's industrial relations director, said they expected strikes that would bring the country to a halt, though they wanted to find a settlement

If the union's 36 000 members decide to strike in the week beginning November 18, virtually all sectors of the economy, including perishable foods, fuel, mining, construction, and man-

ufacturing, will be seriously affected, right before the busy pre-Christmas period

Negotiations over wage increases for next year reached deadlock in September despite legal mediation The unions are demanding an across-the-board increase of between 15 and 20 percent, employers have offered 9 percent Dispute has also arisen over minimum wage increases and other issues

"The employers offers are not even related to market prices They don't tell us what our work is worth It's about power play, not affordability," Dlamini said

Members of the freight association, whose 450 direct operators include Unitrans, Trencor, Cross Cape Express, Renfreight, XPS and Cliffords Transport, operate 36 000 trucks in long-distance haulage, furniture removal and security transit

Badenhorst said a 9 percent rise was well within industry settlements this year, which have been between 8 and 10 percent He said that over the past two years road freight minimum wages had risen 47 percent

Dlamini said industrial action, which could combine strikes, overtime bans and work

to rule, would start in the week beginning November 18 "Those balloted show their intention to tackle employers If the majority points to a strike, as it does so far, then we will determine when we are going to take action and what form it takes"

But he said some drivers were considering roadblocks, reminiscent of 1994's controversial Mooi River blockade

He said transport workers had not received meaningful wage increases over the past decade In real terms, drivers' pay has fallen 2.5 percent and general workers' 6.7 percent "Employers are treating workers not like assets but as liabilities"

According to freight association figures, a general freight worker in Gauteng is paid a basic wage of R321 a week, and a long-distance driver R460 a week

The TGWU, Professional Transport Workers' Union, African Miners and Allied Workers, Turning Wheel Workers' Union, Motor Transport Workers' Union, South African Transport Workers' Union and Transport Workers' Union and Allied Workers' Union will meet on November 15 when the ballot ends, to decide what action to take



OFFER Nico Badenhorst



DEMAND Thulani Dlamini
PHOTOS JOHN WOODROOF

(BR) 27 8 11196



(270)

Transnet fires executive

kwetani 8/11/96

By Lulama Luti

TRANSNET executive director Mr Siphon Nyawo has been fired from the company after he was found guilty of gross misconduct on 65 counts

In a statement yesterday, Transnet

chairperson Professor Louise Tager said Nyawo had been removed as a director and that his powers and responsibilities had been terminated with immediate effect

Tager said the guilty findings related to Nyawo's failure to account properly and adequately for cash withdrawals and other credit card expenses, the unauthorised purchase of air tickets at Transnet's expense, being absent without leave, and claiming medical and other benefits on behalf of a person who was not entitled to them

She said Nyawo had indicated a willingness to repay about R50 000 relating to the counts on which he was found guilty

Recommendations for Nyawo's dismissal followed a disciplinary inquiry chaired by Mr John Trengrove and these have since been communicated to Public Enterprises Minister Stella Sigcau

Transnet said it had withdrawn 48 of the original 181 charges against Nyawo, who was acquitted on the remaining 68. He pleaded not guilty to all charges

Tager said Trengrove had confirmed earlier findings by a private firm of accountants, (commissioned by Transnet) that there were serious shortcomings with the company's credit card control system

However, she added that a new strict system of control was introduced in July

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Myburgh heading for top slot in Transnet shake-up

STC(BT) 10/11/96 (270)
TRANSNET is awash with rumours of more top-level changes in the wake of executive director Siphon Nyawo's dismissal for credit card abuse

The most persistent rumour relates to SA Airways chief executive Mike Myburgh, who is tipped for promotion to the seven-member executive committee

Sources say Myburgh may be offered Nyawo's Portnet portfolio, but some elements within Transnet's hierarchy would prefer to see him take responsibility for SAA — Zukile Nomvete's job. Nomvete would then take over Portnet.

However, the post of deputy managing director at Transnet is vacant, and Nomvete may be offered the job.

This raises the question of who will take over Myburgh's job as chief executive of SAA. The only black man with some, although limited, aviation experience is SA Express's recently appointed chief operating officer, Israel Skosana.

PARASTATALS

By ROGER MAKINGS

Sources say neither of Myburgh's two deputies, John Hare and Tienie Willemse, will get the nod.

Should Skosana get the job, he would report directly to Myburgh. The only other option would be to bring in an outsider, but it would be difficult to find someone with the necessary experience to guide the ailing airline — it looks set to lose R120-million by the end of third quarter — out of its difficulties.

Amid mounting competition from foreign carriers, SAA will require firm and expert leadership if it is to retain its market share.

Another concern within the airline is that five senior managers have resigned in the last three months — the latest being the national and international sales manager, who gave notice on Friday.

ST 10/11/96

Transnet axes legal advisers for alleged 'personal interest'⁽²⁷⁰⁾

By ANDRÉ JURGENS
and ZILLA EFRAT

TRANSNET is considering civil and criminal charges against an established Durban law firm which has been acting as the parastatal's legal advisers

It suspended the lawyers' services this week following the discovery of an alleged "personal interest" of a senior partner in the 74-year-old firm of Woodhead, Bigby and Irving

The partner is Bedver Irving, 48, who, Transnet claims, leased premises from Portnet, but let the same premises to a third party at a profit "exceeding a million rands"

Irving denied the allegations "Similar rumours did the rounds two years ago. Portnet investigated, and no impropriety was found on the part of Woodhead, Bigby and Irving.

"I have no doubt our firm has become the victim of the internal tur-

moil in Transnet at the moment. I welcome any inquiry into the matter. Should action be taken against the firm, we are covered by insurance."

Irving has been with the firm for 26 years, and was a former councillor of the Natal Law Society.

Professor Louise Tager, Transnet's chairman, said in a statement yesterday that the reasons for the law firm's suspension would be reported to the society

"No evidence has been found of complicity by any Transnet employee, but, in accordance with our commitment to the highest standards of ethics and corporate governance, such complicity will be disclosed if identified," she said

A legal source said Irving allegedly formed a closed corporation through which he sublet a Portnet-owned warehouse on Maydon Wharf to a major paper manufacturing company

Transnet has been rocked by alle-

gations of mismanagement and corruption in recent months, culminating in this week's sacking of Portnet executive director Siphon Nyawo.

He was dismissed after an internal Transnet probe found him guilty of 65 counts of "gross misconduct"

The charges related to credit card abuse, being absent without leave, unauthorised purchase of air tickets at Portnet's expense, and claiming medical and other benefits on behalf of a person who was not entitled to them

Nyawo pleaded not guilty to all charges, and has offered to pay back about R50 000. He will discuss an appeal with his legal team

His lawyer, Bheka Shezi, says Nyawo may also consider action against Transnet: "They provided the media with information detrimental to my client." He added that Nyawo's transgressions were not for personal gain and did not result in any major financial loss for Transnet

PARASTATALS *Legal advisers suspended over property lease*

Transnet axes legal team

CT(BR) 11/11/96

(270)

FROM SAPA

Johannesburg — The long-standing services of Transnet's legal advisers were suspended on Friday after it was discovered that one of the advisers allegedly had a personal interest in a company leasing premises from Portnet.

Transnet said on Saturday that the premises were let to a third party at a profit of more than R1 million without the legal adviser disclosing his personal interest to Portnet.

"Without the disclosure to Transnet, there had been a breach in the attorney-client relationship and at this stage we are looking into it," said Louise Tager, the chairman of Transnet.

Tager said reasons for suspending the services of the Durban legal advisers, Messrs Woodhead, Bigby and Irving, would be reported to the Natal Law Society.

She said criminal and civil actions were being considered against one of the partners, Bedver Irving, who is a former counsellor of the Natal Law Society, or his firm. She said Irving allegedly had a personal interest in the company, which leased the premises from Portnet between 1991 to 1994.



TOUGH ACTION Louise Tager, the chairman of Transnet PHOTO JOHN WOODROOF

On Thursday, Siphon Nyawo, Portnet's executive director, was fired for gross misconduct.

Tager said Nyawo was found guilty by a disciplinary inquiry on 65 counts of misconduct. He originally faced 181 charges, but was cleared on 68 and 48 were withdrawn.

But lawyers for Nyawo on Friday said Transnet selective-

ly fed the media with information detrimental to their client.

Nyawo's lawyers, Bheki Shezi and Partners, said two points of the report of retired judge John Trengrove, who conducted the investigation, were not provided to the media.

Point three of the report says: "(the) respondent rendered valuable services", and point five says "most of (the) respondent's transgressions were not for personal gain and did not result in any serious financial loss for Transnet".

The lawyers also said they did not accept some of Trengrove's findings, without specifying what they were.

The question of criminal charges against their client was a clear sign of malice on Transnet's part, they said. If that course of action was appropriate, Trengrove would have recommended it.

Nyawo would meet his legal team at the weekend to consider the next course of action.

Handwritten text at the top of the page, including the number (270) and the word 'Sowetan'.

By Khangale Makhado

SACKED Transnet executive director Mr Siphon Nyawo has given Public Enterprises Minister Stella Sigcau and the company until 10 this morning to reinstate him or square up in a second battle at the Supreme Court, his lawyers said yesterday

Nyawo's long battle with Transnet ended last week after a disciplinary hearing, headed by Mr Justice John Trengrove, found him guilty on 65 counts of gross misconduct

Withdraw

In a letter to Sigcau, lawyers Bheka Shezi and Partners stated they were giving the Minister until 10am to unreservedly withdraw both the suspension and subsequent dismissal

It was grossly irregular, the lawyers claimed, for the Minister to take the decision to suspend and dismiss Nyawo. This, the lawyers alleged, was the responsibility of the Transnet board

According to the lawyers, Transnet had selectively provided the media with information which was only detrimental to Nyawo while ignoring the fact that Judge Trengrove did mention in his report that the former director did render valuable services in the transformation of Portnet

The judge had also noted that most of Nyawo's transgressions were not for personal gain and did not result in any serious financial loss for Transnet, the lawyers said

Transnet chairperson Professor

Louise Tager said the findings related to Nyawo's failure to account for cash withdrawals and other credit card expenses, including the unauthorised purchase of air tickets at Portnet's expense

Absent without leave

Nyawo was also found to have been absent without leave and of having claimed medical and other benefits on behalf of a person not entitled to the benefits.

Judge Trengrove had stated that the transcript be made available to the Minister, the chairman and other members of the Board and the lawyers argue that the document may not have reached and studied by members by Thursday when the decision to sack Nyawo was taken

Pupil gives birth during exam

By Khathu Mamalla

A STANDARD Eight pupil gave birth to a baby boy while writing an exam at a school in Ga-Mothuba village, outside Pietersburg, last Thursday, her principal confirmed yesterday

Mr DP Ngwasheng, principal of Ngwanalaka High School, said the girl went into labour while writing the second paper of Northern Sotho. She delivered at about 10 20am

"Female teachers tried to rescue the situation. An ambulance was summoned but by the time it arrived at the school the girl had already delivered"

Sacked Portnet director threatens to sue minister for

Lukanyo Mnyanda

FORMER Portnet executive director Siphiso Nyawo claims he was unfairly suspended and dismissed and has threatened to take Public Enterprises Minister Stella Sigcau to court if the decision is not reversed by today.

In a letter to Sigcau and Transnet chairman Louise Tager, lawyers acting for Nyawo said he had not been given a proper opportunity to answer charges against him. They reserved the right to seek a court order if he was not re-

instated to his former position.

They also demanded the restoration of "all emoluments accruing to him which otherwise, according to the company, may have been recorded to have been terminated". He reportedly earns an annual package of up to R800 000.

Nyawo was dismissed last week after an internal Transnet probe found him guilty on 65 charges of "gross misconduct" relating to credit card abuse totalling R50 000. The controversy started when an internal document alleging that he was facing internal

charges for 181 cases of credit card abuse totalling R100 000 was leaked.

Sigcau instructed Tager to suspend him two weeks ago following fresh allegations that he was a founding member of a service provider to Transnet.

Nyawo's lawyers have disputed that Sigcau had the authority to suspend or dismiss Nyawo, saying that only the Transnet board could do so. Tager has maintained throughout the crisis that the public enterprises ministry, as Transnet's shareholder, has the sole right to hire or fire directors.

Nyawo's lawyers said retired judge John Trengove's inquiry was mandated only to make recommendations to the Transnet board, after which Nyawo would be given an opportunity to address the board.

The failure to heed this recommendation had seriously prejudiced Nyawo's rights, they said.

Tager's statements indicating that Transnet had been forced to respect Trengove's decision were misleading as the inquiry had no mandate to decide on Nyawo's future.

"The judge expressly stated that it was not his decision but the board's. It's plain that the board failed to apply its own mind (it has not even met on the issue) and regarded the decision as having already been taken."

They also accused Transnet of providing the media with selective information and failing to note the findings that Nyawo's transgressions were not for personal gain, and had not resulted in financial losses for Transnet.

Portnet

(270)

Continued from Page 1

Robyn Chalmers reports that Nyawo's threat to Sigcau is the latest in a number of upheavals to have hit Transnet. It comes amid Tager's announcement this weekend that the parastatal's legal advisers, Woodhead Bigby & Irving, had been suspended with immediate effect.

Tager said the suspension related to the discovery of an alleged "personal interest" of senior partner Bever Ir-

ving in a company which leased premises from Portnet between 1991 and 1994. The premises were allegedly let to a third party at a profit of more than R1m without disclosure of Portnet of his personal interest. It is said that final and civil action against Irving or his firm was being considered.

She said yesterday that the rationale behind the suspension was the breach of the attorney-client relationship, "the fact that Irving did not disclose his dealings with Portnet".

Irving was reported to have denied the allegations, saying he believed the firm had become the victim of the "internal turmoil" at Transnet. He was equipped any inquiry.

Reinstatement

Continued on Page 2

Lawyers seek to reinstate Nyawo

270) 8012/11/96
Lukanyo Mnyanda

SACKED Portnet executive director Siphon Nyawo's lawyers said yesterday they were preparing papers for an urgent Supreme Court application to reverse his dismissal, following Public Enterprises Minister Stella Sigcau's failure to reinstate him.

They had written to Sigcau and Transnet chairman Louise Tager saying Nyawo was unfairly suspended and dismissed, and had threatened to take the ministry to court if he was not reinstated by yesterday morning.

However, Tager said Transnet had followed legal procedures and would not reinstate Nyawo to his former position. "We followed all the procedures and went the legitimate route. The board was fully informed (of Nyawo's dismissal)."

Tager denied that the Transnet board and not Sigcau had the authority to hire or fire directors. "According to Transnet's articles of association, only the minister has the right to do that."

Nyawo's lawyer Sibusiso Shezi said that neither Transnet nor the ministry had reacted to their letter by yesterday, and the matter would now be referred to the Supreme Court. They were preparing papers and would apply for an urgent court order against the decision to dismiss Nyawo.

Nyawo was dismissed last week after an investigation by retired judge John Trengove found him guilty on 65 counts of misconduct relating to credit card abuse totalling about R50 000.

TRANSPORT *Union officials and employers will try to break deadlock*

Bid to avert national strike

GUY OLIVER

LABOUR EDITOR

Johannesburg — A crucial meeting today will decide whether seven transport unions will resort to a national strike next week.

The meeting today between the Road Freight Association and union representatives was scheduled to discuss strike rules. But the agenda had been changed to break the deadlock over wages and conditions of work and avert the strike which threatened the R8 billion-a-year road-freight industry.

The seven unions are the Transport and General Workers' Union, the Professional Transport Workers' Union, African Miners and Allied Workers, the Turning Wheel Workers' Union, the Motor Transport Workers' Union, the South African Transport Workers' Union and the Transport and Allied Workers' Union.

Thulani Dlamini, the national organiser of the Transport and General Worker's Union, said 80 percent of the votes counted so far favoured a strike. The final result of the ballot was expected on Friday.



HOPEFUL *Union organiser*
Thulani Dlamini

PHOTO JOHN WOODROOF

The unions want an across-the-board increase of between 15 and 20 percent and industry uniformity regarding issues like paternity, maternity and annual leave. Employers have offered a 9 percent wage increase.

Freight association figures show that a general worker in Gauteng is paid a basic wage of R321 a week, and a long-distance driver R460 a week.

Dlamini did not expect a resolution at today's meeting on the September deadlock. He said a secondary strike in support of his union's demands was also being contemplated and the union was in discussion with other unions affiliated to Cosatu.

"We know these employers and will be surprised if they come up with an acceptable offer. We have no hope. That is why we are approaching other industries," Dlamini said.

A union meeting has also been scheduled for Saturday to discuss strike tactics and support from other unions.

Road blockades, reminiscent of the incident on the N3 at Mooi River, which Tito Mboweni, the labour minister, called "totally unacceptable" at the time, would be one possible form of action.

The earliest day for the strike would be next Wednesday as the unions, should they receive the strike mandate, would have to provide employ-

ers with the required 48-hour notice next Monday to ensure that the strike was "protected" under the new Labour Relations Act, which came into effect on Monday this week.

Nico Badenhorst, the director of labour relations for the Road Freight Association, said employers would go to the meeting with "open minds".

"I can't say if we will increase the offer," he said.

However, the employers might offer various options regarding the restructuring of conditions, Badenhorst said.

Members of the freight association, whose 450 direct operators include Unitrans, Trencor, Cross Cape Express, Renfreight, XPS and Cliffords Transport, operate 36 000 trucks in long-distance haulage.

Badenhorst agreed that the consequences of a nationally co-ordinated strike would touch most of South Africa's businesses. "The impact on broader business is horrendous to say the least," he said.

The unions had adopted a broad unity stance but there were indications that they were not completely at one, a union source said.

ET (BR) 13/11/96

(270)

Odds increase for a freight transport strike

JONATHAN ROSENTHAL

Johannesburg — About 35 000 transport workers could embark on a national strike next Wednesday, unionists said last night after attempts failed to break the deadlock between the Road Freight Employers' Association and seven trade unions

"It doesn't look rosy... they made an offer which is still far away from the expectations of workers," Thulani Dlamini, the national organiser of the Transport and General Workers' Union, said last night

The unions have demanded a

14 to 18 percent rise across the board, Dlamini said

During the meeting employers revised their wage increase offer to 9,5 percent, 0,5 percent higher than their previous offer. But the union said the level of increase in the employers' offer "shows they are not serious about resolving this deadlock"

Employers then tabled a higher offer, believed to be 10 percent, which Dlamini said the unions would take to their members

Voting on the strike ballot will be complete by Friday. Union members will take a final decision on the strike on Monday

CT (BR) 14/11/96 (270)

Deadlock at Golden Arrow over pension fund

(270) CT(MR) 14/11/96

FRANÇOISE BOTHA

Johannesburg — Golden Arrow Bus Services, the debt-ridden former Tollgate subsidiary, and the Financial Services Board, have reached deadlock over plans to restructure the company's pension fund

Renier Botha, the Financial Services Board's private funds manager, said the board could not give its blessing to the scheme of rearrangement because the company had shown scant regard for the objections of the pension fund members

The company had given the Golden Arrow Retirement Plan members an ultimatum to accept an offer for the restructuring of the fund, in which R85 million of the fund surplus would revert to the company. The funds were designated for fleet renewal and the reduction of the company's R79 million debt burden.

But fund members objected to the scheme, saying the company had taken a "contribution holiday" since 1992 and was not entitled to the surplus

In what he referred to as the "minefield of surplus repatriation", Botha said "We have had complaints from the pensioners and active fund members and cannot support the scheme unless they agree"

Some of the fund members said the company had refused to supply a full list of the names and addresses of all mem-

bers of the fund

One pensioner said: "We want to hold a meeting of the fund members to discuss the details of the document that we have been sent, but apparently the company does not want us to do that"

"We feel that the document contains certain omissions, inaccuracies and misleading information," said a spokesman for the pensioners opposed to the scheme

Botha said: "We asked the trustees of the fund to look into the matter and if there could be some reconsideration or

improvement (to their demands). It is very delicate who the surplus belongs to, but they simply have not gone far enough in addressing the concerns"

Barry Gie, the director of Golden Arrow Bus Services and chairman of the fund, said yesterday the restructuring proposal had been hammered out with

the trade union and the members of the fund. Despite some complaints, 98 percent of active members and 95 percent of pensioners had supported the plan

But the pensioners' spokesman said the pensioners had no involvement in the election of the fund's board of trustees who thus had no mandate to make a decision that might affect members

According to Botha, the Financial Services Board was not opposed to the scheme in principle provided that the members agreed to the terms thereof

'We have had complaints from the pensioners and cannot support the scheme'

Truckers to strike if deadlock is not broken

DD 14/11/96

(270) (222)

Reneé Grawitzky

ROAD freight employers have warned that a threatened strike by 35 000 truck drivers could have disastrous consequences as its effect would be felt on all sectors of the economy

This emerged after seven transport unions and employers party to the industrial council for motor transport undertaking, met to break the deadlock and the continuing wage dispute

Employers indicated that the exploratory meeting had been constructive. However, a union source said there had been insufficient movement to avert a strike

Transport and General Workers Union organiser Thulani Dlamini said employers had tabled an unmandated offer which would be confirmed in writing tomorrow. Dlamini said a settlement could only be achieved if employers improved the revised offer by 2% to 3%. In the interim, balloting of members would continue and planned to be concluded by tomorrow

If no further movement was made, the unions intended notifying employers on Monday of their intention to start a national strike on Wednesday.

Dlamini denied rumours that a work to rule action would occur instead of a national strike

Unions were demanding increases ranging from between 14% to 20% while employers had offered increases between 9% and 13%.

Minimum wages for drivers of heavy vehicles currently range from between R1 500 to R1 700 a month with general workers earning about R1 300 a month.

A spokesman for the Road Freight Employer Association, Nico Badenhorst said last night that the council covered in excess of 44 000 workers and 450 employers who operated 35 000 trucks countrywide

A potential strike could have dire consequences for the economy as the trucks transported goods ranging from perishables and fuel to goods supplied to the manufacturing industries

Wage row may spark national transport strike

First legal dispute looms (270)
ARC 15/11/96

ESTELLE RANDALL
LABOUR REPORTER

South Africa may have its first legal national strike under the new Labour Relations Act next Wednesday - if goods transport workers stop work over wages.

There are between 15 000 and 20 000 goods transport workers in the Western Cape and about 5 000 of them belonging to the Transport and General Workers' Union, which is involved in the dispute.

Wednesday's threatened strike by seven transport unions could paralyse crucial sectors of the economy, particularly the daily transport of perishable foods, bulk fuel and manufacturing goods.

There is also the possibility of secondary strikes in related sectors.

Workers who follow the procedures of the new Act can legally have sympathy strikes in different companies if their action will affect the business of the employer against whom the sympathy strike is directed.

The transport unions are in dispute with the Road Freight Employers' Association, which is offering pay increases of

nine to 13 percent in response to union demands for 14 to 20 percent.

The unions involved are the 23 000-strong Transport and General Workers' Union, the Professional Transport Workers' Union of SA, the African Miners and Allied Workers, Turning Wheel Workers' Union, Motor Transport Workers' Union of SA, SA Transport Workers' Union and the Transport and Allied Workers' Union.

A national strike ballot will be concluded today but about 85 percent of members balloted so far have voted for the strike.

This week employers made an unofficial improved offer to the unions, which they will table formally tomorrow.

But Transport and General Workers' Union national organiser Thulani Dlamini was pessimistic that the improved offer would avert the strike.

He said it was likely that on Monday the unions would give employers' 48 hours notice of the strike, as it was required to do by law. Legal strikers are protected from dismissal or other punitive action under the Labour Relations Act, which came into effect this week.

Mr Dlamini said attempts to settle the dispute through mediation had failed.

The Transnet 'train smash'

270 M+G 15-21/11/96

Black empowerment suffered a body blow when Transnet high-flyer Sipho Nyawo was fired for abusing his company credit card. Andy Duffy reports

MISMANAGEMENT and racism turned what could have been a quiet, early censure into a spectacular, politically embarrassing downfall, say former colleagues of sacked Transnet executive Sipho Nyawo

Little else, they claim, can explain the events that led to Nyawo's dismissal last week — an action that damaged the credibility of Transnet and that of its shareholder, the public enterprises ministry

Nyawo, formerly chief executive of Portnet, racked up 181 alleged abuses of his company credit card between February 1994 and last December. No one, it seems, chastised him for doing what he should not have been doing and the practices went on unchecked. Only when Nyawo's promotion to head Portnet beckoned were the details — a weighty, official-looking "charge sheet" — leaked to the media.

But the Transnet board and minister Stella Sigcau decided in July to appoint Nyawo anyway, deciding that the claims at that stage were "mere allegations", a spokesman says. Four months later, last week, Nyawo was fired, after 65 of the charges were validated in an investigation ordered by Sigcau and carried out by retired judge John Trengove. The charges — worth around R50 000 — include unauthorised ATM withdrawals, paying for first-class plane tickets, fast food and gymnae-cological bills for a third party.

Nyawo is now taking court action against the parastatal and Sigcau, and they are considering bringing criminal charges against him.

Sigcau's office, determined that it act correctly throughout, says the allegations at the time of Nyawo's appointment were unproven. The claims might have been floating around since the end of 1995, but Nyawo had always denied them.

Transnet chairman Louise Tager agrees, but goes further. "We had to walk a narrow path between rumours and allegations against him on the one side and racism and victimisation against black management on the other," she says. She also says Transnet does not know who drew up the 181 allegations against Nyawo. "We imagine it was a group of people. We can't tell where it came from."

This statement surprised several of Tager's colleagues. Human resources director Joe Ndhlala, called in for the initial investigation in February, found the allegations had been compiled by Nyawo's superiors at Portnet — including port management chief executive Neil Oosthuizen and port operation chief executive Philip Venter.

Ndhlala found it puzzling that the charges had not been dealt with as they occurred — credit card spending is supposed to be reconciled every month. Instead the irregularities had been allowed to build up, dating back to the month after Nyawo joined Transnet as planning and develop-

ment manager at the Port of Durban. Oosthuizen and Venter have now moved on, but most of the other managers are still there. For the past four months they should have been answering to Nyawo.

Ndhlala, mindful of Nyawo's legal action, is reluctant to comment. Other senior staff, however, are less reticent.

"This has been a study in management inefficiency, for both the new and the old management," one source says. "Why should these managers have let these abuses accumulate for so long and then for us to read about it first in the press? There was an issue of racism in that people were not implementing procedures in an even-handed manner."

This has been a study in management inefficiency, for both the new and the old management'

In his report, Trengove found that Nyawo "rendered valuable services in connection with the transformation of Portnet, often under difficult circumstances". These "difficult circumstances" will have included Nyawo coming up against Portnet management — viewed as a bastion of the old order, stuffed with white Afrikaners males who spend much of their time looking out for each other.

The South African Railway and Harbour Workers' Union has previously claimed that conservatism within Portnet is central to attempts to "destabilise and polarise the workforce under black management. It is obvious the objective is also to embarrass transformation processes, eliminate those responsible for transforming Transnet and destabilise the black empowerment agenda." Described by Tager as knowledgeable and intelligent — "his abilities

were never questioned" — Nyawo began attracting critical media attention as the seat on the Transnet board drew closer. Most of the critical stories surfaced first in the Afrikaners press.

After the credit card allegations, questions were raised about Nyawo's doctorate and his links with the Strategic Planning Institute — an organisation he helped found which counted Portnet as a major customer. The latter story appeared on the day Nyawo was suspended.

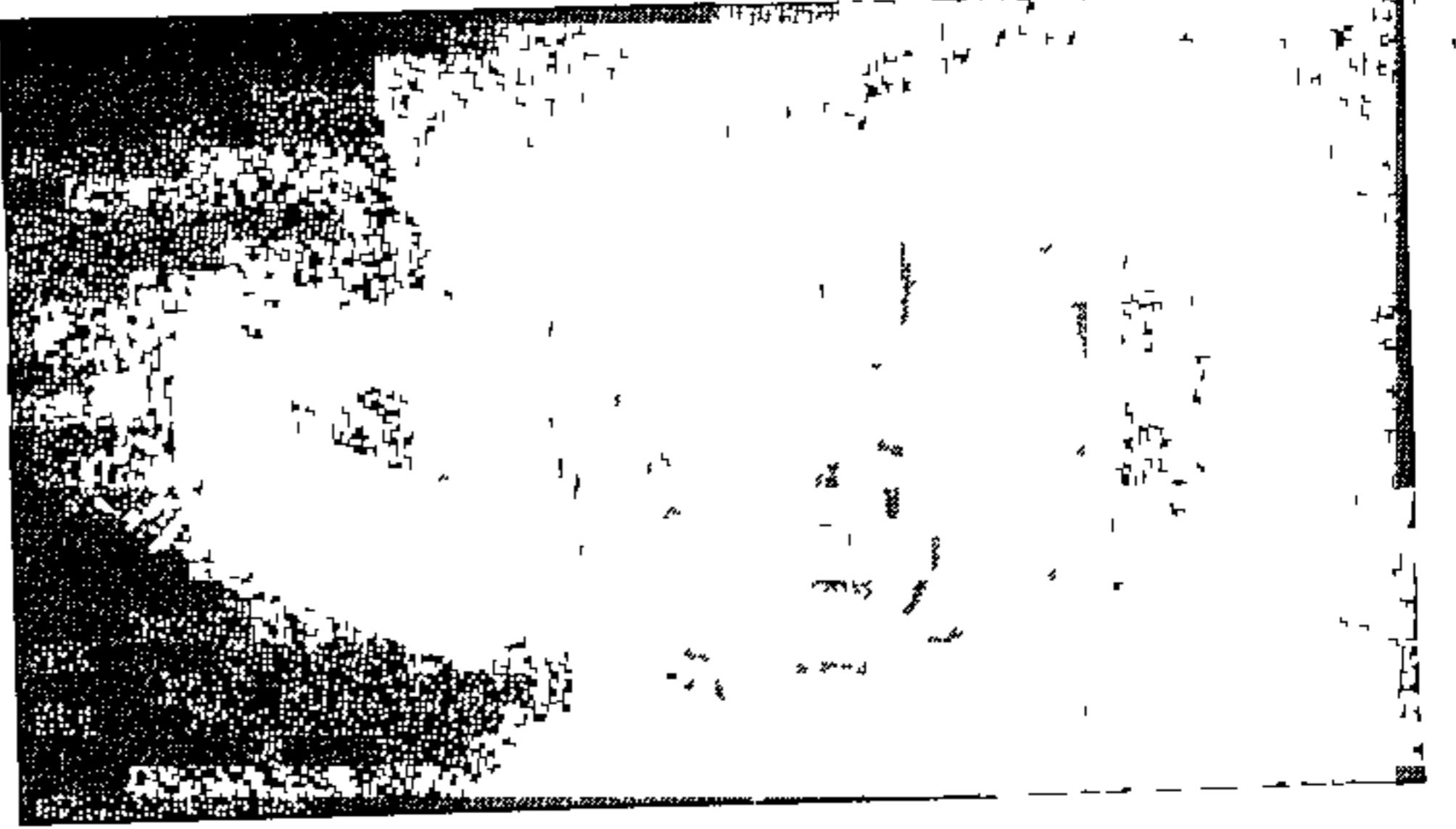
Such attention has not been concentrated solely on Nyawo.

It was the Afrikaners press which also broke the first stories concerning pay for the new Transnet board. Such coverage mused the far larger package former managing director Anton Moolman commanded — a guaranteed R1-million a year — until Sigcau revealed it in Parliament last month.

Nyawo, however, also did himself few favours. His repeated denials of every allegation failed to convince those he might have counted as allies. The numbers involved also jarred. The parastatal once operated 4 000 credit cards for management. Nyawo notched up 65 proven infringements in 22 months, among the 3 999 other card users, another investigation uncovered only 121 cases over 14 months.

In June, one month before his appointment to the board, Nyawo and other alleged card abusers were offered amnesty by Transnet — four weeks to repay what they had taken from the company, with no further reprisal. None of them took up the offer.

Tager is determined to draw a line under the affair, saying the process, "long and painful", is now over. Nyawo thinks otherwise. And the



Louise Tager: Rumours and allegations

door has been left open to his legal action by an apparent botch-up by Transnet in handling his dismissal. Trengove did recommend that Nyawo be dismissed — "the picture is one of disregard of the rules and practices which Nyawo as a manager should have operated".

But he also says Nyawo had not personally gained from the transgressions, that Nyawo had undertaken to repay any loss Transnet might have sustained, and that the transgressions "occurred in circumstances of equally appalling and even greater laxity". He recommended that his report be considered by the Transnet board.

The Transnet board did not see the report before the dismissal, and still hasn't. The decision was made by Sigcau after discussions with Tager. "That was only a recommendation," Tager says. "The report is a very thick document."

Transnet's R2bn a year pension burden

Robyn Chalmers

TRANSNET will be burdened with payments of R2bn a year for the next nine years as a result of its underfunded pension and medical aid funds, raising questions about the future privatisation of the parastatal

Transnet finance director Eugene Kruger said yesterday that Transnet was paying 16,5% interest — or R1,4bn a year — on the stock it had issued to reduce the pension fund's deficit. The parastatal was also paying an additional R200m to the pension fund and R400m to the medical aid scheme

"We estimate it will take about nine years before the pension fund is fully funded, but this could be significantly reduced should our investments in the JSE perform well. We are satisfied with the way in which the fund is being

managed at present," he said

Transport director-general Ketso Gordhan, who also heads up the task team investigating the restructuring of the transport sector, said recently the first concrete decision on the restructuring of Transnet could be expected in the first quarter of 1997

However, sources close to the process said unless government took concrete decisions on lightening the burden of the pension fund, Transnet's restructuring options within the 18-month period would be limited

The finance department is investigating how the pension fund burden can be addressed in such a way that it does not detract from the value of Transnet's assets

The effect of the pension fund was evident in Transnet's interim results to September 30, announced last week

(270) BD 18/12/96
MD Saki Macozoma reported a 20% decrease in profit to R64m from R80m for the previous comparable period on higher turnover of R9,99bn (R8,84bn)

Profit before pension and medical aid liabilities was R1,09bn (R1,1bn), but R1,026bn was taken out of operating profit to help fund the pension fund and medical aid scheme

Transnet's 1996 annual report said during the year ended March 31, the fund's actuarial assessed deficit was reduced to R3,2bn from R4,2bn for the previous financial year. This represented a funding level of 89,5% compared with 64,2% a few years ago.

Former Transnet MD Anton Moolman said in the report that if government could lighten the burden of the pension fund, it would be possible for Transnet gradually to restructure PX and Spoornet

Strike threat over language at Transnet

By Goba Mphahlele

Workers claim that Afrikaans is being 'trampled upon'

(270)

May 13/12/96

Not long after President Mandela's signature on the new constitution had dried, Transnet employees had complained about being denied the right to communicate with their employers in their own language.

Members of the South African Footplate Staff Association (SAFSA) declared a dispute with Transnet this week for ignoring Afrikaans and being denied its constitutional right to the use of one of the country's 11 official languages.

The association has threatened a strike if the dispute is not settled to its satisfaction.

SAFSA general secretary Chris de Vos said his association was forced to declare a dispute with Transnet because it had been come obvious that they were being treated unfairly on the language issue.

"We present our grievances in Afrikaans but they reply to us in English," he said.

De Vos added "We have nothing against the English language. But if we communicate with the company in Afrikaans, we expect them to reply in kind. Transnet continues to water down Afrikaans at meetings

with SAFSA where they address us in English. We put a question in Afrikaans, they answer in English."

He said more than 80% of SAFSA's 8 500 members were Afrikaans-speaking. Transnet had refused to correspond with the union in Afrikaans, including delicate matters, he said. He also blamed the fact that high posts in the company were occupied by English speakers.

Transnet industrial relations senior manager, Nadine Isaacs, said she was aware of the SAFSA dispute and knew of the

language problem. But she said she had not yet studied the reasons for the dispute.

"Transnet has a language policy, but it would not be right for me to speak about that now, since there is this pending dispute. As a company, we recognise that there are eleven official languages in our country. But the main problem has always been that we have to get a ' lingua franca ' of some sort to communicate with everyone."

In a cautiously worded statement, the Federation of South African Labour Unions (Fed-sal)

warned that companies would be unwise not to realise that people have strong feelings about their languages.

Fed-sal general secretary Dannhauser van der Merwe said his executive committee had not yet discussed the SAFSA case.

However, he said SAFSA, was one of their strongest affiliates, and they would consider placing the issue on the agenda at the next executive committee meeting.

"Fed-sal represents members from all language groups, but most of our complaints come from Afrikaans members, who feel that their language is trampled upon," he said.

NEWS

Union may strike over English

THABO LESHILO

CT (BR) 13/12/96

(270)

Johannesburg — The use of English as the lingua franca at Transnet has sparked a row between the parastatal and the South African Footplate Staff Association, which has threatened to strike unless Afrikaans is accorded an equal status.

Chris de Vos, the general secretary of the umón, which represents mostly train drivers and artisans, said yesterday that it had declared a dispute with Transnet over

the language issue on Monday.

He said Transnet insisted on using English in its official communication, though 70 000 of the 114 000 employees preferred Afrikaans.

Carel Mulder, a Transnet spokesman said English became the official language at Transnet about three years ago because it was the preferred language of business. However, staff meetings were conducted in the language preferred by the majority of those attending.

Union demands its 'taal' rights

OWN CORRESPONDENT

ARL 13/12/96

(270)

Durban - Not long after President Mandela's signature on the new constitution had dried, upset Transnet employees have complained bitterly about being denied the right to communicate with their employers in their own taal.

Members of the South African Footplate Staff Association (Safsa) declared a dispute with Transnet this week for ignoring Afrikaans and being denied its constitutional right to the use of one of the country's 11 official languages

The association has threatened to go on strike if the dispute is not settled to their satisfaction

Safsa general secretary Chris De Vos said his association was forced to declare the dispute because it had become "obvious" that they were being treated unfairly on the language issue

"We present our grievances in Afrikaans but they reply to us in English," he said

Mr De Vos said more than 80 percent of Safsa's 8 500 members were Afrikaans-speaking. Transnet had refused to correspond with the union in Afrikaans, he said

A Transnet spokesperson said "As a company, we recognise that there are 11 official languages in our country. But the main problem has always been that we have to get a 'lingua franca' of some sort to communicate with everyone"

Safta dispute over language

(270) Sawetan 13/12/96

By Abdul Milazi

THE South African Footplate Staff Association (Safsta) has declared a dispute with Transnet demanding that Afrikaans be brought back as the medium of instruction

Transnet's board of directors made a ruling in June last year that English would be the official medium of instruction in the company

However, Safsta, the largest of the 17 affiliates of the Federation of South African Labour Unions (Fedsal), wants Afrikaans back

Asked to comment on the issue, Fedsal general secretary Dannhauser van der Merwe said "Although Fedsal is aware of the practical problems of having so many official languages, it must be reminded that language is a constitutional right

"Too many South Africans fail to realise the benefit of speaking more

than one language, especially in a country like ours"

Transnet spokeswoman Lindiwe Mdebele said English was common to all race groups and the decision to adopt it was a top level one

She said the minority unions who were protesting were just "white supremacists" who wanted to take the country back to the apartheid era where blacks were forced to speak Afrikaans

Minority group

There was no justification for adopting of one official language belonging to one minority group

"Other groups would also like to be instructed in their own languages but they have compromised to accept English for practical reasons"

She said the process of change in South Africa had gained momentum and nobody could reverse it

PS — TRANSPORT — LABOUR

1997

Transnet to resolve language dispute

(270) (BR) 7/1/97

THABO LESHILO

Johannesburg — Transnet will meet the South African Footplate Staff Association today in a bid to resolve their dispute over the use of English as the transport parastatal's official language.

The staff association, which represents most of the company's train drivers, declared the dispute last month. It said that Transnet insisted on using English as its official language, though 70 000 of its 114 000 employees preferred Afrikaans.

The union, which has declared itself the "custodian of the Afrikaans-speaking workers", has threatened to strike unless Afrikaans is accorded an equal status with English.

A company spokesman said the extent of preference for Afrikaans at Transnet had not been determined.

Chris de Vos, the general secretary of the mainly Afrikaans-speaking union, said yesterday a meeting between the parties last month had failed to resolve the dispute.

Transnet backs director after credit card allegations

Lukanyo Mnyanda

(270)

TRANSNET has come out in support of executive director Joe Ndhela following allegations that he misused his credit card while on an overseas trip five years ago, saying his expenditures had been work-related and his behaviour "beyond reproach".

The parastatal said, in response to allegations in Afrikaans daily Sake-Beeld, that Ndhela's credit card expenses were included in a recent review of Transnet credit cards which had shown no wrongdoing on his part.

BD 8/1/97
Transnet's recent review of credit cards held by employees had discovered at least 121 cases of abuse ranging from cash with-

drawals and obvious private expenditure to voucher forgery.

The allegations against Ndhela, who is responsible for human resources, came barely three months after the sacking of Portnet executive director Siphon Nyawo who was found guilty of "gross misconduct" relating to credit card abuse totalling R50 000. Ndhela was appointed to investigate control measures governing credit card use in the parastatal in the wake of the controversy involving Nyawo.

The parastatal said Ndhela had been granted permission to use his Transnet credit card to cover his travel expenses while on a trip to the US in 1992. "Upon his return the total expenditure was reviewed

and found to be of a business nature, and the matter was closed." He had been unable to provide supporting vouchers for expenses totalling R3 558 and had, in terms of company policy, refunded Transnet.

Chairman Louise Tager said the matter had been dealt with in a transparent manner and there never had been a need for a formal investigation. "The matter was completely dealt with and nothing untoward or sinister was found," she said.

Transnet said former MD Anton Moolman, who held the position when Ndhela incurred his expenses, would not have supported Ndhela's appointment as executive director last year if there had been questions about his integrity.

Strike halts work at container dock

(EE) (270) ARG 22/1/97
Work at the Ben Schoeman container terminal in Table Bay Harbour came to a halt when employees went on strike to demand double pay for working on public holidays.

Workers stayed at home on December 16, 25 and 26, claiming they were given only small increases for working on those days.

Employees are also in dispute with Portnet over a shift allowance or transport

allowance when they work shifts.

They say they have had numerous meetings with management to try to sort out their problems, but these have been unsuccessful. Yesterday no containers were loaded or unloaded.

A Portnet spokesman said Portnet was "not in a position to comment at this stage". - Staff Reporter

Sacked Transnet executive fights back

Mungo Soggot

MTG 24-30/197

John Trengove found him guilty of 65 charges of credit card abuse, involving about R50 000.

SACKED Transnet executive director Siphon Nyawo has launched a legal attack against the parastatal, Public Enterprises Minister Stella Sigcau and the retired judge who presided over an internal inquiry about him.

Nyawo was dismissed from his R830 000 job last year after Judge

Papers filed in court show Nyawo has applied to have his dismissal set aside for several procedural reasons. He does not broach the charges against him, but asks for his dismissal to be withdrawn and for his salary since his dismissal.

He says he currently has no source

of income, making it "a matter of urgency that this application be determined".

Nyawo abused his credit card while he was Portnet's environment manager in Durban. He says Transnet chairman Louise Tager's assurance that the investigation into him was dropped when he moved to head office in Johannesburg — confirmed in a letter attached to his affidavit —

meant the parastatal had no authority to reinstate the inquiry as it did.

The parastatal pulled the plug on investigations into widespread credit-card abuse among executives, but reinstated them when one of its employees' unions approached the public protector.

Nyawo claims he was denied his right to be heard, denied a hearing by the Transnet board and that neither Tager nor the Transnet board applied her or their minds to the question of his dismissal.



ernment funding and had to rely on its existing funding mix (where commercial revenue represented 78% and TV licence revenue 18% of the total funding mix) to fund these projects

As stated, the SABC's funding mix increased by only 2% when compared to last year, with advertisement revenue posting a moderate increase of 8% whilst TV licences and other revenue decreased by 8% and 35% respectively. The drop in TV licence revenue has resulted in the piracy rate increasing to 57%. There was no tariff increase in the TV licence fee for the past two years, whilst costs have been increasing on an annual basis and this also adversely affected our bottom line. The drop in other revenue of 35% is primarily due to the separation of Sentech from the SABC

Irregularities at Telkom

*6 Mr M C J VAN SCHALKWYK asked the Minister for Posts, Telecommunications and Broadcasting †

- (1) Whether his Department has carried out an investigation into irregularities at Telkom, if so, what was the total amount involved in the investigation.
- (2) whether any person has been discharged in this regard, if not, what is the position in this regard, if so, how many.
- (3) whether he will make a statement on the matter?

N99E

THE MINISTER FOR POSTS, TELECOMMUNICATIONS AND BROADCASTING

- (1) No
- (2) Not applicable
- (3) In terms of the Post Office Act 1958 (Act No 44 of 1958), Telkom SA Limited is a

state-owned public company. It operates telecommunications services on an exclusive basis under the aforesaid Act. The Department of Communications performs a policy function in so far as Telkom SA Limited is concerned and as such has no jurisdiction to investigate irregularities falling outside the regulatory sphere

Transnet: credit card abuse

*7 Mr A J LEON asked the Minister for Public Enterprises

- (1) Whether any progress is being made with the investigation by Transnet into allegations of credit card abuse, if not, why not, if so what progress.
- (2) whether it is the intention to bring up a report on the investigation, if so, when is it anticipated that the report will be completed?

N100E

THE MINISTER FOR PUBLIC ENTERPRISES

The Transnet Limited furnished the following reply to the hon member's question

- (1) Yes 121 cases of possible corporate credit card misuse have been identified and appropriate follow-up actions are being taken including disciplinary action
- Progress on the above is as follows
- Two employees were dismissed following disciplinary inquiries
 - 16 employees resigned since initial investigations on the abuse of corporate credit cards started. Action has been taken to recover monies owed to Transnet
 - One employee has been absent without leave since investigation started
 - 15 disciplinary cases are currently in progress

- 87 cases are still under investigation

In cases where misuse of corporate credit cards has been proven, steps are being taken to recover financial losses incurred from the employee concerned. It is Transnet's policy to institute criminal actions against employees who have defrauded the Company

- (2) Yes A full report will be made available to the Transnet Board of Directors, who will in turn make it available to the Minister for Public Enterprises. This report will be issued by 31 March 1997

Telkom: reconnection of telephones

*8 Mr J A JORDAAN asked the Minister for Posts Telecommunications and Broadcasting

- (1) With reference to the reply to Question No 534 on 9 September 1996, (a) what was the nature of the consumer and union pressure which resulted in the reconnection of the 3 000 Telkom customers who had previously had their telephones disconnected and (b) what total amount was owed when these telephones were disconnected.
- (2) whether these customers have subsequently incurred any further debt, if so what amount is involved.
- (3) whether any efforts have been made to recover this debt if so, (a) what efforts and (b) with what measure of success?

N101E

THE MINISTER FOR POSTS, TELECOMMUNICATIONS AND BROADCASTING

The Managing Director of Telkom has informed me as follows

- (1) (a) The consumers and labour groups view was that the former Ciskei Posts and Telecommunications Department had failed to either suspend or

discontinue services to defaulters for some three to four years due to inconsistency in procedures. This inconsistency caused problems to people in meeting their obligations on acquiring telephone services as people received their statements very late or not at all. The then department was also not prompt in fixing faults, implying that people in certain instances were required to pay for non-functional services

Their view was that the people could not be punished for what the department allowed to happen

- (b) Although about 3 000 customers in the former Ciskei were supposed to be suspended and disconnected only about 2 000 were suspended before the decision was reversed. It was too late to reconnect these customers but a list of names was handed to Telkom for reconnection. These customers owed R2 384 million at that stage.

- (2) At the time of re-incorporation Telkom could not separately monitor these customers, who were treated as part of Telkom's normal customer base. This information is therefore not readily available at this stage

- (3) (a) As reported previously a project team known as the Bridging Structure was formed to collect the outstanding amounts in the former TBVC territories. A toll-free number was installed where the customers could voice their complaints thereafter they were investigated and solved as far as possible. Statements were also sent out and the response was received a letter of demand was sent to the customer. If there was still no response a final demand was mailed

- (b) The current outstanding amount regarding these customers is R2 171 million. An amount of R 213 000

MAN 24/2/97
**SAA seeks
new heights in
affirmative action**

(270) ~~270~~
By MELANIE-ANN FERIS

South African Airways is advancing its affirmative-action policy

The focus of the programme is to identify suitable affirmative-action managers and to train them to ultimately represent SAA both locally and internationally at the airline's destinations

Leon Els, senior manager for SAA public relations, said yesterday the programme did not necessarily mean there would be an increase in destinations for the company, because these were usually determined by market demand

Els said the programme was an extension of SAA's long-standing affirmative-action policy, which included the cadet pilot school for candidates

All candidates selected from SAA and outside the company would undergo 30 weeks of training, starting in April, which would involve accelerated practical and theoretical training covering aspects such as passenger and cargo handling, cultural diversity, leadership development and financial skills.

Els said the project would start with an initial six candidates and could be extended later depending on the success of the programme.

Zukile Nomvete, executive director of Transnet, said good business acumen, with excellent communication and interpersonal and negotiating skills, would be crucial for these positions, which he described as challenging

Union endorses job losses as Transnet restructures PX

Robyn Chalmers
and Renee Grawitzky

THE SA Railway and Harbour Workers' Union (Sarlwu) has backed a restructuring of Transnet's consignment distribution business PX, which could result in the loss of more than 3 500 jobs.

Sarlwu said that government and Transnet have been considering ways to restructure PX after it posted losses of R433m in March last year, following a net loss of R297m the previous year.

Transnet chairman Louise Tager recently scotched rumours that PX was being closed down, saying "at this stage, the (restructuring) plan for PX looks very positive and we hope we can move forward rapidly".

Tager said that PX was being restructured with 3 500 people moving out of the division on a negotiated basis with plans to support those employees who were leaving.

Sarlwu said the transport unions had conceded that something drastic had to be

done at PX. Sarlwu had accepted a number of agreements to effect staff reductions. These provided for the closure of a number of non-profitable depots, specific manning levels for operational depots, early retirement and favourable voluntary retirement packages.

Transport department director-general Ketso Gordhan last week outlined broad timetables and the way forward for the transport sector, including the possibility of SA Airways (SAA) being fully privatised eventually. Autonet would also be

(270)

RD 7/4/97

fully privatised Spoornet and Portnet would have to be restructured before a decision was made on their future, while Petronet would be regulated but remain a state utility.

On SAA, the union said it had agreed that there was a need to fast-track its privatisation.

However, the union had not "closed its eyes and ears to problems in SAA".

Sarlwu said it would consider a range of options for SAA which could include an equity partner, although this should not

be considered above other options.

Gordhan said that government was overhauling the role it played in the transport industry and was aiming to move away from being an operator, infrastructure provider and regulator of business detail.

It would look towards maximising competition with a strong focus on increasing the choice for customers and either lowering the cost of current services or improving the level of services for the current cost.

Transnet helps tackle rates impasse

Linda Ensor

CAPE TOWN — A solution to the non-payment of rates was reached yesterday when Transnet agreed to take over R2,1m in outstanding rates owed by its employees to three Western Cape municipalities.

The agreement was heralded as a novel way of ending the impasse over the nonpayment of rates which has crippled many local authorities.

Western Cape local government MEC Peter Marais said that if similar agreements were reached in other parts of the country between employers, employees and municipalities, significant inroads could be made in reducing the R6bn owed to local authorities. He regarded the agreement as a breakthrough in attempts to reverse the culture of nonpayment of rates and services in the Western Cape.

About 1 000 employees were involved in the agreement in terms of which Transnet agreed to pay R2,1m to the municipalities of Cape Town, Tygerberg and Oostenberg.

The money would be deducted over a period of time from the workers' salaries in a manner agreed upon with the individual workers on the basis of their personal financial circumstances.

Marais said the workers, faced with the imminent loss of their homes through sales in execution following nonpayment, had asked Transnet for help and Transnet had consulted with him about a possible solution.

Cape Chamber of Commerce and Industry human resources manager Charl Adams welcomed the development saying: "Anything that can break

the impasse without prejudicing any parties must be favourably considered as an alternative. This however, is presupposing that the outstanding debt is not written off, nor becomes an additional debt to the corporation, but is paid off by employees according to arranged agreements.

"We encourage creative solutions to the nonpayment of rates and it seems that Transnet has hit on a formula that is acceptable to all stakeholders to unlock the impasse."

A similar initiative was launched in Port Elizabeth recently when the regional chamber of commerce signed an in-principle agreement with labour federation Cosatu which would allow the payment of R86m in municipal service arrears by deducting from the salaries of the city's 350 000 workers.

Both parties had to canvass support among their members for the plan which won the approval of 90% of the business community.

Marais called on other government and nongovernment employers to follow Transnet's example by discussing with trade unions and their workers an agreement to take over their rates and service arrears.

He believed this could make a massive contribution to the economic survival of hundreds of municipalities which faced accumulated arrears of about R340m in the metropole.

"Employers cannot stand aloof from the problems of their workers. They must take up the cudgels on their behalf," Marais urged, saying that they stood to gain from good governance at

Continued on Page 2

Transnet

Continued from Page 1

local level. If municipalities were burdened with nonpayment this would affect the economy at the end of the day.

Marais also considered it preferable for employers to undertake the often intricate negotiations on arrears with municipalities, rather than leaving this to often uneducated workers.

Employers had the necessary expertise and capacity to reach deals with

municipalities but were doing nothing to protect workers threatened with the loss of electricity and water services and even their houses. Another possibility to be investigated was for service charges to be deducted monthly on a stop order basis from worker's salaries.

Spokesman for Provincial Affairs and Constitutional Development Minister Valli Moosa, Mpho Mosimane, said the ministry could not comment on the agreement without scrutinising it first. However, it welcomed any initiative which helped reverse the culture of nonpayment.

Transnet pays workers' R2-m rates arrears

ANDREA WEISS
METRO CORRESPONDENT

(270)
~~127~~

Local Government Minister Peter Marais has brokered a groundbreaking agreement with Transnet which will pay more than R2,1-million in rates arrears owed by its employees.

Mr Marais announced the deal yesterday, calling it a "major breakthrough to reverse the culture of non-payment"

In terms of the agreement Transnet will pay the money and recoup it from employees in an agreed manner and time period.

The money is owed to the municipalities of Cape Town, Tygerberg and Oostenberg.

Mr Marais said the step was "an example of compassion and empathy" which would contribute to the development of healthy labour relations.

"It will also contribute to the recovery of the financial position of local authorities, which is a cause for great concern."

Mr Marais has called on other government and non-government institutions to follow Transnet's example because it could contribute "massively" to the survival of hundreds of municipalities.

He said all employers and unions should investigate these possibilities and work together to make the Masakhane campaign a success

ARG 11/4/97

Pensioners slam Transnet for derailing deal

ST(CM) 13/4/97 (270)

YVETTE VAN BREDA

PROTESTS are being planned by more than 100 000 pensioners who accuse Transnet of renegeing on retirement benefit agreements

SA Association of Retired Persons director, John Benwell, said this week they had written to President Nelson Mandela in their latest bid to get Transnet to reverse its "unilateral withdraw-

al of after-retirement benefits" done
The retired Transnet employees claim they were promised medical benefits which have now been taken away from them

"When I retired after more than 40 years with the company I thought my wife and I would have a pension and medical benefits until we died," said 61-year-old former employee Leo Phillips this week "Now, if I have to go to the dentist or the optician, I have to pay for it myself It is absolutely criminal what they have

Benwell said Transnet had gone ahead with its decision to stop pensioners' medical aid benefits, despite existing agreements

Pensioners were now being forced to decide between contributing to an expensive medical aid scheme with limited cover, or becoming patients at overcrowded state hospitals

In another development Transnet has informed unions that post-retirement travelling

concessions are to be withdrawn as well

The pensioners' association accused Transnet of having "no idea of how to maintain moral obligations"

Denying the accusations, Transnet spokesman Tami Didiza said this week that many of Transnet's 108 857 pensioners were from the defunct SA Transport Services, but were still receiving pensions even though Transnet had no legal obligation to assist them

Union in conflict of interest on Sun Air

BD 17/4/97

(270)

Reneé Grawitzky

THE SA Railway and Harbour Workers' Union (Sarhwu) has resolved to pull out of Sun Air's restructuring committee to avoid a possible conflict of interest resulting from its investment arm's bid for a stake in the airline.

Elements within management, potential bidders and other unions had opposed the presence of Sarhwu investment arm CE Sandile Zungu.

The investment arm is part of Virgin-Bhekilanga consortium of which Zungu is chairman.

Parties opposing Zungu's presence felt a conflict of interest existed as he would have access to confidential information which could assist the consortium's bid. They argued that no real difference existed between the union and its investment arm. The union said it would consult its negotiating team on its decision to pull out temporarily of the restructuring committee.

This comes after the Congress of SA Trade Unions-aligned National Labour and Economic Development In-

stitute (Naledi) found that unions were facing member resistance to their investment strategies, with implications for the future of the labour movement.

The argument that some unions had found a solution by distancing themselves from their investment companies did not hold water, Naledi said, and sometimes resulted in workers losing control of the investment and accountability being compromised.

Public enterprise spokesman Wandile Zote said last night that Sarhwu's decision would remove any conflict of interest which might have existed.

A labour source said it did seem hard to distinguish between union investment companies and unions. Unions had to develop clear strategies on how investment companies should operate after considering the ramifications. Another labour source said similar problems were likely to arise with other union investment arms contemplating bids for state enterprises which were being privatised.

Continued on Page 2

Union (270)

Continued from Page 1

Sarhwu said once all aspects of the bid had been finalised, it would rejoin the restructuring committee and present worker demands on how future employers would deal with job security, human resource development and the Labour Relations Act.

Lukanyo Mnyanda reports UK-based Virgin Atlantic's chances of acquiring a stake in a privatised Sun Air would not be affected by the potential

conflict of interest arising from Zungu's presence in the restructuring committee and the matter should be resolved by Monday.

Government postponed a news conference, scheduled for today, to name the bidders who had passed the pre-qualification stage, when it emerged that Zungu was on the committee.

The public enterprises and transport ministries said the matter would be discussed in a six-a-side meeting on Monday. It would not affect conclusion of what had been a successful project.

See Page 3

APRIL 19/20, 1997

31111

BE BUSINESS IN BUSINESS

11/11

Sun Air bidders pledge benefits for workers

'Revenue could cushion job losers'

ARG 19/4/97

(270)

ALIDE DASNOIS
BUSINESS EDITOR

If the Bhekilanga consortium is successful in its joint bid for Sun Air with Virgin Atlantic, benefits should flow back to all workers in the airlines, harbours and railways, according to Bhekilanga chairman Sandile Zungu

Mr Zungu, who is chief executive of Sarwhu Investment Holdings, one of six partners in the Bhekilanga consortium, said revenue from the investment could be used to cushion workers against job losses from restructuring.

His company would not use South African Railway and Harbour Workers' Union money to finance the bid, nor would Sarwhu members be the only beneficiaries if the bid was successful, Mr Zungu said

He was commenting on reports this week that other bidders were worried that Sarwhu Investment Holdings could have access to confidential information about

'We will not be using members' money for this bid or any other future deal'

the bid because of Sarwhu's presence on the Sun Air restructuring committee

"When this company was set up, Sarwhu gave us R500 000 to get off the ground. That is all

"Like any black empowerment group, we will be going to the market to raise funds. We will not be using union members' money for this bid or any other future deal."

Sarwhu Investment Holdings was responsible to the trustees of the Sarwhu Enablement Trust, he said, and not to the union

"The trustees have employed me to find

innovative ways of creating value for the beneficiaries of the trust, which include all workers in the railways, harbours and airlines, not just Sarwhu members"

Mr Zungu said depending on how the finance for the bid was structured, the first two to three years would probably not provide revenue for Sarwhu Investment Holdings

"After that, it will be the decision of the Enablement Trust as to how the revenue is spent"

He said the money could be used to help employees in airlines, harbours and railways who lost their jobs through restructuring, possibly by providing finance to allow them to set up in business

"These people have built up an asset through their toil

It is not right that they should be denied the opportunity to benefit when other people realise the value of the asset," Mr Zungu said

"We have to find innovative ways of making sure that they are not thrown to the wolves"

Transnet fires workers for credit card abuse

(270)

Wyndham Hartley

CAPE TOWN — Twenty-two Transnet employees had resigned or been dismissed as a result of investigations into credit card abuse, Public Enterprises Minister Stella Sigcau said yesterday.

In response to a parliamentary question by National Party MP Piet Coetzer, Sigcau said that the investigations into credit card abuse at Transnet had been completed, but not all the disciplinary inquiries had. She gave Coetzer the undertaking that once the 25 outstanding inquiries had been completed, all the details would be made public. In addition to the cases still in progress, there was a case of a formal written warning to an employee because of a failure to supply supporting vouchers for credit card transactions.

New internal controls had also been put in place to prevent a similar occurrence in the future. Sigcau also promised in all cases the money was being recovered and criminal action was being taken against the "perpetrators".

In reply to another question from Democratic Party MP Kobus Jordaan, Sigcau said Transnet was budgeting R16m for sports sponsorships in 1997/98. Also in the budget were R9m for education, R4m for arts and culture, R11m for primary health care and R2,5m for unutilised assets

BD 23/4/97

Strike by bus drivers averted

(278) (52)

A countrywide strike by commercial bus drivers was averted yesterday when the Labour Court ruled that the industrial action would be illegal, the SA Bus Employers' Association said.

President Barry Gie said wage talks deadlocked last week. The unions demanded a 15% rise while employers of-

ferred 9%.

"Union negotiators rejected our proposals that the matter be referred to a mediator or be resolved through arbitration," Gie said. "They threatened a countrywide strike instead."

To prevent a strike, the association asked the court to declare the transport industry an essential service - Sapa.

STAN 23/4/97

Angry commuters torch five buses while drivers strike

Damage estimated at R1,4-million was caused by angry commuters who torched five North West Star buses while bus drivers were on strike.

The commuters set fire to the buses when they had to find alternative transport from Pretoria to Hammanskraal due to the dispute on Tuesday be-

tween workers and management at the North West Star bus service.

Workers at North West Star's Babelegi depot resumed work at 9.30pm on Tuesday night after an interim agreement was reached with management.

Bus services ran normally

Star 24/4/97 (270) (270) (270)
yesterday as union officials continued their negotiations with management.

In addition to the five buses that were set alight, another 10 were damaged when they were pelted with stones by angry commuters.

Damage was estimated at R1,4-million, North West Star

Bus Service spokesman Johan Stegmann said. The dispute between the parties concerned certain company fringe benefits.

"A case of public violence is being investigated. Police are looking for leads," police spokesman Captain Garwin Geldenhuys said. - Own Correspondent.

Transnet pensioners to fight medical aid cuts

JOHANNESBURG: More than 2 000 pensioners have decided to take legal action against Transnet and its medical aid, Transmed, because of Transmed's decision to reduce medical-aid benefits by half

The pensioners held a mass meeting in Cape Town and decided to hold meetings in other centres to rally support.

The cuts in medical aid benefits mean pensioners will have to pay for all their medicines

The pensioners have accused Transmed of being unfair and claim that, according to their original contracts, they should receive free medical aid

They say that, instead, they are having to pay more and more for medical aid

Pensioners claim that Transmed has said it will pay only for chronic illnesses

Transmed is to discuss the matter at a board meeting

Sapa

(270)

CT 30/4/97

State asked to take over Transnet pension payments

CHRISTO VOISCHENIK

Cape Town — The Stride committee investigating the restructuring of the Transnet pension fund has proposed that the government start paying pensions to existing Transnet pensioners, Saki Macazoma, the managing director of Transnet, said yesterday.

This would allow Transnet to launch a new defined contribution pension fund to replace the existing defined benefit fund, Macazoma said.

The committee, chaired by Charles Stride, the special adviser to the department of finance, had completed its report, which would be released soon, Macazoma said.

Transnet's pension fund and medical aid were underfunded, and Eugene Kruger, the finance director of Transnet, said R2 billion would have to be channelled to the funds annually for the next nine years to fund them properly.

"The only aspect of the Stride report still to be completed is the question of how Transnet's assessed loss should be used in the restructuring process," Macazoma said.

The main proposal in the Stride report was that government should take responsibility for paying pensions to Transnet's existing pensioners to allow Transnet to repay about R10 billion of T11 bonds issued in the past few years to partly fund the pension fund.

"Repaying the capital market debt will save Transnet about R1,4 billion in interest paid annually to service the debt and leave Transnet with a profit," Macazoma said.

In the previous financial year, Transnet paid R1,4 billion interest on its R10 billion debt — excluding the R200 million paid to reduce the actuarial deficit and R400 million to improve the funding level of its medical aid fund.

Macazoma said Stride would propose that Transnet pay government, as sole shareholder of Transnet, a dividend out of its profits that was big enough to cover government's annual pension responsibility towards Transnet's pensioners.

The extra income should cancel the extra expenditure and also circumvent an increase in government's deficit before borrowing

CT (BR) 6/5/97

(270)

Govt asked to pay Transnet pensioners

(270)

006/5/97

Wyndham Hartley

CAPE TOWN — The Stride committee investigation into Transnet's pension-related debt has recommended that the stocks financing it be cancelled and that all Transnet pensioners be taken over by the state to make the parastatal profitable.

Introducing her budget vote in the National Assembly, Public Enterprises Minister Stella Sigcau said the report into the options which government had to resolve the pension deficit problem was before the interministerial cabinet committee. There would be discussion with the parliamentary committee and Transnet on the recommendations.

At an earlier briefing on the public enterprises budget vote, Transnet MD Saki Macozoma said the cost of servicing the R17bn pension fund debt was more than R1,4bn a year. This swallowed the profit from Transnet operations, depriving it of the ability to upgrade or maintain its infrastructure.

He said the Stride committee had recommended that the stock issued to finance the pension fund deficit (the T11 bonds) should be cancelled and all Transnet pensioners be taken over by the state pension fund.

This would allow Transnet to start with a clean slate and a pension fund based on a defined contribution for existing staff, which would be more manageable. The defined benefit pensions system is seen to be at the heart of the huge deficit.

"In the past we have existed simply to service the pension fund and this has created the situation where we have not been able to replace assets."

He said the changes recommended by the committee would turn Transnet's R1,5bn a year loss into prof-

it of up to R1bn a year. The corporation needed more than R1bn a year for the next 10 years in order to restructure, because the infrastructure had not been serviced.

Macozoma said the finance department was considering the tax implications of the recommendations.

The Stride committee in conjunction with the finance department, Transnet and HSBC Bank have been investigating options to lighten the pension and medical aid funds drain on Transnet without harming its assets or the potential attractiveness of parts of Transnet for privatisation.

Crucial among these is SA Airways (SAA) which, in spite of its predicted R300m loss this year, would be "restructured" in 1998, Sigcau said. Because of SAA's importance as a national asset and the highly competitive market in which it operated, "the restructuring of SAA should be considered a priority".

She said government's preferred plan for SAA was to seek a strategic equity partner and this had the support of organised labour.

A strategic equity partner was also envisaged in the restructuring of the Airports Company, for which there was considerable interest from international airport operators. The process would be completed by the end of this year or early next year.

Sigcau said a study of SA's arms manufacturer, Denel, was under way in order to help understand how best to approach its restructuring.

Denel already had important international co-operation agreements and was a site of technological excellence which could earn vast amounts.

Continued on Page 2

Transnet

(270)

Continued from Page 1

006/5/97

During debate the opposition targeted Eskom for praise and Macozoma for criticism. DP MP Kobus Jordaan said while the outgoing chairman of Eskom, Jordan Maree, could be singled out as the man responsible for getting Eskom to the point where it supplied the cheapest electricity in the world, the same could not be said of the Louise

Tager/Macozoma team at Transnet. He said staff morale among Transnet's 114 000 employees was at an all-time low and Macozoma had created a "rudderless ship".

National Party MP Dawie de Villiers said Sigcau had to be applauded for her undertaking to privatise eight parastatals this year but warned one third of the year was already past. He accused the African National Congress of advocating bold privatisation overseas but "here at home it appears as if there is not the same conviction".

Metrorail cracks job reservation

(270)

CYNTHIA VONGAI

CT 16/6/97

FOUR Metrorail drivers made history yesterday when they graduated as commuter train drivers, an occupation previously reserved for whites.

Mr Theodore Alexander, Mr Ebrahiema Samuels, Mr Russell Gardiner and Mr Christiaan Sias received diplomas from Transnet executive director Mr Mafika Mkwanazi.

He said: "There are 4 000 drivers in the company. In 1995 when I tried to find out if there were any black drivers I found only one hidden somewhere in Umtata. This had to change."

Metrorail, through its fast-tracking programme, which cut the four-year train-driving course to two, intends engaging 80 more black drivers within two weeks.

"This is a true reflection of our transformation of the company," Mkwanazi said.

The four graduates were selected from 24 applicants because of previous experience as train assistants. They all surpassed the required pass mark of 80% by scoring between 93% and 95%.

Alexander, one of the four, said his dream had been realised.

He worked as a train assistant for nine years and had lost hope of being promoted.

"My dad used to work for Spoornet and he encouraged me to become a train assistant," he said.

"I had wanted to be a driver but then it was not possible because of the system.

"I am looking forward to having my own route but for the next couple of weeks I will be familiarising myself with all the train routes."

'State should pick up pension deficit'

Robyn Chalmers
and Belinda Beresford

BD 20/5/97

THE state should be responsible for the huge liability of Transnet's pension fund, as outlined recently in the Stride committee report, Transnet pension fund executive manager Gideon van Zyl said.

Van Zyl said the state should take over responsibility for the liability as government had guaranteed the deficit in the fund at the formation of the company in 1990.

"(If the state takes over the liability) the fund will be in a position to utilise opportunities regarding the needs of employees. We welcome the recommendations (of the report)," he said.

The report recommended that the T011 stocks issued to reduce the R17bn deficit be cancelled and that all Transnet pensions be taken over by the state to make the parastatal profitable. These recommendations still had to go before the interministerial cabinet committee.

Van Zyl said he had not yet seen the report, but the broad principles appeared to be feasible. It was difficult to predict how long it would take to implement the recommendations should they be accepted by government.

A source close to the pension fund said the huge deficit was preventing Transnet divi-

sions from getting strategic equity partners.

He said: "All possible buyers brought in by merchant banks, for example Goldman Sachs, are unwilling to take on open-ended liabilities of the defined benefits arrangements with such poor assets."

The source pointed out that the problem had a detrimental economic effect on SA. "This is the key to the Transnet privatisation, it holds the whole country to ransom. These issues are influencing the cost of transport, which affects our competitiveness," he said.

One way of tackling the pension fund problem was for government to fund the deficit and then change the scheme to a defined contribution scheme from a defined benefit scheme. Proposals to change the pension fund required negotiation with the employer body.

Government could also put up guarantees to fund the scheme but this could be unsatisfactory because government could have limited control over future debts.

He said it appeared government would reschedule the debt. If the government took over the T011 bonds, they would be cancelled, removing Transnet's debt.

There would be a new maturity curve, with payments to pensioners spread over time, rather than a spike in repayments when bonds matured.

Transnet pension solution proposed

Greta Steyn

FINANCE Minister Trevor Manuel is considering a solution to the Transnet pension fund deficit which would not cost the taxpayer anything and which would pave the way for billions of rands in privatisation.

The huge shortfall in the Transnet pension fund is blocking the way to bringing in private equity partners for some of the parastatal's subsidiaries. It is also the reason why Transnet has been running at a loss, and has been unable to invest in new infrastructure.

A report containing the proposals was written by a committee chaired by consultant Charles Stride and which included representatives from HSBC bank and the finance department.

A source said an important element of Stride's report was that it valued the shortfall at considerably less than early estimates of R17bn, which brought down the cost of reducing it by more than half. It also recommended the unbundling of Transnet as a precursor to getting strategic equity partners for some of the subsidiaries.

Its key recommendation was to use the tax losses of the Transnet group as

a means to address the shortfall.

By proposing that the new owners of Transnet subsidiaries pay a contribution to the pension fund — instead of paying tax — Stride had come up with a solution which would not affect the budget, a source said.

There was some misunderstanding about Stride's ideas after Transnet MD Saki Macozoma's disclosure that Stride had proposed that the pension fund liabilities be taken over by the state. While such a move would form part of the overall plan, a source said Stride had never intended that the taxpayer should pick up the tab. "Quite the opposite," he said.

Stride had proposed that the tax losses within the Transnet group be transferred to the entities that were up for partial privatisation, such as Portnet and SA Airways. The move would ensure that the new companies would not pay tax but would make a contribution to the pension fund. A source said if they had paid tax and government used the revenue to address the problem, the budget figures would differ from macroeconomic targets.

There was a R9bn tax loss within the Transnet group which could be

shifted to the saleable subsidiaries, the report said. It also recommended the "amorphous" parastatal be unbundled.

The source said Stride's committee had valued the actuarial shortfall in the pension fund in a new way and had based it on a funding target of 89%. The result was that the deficit was estimated at R12,5bn rather than earlier estimates of R17bn, and the annual cost of reducing the shortfall had been reduced to R600m a year. Part of the approach was a change to a defined contribution rather than a defined benefit fund, which resulted in a higher valuation for equities.

Finance sources said opponents of Stride's ideas had raised concerns that the use of tax losses might lead to an erosion of the tax base, and a precedent would be created by shifting tax losses around within a group of companies.

His supporters had pointed out that the bulk of the loss belonged to Spoornet, which would take years to work its way into a tax-paying position, and that it could be put to better use by transferring it. If the tax aspect of Stride's ideas was discarded, government would have to find R600m a year in the budget to deal with the problem.

BD 5/6/97

(270)

16 blacks to receive certificates for train driver course

Star 6/6/97 (270)

Sixteen black drivers are to receive certificates from Wits Metrorail in two weeks' time after successfully completing a nine-month training course in commuter train driving

This will bring the number of black train drivers qualified to drive Metro commuter trains in the Wits region to 18. Two black drivers are already on the job

Metrorail marketing and communications manager Buntu Petsana said in a statement that Wits Metrorail had

set aside 72 posts for black train drivers, and there was an ongoing process to employ more.

"It is expected that the second batch of drivers will be ready for work in May next year," she said.

The campaign to employ black drivers is part of a strategy to transform the organisation and implement affirmative action, said Petsana.

The selection process for black train drivers started last year after Metrorail had successfully negotiated

an agreement with the Footplate Union to empower and train blacks.

"We were slow in reaching our target because our initial agreement with the Footplate Union required us to select candidates with two years' goods train experience.

"However, after further negotiations with the union, we have done away with this and are now recruiting people with no experience and training them from scratch," Petsana said

- Staff Reporter.

MULTI-MILLION RAINBOW

SAA pilots plan to derail Transnet's pension plan

ROGER MAKINGS

(270)

ST 22/6/97

A DECISION by Transnet to end travel concessions for its more than 100 000 pensioners looks set to end in a legal battle

This week the SAA Pilots' Association, which said it had taken legal advice on Transnet's "unilateral" withdrawal of the rights, vowed to go to court, if need be, to fight on behalf of pensioners.

The union said the rights of its pensioner members to travel benefits were part of a negotiated agreement, and the move was a breach of contractual right

However, cash-strapped Transnet claims that its 105 168 pensioners are costing it more than R100-million annually, which it can no longer afford.

It is also asking its pensioners

to contribute towards their once-free medical aid

At a meeting of the parastatal's board of directors in February, a resolution was adopted to end all pensioner travel concessions from January 1 next year

Transnet spokesman Tami Didiza said this week the travel perks were no longer sustainable. Pensioners qualifying for concessions would have to take them before the end of the year

But De Vihers Steyn, a retired SAA captain who represents retired cockpit crews, said Transnet was trying to renege on a contractual agreement that had been negotiated in 1988

"Most of this travel is on a standby basis at a percentage of the price of a ticket. Only if there is an empty seat on the aircraft do we get to board, thus generating revenue for SAA," he said

Putco claims union is blocking tender system

Lucia Mutikani

BUS operator Putco yesterday accused labour of trying to block the implementation of the new tender system in the transport industry because of fears of massive job losses. The tendering system is being introduced as part of the new transport policy.

Financial director Vic Coetzee, whose company has been experiencing operational problems, said the Transport and Allied Workers' Union (Tawu) was the "biggest stumbling block" in the system's introduction.

Putco's attributable earnings slumped 24% to R3,6m in the six months to December and the company was pinning its hopes on the new transport policy to improve profit margins. "The union fears job losses if contracts move from one company to another," he said.

Coetzee also accused Tawu of frustrating his company's efforts to empower small entrepreneurs in the public transport sector. "We are definitely looking into the issue of black empowerment. We have subcontracted to small black businesses and this programme has been in place for the past two-and-a-half years," he said.

BO 26/6/97 (270)
"However, the biggest problem is how to convince them (union) to buy into the situation of empowering small entrepreneurs."

Tawu assistant secretary general Harold Harvey said the union had "serious" problems with the tender system as it did not make provision for job security. "The union's position and that of Cosatu is that public transport should be provided by a publicly owned enterprise and not a private enterprise. Our view is that the tender system introduces into the public transport system a disruptive element. We are of the view that the profit motive introduced by this system is inappropriate, taking into account SA's level of development. People cannot afford transport in SA."

Tawu would block subcontracting if it was a way of privatising jobs. "Putco must not talk of black empowerment when it is trying to use black business people to exploit black labour. They must open up ownership to workers by giving them shares in the company."

Labour, government and bus operators were locked in negotiations on how to deal with the question of job security when the new transport policy was fully implemented.

First 16 black (290) train drivers qualify

21/7/97

By Coudjoe Amankwaa

MORE than 40 percent of all tram drivers in South Africa will be black by 2001, Transnet chairwoman Professor Louis Tager told a group of graduate drivers at the weekend

Speaking at the graduation ceremony of 16 black train drivers in Johannesburg, Tager hailed their achievements as a "bold step in the right direction"

The process of bringing in black train drivers started in 1994 and was motivated by "the determination to bring about real transformation into Metro-rail as the previous *status quo* excluded blacks from becoming commuter train drivers"

One of the graduates, Mr Reckson Sigwavhulimu Mulaudzı (47) of Naledı, Doornkorp, joined Metro-rail in 1974 as a labourer "I feel great because my dream has come true Although it took a long time, thank God it finally happened"

Transport MEC Mr Paul Mashatile urged the drivers to be dedicated to their work

"This is the beginning of a journey of a million miles for all of you South Africa is proud of you."

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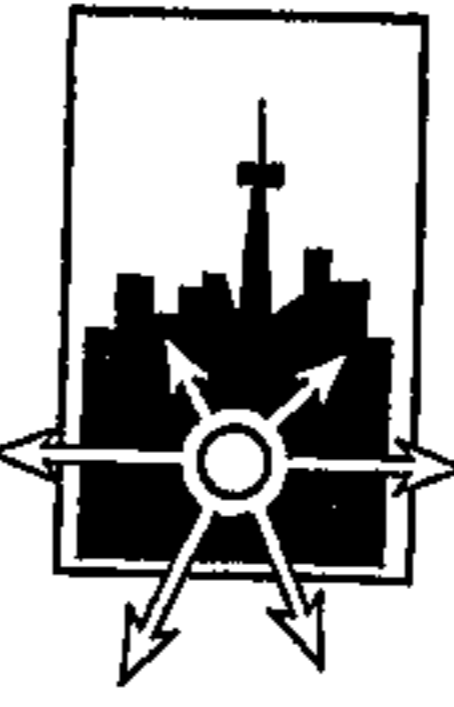
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Pilots' salaries stall as SAA's fortunes dive

BD 24/7/97

(270)

Reneé Grawitzky

SA AIRWAYS has told its pilots they will not get a salary increase this year due to heavy financial losses.

The SA Airways Pilots' Association said yesterday it would respond to the company's opening offer after reviewing SAA's financial position.

It had been told that all SAA unions would receive a zero increase this year. The association would not divulge pilot salaries or increases granted last year save to say that increases were granted after an international comparison.

SAA's results for the year to March

will be released on August 4, but net losses of R300m to R350m are expected against the previous year's net profit of R324m.

SAA, a division of Transnet, said it could not comment on negotiations under way. Negotiations with other SAA unions start next week.

In talks at Transnet's industrial council covering 100 000 employees excluding those at SAA and PX, an offer of 7% and 7,5% has been tabled.

Transnet unions indicated that the offer was 7% with a further 0,5% negotiated within each division of the company. Unions including the SA

Railway and Harbours Workers' Union had demanded increases of 18%.

Meanwhile, SAA is attempting to resolve a number of alleged unfair labour practice disputes over the demotion of experienced cabin crew in favour of inexperienced personnel.

SAA spokesman Jackie Rakitla said the company and Transnet union Salstaff had agreed to meet in the industrial council to explore ways of finding a solution.

Salstaff general secretary André Venter said the union would attend the meeting but would continue drafting the terms of reference for arbitration.

Transnet suspends director during probe

DD 18/8/97

(270)

Janet Parker

TRANSNET had suspended an executive director on full pay and with immediate effect, pending the completion of an investigation into several allegations of misconduct and an inquiry in terms of company procedures, the parastatal said on Friday.

The suspension of Joe Ndhlela, executive director of human resources, is the second of a top-ranking executive in a year. The

decision was taken in conjunction with government, Transnet said.

Transnet MD Saki Macozoma said he intended "to have the matter concluded expeditiously".

Ndhlela initially joined Transnet in 1989 as labour relations manager and made it to the board as nonexecutive director in November 1994. He was appointed as executive director in April last year and his responsibilities included the PX and Petronet business divisions.

In January, allegations were published in an Afrikaans daily newspaper that Ndhlela had misused his credit card while on an overseas trip five years ago. At the time, Transnet said his expenses had been work-related and his behaviour was "beyond reproach".

Transnet chairman Louse Tager said yesterday that these allegations and Ndhlela's suspension had "no connection", and that his suspension was "not up for discussion" at this stage.

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Suspended Transnet director's security unit 'bugged managers' offices

Reneé Grawitzky
and Robyn Chalmers

SUSPENDED Transnet executive director Joe Ndhlala was understood to have established a security unit which allegedly bugged senior managers' phones and searched their offices, Transnet sources claimed yesterday.

The unauthorised work of the surveillance unit is understood to be one of the grounds for his suspension. A former Transnet manager said he was aware of an incident where a manager's office was searched and the telephone interfered with, allegedly by members of Business Information Services — the internal division which sources claim reported to Ndhlala.

The former manager said a complaint was lodged with Ndhlala but no action was taken.

Transnet sources claimed Business Information Services had employed two former military intelligence members at senior manager level packages, believed to be in the region of R300 000 each. It was unclear whether they were involved in bugging activities or employed an outside company to do this.

Documents show that one of the former military intelligence agents was referred to Ndhlala for an interview by Transnet chairman Louise Tager. Tager said yesterday that as chairman, hundreds of curriculums vitae crossed her desk every day. She declined to comment further on the issue, but said she had no knowledge of the alleged bugging activities.

"I would never accept this," she said.

Sources within Transnet said the establishment of Business Information Services was curious as Transnet already had security, forensic and audit departments.

One source also claimed that a number of senior managers falling under Ndhlala had left in the past year. A Transnet spokesman declined to give information on this.

Analysts said there had been speculation that Ndhlala, who was initially employed as the industrial relations manager, wanted a more senior position — that of MD. Sources said he was outspoken about this.

Transnet MD Saki Macozoma declined to comment on any of the allegations yesterday, saying it would be unfair to try Ndhlala in the media particularly as an internal investigation was under way. Public enterprises ministry spokesman Wandile Zoye also declined to comment.

Why Ndhlela was suspended

Transnet suspended a director last week after he tried to take over its restructuring process, writes Mungo Soggot

Transnet's suspended-executive director, Joe Ndhlela, incurred the wrath of Minister of Public Enterprises, Stella Sigcau, when he set up his own talks on privatising and restructuring sections of the transport grant.

Senior Transnet sources confirmed this week that Ndhlela had also failed to turn around the PX Container Division of which he was in charge. Under his management, the division's losses increased to R489-million in the 1997 financial year from R433-million the previous year. This fuelled pressure for his suspension.

It is understood he invited government and Transnet officials to several presentations at which he promised to bring PX to break-even point.

According to Transnet insiders, Ndhlela was also alleged to have been involved in the bugging of offices through his business information services division.

A Transnet insider said that on one occasion Sigcau had convened a

meeting with Transnet unions to discuss restructuring. A union representative told the gathering that Ndhlela had already hosted a meeting at which he discussed the black empowerment opportunities that could arise from restructuring. "Stella was livid," said the official, adding that whereas the secretary general of the union had attended Ndhlela's meeting, a junior official was present at Sigcau's talks.

'Ndhlela was running parallel talks. He was seen as systematically undermining Saki and Stella'

"Ndhlela was running parallel talks. He was seen as systematically undermining Saki and Stella."

There is also talk that Ndhlela made a payment to a recruitment agency for the appointment last year of Transnet's six executive directors — despite the fact they were all selected by Sigcau's ministry. The ex-

ecutive directors each earn R830 000 a year.

Ndhlela could not be reached for comment.

A representative of the public enterprises ministry, Wandile Zote, said this week that no one would comment on the circumstances surrounding Ndhlela's suspension.

Macozona and Transnet's chairman, Louise Tager, had not returned calls at the time of going to press. Both have been reported this week as declining to comment on Ndhlela.

Ndhlela is understood to have been close to Tager when she joined Transnet in 1994 as chair and is believed to have lobbied strongly for her appointment.

He is the second Transnet executive director to come into the line of fire. Portnet chief Siphiso Nyawao was sacked late last year for credit card abuse and it is said that two other executive directors could also be axed in the near future.



Double trouble: Joe Ndhlela made Stella Sigcau 'livid'

M+C 22-28/8/97
(270)

too will be discouraged. Most important, there will be a clear message to those with HIV not to hide it from a sexual partner, so that that partner can take special precautions to protect himself or herself.

Rev K R MESHOE Madam Speaker, severe penalties are necessary when persons do not inform their sexual partners that they are HIV positive or infected with Aids. The reason for doing this is simple. The opposite is equal to giving the other person a death sentence. Knowingly passing the disease to another person without disclosure is equal to attempted murder or even murder itself.

Of greater concern, however, is that very many individuals are not even aware of their potentially deadly medical status. The present system used to monitor the spread of the Aids virus in South Africa involves random, anonymous testing of pregnant women using public antenatal clinics. This surveillance method is widely used in Africa, and hence it is the norm, yet it falls far short of the means required to check the growth of the epidemic.

Opponents who state that notification requirements will drive the disease underground are missing the point. There are potential killers out there who are knowingly spreading the disease. Urgent steps need to be taken to make HIV/Aids a notifiable disease with a view to gauging accurately how fast the Aids virus is spreading in South Africa. The system of voluntary testing is not having the success it should. That we could even think of letting the situation continue unchecked would amount to sticking our heads in the sand, ostrich-style.

According to recent reports, the present method of random anonymous testing of pregnant women using public antenatal clinics excludes 20% of the population who go to private doctors, and, quite literally, the male population. Further complications arise however, as the blood which is taken from clinic-attenders is tested as a group without names being attached to the samples. [Time expired.]

The MINISTER OF HEALTH Madam Speaker, firstly I must make it clear that I agree with partner notification, but I think we must look at this in

perspective. People who know that they are HIV positive in this country are very few, compared to those who do not know they are HIV positive. The reason for this is that if one wanted to keep tabs on who was HIV positive in the population, one would have to test people almost every three months. I am sure that if I went around this House and asked members if they had tested for HIV in the past three months, I would find very few who had been. [Interjections.]

Therefore, it means that if one is HIV positive and does not know this, and the sanction is only on those who are known to have the virus, one can still spread the disease without being sanctioned, because one does not know that one is infected. This gives the country a false sense of security that those who are known to be HIV positive will be sanctioned if they spread the disease. What about the thousands who do not know? I agree totally that partner notification is important. However, I do not think that we can pin the Aids prevention strategy on partner notification alone, unless there is compulsory testing every three months, which is impossible.

The second point I would like to make is that for us to be able to deal with the Aids epidemic there needs to be co-operation between those who are infected, those who deal with them and the population at large. The most important point is that one will not get that co-operation by saying that if one is HIV positive one loses one's job and one's insurance, one gets kicked out of one's house, one is discriminated against and one is not given any opportunities in life. The best thing to do is to destigmatise HIV. That would be the most important contribution to preventing the spread of Aids. [Time expired.]

Mrs J N VILAKAZI Madam Speaker, the Minister herself has agreed that Aids should be taken out of the closet. Not until we deal more openly with the epidemic will we control it. How can we look after sufferers if we do not know what they are suffering from? How can we protect thousands more from a similar fate?

Certainly, there should be no discrimination against Aids patients. But to achieve social acceptance, we must treat Aids as we do any other

disease, and not cultivate the notion that Aids is something that should be hidden. The fact that Aids is not yet discussed as openly as it should be, and that the public perception of Aids is negative and ignorant, shows that we are still failing to educate people about the reality of Aids, about how to prevent it and how to deal with it as a social problem.

It is for these reasons that I continue to point out that the HIV/Aids problem in South Africa remains in the closet.

Dr R RABINOWITZ Madam Speaker, all individual rights can be limited for the public good, and we must take a careful look at how to balance various rights. The basis of our argument too is that there should be no discrimination. We believe that there is a way to strike a balance if we do the following.

We need to find a balance between including HIV/Aids sufferers openly in communities without ostracism, protecting their right to privacy and protecting communities from contracting Aids in the following ways. Firstly, no discrimination should be allowed on the basis of HIV/Aids, except for clearly defined categories which will have to be carefully discussed. Secondly, complete openness should be fostered, and HIV/Aids should be treated like any other illness, introducing the possibility of open testing while enforcing strict confidentiality amongst health workers. Thirdly, the limits of harmful behaviour of Aids sufferers should be defined. The illness should be notifiable, perhaps anonymously. Sufferers should not be isolated as with other notifiable diseases but they should be punished if they deliberately expose others to their disease. [Time expired.]

The MINISTER OF HEALTH Madam Speaker, as I said, I agree totally that partners should be notified.

I think the hon Vilakazi came to the crux of the matter. Aids/HIV must be brought out into the open. It must be destigmatised, it must be demystified and it must be treated like any other disease so that people who are HIV positive have nothing to hide.

This cannot be done by the Department of Health

or the Minister only. I do not know when the hon member Dr Rabinowitz joined the IFP. If she joined a long time ago she will remember that as early as 1992 - Shenge will attest to this - I went to Ulundi when it was not fashionable to go to Ulundi. [Laughter.] I addressed the IFP caucus in 1992 about HIV. Some members of that said party were there and some were not there yet. [Interjections.]

The MINISTER OF HOME AFFAIRS *isiZulu* Uqunusile udadewethu Nkosazana [Uhleko.] *Translation of original Zulu* [My sister Nkosazana, is telling the truth. (Laughter).]

The MINISTER OF HEALTH As early as 1992 - not because I was a Minister, but because I knew about HIV and about the problems - I took it upon myself to talk about it, to sensitise policy-makers and influential people in this country. [Interjections.] Yes, like the hon Shenge and others I did this because no number of laws - I am not saying that we should have laws - is going to deal with this problem until we just feel comfortable talking about it amongst ourselves, for a start, in our families and amongst our colleagues, and until we feel comfortable sitting next to a person who we know is HIV positive, working with that person and staying with that person at home or in the office without discriminating. That is important. [Time expired.] [Applause.]

Debate concluded

Concerned Transnet Workers Forum: grievances
3 Rev K R MESHOE asked the Minister for Public Enterprises

Whether she or her Department has been informed of the existence of the Concerned Transnet Workers Forum and its grievances in regard to unfair dismissals, if so what are the relevant details? N2132E INT

The MINISTER FOR PUBLIC ENTERPRISES Madam Speaker and hon members, yes, both I and my office are aware of the Concerned Transnet Workers Forum and their grievances. Several meetings have already taken place between the Office for Public Enterprises, Transnet management, representatives of labour and the

forum, at which the various issues were comprehensively discussed

The forum consists of ex-employees of the SA Transport Services and Transnet, and it can be categorised into three groupings. The first category consists of those who resigned voluntarily and those the company acted against in terms of disciplinary procedures and were dismissed at the end of the process. The second category consists of those who were boarded owing to injury on duty or natural illness, and the third category consists of those who applied for early retirement through the manpower utilisation process.

The forum's demands are as follows. Firstly, the company must re-employ them in order to facilitate the process of paying the debt on their houses to Transnet's housing division. Secondly, Transnet's housing division must stop its action against them, including eviction orders. Thirdly, the Transnet pension fund must review its payouts to them of their pension money. Fourthly, Transnet must delist them from the credit bureau in order for them to be creditworthy. Fifthly, Transnet must provide some workers with their unemployment cards, ie the blue cards, in order for them to claim their money from the Unemployment Insurance Fund of the Department of Labour.

Transnet has been discussing these issues with the forum for a couple of years without success, but efforts have since been renewed by both parties to find a solution. However, I can tell the hon member that owing to the nature of the case it is not an easy road ahead.

Now I would like to inform the hon member of the latest position regarding the forum's demands. Transnet indicated that there would be no reinstatement of former employees. Re-employment could, however, be considered in certain circumstances. The major challenge is that the company is being restructured, which includes rationalisation processes, and unfortunately there is at present very little prospect of new employment opportunities to accommodate the vast number of people belonging to the said forum.

Nevertheless, a memorandum was sent to all business units of Transnet requesting them to consider re-employment where it is necessary to do so. A number of business units have responded positively by giving the assurance that, where at all possible, they will try their best. [Time expired.]

Rev K R MESHOF, Madam Speaker, the dispute between Transnet and the Concerned Transnet Workers Forum has been dragging on for about four years. They wrote many letters to the office of the Minister for Public Enterprises, most of which did not receive any response.

Out of desperation they wrote letters of complaint to both the President and the Public Protector. The administrative secretary in the Office of the President wrote a letter of acknowledgement dated 16 April 1996 to members of this forum, promising to bring their plight to the attention of the President. Nothing has been forthcoming since that letter.

The legal administrative assistant in the office of the Public Protector also wrote a letter of acknowledgement, dated 3 April 1996, to the secretary of the Concerned Transnet Workers Forum, Mr Julie, promising that the matter would receive attention in due course. To date the forum is still waiting for a response.

The Department of Labour is also aware of the problem under discussion today, but there seems to be little progress. Is there anybody in Government who can ensure that these unfortunate workers who were dismissed unfairly receive justice?

It is alleged that some Transnet workers represented by this forum were dismissed unfairly after some of them did not come to work because they were sick. Even after they produced doctors' certificates as proof of their illness, management chose to dismiss them. If any of the doctors' certificates were suspect, what did the Transnet management do to disprove the validity of such certificates? Some of these workers were in the employ of Transnet for more than 10 years, and many of them are not receiving any pension. How are they expected to live?

It is also alleged that some workers were not afforded an opportunity to answer charges and allegations before the Transnet disciplinary committee.

I want to know the reasons for this. If there are any claims that they did appear before a disciplinary committee, when did that happen? Is there a copy of the charge sheet that can be accessed?

Mr H J BEKKER, Madam Speaker, the Minister's comment and explanation regarding the Concerned Transnet Workers Forum is appreciated.

What is developing regarding staff, however, is a wider pattern of dissatisfaction in the Transnet stable. It is understandable that transformation is taking place, and that the face of the parastatal must be changed. We also accept that this must necessarily be a painful process. It must be realised that Spoornet, or the railways as it was commonly known, was indeed the affirmative action coalface for white Afrikaners during the previous dispensation. There is thus nothing new in what is happening now.

We would rather like to look at Transnet beyond transformation and its present affirmative action programme. Is everything under control? What is happening at ground-floor level, and, indeed, what is happening at the top floor? It is right at the top where even executive directors are being suspended. It is at a senior level where credit card abuse has taken place.

Moreover, the uncertainty regarding the suspension of Joe Ndlela sounds unconvincing. Yes, we hear of investigations and allegations of misconduct, but no details. The other accusations that Ndlela was running parallel talks is indeed of concern, and the hon the Minister and the CEO's madness about this aspect is understandable. It will, however, be necessary for the hon the Minister and the CEO to come clean and take members of Parliament into their confidence.

The question remains: Whither Transnet personnel? Where are we going from here? Let us get our Transnet house in order, particularly as far as the staff is concerned and also with regard to this Transnet Workers Forum.

THE MINISTER FOR PUBLIC ENTERPRISES
Madam Speaker, first of all I want to say that I have listed the categories and causes for dismissal of some of these workers. It is untrue — I repeat, it

is untrue — that Public Enterprises did not respond. Why would Public Enterprises have called them to their offices, why would Public Enterprises have called Transnet together with senior personnel in Public Enterprises to address the issue, if they did not care?

This is a complicated issue, if the illustration we are going to get in this House is one to do with a medical certificate. If I were to bring the diverse cases, starting from the stealing of tickets and so forth, then one would find that we are not dealing just with a simple case, but with different categories of people. That is why I said it was going to be very difficult to really find a simple solution to this.

Be that as it may, the company is committed and prepared to revisit the issue of houses, because that is where our sympathy lies. If a person, for whatever reason, loses his job with Transnet, then there is the whole question of shelter. We believe that we are trying to find a solution whereby families do not suffer the worst because of that. That matter is being addressed at a very high level.

I would suggest that in future, before a person puts an interpellation, he establish the facts first. Then, if he feels that the matter is not right, he can put an interpellation. The interpellant never even bothered to make sure of his facts, and that is a tragedy. [Time expired.]

Rev K R MESHOF, Madam Speaker, there are always two sides to a story. From the facts before me, it looks as if the dismissal of the workers in question was unconstitutional. Would the hon the Minister agree with me if I said that if the workers chose to find relief from a court of law, as some of them are saying, they would be welcome? It is stated as a fact that some ex-employees never received their so-called blue cards when they left the service of Transnet.

Although unemployment insurance was deducted from them while they were still employed, they cannot access or receive Unemployment Insurance Fund payments, and there are many of them. If this is not injustice, then what is it? What happened to the moneys that were deducted from their salaries? That is what they want to know. I think it is fair for them to get an explanation.

There are still two things, among others that also need to be established. Firstly why are there no records of their deductions for UIF from 1982 to 1989? These dismissed workers have proved that deductions were made. Secondly, they are asking why R6,00 was deducted instead of what should have been 50c per month at that stage.

I believe that for all parties to be satisfied and for justice to be done, there needs to be a thorough investigation into this whole matter. Once it is established that unfair dismissals did take place against some of these workers, then Transnet must seriously consider re-employing them – I heard what the hon the Minister said – or paying them what is due to them in the form of UIF and pension.

There have been reports in the media that Transnet is losing millions of rand through nonpayment by rail commuters. The Transport Director-General once told the Transport committee that Cape Town fare evasion by between 30% and 40% of rail commuters cost between R140 million and R160 million a year. I personally know people that travel almost daily by train between Mabopane and Ravensklop stations near Germiston without paying a cent. This is costing Transnet and the Government a lot of money in lost revenue.

Re-employing experienced workers who were unfairly dismissed will help save Transnet millions of rands per annum. Experienced ticket collectors are needed on our trains to ensure that free rides come to an end. They know how to deal with those who refuse to buy tickets. The request they make is that this matter be taken seriously. I appreciate what the Minister said about the issue of housing. They appreciate that too. However, they want the fact that many of them have proof that they were sick and not just away for no reason, to be taken into consideration. I appreciate the fact that the Minister is doing everything in her power to help them. [Time expired.]

THE MINISTER FOR PUBLIC ENTERPRISES
Madam Speaker, the hon member said that MetroRail was losing a lot of money because there were no good ticket collectors. One of the very people that he is representing here, was dismissed because he had taken money as a ticket collector

and had not accounted for it [Interjections.]

As far as the blue cards are concerned, we have asked members of the forum to give us a list so that we can furnish them with the cards in order for them to get help from the Department of Labour.

Finally, we know that this is a dilemma in some cases, and we are treating this matter with all the sympathy it deserves. Incidents which happened between 1982 and 1989 are issues which the current management, much as it wants to address them, as the hon member said himself, has no records of. We have asked some of these people to bring proof, but they are not ready to do so. However, in spite of all that, we have told them that even with regard to the issue of the pensions, if they have any queries they must bring them forward and we shall make sure that we leave no stone unturned in looking at the issues affecting them. The interpellant did not do his homework before putting this interpellation [Interjections.]

Debate concluded

QUESTIONS

†Indicates translated version

For oral reply

President of the Republic

Question standing over from Wednesday, 3 September 1997

*2 Dr B L GELDENHUYS – President of the Republic † [Withdrawn.]

New question

President of Indonesia: letter incorrectly delivered

*1 Dr B L GELDENHUYS asked the President of the Republic †

(1) Whether a personal letter from him to the President of Indonesia was delivered at the wrong embassy in Pretoria, if so, who is being held responsible therefor,

(2) whether he will make a statement on the matter? N1971E

THE DEPUTY MINISTER OF FOREIGN AFFAIRS (for the President of the Republic)

(1) Yes. The complex circumstances which led to this error have been examined by the Office of the President and the Ministry of Foreign Affairs, and the results of our investigations have been communicated to the governments concerned. The name of the country to whose embassy the letter was delivered, and that of the official in the Office of the President who delivered it, have been provided to the hon member.

(2) Yes. Steps have been taken, including a diplomatic action and the transfer of the official from the Office of the President. All the affected parties have accepted the settlement reached. Given the complex and sensitive nature of the circumstances which led to this incident the accepted protocol relating to diplomatic actions of the type taken, and the negotiations around the subject matter of the letter, I believe that it is not in the interest of either our country or the officials concerned for this issue to be pursued any further.

Dr B L GELDENHUYS Madam Speaker, arising out of the hon the Deputy Minister's reply on behalf of the hon the President, can he give the House an explanation as to why such harsh action was taken against the ambassador, Mr Valente, given the fact that the actual error was committed in the Office of the President?

THE DEPUTY MINISTER OF FOREIGN AFFAIRS Madam Speaker as I tried to explain, this is a complex matter – there are many factors which we have not been able to make public because of the diplomatic nature of the problem. The action we have taken is in line with normal protocol, and both parties have accepted the correctness of our position.

Dr B L GELDENHUYS Madam Speaker, further arising out of the hon the Deputy Minister's reply, will he concede that South Africa unnecessarily abused a friendly country to the detriment of our interests at the European Union? The former Portuguese ambassador now holds the very important position of negotiator at the EU, and we are engaged in negotiations on a free-trade agreement.

THE DEPUTY MINISTER Madam Speaker, I do not accept the notion that we abused anything. In fact, our relations with Portugal are very strong. Their president was here at the time, and we have held very substantive discussions with the Portuguese authorities to deal with this matter.

Executive Deputy President

Questions standing over from Wednesday, 27 August 1997

*1 Mr W A HOFMEYER – Executive Deputy President [Question standing over]

*2 Mr W A HOFMEYER – Executive Deputy President [Question standing over]

Question standing over from Wednesday, 3 September 1997

National Development Agency: criteria

*1 Rev K R MESHOE asked the Executive Deputy President

Whether any criteria have been laid down to ensure that the National Development Agency operates efficiently and will be of benefit to those it will serve, if not, why not, if so, what criteria? N1845E

THE DEPUTY MINISTER IN THE OFFICE OF THE EXECUTIVE DEPUTY PRESIDENT

Oral reply to the question posed to the Deputy President by Rev Meshoe MP National Assembly 10 September 1997

Cabinet adopted recommendations of the committee which was set up to advise cabinet on relations between Government and civil society organisations (CSOs)

One of the recommendations was the establishment of the National Development Agency (NDA)

The main functions of the NDA will be to

- 1 provide financial support to civil society organisations, both NGOs and CBOs involved in development, and
- 2 facilitate development policy consultations between civil society organisations and government

Auditors qualify Transnet's report

ANN CROTTY

Johannesburg — Transnet's independent auditors, Ernst & Young and APE, have qualified the parastatal's financial 1997 accounts, raising questions about the valuation of R27 billion worth of the group's total asset base of R42,8 billion, according to the 1997 annual report, which has not yet been officially released to the media.

The report said "We have been unable to satisfy ourselves as to the recoverability of individual amounts of certain fixed assets in the categories of: land, buildings and structures, permanent way and works; rolling stock and containers"

An auditing expert said this weekend that an inability to establish the accuracy of the group's stated values for these assets would be a drawback to

plans to restructure and privatise parts of the group, and would cause considerable delay

Notes to the 1997 financial statements revealed the value, at cost, of its land, buildings and structures was stated as R8,5 billion, permanent way and works were valued at R8,5 billion; and rolling stock and containers were valued at R9,9 billion. The total asset base was valued at R42,8 billion

These values are little changed on the previous year's values, prompting the auditing expert to raise concerns about the reliability of the previous year's financial statements.

"The issuing of a qualification is not done lightly, which suggests that the concerns relate to substantial matters. It is unlikely that matters of substance developed over a one-year period"



Saki Macozoma

Business Report was unable to get a comment from Transnet

However, Saki Macozoma, Transnet's managing director, said in the re-

port the financial year under review "has been a transitional period" for the group

Transnet's financial 1996 accounts were also qualified as the auditors were unable to satisfy themselves "as to the recoverability of the carrying amounts of individual categories of Spoornet fixed assets"

Independent experts said the qualification was encouraging as it pointed to a more aggressive and open approach by Transnet's new executive team.

CT (PR) 22/9/97 (270)

Spoornet launches gender issue study

(270) BD 23/9/97

CAPE TOWN — Spoornet, under trade union pressure, has suspended the appointment of women locomotive assistants pending a special gender probe and the drafting of national guidelines on a nondiscriminatory environment. Central to the dispute is a lack of toilet and other facilities for women. The lack of similar conveniences for men appears never to have been an issue.

In December last year, Alma "Pikkie" Snyman became the first woman to be appointed to the male-dominated footplate.

She was followed by four more, but Spoornet soon fell foul of the SA Footplate Staff Association (Safsa) which declared a dispute.

The matter went for conciliation, where management and the union agreed to a joint task team to investigate the issue. As a result, no more women will be appointed to the footplate until the probe and national guidelines are finalised, Spoornet spokesman Johan Hugo said.

An agreement has been drafted and was in the process of being signed by the six unions recognised by Spoornet, he said.

Safsa general secretary Chris de Vos said his union was keeping its options open. "We can still take the matter to arbitration, or even the labour court." He claims his union, like Spoornet, is committed to nondiscrimination, but blames management for not consulting Safsa and appointing the women without adequate facilities.

"We all feel very uncomfortable — it was a unilateral decision."

Although the racial issue has been downplayed by Spoornet and Safsa — four of the women are black — derogatory statements by drivers reveal that the prejudice goes beyond gender.

Attempts to interview the black women assistants about their experiences were unsuccessful.

Snyman believes racism has nothing to do with the dispute.

"It's completely to do with gender. The black train drivers have also said they won't work with a black woman, because in their culture women should be at home."

She had never been subjected to sexual harassment nor was she handicapped because of physical differences, and was able to perform her task as competently as any male.

On the question of toilet facilities, Snyman said matter-of-factly: "When in Rome do as the Romans do. The men go into the veld and so do I."

Her male colleagues had come to accept her, she said.

"They may talk among themselves behind my back, but I haven't had any problems."

However, until the probe and guidelines were finalised, she said, she had "the sword of Damocles" hanging over her head.

One Safsa Western Cape official — who asked not to be named — said racism and sexism was "something we all have to overcome."

"We are busy with a mind-changing experience in this country. We must think differently — gender and race must not prevent us from doing what is right" — Sapa.

Battle of the sexes rages on locomotive footplates

LT 23/9/97

SPOORNET, under pressure from a trade union, has suspended the appointment of women locomotive assistants pending a gender probe and the drafting of national guidelines for a non-discriminatory environment

Central to the dispute is a lack of toilet and other facilities for women. The lack of similar conveniences for men appears never to have been an issue.

In December last year, Ms Alma "Pikkie" Snyman became the first woman to be appointed to the male-dominated footplate

She was followed by four more, but Spoornet soon fell foul of the South African Footplate Staff Association

(Safsa), which declared a dispute.

The matter went for conciliation, where management and the union agreed to a joint task team to investigate the issue

As a result, no more women will be appointed to the footplate until the probe and national guidelines are finalised, Spoornet spokesman Mr Johan Hugo said

He was unable to say how long the exercise would take.

An agreement has been drafted and was in the process of being signed by the six unions recognised by Spoornet, Hugo said.

Safsa general secretary Mr Chris de Vos said his union was keeping

its options open. "We can still take the matter to arbitration, or even the labour court."

A train driver has claimed that because there were no toilets, Spoornet had issued the women train assistants with chamber pots

Snyman, Safsa and Spoornet have denied the claim as "mischievous"

However, the driver stands by his story

*'My wife says I can't work with a meid (maid).'
— driver whose wife objects to black female colleagues*

De Vos claims his union, like Spoornet, is committed to non-discrimination, but blames management for not consulting Safsa and appointing the women without adequate facilities

"We all feel very uncomfortable, it was a uni-

lateral decision"

Opposition to women sharing the footplate has not only been voiced by drivers, but by their wives

"We've been inundated by calls from wives," De Vos said

Referring to the long train journeys across the country, often through the night, the idea of their husbands sharing a confined space with a woman is anathema

"I mean it's not like a plane, where there are a lot of people about," said a Spoornet employee

The racial issue has been downplayed by Spoornet and Safsa — four of the women are black.

"My wife says I can't work with

a meid (maid)," said one driver

Complaining he had nothing in common with black men, let alone black women, he said "I can't even talk to them about cars, because you know they ride bicycles"

Attempts to interview the black women assistants about their experiences were unsuccessful

Snyman, however, believes racism has nothing to do with the dispute.

"It's completely to do with gender. The black train drivers have also said they won't work with a black woman because in their culture women should be at home"

She has never been subjected to sexual harassment and dismissed wives' fears, saying "There is no time for bugging around"

Regarding toilet facilities, Snyman said matter-of-factly. "When in Rome, do as the Romans do; the men go into the veld and so do I"

Snyman said her male colleagues had come to accept her

"They may talk among themselves behind my back, but I haven't had any problems"

However, until the probe and guidelines were finalised, "I have the sword of Damocles hanging over my head"

One Safsa Western Cape official — who asked not to be named — said racism and sexism was "something we all have to overcome"

"We are busy with a mind-changing experience in SA.

"We must think differently, gender and race must not prevent us from doing what is right" — Sapa

My privacy was invaded, claims Ndhlela

Transnet director in court battle

ET(BR) 7/10/97 (270)

JONATHAN ROSENTHAL

INDUSTRIAL EDITOR

Johannesburg — Barring a last-minute out-of-court settlement, Joe Ndhlela, an executive director of Transnet, will today appear in the Johannesburg High Court claiming that he was suspended by Transnet to "compromise and derail" an investigation into senior Transnet executives.

The investigation, dubbed Red Heat, was undertaken by Transnet's Business Information Services (BIS). It was aimed at rooting out corruption within Transnet and entailed bugging senior Transnet executives and a sting operation that involved false documentation.

Ndhlela, who was suspended in August pending the outcome of a disciplinary hearing into allegations of gross misconduct, has brought an application asking the court to declare his suspension invalid and to stop Transnet from invading his privacy through its own investigation into his activities.

Among the allegations against Ndhlela in the internal disciplinary hearing was a charge that he authorised the bugging of various company offices and that he allegedly failed to disclose certain business interests to Transnet.

In his affidavit filed before the court, Ndhlela alleged that he had been suspended by Saki Macozoma, Transnet's managing director, to derail the investigation.

Included in his affidavit is a letter written by his attorneys to Louise Tager, the chairman of Transnet, alleging that the investigation had implicated

Macozoma "as one of the suspects to be investigated."

"BIS is in possession of further independent evidence that makes it difficult for BIS to exclude or remove the managing director from the list of suspects," the letter said.

In her responding affidavit, Tager said Ndhlela was suspended because of allegations of "material financial irregularities" against him. She said the Office for Serious Economic Offences was investigating charges against him. She also said Ndhlela's allegations against Macozoma were an attempt to "obscure the gravity of allegations" against himself.

A key issue that is likely to be raised is whether the board was aware of and sanctioned Ndhlela's bugging activities. In its documentation filed before the court, Transnet claims that these activities were unauthorised. It said a letter to a firm of investigators conducting the bugging, purportedly written "by or on the instruction of the chairman (Tager)", was written without her permission or knowledge.

But other insiders at Transnet claim that members of the board were aware of the investigation and that Ndhlela authorised bugging with the approval of at least some members of the board.

Other questions likely to be answered would revolve around why Stella Sigcau, the minister of public enterprise, asked Ndhlela to attend and then later cancelled a meeting with Sydney Mufamadi, the minister of law and order, and Joe Nhlanhla, the deputy minister of intelligence, shortly after he made his allegations known to her.

Ndhlela takes Transnet suspension to court

Business Day Reporter

TRANSNET executive director Joe Ndhlela is to take Transnet to the Johannesburg High Court today to have his recent suspension, pending a disciplinary inquiry, declared invalid

Ndhlela was suspended in August for allegations including gross misconduct and failing to disclose business interests to Transnet

In court papers, Ndhlela claimed he was suspended by Transnet MD Saki Macozoma to derail an investigation into corruption within the company.

BD 9/10/97 (270)
Ndhlela alleged the investigation, called Red Heat, had implicated Macozoma as one of the suspects to be investigated

The operation entailed bugging certain high ranking officials

In an answering affidavit, Transnet chairman Louise Tager said Ndhlela was suspended because of allegations of "material financial irregularities", and had made the allegations against Macozoma to obscure the gravity of allegations against himself

Judge I Hussein will hear the case today.

Pensioners dumped by

Transnet medical aid fund

Restructuring means members pay more

AKG 11/10/97

JEAN LE MAY

Many Transnet pensioners are being dumped by Transmed, the parastatal's in-house medical aid scheme, as part of the restructuring of the debt-ridden pension and medical aid funds.

Some pensioners have been told they must transfer to a private scheme which offers fewer benefits. Others have been told that in future they will be expected to pay part of their own medical expenses, although on retirement they were led to expect free lifelong cover.

Ron Foxcroft, secretary of the Transmed board of trustees, said the restructuring was absolutely necessary because medical expenses were out-running the amount of money the fund could disburse.

The pension and medical aid fund deficit of R2,1-billion wiped out Transnet's increased operating profit of R1,9-billion last year, according to financial director Gloria Serobe.

At one time, SA Railways and Harbours (now part of Transnet) was the biggest employer in the country. Former Spoornet employee

William Loots is one of about 1 500 employees who took packages four years ago, when Transnet started reducing staff. "I had 29 years' service as a railwayman and I was under 50 years old," he said.

"As a senior official, the package I got was respectable, but nothing as big as the packages teachers are getting these days. I am very angry with Transnet for breaking the agreement which we reached with them about medical aid."

Mr Loots said the monthly payment for cover for him and his wife had increased steadily over the four years and was now R945.

"That covered everything, or so I thought. A few months ago I broke my hip and was hospitalised. To my surprise a woman from an insurance company came to the hospital and said that if expenses exceeded R22 000 I would have to pay the difference. To this day, I have never discovered how she became involved."

"Soon afterwards I got a letter from Transmed saying they no longer wanted me as a member and that I was being transferred to another company, Northern Medical Aid MY

contribution is now R650 a month but I get fewer benefits - nothing for dental or eye care or day-to-day medical expenses.

"If I visit a doctor I have to pay for it myself. In effect, the new scheme - without consultation is a hospital plan only."

"I feel that I am being discriminated against. I would like other people in the same boat to call me at 021 591 4946 so we can get together and make representations about the discrimination," said Mr Loots.

Another former Spoornet employee, who asked not to be named, said he retired in 1982 after 42 years' service. "We still get free hospital care but we now have to pay for dental and eye care and for medicines, except for chronic-condition medicines for which we pay 20%," he said.

"We contribute R160 a month to the fund but other medical expenses amount up to a further R200 a month. The total of R360 a month is a big bite out of my pension."

Mr Foxcroft said Transmed had 150 000 members and, with beneficiaries, it meant it was responsible for

medical expenses for 330 000 people. Actuarially, there were three "risk pools", consisting of so-called private members, Transnet employees and pensioners and SA Transport Services pensioners, he said.

The private members were the people who took packages before reaching retirement age, such as Mr Loots. They accepted packages with market-related contributions to the fund, but the pool was getting smaller and was no longer economically viable for Transmed. The pool had built up a deficit of R3-million and had been transferred to the Northern Medical Aid Society.

Mr Foxcroft said there had also been widespread fraud and abuse of the medical aid scheme. There had been cases where members had sold their membership cards to other families who were not Transnet employees, thus defrauding the scheme. Doctors had also been involved in scams in which thousands of rands were claimed unlawfully.

Asked if any doctor or Transmed member had been charged with fraud, Mr Foxcroft said: "We usually settle out of court."

Transnet boss fights back

(270)

CP 12/10/97

WAS THE suspension of Transnet's executive director, Joe Ndhlela, legitimate?

This question will be answered in the Johannesburg High Court tomorrow when Ndhlela appears to challenge his lay-off

Ndhlela claims he was suspended by Transnet to "derail" an investigation into senior Transnet executives, including Sakie Macozoma, its managing director

The suspension, pending the outcome of a disciplinary hearing, came into effect on August 15

Ndhlela was suspended both as an employee and as the director of Transnet

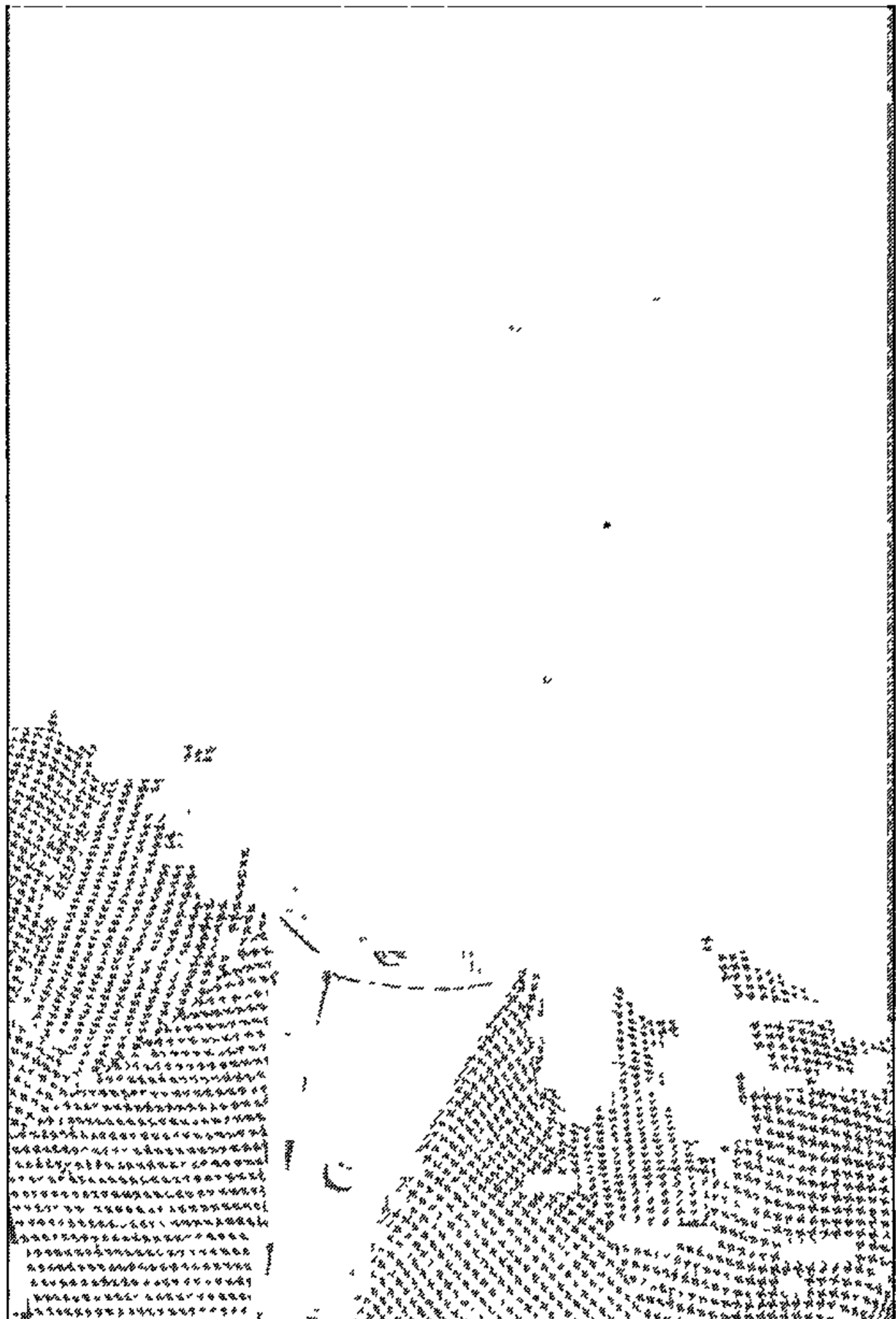
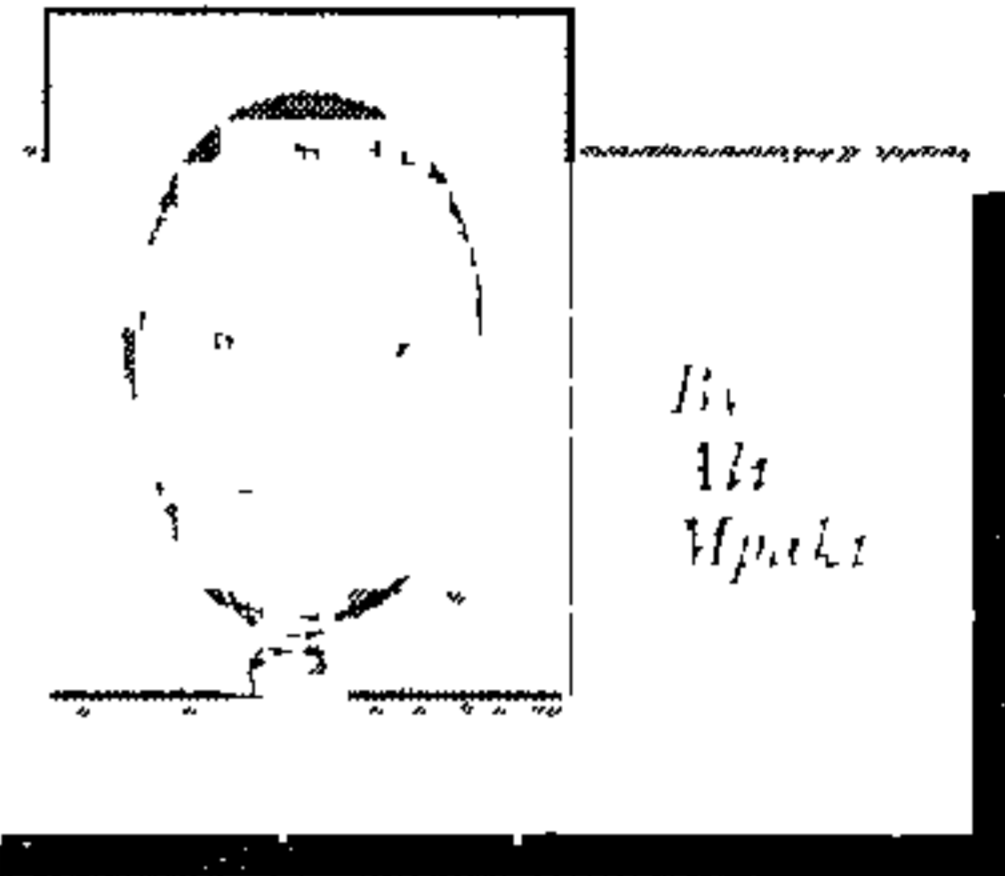
Although his court application

deals only with his suspension as a Transnet director and not as an employee, the court's outcome could have a direct bearing on his disciplinary hearing scheduled for November 3

In an affidavit filed before the court, Ndhlela is asking the court to stop Transnet from invading his privacy by investigating his private life

Transnet says investigations into Ndhlela's alleged "misconduct" stem from a charge that he authorised the bugging of various company offices, and that he failed to disclose to Transnet his position as director and shareholder in various companies

In a letter written by Macozoma



to Ndhlela's lawyers, Transnet claims Ndhlela received various payments totalling approximately R900 000 from a certain company as commission for services allegedly rendered between 1993 and 1996

The letter also claimed that Ndhlela authorised company payments of approximately R145 000 to two individuals for services which were never rendered

Macozoma further alleges that Ndhlela took and retained possession of company firearms in his office, contrary to company policy

Ndhlela's primary functions as an executive director of Transnet included his overseeing of training and development policy, as well as security and legal services

Ndhlela is, however, adamant that the reason for his suspension was to derail an investigation by Business Information Services, which is his responsibility.

Included in his affidavit is a letter written by his attorneys to Louise Tager, the chairman of Transnet, alleging that the investigation, dubbed "Red Heat", had implicated Macozoma as "one of the suspects to be investigated"

The affidavit states that BIS is in possession of independent evidence that makes it difficult for BIS to exclude Macozoma from the list of suspects

Although Transnet has dismissed some of Ndhlela's allegations, what remains to be seen is whether the board of directors was aware of Ndhlela's alleged bugging activities

Two of the managers working under Ndhlela in the BIS have also been suspended, although they have not been told what they are allegedly guilty of

Ndhlela was appointed to the Transnet board of directors on April 1 last year. He is the second Transnet executive director to come into the line of fire. Portnet chief Siphon Nyawao was sacked late last year for credit card abuse.

Judge JJ Trengrove (retired) has been appointed to act as chairman of Ndhlela's DC on November 3

FIGHTING BACK ... Transnet's Joe Ndhlela, accused of bugging other official's offices, is contesting his suspension in court

Court rules former Transnet head's suspension valid

Taryn Lamberti

SUSPENDED Transnet executive director Joe Ndhlela yesterday lost his court battle in the Johannesburg High Court to have his suspension declared "unlawful and invalid".

Ndhlela was suspended by Transnet on August 15 this year with full pay pending a disciplinary inquiry into "material financial irregularities".

He made an urgent application to the court to have his suspension declared unlawful on the grounds that he was suspended "to compromise and derail an investigation" into corruption within Transnet. The investigation, called Red Heat, was headed by Ndhlela and involved the bugging of high-ranking Transnet officials.

Judge Ismail Hussein ruled that Ndhlela's application "must fail" as the application was unsupported by facts. Ndhlela would be responsible for certain of his own and Transnet's legal costs, the judge ruled.

In court papers, Transnet chairman

(270)
Louise Tager claimed Ndhlela had been suspended after "being suspected of having committed material financial irregularities".

Tager said the investigation could not have been undertaken had Ndhlela not been suspended. The office for serious economic offences was investigating the charges against him and a retired judge had been appointed to chair the disciplinary inquiry.

In his first application, submitted on September 4, Ndhlela asked the court to declare his suspension from the Transnet board of directors unlawful in terms of the Companies Act.

Tager sent Ndhlela a letter on September 4 stating that he had been suspended only as a Transnet employee and not as a member of the board.

Ndhlela pursued legal action, but adopted a "new course of action", asking the judge to declare his suspension as an executive director unlawful.

Ndhlela's attorney, Daan Mostert, said that his client would be considering his options.

BD 15/10/97

Court ruling in Ndhlela case favours

Transnet

CT (BR) 15/10/97
JONATHAN ROSENTHAL

(270) INDUSTRIAL EDITOR

Johannesburg — The Johannesburg high court yesterday dismissed Joe Ndhlela's application challenging his suspension as a Transnet director and ordered that he had to pay a portion of Transnet's costs

In argument before the court on Monday, Transnet's advocates argued Ndhlela had not been suspended as a director. Ndhlela's counsel argued that in spite of a letter from Stella Sigcau, the minister of public enterprises, confirming that he was still a director, he was unable to exercise his rights as a director

Transnet has claimed that it has never attempted to prevent him from exercising his rights

"I am not really bothered by the judgment. It said that the minister's letter was confirmation that I am a director," Ndhlela said yesterday

Ndhlela again questioned why the Transnet board had not met since his suspension and why he had not been furnished with reasons for the cancellation of the two board meetings scheduled for that period

In a letter to Louise Tager, the chairman of the Transnet board, he threatened to "take up the matter with the rest of the board of directors and/or shareholder (the state)" unless he was furnished with reasons for the cancellation of the two board meetings

Transnet said yesterday it would continue with an internal disciplinary hearing into charges against Ndhlela. The charges include allegedly bugging of Transnet executives

In a statement, Transnet said yesterday that the judgment implies that Mr Ndhlela remains persona non-grata at Transnet as he still remains suspended as an employee.

It said the internal hearing would continue on November 3.

ASSA - THE SOUTH AFRICAN
A - KAKAKA

S Court rules former Transnet head's suspension valid

Taryn Lamberti

SUSPENDED Transnet executive director Joe Ndhlela yesterday lost his court battle in the Johannesburg High Court to have his suspension declared "unlawful and invalid".

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BD 15/10/97

Loan

Continued from Page 1

cial predicament, however, the bank had chosen to strengthen the conditions by linking them to compliance with the proclamation.

He said interest rates on the loan, security and the specifics steps following which tranches would be awarded would be finalised in a few days.

The council has been forced in recent months to borrow from its operating account to finance infrastructure projects as a result of decreased inter-governmental grants and an inability to secure capital funding.

This, combined with stunted

municipal services payment levels, has left the council with insufficient operating revenue to carry out all of its day-to-day operations and pay municipal creditors.

The loan, which will be used to fund sanitation, roads and electricity projects, is expected to free up revenue for operating purposes.

A portion will be paid into the capital account and then transferred into the operating account to reimburse funds advanced from it to finance capital projects.

The National Party and Democratic Party have expressed concern that the 10 committee members, headed by council deputy executive committee chairman Kenny Fihla, are all from the African National Congress

Health

Continued from Page 1

BD 15/10/97
products had "cream-skimmed" young and healthy people out of medical aid schemes while excluding the sick and elderly from membership. This had fractured the cross-subsidisation of the elderly and chronically ill.

As a result, medical aid schemes had been burdened by higher claims and had to increase premiums.

Ntsaluba said the department wished to revert to the pre-1989 situation and had proposed steps to reinforce community rating and cross-subsidisation. "Medical schemes would be obliged to offer cover to all those who

seek it and could use only income and/or number of dependants as the basis for determining rates."

It agreed with the principle of avoiding salary sacrifice, but was concerned that the proposed "rand for rand" regime might result in reduced cover on benefits as many schemes operated on a two-thirds to one-third basis.

The department supported the view that existing retirement vehicles and not medical schemes were the appropriate vehicles for prefunding post-retirement medical schemes contributions. The 22,5% deductibility limit for the retirement industry was adequate.

The department agreed with the commission's recommendation that tax advantages of benefit funds should be abolished.

PEANUTS

Rv Charles S...

MAG 17-23/10/97

Transnet's charges mount

270

Ann Eveleth

The Johannesburg High Court battle over Transnet's suspension of Joe Ndhlela ended this week in defeat for the executive director. Ndhlela's bid to overturn his suspension was dismissed with costs. He faces an inquiry into charges of bugging, weapons possession and corruption.

Ndhlela's court bid made public the disciplinary charges Transnet had refused to disclose. The charge sheet in the court records lists the allegations Ndhlela will have to answer when his inquiry resumes, including:

- The authorisation of "unlawful surveillance and bugging techniques and devices .. on company premises and in offices",
- The taking and retaining possession of company firearms in his office without the requisite certificates and contrary to company policy,
- Causing or allowing his own human resource file in Transnet's records to be destroyed or placed out of the company's possession,
- Failure to disclose a "pecuniary interest" in a transaction in which Credit Life Management Services allegedly paid Ndhlela R750 000 for implementation of the Transnet Funeral Benefit Scheme, underwritten by XB Brokers, a firm now in liquidation,
- Failure to disclose other directorships including that of Screenworld (Pty) Ltd, and transactions concluded with companies associated with Management Integration Consultants,
- Authorisation of two Transnet payments totalling R146 000 to recruitment agency Insearch Practitioners in respect of Transnet's hiring of two employees, Dr D Mkatshwa and Nelson Ndimisa, who had been hired internally;
- Authorisation of a Transnet payment of R100 000 to recruitment agency Executive Resources for the recruitment in December 1996 of a director/executive director of Transnet — a post not on offer at the time.

Ndhlela's hearing resumes on November 3. Transnet will consider his removal as a director of the parastatal on November 6.

Transnet retaliates over bugging saga

CF (BE) 20/10/97

(270)

JONATHAN ROSENTHAL

INDUSTRIAL EDITOR

Johannesburg — Transnet was "seriously considering initiating legal action" against a Durban-based firm of private investigators for engaging in covert surveillance and bugging operations against senior executives, said Kallie Mabentsela, a senior Transnet executive, last week.

The statement comes barely a week after the investigators themselves threatened legal action and sent a letter of demand to Transnet over unpaid bills for the bugging operations.

Mabentsela said Transnet had hired the investigators to look into container thefts in Durban, but said it had never agreed to the bugging operations. "If now they allege they have bugged people's offices, or anything, certainly that is in breach of their contract, and

the company (Transnet) is definitely considering its options in that regard," he said.

However, Mabentsela refused to comment on Transnet's allegations against Joe Ndhlela, a suspended Transnet director, that he had "procured and/or authorised the use of unlawful surveillance and bugging techniques and devices".

The allegations are contained in a charge sheet for an internal disciplinary inquiry into Ndhlela that includes charges of alleged financial misconduct and allegedly failing to disclose financial interests.

When asked whether the investigators could have been acting under "unauthorised instructions from somebody within Transnet", Mabentsela alleged the investigators "completely exceeded what should have been their mandate".

Mabentsela's denial is in conflict with claims by Michael

Swartz, one of the private investigators involved in the bugging operations, that the operations were expressly authorised by senior Transnet executives.

Swartz claims he can substantiate his allegations with tape recordings of conversations with senior Transnet managers and executives when the operations were discussed.

"They are welcome to try that (legal action), I have more than enough tapes," he said.

Swartz said his initial proposal on the operation to Transnet and his progress reports contained references to both "24-hour human surveillance" and "24-hour technical surveillance". He also claimed to have supplied full copies of the surveillance dossier to Nigel Payne, a general manager in Transnet's audit department.

Mabentsela said he was "not aware of any tapes that have been forwarded to Transnet".

Mayday Mayday, this is SAA

Crew sound warning that budget cuts have left them exhausted and undertrained

ROGER MAKINGS

THE Directorate of Civil Aviation is investigating the parlous state of cabin crew training at SAA — which seems to have all but collapsed under the airline's crushing debt.

Training in vital emergency procedures, annual medical examinations for those under 40 years and compulsory drug testing, have not been done for several years to save money.

The commissioner for civil aviation, Japie Smit, said this week that the directorate had recently acquired the staff to enable it to investigate all safety aspects of SAA's cabin crew training.

The airline reported a loss of R323-million for the financial year to March and has implemented drastic cost-cutting measures to reverse the trend.

According to Salstaff, a cabin attendant union, SAA has not trained cabin crew in emergency chute or water training for 18 months, its aircraft are seldom available for demonstrations and training equipment is mostly defective.

These allegations have been backed up by crew members who have resigned in the last few months.

Crews are also hopelessly fatigued because of a mass of resignations that has left the airline short-staffed, and drastic cuts to foreign overnight stays.

Cuts in overnight stays which have caused outrage are those in the long-haul destinations of New York, and Miami



South African Airways

ST 26/10/97

the minutes of which should be forwarded to the commissioner. Smit said this week the directorate had approached other airlines flying long haul east-west routes to establish the norms for cabin crew duty and rest and had also asked the Institute for Aviation Medicine to look into the effects of fatigue and its impact on safety.

And cockpit crews are also not happy with the situation. A spokesman for the South African Airline Pilots' Association said this week: "Our concerns regarding the shortage of cabin crew have been brought to the attention of management on a number of occasions and the company has assured us that an intensive cabin crew recruitment drive is under way."

"We urge SAA to take immediate steps to ensure that cabin crew numbers are brought up to strength as a matter of urgency to ensure that safety and service levels are not compromised."

As one captain noted in a report to management after a New York flight "Although a one-night stop in Miami or New York is legal, it is morally unacceptable. We must remember that the cabin staff are the front line of SAA and have direct contact with the passengers."

"Fatigue causes irritability and a lax attitude. The passengers notice these irritations and have a large choice of airlines with which to fly. Demoralise the cabin staff and you lose fare-paying passengers. This is the bottom line. Who will bear the responsibility?"

Salstaff says it is not its intention to harm SAA but to bring management to its senses and force them to the negotiation table on grievances.

"What concerns us is that SAA will not heed our attempts to get a fair and safe deal and that we, as trade union leaders, might lose control of the situation which could lead to irreparable harm to the airline."

SAA, however, has refuted Salstaff's allegations and those of former cabin attendants. It says it is continuously doing initial training in ditching and chute procedures and that experienced crews are re-evaluated every year. Annual medical examinations for crews under 40 are generally not considered necessary by most international airlines and compulsory drug testing was discontinued following union opposition.

The airline also disputes it is short of crews although it admits 144 entrants are in training and another 70 are about to start.

The airline also denies crews operate in aircraft for which they are unlicensed or that the captain of an aircraft would take off without the minimum required crew.

The airline further disputes all other allegations, stating that its crew rest periods are in excess of the legal minimum and were agreed to by the unions.

Other allegations the airline rejects are unfair promotions and demotions, as well as the high rate of illness.

It has, nevertheless, offered to meet cabin crew unions to review operations and seek solutions that will satisfy all parties.

SLEEPLESS IN THE BIG APPLE: A union consultant says SAA flight attendants are turning to soft drugs to cope with the cut in their overnight stay in New York and Miami

Picture: SAA

to Salstaff that the commissioner strongly recommended the union and SAA management find a compromise on the flight and duty periods on the US flights.

"As this is a safety issue and regarded with the utmost urgency", the department ordered a meeting between the two parties,

three days rest, but are often asked to do extra duties before they are fully rested, and are offered the incentive of getting a double meal allowance," says Meyer.

The Department of Transport, under which the Directorate of Civil Aviation falls, said in a letter

But crews say the six-hour east-west time changes prevent them from getting a good night's sleep. This has meant an increase in the use of soft drugs to help them sleep and then to stay awake.

"Cabin crews returning from an 18-hour New York flight get

is impacting on their performance in an emergency, fatigue, lack of training and inexperience will cost lives," says Meyer.

The cut in overnight stays in New York and Miami from two nights to one is saving the airline R12-million every three months, says the union.

report in sick, mainly due to fatigue, says the union.

Figures show that in April 707 attendants did not report for flights, in May 806, June 609 and July 542.

"These numbers speak for themselves. The crews are exhausted beyond measure and it

Salstall says this is affecting crew performance and will threaten the safety of passengers in an emergency

Union labour relations consultant Linda Meyer says the airline is losing between 20 and 30 experienced cabin attendants a month and is understaffed by about 300 attendants

"The result is that cabin crews are being rostered to work on aircraft they are not licensed to operate, coerced to work overtime in their rest periods and are being promoted to senior cabin positions without the necessary experience"

Aircraft are also taking off with insufficient cabin attendants on board because so many of them

In-fighting delays flight

A DISAGREEMENT between an SAA captain and a flight attendant resulted in a 265-seater jet flying from Durban to Johannesburg completely empty this week, writes ROGER MAKINGS

According to SAA, the captain of the flight delayed take-off because of a disagreement he had had with the attendant over safety aspects some months ago

The initial dispute arose after the attendant apparently contradicted the captain about flying time in an in-flight announcement on a flight from Cape Town to Johannesburg, sources said

Passengers waiting to board the Airbus A300 to Johannesburg on Monday were advised of a "crew problem" and transferred to another flight that was due to leave an hour later

After discussions between the cabin purser and the captain failed to settle the dispute, the captain elected to return to Johannesburg. The aircraft was empty, except for the cabin crew and one passenger — the attendant at the centre of the row

A preliminary disciplinary hearing was held this week and the flight attendant temporarily suspended.

'I don't feel safe anymore'

ROGER MAKINGS

A FORMER SAA cabin attendant, who resigned after 13 years of service, has spoken out about her unhappiness with the airline

Tama Crisp, who is now studying law, said "I was an acting cabin controller for eight years and then demoted to onboard leader

"But when I signed on for duty I would be asked to act as a cabin controller as there was no-one else experienced enough"

When Crisp refused, volunteers were called for — and anyone, with just two or three years experience would get the job

"In an emergency it is the cabin controller who has to liaise with the captain, and if he is incapacitated, it is the cabin controller who takes charge of the evacuation, opening doors, deploying emergency chutes and overseeing the evacuation of the passengers. An attendant with just a few years experi-

ence won't cope"

Crisp said after 13 years of flying she had handled several emergencies and had developed an instinct for when something was wrong

"This comes with experience. It can't be taught

"Safety has declined — the airline is not as strict on safety procedure tests as it was"

She said that regulations allowed for cabin crews to be licensed on up to three types of aircraft, but many were licensed for seven types

For Crisp the last straw came when she asked for leave — owed to her — when one of her children became ill

"In refusing my request I was asked 'What's more important, your family or your job?'"

Interviews with other key staffers show that many senior attendants who held the top jobs of cabin controller have been demoted to onboard leader and their jobs given to less experienced staff who are being fasttracked to senior posts.

Said one crew member with 25

years' experience, who also plans to resign "Morale and esprit de corps have gone to hell

"I was a cabin controller for many years and was recently demoted to onboard leader. I now work under someone less experienced than myself

"For the past two months all leave has been cancelled

"One married woman, with young children at home, was taken off domestic routes and put onto the international flights which would take her away from home for days

"Another attendant whose mother was dying was refused leave to visit her"

He also claimed that SAA's ageing fleet was the cause of delays. "There is always something broken. I don't feel safe anymore

"There is no room left in the airline for the experienced old hands

"They want us out to replace us with people who accept lower standards without complaint"

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ST 26/10/97

Retrenchment costs hit Transnet

Robyn Chalmers

RETRENCHMENT costs of more than R300m in the year ended March 1998, along with "extremely" tough trading conditions, were likely to constrain Transnet to a "modest" increase in profits, finance executive director Gloria Serobe said yesterday.

Serobe said at the release of Transnet's interim results that more than 4 000 people would be retrenched from parcel business PX and about 500 from Transwerk, while retrenchments would also take place at Transtel and Spoornet. Employee numbers dropped to 110 358 in March this year from 113 634 last year.

MD Saki Macozoma said tough trading conditions coupled with a static market and expectations of limited economic growth meant increased profitability would have to come mainly through trimming working and other costs.

(270)
Transnet posted a 41% rise in net profit to R48m (1996: R34m) for the six months ended in September on turnover of R10,6bn (R9,99bn). However, operating profit at R1,62bn (R1,64bn) and profit at R968m (R1,06bn), before the group's contribution to the pension fund and medical aid fund liability, were both lower than the previous year's figures.

Serobe said that, in line with a recent board decision, Transnet had made a lower contribution of R920m (R1,03bn) to the pension and medical aid funds' liability.

In August, the fund's deficit had been reduced to R3,2bn, with a funding level of 90,3% against 64,2% a few years ago. Government debentures on Transnet's account totalled R7,4bn.

Macozoma said government had accepted the principle that Transnet would not be able to break its current cycle of bottom-line losses until the pension fund

BD 11/11/97
problem had been solved. "The consequences of the state taking over Transnet pensioners is still being considered .. (to) ascertain the cost (and) ensure it doesn't have a deleterious effect on government's macroeconomic policy and targets," he said.

Details of divisional results were not released, but Spoornet executive director Mafike Mkwana said the organisation should make a net operating profit of at least R600m (R712m) for the full year. "Conditions are very tough (and the) maize (crop) is not good this year," he said.

Macozoma said most of the other divisions would post positive results. SA Airways (SAA) was still experiencing difficulties, but was making headway and PX would show another loss although the trend was moving "in a different direction." SAA posted a net operating loss of R323m in the 1996/97 year and PX a R489m loss.

Things look up for office

SAA urges its ground staff to reach for the sky amid growing shortage

workers of flight crews

ROGER MAKINGS (270)

ST 16/11/97

SOUTH African Airways is turning to its office workers to act as cabin attendants as it struggles to cope with a growing shortage of flight staff

Beset by resignations, it has appealed to staff to volunteer to stand in for absent regular crews when needed

The office workers, many of whom are former cabin attendants, would be given a 10-day refresher course before taking to the skies. They would have to leave their normal jobs, on short notice, to be deployed on aircraft bound for domestic and even international destinations

The Sunday Times reported three weeks ago that long-serving, experienced staff were leaving the airline because of dissatisfaction with working conditions and unfair labour practices.

Salstaff, a cabin attendant union, also said at the time that due to premature promotions, cabin attendants would be hard-pressed to handle emergency evacuations

Airline management reacted with full-page advertisements in daily and weekly newspapers denying the allegations.

Zukile Nomvete, SAA's executive director, said in a letter to the Sunday Times that the airline's cost-cutting Operation Clean-up would not target the training of cabin crew. In the letter, he quoted the executive manager (inflight services) "as dispelling misconceptions about the number of cabin crew available to perform essential duties on flights". He added that "studies proved SAA is above average in terms of work days spent on crew training".

The letter also claimed that its long-haul flights operated with full complements of cabin crew, although an internal memo from the inflight services manager advised crews they would have to work without their full complements on some flights until new staff

was recruited

SAA, which in the last few months has been flying with fewer attendants on some of its aircraft than in previous years, and which has experienced delays because of staff not arriving for work, now admits it needs at least another 245 attendants

But sources say the figure is closer to 300, and will increase after annual double cheques are paid at month-end

SAA says there is a shortage of attendants because of seasonal pregnancy and study leave, but they are still operating within legal laid-down limits

It admits, however, it has never before had to raid the ranks of office staff to fill cabin crew vacancies

This week, SAA invited its office workers to apply for training as cabin attendants, telling them they could either elect to do a full-time, 10-day training course, or five-hour sessions in the evenings, lasting for two weeks

It did not offer different courses for those who have flown previously as cabin crew and those who have not.

Normal cabin attendant training lasts about 10 weeks, but qualifies attendants to work on several different aircraft.

However, SAA said most of the office workers who applied would be former cabin attendants who would still have to undergo a selection process, medical examinations and training. Said senior spokesman Leon Els. "They will have to be certified by the Directorate of Civil Aviation, and will also only be licensed to fly one type of aircraft, which means a shorter training period"

SAA said it would use the office workers only when it could not make up a full complement on its aircraft. "The vacancies are temporary, and these measures are intended as a stop gap until those on leave return," said Els

The airline admitted it was also employing retired cabin crew on a contractual basis, some 100 of which would come on stream in the coming weeks

Black pilots waiting for opportunities

Sowetan 20/11/97
By Saint Molakeng

THE 10 Gauteng blacks who qualified as private pilots in June this year have so far waited in vain for opportunities that will enable them to work as commercial pilots

Gauteng Premier Tokyo Sexwale initiated the project which saw the aspirants trained by the National Airways Corporation. The project was under the auspices of the Sky is the Limit Trust, chaired by Mr Tefo Raditapole

The young men and their families were ecstatic at having qualified in aviation, a career which apartheid had rendered inaccessible to blacks

But the youngsters, from Soweto, Randfontein, and other areas, can work for remuneration only when they complete further studies

(270)
Raditapole said yesterday that attempts had been made to have the pilots placed with local and foreign airlines, as well as with the South African Air Force for further training

Told that the youths were anxious to get further training, Raditapole pointed out "Strictly speaking, we do not have an obligation to train them

"But I will discuss it with Sexwale"

Preferring anonymity, a source within the premier's office said "The premier has already approached a number of companies about this but we cannot pin them down to timeframes. But by February next year, something will be accomplished"

One of the pilots, Mr Nephtal Thobela (22), said wistfully "I can't wait to be a working pilot"

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ST 23 | 11/97

MAKING A

DASH:

Kavistha Maharaj, one of only two Indian women who are flying airliners in Africa, says being at the controls of an aircraft is her life, and her ambition is to command a Boeing 747-400

Picture: JON HRUSA



Kavistha breaks new ground in the air

Up-and-coming co-pilot casts
conservatism to the winds

(270) ST 23/11/97
ROGER MAKINGS

THIS week 22-year-old Kavistha Maharaj lifted more than 300 times her own weight, and took it from Johannesburg to Richards Bay

A world record? Well, certainly in African terms, if you come from a conservative community where women are not expected to do much more than look after their husbands and children

Less than three years ago, Kavistha — a Hindu from Newcastle — was working for an educational institution and considering a tertiary education at a Kwazulu Natal technikon

Now, after 18 months of mind-bending study, and R500 000 later, she is a co-pilot on a 50-seater de Havilland Dash 8 turbo-prop aircraft — the first of only two Indian women to be flying airliners in Africa.

This week, the Sunday Times accompanied Kavistha and Captain Frans Vermeulen on an SA Express Airways flight from Johannesburg international airport to Richards Bay, with Kavistha at the controls of the 19-ton aircraft carrying 30-odd passengers and crew

With clearance from air-traffic control to continue our takeoff, Kavistha guides the Dash 8 onto the runway, and advances the throttles of the two Pratt and Whitney engines

As the aircraft surges forward, Kavistha — one hand on the throttles, the other on the control column, and feet nudging the rudders — guides the rapidly accelerating aircraft as straight as an arrow down the runway's centreline

At about 105 knots (199km/h) she eases back on the control column, and the Dash 8 lifts off Having established that the aircraft has positive climb, she calls for Vermeulen to raise the undercarriage As we pass through 400ft, Kavistha asks him to retract the flaps, and then turns right onto a heading for Richards Bay as Vermeulen busies himself with after-takeoff checks

Kavistha is one of about 23 cadets who have graduated from the Australian Aviation College in Adelaide since November 1994, when SAA decided it would have to start training its own pilots rather than rely on the South African Air Force — a traditional source of pilots which was drying up

On graduation, the cadets are seconded to SAA's two partner airlines SA Air-

link and SA Express, where they serve a two-year apprenticeship, gaining some 1 500 hours experience, before going before an SAA selection board prior to joining the national carrier

Says Captain Doc Malan, SAA's chief training pilot. "It's been a most successful, if expensive, programme. The cadets have been absorbed into the system, and are doing well"

Captain Duke Moorosi, SA Airlink's director of operations, says he is more than satisfied with his 15 first officers who are flying the airline's 29-seater Jetstreams Captain Roland Jones, SAA's manager of flight operations, agrees

Both note a slight lack of experience in handling larger aircraft than those on which the cadets trained in Adelaide "But that's not serious We have captains watching over them, and plan to give them a few hours' training in our Boeing 737 simulators, which should correct the problem," says Malan

Once the cadets leave the two feeder airlines they can opt for SAA's twin-jet Boeing 737s or the fly-by-wire Airbus A320s, or take up positions as second officers on Boeing 747s

Malan, who says a fifth course is being held in Adelaide, hopes that South Africa will soon be able to set up its own flight-training school

"We certainly have the skills and the good weather, but lack the finance to set it up, although a British company has visited the country just recently to investigate that possibility," he said

Says Kavistha "I have always been interested in flying and mechanics, but my father said I should first get a degree Flying, he said, wasn't a stable job — it was a hobby, not a career"

Then she saw an advertisement for SAA cadet pilots, and applied The rest is history "I can't imagine doing anything else — flying is my life, and I have ambitions of one day commanding a Boeing 747-400," she says

Her other interests are aerobatics — of which she did some 10 hours in Adelaide — and flight instruction.

But what would happen, I ask, if at some stage she wanted to marry, but her prospective husband would not allow her to work as an airline pilot?

"I slogged my guts out in Adelaide because I had a dream which I have now realised No man is going to take that away from me If he marries me, he marries an airline pilot End of story."

PS - TRANSPORT - LABOUR

1998

Transnet director guilty of

Ann Eveleth

Suspended Transnet executive director Joe Ndhlela's fate will be decided next Tuesday after an internal probe found he committed several acts of misconduct and impropriety

The transport parastatal's board of directors is due to meet on Tuesday to consider disciplinary action against Ndhlela after an internal disciplinary inquiry found he committed an act of "gross misconduct", two acts of misconduct, a breach of fiduciary duty (a duty held or given in trust) and an act of disloyalty to Transnet

The findings by retired judge John Trengove, who headed the inquiry, are dated December 18 but have been kept under wraps pending the board's decision. A summary of Trengove's 39-page report now in the possession of the *Mail & Guardian* concludes that Ndhlela "engaged in an act of gross misconduct" when he bugged the telephone of his personal assistant, Maria Mashiane

Transnet suspended Ndhlela in September 1997 amid widespread allegations that the shadowy and now defunct Business Information Services Department under his control had engaged in illegal surveillance of Transnet employees. A de-bugging search of the parastatal's Transnet Park headquarters, however, revealed nothing

But Transnet also temporarily suspended two of the department's employees, Felix Ngwenya and ex-Military Intelligence operative Jan Holliday, and subsequently charged Ndhlela with bugging Mashiane's telephone and authorising Holliday's contact — purportedly with the support of Transnet chair Louise Tager — with Durban-based Armstrong Security.

Armstrong is now suing the parastatal for more than R2-million it claims is owed for surveillance and investigation undertaken on behalf of Transnet executives. Transnet has denied authorising the illegal investigation and has so far refused to pay

Although it is the Armstrong allegations which could prove the most costly for taxpayers, it is the only charge on which Trengove's summary is silent. The probe found Ndhlela guilty of every other charge put to him.

Among these, Trengove found Ndhlela committed an act of disloyalty by failing to disclose commissions worth R750 000 he received from Credit Life Services between February 1993 and April 1996. The commissions were paid for his role in implementing a funeral benefit scheme for Transnet workers. The scheme was underwritten by XB Brokers, a company which later went into liquidation amid allega-

tions that it had defrauded the workers

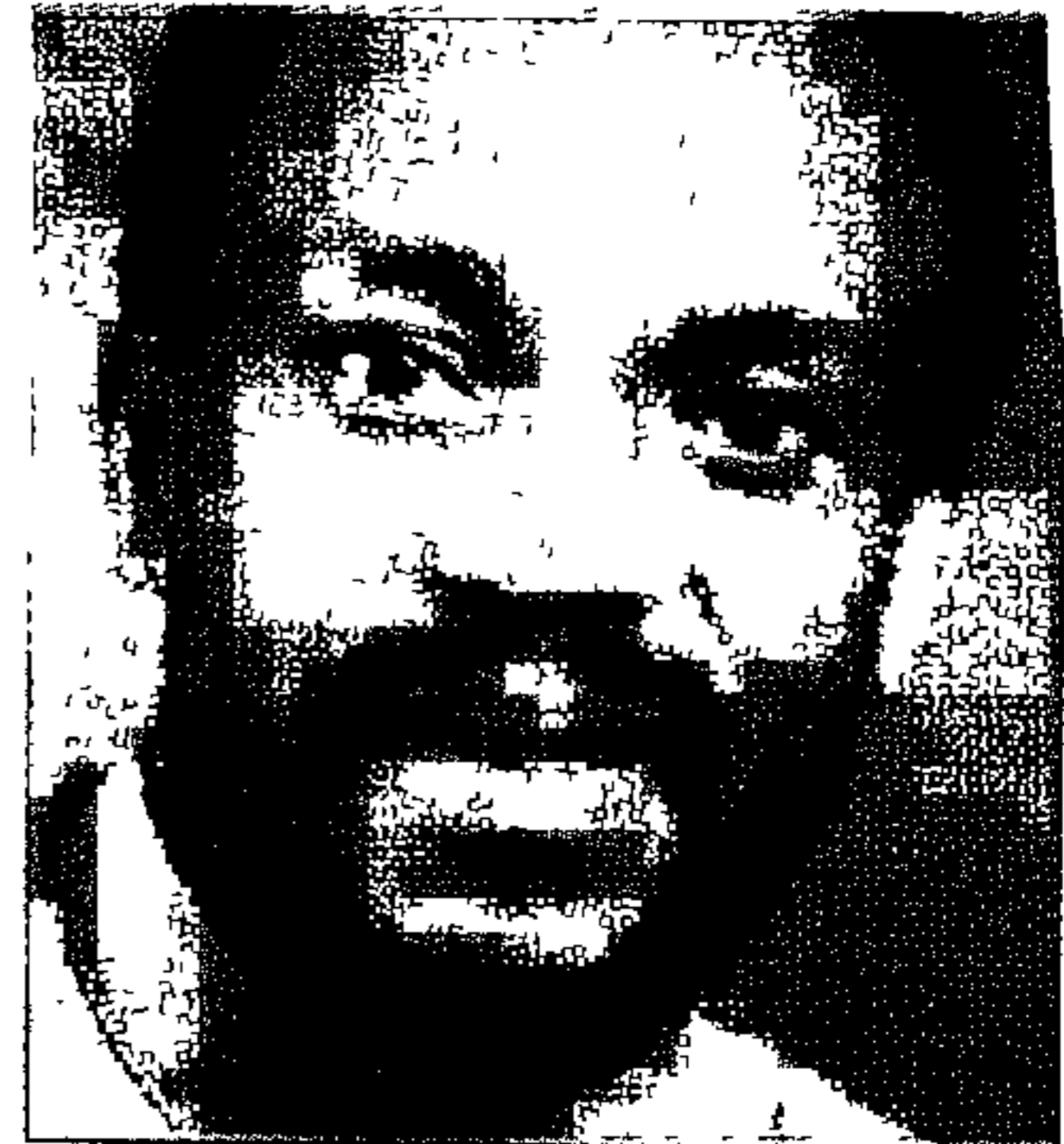
Trengove found that Ndhlela was "materially interested in the Transnet Funeral Benefit Scheme [and] was obliged to disclose this interest, but he failed to do so"

Ndhlela had also "breached his fiduciary relationship as a director" by authorising payments of R146 000 to recruitment company Insearch Practitioners CC for services not rendered to Transnet

He had further, according to Trengove's findings, "committed an act of misconduct" in December 1996 when he instructed another recruitment agency, Executive Resources, to recruit for the post of director and/or executive director of Transnet at a cost of R100 000, when Transnet had not called for such an appointment

Trengove found Ndhlela had contravened

misconduct



Conduct unbecoming: Joe Ndhlela

MTG 16-22/1/98
the Companies Act when he failed to disclose his directorship of Screenworld (Pty) Ltd, but that this was "not an act of misrepresentation or dishonesty", as alleged by Transnet

Ndhlela's failure to disclose a September 1995 bid by Rennie's to recruit him as a director was, however, "a breach of his fiduciary duty" as a Transnet director. Transnet and Rennie's compete in the cargo handling industry

Ndhlela had also committed an act of misconduct in failing to ensure his receipt of company firearms was recorded in the firearms register. Transnet alleged Ndhlela kept these in his office

Transnet representative Thami Didiya and Ndhlela's attorney, Daan Mostert, both declined to comment ahead of next week's meeting

Corruption leads to anarchy

By JACQUI REEVES

Labour disputes, racial tensions and widespread corruption have plunged the Johannesburg vehicle licensing department into near-anarchy - destroying the successes the department achieved in the latter half of 1997 in stamping out corruption.

In a scathing attack on the department, an independently appointed anti-corruption unit reported this week that bribery, corruption and intimidation had once again taken control of the department.

Administrative staff at the department say they are divided

along racial lines, with the largely white Independent Municipal Allied Trade Union (Imatu) facing up against the largely black South African Municipal Workers' Union (Samwu).

Staff at the department believe the labour strife has come about due to the determination of corrupt officials to secure their illegal income.

Staff within Samwu believe the dispute is being fuelled by a small, breakaway group within the unions who are fighting to protect their extra cash.

The crackdown on the department began in July last year, following reports in the

Saturday Star on the illegal issuing of vehicle registration forms, roadworthy certificates, learners' licences and certificates of fitness by the Johannesburg department.

Within four weeks, acting head of licensing Gerrie Gerneke and a team of assistants had all but eliminated the corruption by stepping up security, tightening supervision and instating staff rotation.

In September, an anonymous letter was delivered to the executive officer of traffic management services, Titus Malaza, listing various grievances against Gerneke

A second letter of grievance against Gerneke arrived in December. Malaza, along with the strategic executive for metropolitan public safety and emergency services, Hilow Maeko, agreed with the unions to investigate the matter but to leave Gerneke in his position.

On the morning of December 11, Malaza's office unexpectedly advised Gerneke to leave his post, and that he had been "temporarily relieved" of his duties.

Soon after Gerneke left his office, it is alleged that a delegation of Samwu workers entered the office, and removed his name plate and replaced it with a

handwritten notice saying "Position vacant - apply within".

The liquor cabinet in the office was forced open and an electronic diary, a tape recorder and a pen were removed from the office, and the telephone cable was snapped during the incident.

Maeko told the *Saturday Star* the unrest was being caused by a group of corrupt officials who were determined to continue their fraudulent transactions.

"When we appointed Gerneke we put the right person in the position. He cracked down on the corruption, but the minute he

left, anarchy began to reign again," he said.

Maeko said his department was determined to "sort out" the allegations and tighten security in the department.

"The corrupt officials at the licensing department like their extra income and they will go all out to smear people while they feel our actions hitting their pockets," Maeko said.

Staff in the department told the *Saturday Star* they were intimidated by corrupt officials and were not willing to be named. One official, who has been with the department for more than 10 years, said corruption

within the department was worse than ever.

Pierre Rizzo, a department employee and Imatu member, said corruption was now "10 times worse" than it was before the new security measures were put in place.

"False registration certificates are again being handed out with just a small bribe to one of the officials. You can get a total stranger's car registered in your name, then steal the car, and then 'legally' own the car, all within one day," Rizzo said.

Thutlers, who used to harass visitors to the department offering them shady deals in registra-

tion licences and learners' licences, were removed from the building in line with last year's security measures.

When the *Saturday Star* visited the department this week, the touters were back in the building, approaching many individuals who entered.

Maeko said the report of the anti-corruption unit would be studied and the allegations against Gerneke would be investigated as soon as Malaza returned from leave.

Gerneke declined to comment because the investigation into the allegations against him is not yet complete.

at Licensing dept
3/11/98
(270)

Senior SAA manager under suspension

Stephané Bothma

(270)

PRETORIA — SA Airways' (SAA) executive manager for passenger services, Johan Kuit, was suspended this week by the airline's executive director, Zukile Nomvete, for deviating from company policy.

Kuit, one of SAA's most senior managers with 32 years' experience, is responsible for the biggest division, dealing with international and domestic reservations, fares and the frequent-

flyer programme Voyager.

An airline source who wished to remain anonymous said management and nonexecutive staff were "extremely upset" and the possibility of labour action was being considered.

SAA union Salstaff was also investigating the suspension, a spokesman said. He would not comment further.

Nomvete said last night the suspension concerned internal policy.

Sources said he had disagreed with a management decision by Kuit.

BD 6/2/98

Maharaj has plan to cut staff by 72%

Vuyo Mvoko

BD 13/2/98

(270)

CAPE TOWN — Transport Minister Mac Maharaj announced yesterday a plan to reduce his departmental staff by almost 72% by October 2.

The plan would see the eventual implementation of his dream of creating four self-sufficient and profitable agencies that would take over the bulk of the department's work.

The envisaged changes would save the state at least R20m a year, Maharaj told journalists and diplomats.

The cabinet had already approved the creation of three of the agencies, an SA national roads agency, an SA maritime safety authority and a cross-border transport agency. While the three would be established on April 1, the fourth, a civil aviation agency, would be opened in October if the cabinet approved it next month.

Maharaj said that of the department's current 1 066 staff, approximately 401 would go to the planned agencies, while 260 would be given severance packages, go on pension or be redeployed.

By April next year roughly 220 people would be working for the department, dealing mainly with regulatory,

policy formulation, safety and promotional work.

The agencies' four areas of activity had been identified as having their own set of customers, Maharaj said, and they would be funded through user charges to the industries they served.

The savings would be real to the public service and there would be "no hoodwinking", he said. The agencies could be run "more efficiently commercially, operating at arm's length from the government".

Meanwhile, Sapa reports that Maharaj said government was negotiating with Metrorail on plans for a demonstration concession project on a segment of the parastatal's network. The deal would involve about 10% of the network, he said.

His department hoped to have a new performance-related concession-type contract with Metrorail finalised by April this year, and the proposed project, which was being discussed with labour and management, would fall under this.

The idea, based on studies of systems elsewhere in the world, was a concession that would involve not only operating an existing line, but also further infrastructure development.

Unions pull out of Transnet restructuring

Reneé Grawitzky

LABOUR suspended its participation in Transnet's restructuring committee yesterday, possibly jeopardising the sale of a 49% stake in SA Airways

The 10 unions involved in Transnet's restructuring — representing members from across the political spectrum — said government was not complying with the National Framework Agreement. Their suspension would remain intact until government had addressed demands.

The unions also accused SAA management of attempting to threaten and intimidate its employees by informing them last week that 3 000 workers (or 32%) could be retrenched.

Labour's complaints included the failure by government to grant adequate funding for the restructuring process and to employ specialist advisers

while government had spent millions to employ its own advisers

Other complaints included labour not being taken seriously in the process, a failure to grant access to all information deemed necessary and the unconditional transfer of individual and collective agreements to restructured Transnet entities.

A source close to labour said problems had been brewing for nine months. Both government and Transnet management had made it difficult for the unions to participate fully in the process by putting obstacles in the way.

Public enterprises ministry adviser Kennedy Memani said the privatisation of SAA would not be jeopardised. Discussions would be held with labour and Memani was adamant that the restructuring would not continue without labour's involvement. "Govern-

ment cannot do this process in a unilateral manner," he said.

Transnet's restructuring labour steering committee chairman Christo van Heerden said labour had bought into the restructuring process and was fully committed to it on the basis that it would be an equal partner. Labour, he said, had in fact urged Transnet to fast-track the SAA restructuring process. In return, government had failed to take labour seriously and had purposefully limited labour's participation by withholding funding for advisers.

Labour, he said, could no longer sit by just to rubber stamp government's position especially as the unions had questioned whether the current management was competent to effect the necessary change.

Van Heerden said government would have to respond within seven days or face a dispute.

BD 10/3/98

(270)

Transnet unions reach provisional deal

Reneé Grawitzky

A PROVISIONAL agreement has been reached between Public Enterprise Minister Stella Sigcau and 10 Transnet/SAAirways (SAA) unions on a range of issues which led to labour suspending its participation in Transnet's restructuring committee earlier this month.

The unions said Sigcau had given an undertaking to ensure labour could appoint

its own advisers for SAA's restructuring and have access to the transaction advisers. Labour would be able to meet potential equity partners and have full participation in developing restructuring-policy options.

The unions planned to meet government today to clarify matters and, if no final agreement was reached, a dispute would be declared. Transnet's labour restructuring steering committee chairman Christo van Heerden said

Labour withdrew from the Transnet restructuring committee on March 9, claiming government was not complying with the National Framework Agreement.

Labour's complaints included failure by government to grant adequate funding for the process and to employ specialist advisers and a failure by government to grant access to all relevant information.

A crucial question was the unconditional transfer agreements from SAA to the

newly corporatised company to be launched on April 1.

A union source said SAA wanted to renegotiate all employment contracts ahead of the company's corporatisation to reduce labour costs before acquiring an equity partner by October.

SAA spokesman Leon Els said the new contracts were not being discussed in isolation of other fringe benefits and a range of aspects in the restructuring committee.

BD 23/3/98 (270)

Sarhwu takes to business

FRANK NXUMALO

LABOUR EDITOR

Johannesburg — The South African Railway and Harbours Workers' Union (Sarhwu) had transformed itself from a militant union into a "business-minded organisation", Robert Mashego, the union's Gauteng chairman, said in the South African Labour Bulletin.

"The idea of union investment companies is still new to workers," Mashego said. But it was "futile singing slogans about the working class taking control of the means of production without doing anything about it in practice."

(270) CT(MR) 14/4/98

Dockers' strike brings terminal to standstill

ET (PR) 22/4/98

(270)

JONATHAN ROSENTHAL

INDUSTRIAL EDITOR

Johannesburg — South Africa's ports are facing a labour onslaught on two fronts. Dock workers yesterday downed tools at the Durban container terminal over longer working hours, and transport workers vowed to boycott Australian ships and goods in solidarity with sacked Australian dockworkers.

The Durban container terminal, Africa's largest, which handles 80 percent of South Africa's seaborne container traffic, has been at a standstill for two days as the port management and seven unions battle over a productivity drive.

Bax Nomvete, the port manager, said workers had gone out on strike yesterday morning when management tried to reorganise shift work at the container terminal to save R8 million to R10 million in labour costs. He said container-carrier drivers worked four hours and rested four in an eight-hour shift. The new shift rosters would make drivers work an extra hour in each shift.

He said the strike had already cost the shipping lines about R5 million in delays and created a

backlog of 15 ships waiting to be unloaded. If the issue was not resolved by this morning ships and containers would have to be redirected to other ports.

Portnet has applied for an interdict against the strike. A judgment is expected this morning.

Meanwhile, the Transport and General Workers Union (TGWU) yesterday said it would boycott all ships owned by Australian companies or carrying goods from Australian ports.

The action was in solidarity with 2 000 Australian dockworkers sacked this month by Patrick Stevedores with the support of the Australian government.

Randall Howard, the general secretary of the TGWU, said the sacking was an attempt to replace a unionised workforce with non-unionised workers.

The union has also called on the department of transport to bar Australian-owned vessels from South African ports.

Yesterday the South African Railway and Harbours Workers' Union said it too would take action to "isolate" Australian ships.

On Sunday the US-based International Longshore and Warehouse Union announced a boycott of Australian products.



TIGHT SPOT Durban Port's workers have returned to work, but it will take several days to clear container log jams

Strikers at Durban port return to work

(270)(120) CT(MR)23/4/98

JONATHAN ROSENTHAL

INDUSTRIAL EDITOR

Johannesburg — A two-day strike at Durban port's container terminal, Africa's largest, was resolved early yesterday morning when unions agreed to an increase in working hours, Portnet said yesterday.

The two-day strike by about 300 workers cost shipping companies more than R5 million due to delays, and had created a backlog of 15 ships waiting to be unloaded.

Bax Nomvete, Durban Port's manager, said staff had returned to work after agreeing to add an extra hour in their eight-hour shift.

Previously, straddle-carrier drivers had worked for four hours and rested for four hours in a normal eight-hour shift. Nomvete said it would take several days for operations in the terminal to return to normal.

He said the new work system would save the terminal

R8 million to R10 million a year and would reduce future staff requirements, but would not result in retrenchments.

He said the terminal was expanding its workforce through the installation of additional cranes.

Under the new shift system the port would only have to hire 15 more staff to operate the new cranes, rather than the more than 90 that would have been required under the old system.

The new deal gives workers seven days before they move onto the new shift system.

Meanwhile, Tuesday's decision by South Africa's dockworker unions to boycott Australian ships in solidarity with sacked Australian dockworkers has strained relations between the two countries.

AP reports that Alexander Downer, the Australian foreign minister, yesterday called in South Africa's ambassador to Canberra to voice his displeasure about the boycott.

Nomvete was not axed, says Transnet

(270) BD 7/5/98
Robyn Chalmers

TRANSNET and the public enterprises ministry have flatly denied that SA Airways (SAA) executive director Zukile Nomvete has been removed from his post, but insiders say such a move is on the cards.

Transnet media liaison manager Tami Didiza said yesterday a Transnet board meeting would be held tomorrow. Top of the agenda would be the portfolios overseen by executive directors and whether they should be reshuffled.

The meeting would also consolidate Mafika Mkwana's recent appointment as Transnet deputy MD to back up MD Saki Macozoma. "Until the board has met no decision can be taken on portfolios or whether they will be reshuffled," Didiza said.

Public enterprises ministry spokesman Wandile Zote said any decision to remove Nomvete from his post would first have to be referred to Minister Stella Sigcau. "We have not received any notification of this kind," he said.

Despite these denials there are clearly steps being taken within Transnet to move Nomvete. There has been speculation for almost a year about Nomvete's performance and moves to remove him from his post, but no action has been taken.

The issue of SAA's management is seen as crucial to the partial privatisation of the airline, scheduled for later this year, and its transformation into a profitable, streamlined entity. The company reported a R323m loss for the year to March last year and analysts are doubtful that the airline will have moved back into the black in the 1997/98 financial year.

This is despite an ambitious cost-cutting exercise which SAA CE Mike Myburgh recently said had stripped about R200m from the airline's cost base.

Nomvete declined to comment yesterday, but it is understood that he is determined to fight any attempt to oust him.

This was the path taken by two other Transnet executive directors who were fired — former Portnet executive director Siphon Nyawo and former human resources executive director Joe Ndhlela.

(270) CT (MA) 20/5/98

Merger to create biggest transport union

The merger of the Transport Union, Salt Lake City, and the Employers' Union, Salt Lake City, will make the Federation of Laborers the largest union in the country's commercial air transport industry.

The merger will include pilots, flight attendants, and other employees of the airlines. The interest of the union is to represent all employees of the airlines, including pilots, flight attendants, and other employees. The union is currently represented by the International Brotherhood of Teamsters. The union is currently represented by the International Brotherhood of Teamsters. The union is currently represented by the International Brotherhood of Teamsters.

Thousands strike in Portnet row over bonuses

BUSINESS REPORTER

Thousands of Portnet workers throughout the country went on strike today to protest against moves by the state-owned parastatal to withdraw employees' incentive bonuses. Hardest hit are Richards Bay and Durban, but it's business as usual in Cape Town, Saldanha Bay and Port Elizabeth, according to Portnet spokesman Thami Didiza.

Union leader Lunley Sharp told the Cape Argus the three striking unions represented 8 000 workers at Portnet. Portnet could lose

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ARG 26/5/98

CAPE ARGUS, TUESDAY, MAY 26, 1998

Thousands on strike in bonus row

(270)

From page 1

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as much as R200-million a day in profits, he said.

The three unions are Salstaff, the Technical Workers' Union and the Employees' Union of South Africa.

Mr Didiza has, however, denied union claims the strike was hurting the company.

Only 20% of Portnet's 11 000 workers heeded the call to down tools, he said.

The workers were protesting against proposals to cancel a scheme that paid them an incentive bonus of R500.

Mr Sharp said the bonus, which was paid annually, motivated workers to become more productive.

"The bosses are offering a new bonus that gives workers R350," Mr Sharp said.

However, Mr Didiza said the bonus was given monthly. He claimed Portnet wanted to devise a new scheme because the bonuses had been too costly for the company.

"If we carry on with the present bonus we will lose R70-million a year. What we have proposed is a scheme that is tied to the profitability of the company," he said.

Workers have vowed to strike for as long as it takes.

Over 1 000 posts shed at Transport Department (270)

By **ANDRE KOOPMAN**
Parliamentary Bureau

More than 1 000 posts had been shed in the Department of Transport, saving the taxpayer R70-million a year on the salary bill, Transport Minister Mac Maharaj said yesterday.

During his budget debate in the National Assembly, Maharaj spoke about the ongoing process to reduce 1 400 jobs (from 1994) to 240.

More than a 1 000 jobs had already been shed in the right-sizing and transformation process, Maharaj's spokesman Didi Moyle confirmed.

Of the 340 applicants for voluntary severance, 292 were allowed to take the package while the other members of staff were transferred to the private sector as the department outsourced functions it no longer needed to do itself, Maharaj said.

The reform of cross-border permits and the establishment of the Cross Border Road Transport Agency would save the Government R22-million a year, Maharaj added.

"It works on a cost-recovery basis and any profits will be ploughed back through a price reduction in the next financial year"



Mac Maharaj ... job cuts have saved taxpayer R70-million.

Maharaj said the entire transport industry was in a "sustained state of decline". The greatest challenge faced in both the private and the public sector was that levels of investment and reinvestment were below what was required to maintain the current levels of cost and service.

"In addressing these challenges in a resource- and capacity-constrained environment, the strategy we adopt will have to make some hard choices and trade-offs," he said.

The total budget allocated for transport operations and infrastructure was 30% less than what was needed, he added.

PARLIAMENT & POLITICS

FROM A YEAR SAVED IN SALARIES

Maharaj axes more than 1 000 jobs

MINISTER OF Transport Maharaj faces tough choices as the industry does not have the money to maintain services at budget levels. **ANDRE KOOPMAN** of the Parliamentary Bureau reports.



THE Department of Transport had shed more than 1 000 posts, saving the taxpayer R70 million a year in salaries, Minister of Transport Mac Maharaj said yesterday.

Speaking during his budget debate in the National Assembly, Maharaj said the goal was to reduce the number of posts from the 1 400 in 1994 to 240.

Of the 340 staff members who had applied for voluntary severance, 292 had been allowed to take the package.

Other members of staff had been transferred to the private sector as the department outsourced functions it no longer needed to perform itself, Maharaj said.

The reform of cross-border permits and the establishment of the Cross Border Road Transport Agency would save R22 million a year, Maharaj said.

"It works on a cost-recovery basis and any profits will be ploughed back through a price reduction in the next financial year."

The transport industry was in a "sustained state of decline", Maharaj said.

The greatest problem for the private and the public sectors was that investment and reinvest-

ment were less than that required to maintain present costs and services.

"In addressing these challenges in a resource- and capacity-constrained environment, the strategy we adopt will have to make some hard choices and trade-offs," Maharaj said.

"We will have to make choices about which customers and which national policy objectives to prioritise.

"To continue with the present allocation of resources will not only ensure further decline, but will also entrench further the legacies and distortions of the past."

The total budget allocated to all three levels of government for transport operations and infrastructure was 30% less than that needed to sustain these.

In this context, all three levels of government spent four times more on the road network than on public transport. This was the legacy of private and commercial road-users being given priority over public transport customers.

Maharaj said that, to end the previous system of lifelong permits and subsidy allocations, his department had negotiated interim perfor-

mance-based contracts with every subsidised bus company.

These were being translated into tendered contracts that would allow bus services to be rationalised and redesigned according to passenger plans by the provinces and through metropolitan transport authorities.

"Through negotiations with the three major unions and the bus operators, we have been able to guarantee 67,5% of the current jobs and cushion any job losses through the establishment of a negotiated social plan."

Years of negotiation, to change the way in which the government subsidised rail commuter transport, were drawing to a close.

"Mid-year we hope to sign an agreement with Metrorail that will move us away from deficit financing to a more performance-oriented, concession-type contract that will give value for money (and) improve efficiency and service."

This would be the first step towards the full concessioning of the commuter rail network. Maharaj said he would also be moving towards outsourcing government motor transport.

More than 95% of taxi associations had been conditionally registered. Standard constitutions and codes of conduct were being finalised. The adoption of these would be required for full registration and would lay the basis for association leaders' accountability to their members.



MAC MAHARAJ: The Minister believes the strategy the Transport Department adopts will involve hard choices and trade-offs.

Portnet workers go on strike to keep R500 bonus

DURBAN — More than 2 500 workers at Portnet in Durban embarked on a strike yesterday to persuade the company to keep a R500 monthly bonus payment

A memorandum issued by the three unions involved in the strike — Salstaff, the Technical Workers' Union and the Employees' Union of SA — said the strike was a result of Portnet rejecting their demand for a negotiated incentive harbour payment. The company offered a profit-share scheme instead. The memorandum said

the proposed profit-share scheme was unacceptable

"The unions demand from Portnet retention of the R500 a month payment. This payment shall remain in place until such time as an acceptable harbour incentive scheme is successfully negotiated and agreed upon by the parties to this industrial action."

Portnet spokesman Tami Didiza said the company and the unions agreed last June that the bonus scheme would cease at the end of March this year.

Didiza said Portnet was trying to introduce an interim scheme to be based on the company's profit. "Portnet is prepared to negotiate the scheme with the unions and I am certain proper negotiations will solve the crisis."

Didiza said the striking unions represented only 20% of Portnet workers. "The company has not been affected by the strike and operations are normal," he said.

Portnet workers in Richard's Bay also embarked on the strike yesterday. — Sapa.

20 27/5/98

(270)

Rail union gets stake in Aries

Patrick Wadula

(270)

100

28/5/98

The SA RAILWAY and Harbour Workers' Union (Sarhwu) had acquired a 25% stake in Aries Investment Holdings for almost R10m, Sarhwu Investments CEO Sandile Zungu said yesterday. The aim was to tap into the Western Cape's investment potential.

Aries, formerly Aries Packaging, sold the stake to the union at an average price of R2,75 a share.

The acquisition involved an issue of new shares for cash and purchases from shareholders, including former Aries chairman Eric Kohler.

To ensure that the union is part of the controlling block, a voting pool will be set up between Sarhwu Investments and Aries directors and management. Union investment chairman,

Ezron Mabyana and Zungu will join the Aries board. Eric Kohler has retired and director David Kohler has resigned, leaving the chairmanship to Dieter Neckel.

Zungu said Aries offered the union investment group a strong presence in a region that was strategic in the long term. "We cannot wait to fully explore a joint strategy between Sarhwu investments and Aries with regard to information technology," he said.

Aries' IT interests include ownership of computer company Psionet and a 50% stake in Castle Graphics. The group plans to reposition its packaging business as a high-growth operation.

Sarhwu already has a 10% interest in Elixir Computer Services, 35% in Roadcorp and 8% in Mercantile Lisbon Bank Holdings.

Dock strike woes take a new turn

(270) (A) ~~(A)~~
Johannesburg - Industrial action by about 3 700 dock workers and Portnet technical staff at six ports is set to continue into next week as workers embarked on a go-slow after a two-day strike.

The protected strike on Tuesday and Wednesday this week centred on Portnet's refusal to continue paying a R500 monthly bonus from April 1, the Federation of Unions of South Africa said in a statement.

"We are demanding that the bonus be restored and will continue with a go-slow until a proper incentive scheme is on the table," said Adrian van Rensburg, spokesman for the Technical Workers' Union.

Dock workers in Durban, Richards Bay, Port Elizabeth, East London, Saldanha and Cape Town embarked on a strike on Tuesday

Yesterday, the workers returned, but began a go-slow at all six ports.

"This means control tower staff will not guide ships into port and workers will refuse to operate the cranes to unload them," said Mr Van Rensburg. - Sapa

ARG 29/5/98

AVIATION Washington Post critical of Coleman Andrews, but Transnet backs his appointment

New SAA head 'left firm in debt'

RICH MKHONDO

Washington, DC—The new chief executive of SAA, the state-owned carrier, left a debt-ridden US airline "which seemed to lack focus, and he oversaw a disastrous foray into regularly scheduled charter service", it was reported here at the weekend.

In a front-page article in its weekend business section, the Washington Post said WorldCorp, World Airways' parent, pleaded with creditors not to force it into bankruptcy.

It announced on the same day that Coleman Andrews, the chairman of World Airways, its airline subsidiary, had resigned to join SAA.

Andrews has replaced Mike Myburgh as the head of SAA.

"In recent years, analysts said World Airways seemed to lack focus under Andrews, who last year ran for Virginia lieutenant-governor. It was Andrews, for example, who oversaw the charter airline company's disastrous foray into regularly scheduled charter services.

"The debt-laden WorldCorp, which is the holding company for World Airways and software supplier Intelldata Technologies, failed to make a \$2.25 million interest payment on \$65 million in junk bonds on May 15,

giving its creditors the legal right to force the company to seek reorganisation in bankruptcy," the newspaper said.

Saki Macozoma, the Transnet chairman, said Andrews was the right man to take SAA into the next century.

"If things were as disastrous as they are reported to be, why did they not fire Andrews? Why are these reports only coming out now when (he) has left them to join us (SAA)?" Macozoma asked.

The company used a reputable search agency to find Andrews, which checked every aspect of his background, including his certificates.

As far as SAA was concerned, there was nothing in Andrews's background which could have forced the airline "to raise its eyebrows", and it was not going back on his appointment, Macozoma said.

Earlier last week, Macozoma said as the former chief executive of World Airways, Andrews was credited with preventing the ailing company from going bankrupt.

It was now one of the world's leading lease operators, with a blue-chip list of international airline customers.

But in a letter to the bondholders, Patrick Graham, the

WorldCorp president who has taken over management of the company from Andrews, asked the creditors to "work with us to reach a consensual agreement on restructuring" the debts.

"We have to acknowledge in all candour that a group of the debenture-holders could seek to force the company into bankruptcy. We believe that such a course would be ill-advised for all those involved."

He said World Airways and Intelldata had been unprofitable and as a result were unable to pass on money to the holding company, leaving WorldCorp unable to pay its debts.

In the first quarter of this year, World Airways lost \$3 million on revenue of \$69 million, down from \$79 million a year earlier. Intelldata lost \$4.8 million in the same quarter as its revenue fell from \$21.4 million to \$17.3 million.

In 1996, World Airways launched a US-South Africa passenger route, but pulled out after only two months, saying the route had been unprofitable and it wanted to stick to its successful core business of chartering and leasing airplanes.

Andrews, who is already in South Africa, could not be reached for comment — Independent Foreign Service



HOT SEAT Coleman Andrews at the announcement of his appointment last week.

PHOTO JOHN WOODROOF

Transnet plans to retrench thousands in preparation for

Linda Ensor

(270)

CAPE TOWN — Transnet, caught in a deadlock with its labour unions on salary negotiations, would have to retrench thousands of workers to prepare the parastatal for privatisation, senior executives warned yesterday.

MD Saki Macozoma would not be drawn on how many of the corporation's 96 000 workers would have to go to enhance profitability, but said it was a "very significant" number and would involve railway employees in particu-

ED 3/6/98

lar. "We can assume we will not be very popular in the next year or two," he said. However, delaying action would exacerbate the parastatal's problems.

He also warned Parliament's public enterprises committee that he could not rule out industrial action in the deadlocked labour dispute which would go to conciliation on June 17.

Macozoma said that resistance to restructuring had seen Transnet's 10 000-strong management corps form the first managers' trade union in SA in the interests of job security. They

claimed the right to collective bargaining "once the realities of change began to hit them".

Transnet had decided to grant them their rights after taking legal advice, but would consult only and not negotiate with them. "Collective bargaining is regressive in our view, but it is within the law," Macozoma said.

The creation of the management union was precipitated when Spoornet management was informed that they would have to pass a competency test to retain their jobs. Macozoma said the

previous system of automatic promotion for time servers had filled management ranks with unqualified people who needed to be weeded out.

Macozoma said if Transnet was sold with all its unprofitable baggage, the price would be discounted "to the bone". Once sold, the buyers would create a lean, mean company, make profits "and we will look at it and want to cry because we have given it to them".

To highlight the need for a radical pruning, he told the committee that the corporation had two projections of

the future trajectory of operating profits between 1997/98 and 2003

One based on current business practices projected a cumulative 13,5% rise in operating profit, while the other of 23% would require business units landing off unprofitable divisions

Management projected Transnet would not be viable before 2003/04 and would have to be restructured. The main focus of the restructuring would be the removal of the pension fund, which absorbed about R2bn annually from Transnet's balance sheet.

Unions say Transnet is keeping them in dark

Reneé Grawitzky

100 5/6/98 (270)

TRANSNET unions said yesterday they are being kept in the dark about possible retrenchments and warned of a major confrontation also if agreement is not reached on a uniform Transnet social plan, as opposed to divisional plans.

Their warning came in the wake of an announcement by Transnet MD Saki Macozoma that a significant number of Transnet's 96 000 workforce faced possible retrenchment.

Labour said it had not been officially informed of management's retrenchment plans and viewed Macozoma's announcement as being a "veiled threat" and "cheap scare tactics".

Labour believed it was being set up by management to be seen by the public as the "spoilers" in the current restructuring process. It argued that management was not being transparent and not fully briefing labour properly on its overall business plan.

A union source said it was not being provided with the opportunity to put forward alternatives to reach the same goals as government.

Retrenchments, labour said, had to be seen in the context of turning the company around with a safety net for workers affected by restructuring.

Christo van Heerden, chairman of Transnet's restructuring labour steering committee, said labour had agreed to take part in the restructuring process on the clear understanding that a

social plan would be put in place

It was in labour's interest to take part jointly to turn the company around.

However, it was understood that business plans would be designed first and that retrenchments would be contemplated only if surplus resources existed. Retrenchments were seen as a measure of last resort and something "far down the line".

Van Heerden said there had been no formal talks on retrenchments, except those under way at Transtel, which planned to retrench 500 workers.

Negotiations on a social plan were supposed to form part of a parallel process, but there were already indications of possible confrontation, with Transnet management adopting the view that individual social plans should be negotiated at divisional level as opposed to a national Transnet plan.

The National Framework Agreement called for the development of a social plan at enterprise level. Labour interpreted this to mean a uniform Transnet social plan.

Van Heerden said Transnet's labour caucus agreed this week that it would not accept divisional level social plans. This would imply that such plans would be based on the affordability of individual divisions and provisions would inevitably be different. Labour warned that a failure to resolve this issue could cause further delays for privatisation and could lead to industrial unrest.

SAA's new high flyer has his feet on the ground

Star 16/6/98 (270)

By Rodney Victor

South African Airways has gone international in its selection of a new chief executive, appointing United States citizen Coleman Andrews

As former chief executive officer of World Airways, Andrews (43) is credited with preventing the ailing company from going bankrupt

It is now said to be one of the world's leading lease operators, with a blue-chip list of international airline customers

Transnet chairman Saki Macozoma said the company had been seeking the best man possible to take over from former chief executive Mike Myburgh.



Turnaround man ... Andrews jets in for a challenge.

"We searched the world to find the right man for the job, and we have found him"
Anticipating criticism that

no suitably qualified South African had been found, he said the position was too important to be based on nationality

Andrews arrived on Saturday, and will be followed by his wife Susan, son Coley (17), and daughters Alexa (14) and Abigail (7), who will go to school in Johannesburg.

He said he was looking forward to building an airline "which customers love and competitors fear"

"We have to acknowledge that SAA has been losing market share and has been criticised by the media and its customers

"There is work to be done on the revenue and the cost sides, and rectifying these problems will allow SAA to expand prof-

itably as a carrier and ensure that when partial privatisation comes, the airline's new partners will bid top dollar for their stake"

Andrews was a White House economics assistant to former US president Gerald Ford in the mid-1970s, and was managing partner of Bain Capital, a successful Boston-based venture capital fund, until 1986 when he was summoned to bail out World Airways

He stepped down as the airline's chief executive officer in 1993, but remained on the board until a week ago when he resigned to take up his new position with SAA.

► Report and picture

Former SAA director lodges unfair labour practice claim

Reneé Grawitzky

BO 19/6/98 (278)

FORMER South African Airways executive director Zukile Nomvete has lodged an unfair labour practice claim against Transnet with the Commission for Conciliation, Mediation and Arbitration.

It is understood the claim relates to allegations of procedural

and substantive irregularities and Nomvete's transfer from his former position in SAA.

Nomvete was not available for comment as he is on leave. Transnet said it was not aware that an application had been lodged with the commission. The company said Nomvete was expected back at work soon.

The commission confirmed that an application was lodged last week.

In May the company announced that Transnet's deputy MD Mafika Mkhwanazi would take over Nomvete's responsibilities in addition to his own.

Nomvete would be executive director in charge of other portfolios.

Strikes 'cost shipping sector R600m'

**Samantha Sharpe
and Pule Molebedi**

CAPE TOWN — Crippling labour unrest at SA's ports, especially Durban, has cost the shipping industry more than R600m in productivity delays since the start of April, industry sources say

Portnet technical support staff and dock workers have been on protected strike action since Monday last week, although a general go-slow has been in effect since the Easter holidays

About 3 700 port workers at Saldanha, Durban, Richards Bay, Port Elizabeth, East London and Cape Town are protesting against Portnet's decision to revoke a R500 bonus with effect from April 1

Transnet spokesman Thami Didiiza said the group was open to negotiations with the Salaried Staff Associa-

tion Employees' Union of SA and the Technical Workers' Union

He said the company tabled a proposal at the Commission for Conciliation, Mediation and Arbitration in which the bonus system would be given out only after quarterly profits made by the company were declared. A percentage agreed to by both the company and unions would be distributed to the employees

While industry sources reported excessive and continual delays, especially at Durban and Cape Town harbours, since the start of April, a Portnet spokesman said "all ports are operating normally". He said the labour action had no effect on productivity levels and there had been no complaints from any of the shipping lines or agents

However, Unicorn liner executive Liam McKenzie said the deep sea container port at Durban harbour was

backed up, resulting in delays of up to 150 hours before vessels could berth

Productivity levels at Durban harbour, which could usually handle between 17 and 18 containers per hour, had been turning about half that amount. Ships were waiting between three and four days to berth, he said

Other sources said there was a daily backlog of about 10 vessels outside Durban. Early last week there were between 23 and 33 ships waiting outside Cape Town harbour

SCL southern region CEO Brett Gray said the group had experienced "significant delays and incurred significant losses" as a result of labour-related delays

While difficult to estimate the actual economic cost of the delays, industry sources said a single day's delay cost the average ship owner between \$15 000 and \$20 000.

Communication union strike looms

Reneé Grawitzky (22) (270) and a minimum wage of R2 100

TELKOM and the SA Post Office have been threatened with industrial action as a result of wage demands tabled by the Communication Workers' Union, ahead of a conciliation process of the Commission for Conciliation, Mediation and Arbitration.

The union declared a dispute against Telkom and the post office on May 18 over demands for an across-the-board increase of R150 a month

Other demands related to a commitment to reduce the apartheid wage gap between the lowest- and the highest-paid workers and increases ranging between 10% for supervisors to 16% for auxiliary workers.

The post office had offered increases close to 7% while Telkom's final offer was an 8,5% package.

Telkom said yesterday it had subsequently submitted a revised proposal to the commission and the union.

BD 19/6/98

US airline 'did not force out SAA boss'

BD 22/6/98 (270)

Robyn Chalmers

NEW SA Airways CE Coleman Andrews said yesterday he had renewed his contracts with America's Worldcorp and its subsidiary World Airways before taking up his post with SA Airways, contrary to reports that he had been forced out of the US companies.

Andrews denied a report by the Washington Post that he came under pressure from his board of directors to give up his positions later this year as the companies were on the verge of bankruptcy. He had renewed his contracts for up to three years before he decided to take up the SAA post.

Transnet MD Saki Macozoma, who appointed Andrews with full board approval, said SAA was aware of the problems facing WorldCorp and World Airways, and believed Andrews was the right man for the post.

"Andrews is one of a handful of people who has the expertise to turn SAA around and we fully support him," he said. SAA made a loss in 1996/97 and is expected to make a further loss of be-

tween R300m and R350m in 1997/98

Macozoma said Andrews was appointed because of his knowledge of key airline players, which would be invaluable during upcoming negotiations on SAA's partial privatisation. Government has said that 25% to 30% of the airline will be sold to an international equity partner.

The Washington Post alleged that Andrews had overseen World Airways' "disastrous foray into regularly scheduled charter services". Andrews said he had not overseen the move and the senior manager responsible had been fired after overcommitting the airline.

The Post also said Worldcorp was on the verge of bankruptcy.

Andrews was hired at World Airways in 1986 when it had accumulated losses of \$200m. He launched a restructuring exercise, closed loss-making elements and consolidated a number of financial instruments. Profitability was restored. The airline's fortunes have subsequently declined.

Newsmaker: Page 15

Smoking, pregnancy join 'death cause' list

Jossey Ballenger

SMOKING and pregnancy would be listed on death certificates if they were considered to be contributory factors to the cause of death, the health department said at the weekend.

Health authorities said the data on the new death notification forms, to be printed within the next few months, would reflect the "background" to fatalities. At present causes of death did not explicitly point to pregnancy complications or tobacco. A person who

died as a result of an abortion or child-bearing, for example, might have "excessive bleeding" or another medical term cited as the cause of death. Similarly, a person might die of "inability to breathe" without any reference to smoking-related lung cancer.

SA Institute of Medical Research cancer registry head Dr Freddy Sitas said the death notification form would ask the next of kin whether the deceased had smoked five years before

Continued on Page 2
BD 22/6/98

SAA to review pilots' pay award

CT(MR) 2/7/98 (270)

JONATHAN ROSENTHAL

Johannesburg — The management of South African Airways (SAA) late yesterday issued a statement to its pilots saying it was likely to review an arbitration award handed down that morning which gave pilots a 17 percent pay rise

Rod McFarquhar, the manager of the 700-strong SA Pilots' Association, said pilots last year accepted a wage freeze in the light of SAA's financial difficulties.

This year, however, the airline approached annual wage negotiations with a call for a 15 percent pay cut, despite long-standing agreements that SAA pilots would be paid salaries on a par

with those paid by other large airlines. SAA then called for a wage freeze for a second year running, but pilots demanded a cumulative 25,7 percent pay rise to make up the backlog caused by last year's wage freeze

McFarquhar said the arbitration process, lasting almost three weeks, had found in favour of a 17 percent pay rise to take into account both the backlog and the airline's financial difficulties

But within hours, Coleman Andrews, SAA's new chief executive, and Peter Cooke, the executive manager of flight operations, put out a new statement. This told staff that "considering the present financial plight of our airline and the need to turn it around decisively, we will in all

likelihood take the award under review"

"The company has every intention of honouring agreements. But obviously, an award of this magnitude with its full implications would be entirely destructive of our efforts to revitalise South African Airways," the statement said

McFarquhar said he was disappointed by SAA's response.

"Before the arbiter made his finding the company was already threatening to take the finding under review if it was against them," McFarquhar said.

He said the only way the company could get out of implementing the award would be to legally challenge the arbitration in the labour court

Transnet workers sick of medical aid scheme

(~~277~~) ~~28~~ (290)

NCABA HLOPHE

ET (BR) 15/7/98
Johannesburg — More than 14 000 Transnet employees have threatened to pull out of the Transnet Medical Aid Fund (Transmed) to protest against its failure to honour medical bills

France Marumo, the chairman of the Gauteng branch of the South African Rail and Harbours Workers' Union, said yesterday members wanted to withdraw from Transmed.

He called for an option to engage other independent medical aid administrators.

Transmed, like the Transnet Pension Fund, is mired in a deficit morass that has improved slightly, from R96 million in 1996 to R54 million this year

The fund still carries a 40 000-strong risk pool of pensioners inherited from the former South African Transport Services when it was commer-

cialised into Transnet in 1990.

Marumo said Transmed had become useless to most union members, who were being turned away by doctors because the scheme did not pay their medical bills

Petrus Wassermann, Transmed's principal officer, said members' disappointment with the fund was valid and steps had been taken to improve its operations.

He said the fund had already been restructured into a "new-generation scheme" which stipulated a fixed benefit into members' "savings accounts".

"It's not true that we do not pay the medical bills," Wassermann said. "Members use everything in their accounts and face bounced medical bills ... Transmed cannot afford more than the limit," he explained.

□ Business Watch, Page 2

Airport strikes delay City flights

Three flights out of Cape Town International Airport have been affected by three one-hour work stoppages at Johannesburg airport today.

A Swiss Air flight to Cape Town and two domestic departures were delayed for about an hour.

The stoppages were staged by apron service staff over a tendering dispute in connection with the handling agents of all air flights and passenger-carrier services. At Cape Town airport, apron service staff staged pickets yesterday and today.

ARG 22/7/98

(270)

Thousands stranded as strike grips airport

PH 23/7/98

(270)

(270)

Reneé Grawitzky

DOMESTIC flights were cancelled and international flights delayed by strike action at Johannesburg International Airport yesterday, leaving thousands of passengers stranded.

The strike was part of an intensification of workers' protests against attempts by the Airports Company to invite tenders for some functions.

The strike action was called off last night and after negotiations, a joint statement by the SA Railway and Harbours Workers' Union (Sarhwu), Apron Services and the Airports Company said they had reached agreement to proceed with the tender and refused to comment further.

The SA Police Service fired tear gas after hundreds of strikers — employed by Transnet subsidiary Apron Services — blockaded a runway with buses, cars and trucks.

Passengers were stranded at airports countrywide and some had to wait for hours on aircraft before they could disembark. Some international travellers were forced to carry their own luggage onto the aircraft. Singapore Airlines said attempts to get its staff to load luggage were halted by threats from striking workers.

Other major domestic airlines such as BA/Comair were not affected as they perform the functions themselves.

The action was sparked by a decision by the Airports Company — which recently acquired Aeroporti di Roma as an equity partner — to invite tenders for ramp handling concessions in a bid to ensure world-class service.

Sarhwu general secretary Derrick Simoko said if Apron Services did not get one of the tenders issued the company could lose up to 50% of its work and jobs would be on the line.

Apron Services' workers were sup-

ported by hundreds of SA Airways (SAA) Cargo employees who threatened to go on a sympathy strike. They gathered at the cargo section carrying sticks, knobknerries and iron bars and presented management with a list of their own grievances. These included a demand for the end to "any attempt to separate SAA Cargo from the rest of SA Airways". Sarhwu said this was an

SAA spokesman Leon Els said discussions about the airline's privatisation were taking place at national level. There was no decision or separate negotiations to hive off SAA Cargo.

Johannesburg International Airport GM Rory Mackey warned that the "biggest impact" of the industrial action was "the negative impression left with the foreign airlines in terms of the safety and reliability of services at Johannesburg International Airport".

The Airports Company said the issuing of tenders was not a new initiative and was aimed at improving service at its nine airports.

A source said the industrial action, which included a march on Monday by workers on the runway, could play into the hands of the Airports Company to motivate for the issuing of tenders. The Airports Company did not have a contractual arrangement with any of the

ramp handling operators such as Apron Services — a subsidiary of SAA which provided 84% of the ramp handling services at the airport — and therefore had no direct control over the level of services provided.

The contractual arrangements were between Apron Services and the individual airlines. The aim of the tender process was to ensure that the Airports Company emerged with a list of approved ramp handlers which could be made available to individual airlines.

SA 1025	INDEFINITELY DELAYED	1025
SA 1030	INDEFINITELY DELAYED	1030
SA 1040	INDEFINITELY DELAYED	1040
SA 1045	INDEFINITELY DELAYED	1045
SA 1050	INDEFINITELY DELAYED	1050
SA 1100	INDEFINITELY DELAYED	1100
SA 1110	INDEFINITELY DELAYED	1110
SA 1115	INDEFINITELY DELAYED	1115
SA 1120	INDEFINITELY DELAYED	1120
SA 1125	INDEFINITELY DELAYED	1125
SA 1130	INDEFINITELY DELAYED	1130
SA 1135	INDEFINITELY DELAYED	1135

The departure board at Johannesburg International Airport yesterday. Picture ROBERT BOTHA

attempt at "piecemeal privatisation".

Opposition to privatisation has been mounting in recent weeks, especially in view of the debate about the Eskom Amendment Bill, which aims to make Eskom a limited liability company. Labour claims this is the first step to privatisation. The National Union of Mineworkers and the National Union of Metalworkers of SA march on the Union Buildings tomorrow while a national strike is being considered for Monday to protest against the bill.

Chaos as strike hits airport

270

Solomon 33/7/98

By Charity Bhengu

MORE than 2000 passengers were stranded at the airport as a strike by the International Federation of Air Transport Workers (IFATW) hit the South Pacific region and the Solomon Islands.

The union said the decision to strike was a result of the airport's decision to cut back on ramp handling arrangements.

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SAA flights grounded by apron strikers

JONATHAN ROSENTHAL

(270) (182)

Johannesburg — A strike by baggage-handlers and bus drivers at the Johannesburg International Airport yesterday grounded South African Airways (SAA) domestic flights countrywide and delayed international flights by about two hours.

Three police officers and one striker were injured in scuffles when police moved in to clear protesters who were blockading approaches to the airport, paramedics on the scene said.

Leon Els, the communications manager for SAA, said SAA had suspended its domestic flights countrywide, affecting about 3 000 passengers, before resuming operations later in the day.

Between 100 and 150 employees of Apron Services, a state-owned company, blocked approaches to the airport building at 9.45am yesterday morning protesting against moves by the partly privatised Airports Company of South Africa (Acsa) to formalise competitive tendering for baggage-handling and other ramp services.

Striking workers formed picket lines and parked buses and trucks across aircraft parking bays before police moved in. Eugène Opperman, a police spokesman, said strikers threw stones at non-striking workers and police.

The South African Railway and Harbour Workers Union said one of its members was injured by the police when they allegedly assaulted protesters.

Several airport workers said they believed the new tenders could cut employment at Johannesburg International's Apron Services to half the present 700.

"They are instigating crime by retrenching people," said one worker, who asked not to be identified.

ET (JR) 23/7/98



On hold: a flight indicator at Cape Town airport reflects the delays during yesterday's strike

ANDREW INGRAM

Airport strike called off

Johannesburg - A strike by Johannesburg International Airport's baggage handlers was called off after workers' representatives, Apron Services and the Airports Company agreed to proceed with an invitation for tenders to run the airport's ramp handling operations

The strike, which disrupted a number of flights, started early yesterday when baggage handlers from Apron Services downed tools over Airport

Company advertisements inviting tenders to run the ramp handling operations

Apron Services is a subsidiary of SAA and the striking employees are members of the SA Railway and Harbour Workers Union.

Two police officers were hurt when strikers clashed with police.

An Airports Company spokesman confirmed that the strike had been called off - Sapa

ARG 23/7/98

(146)
(270)

Crime-plagued, strike-hit Jo'burg International has woes by the trolleyful

By CHARLENE SMITH

Johannesburg International Airport, battered this week by strikes and passenger complaints, has also become a target of organised crime

And the object of desire among syndicates is the humble airport trolley. A thousand have been stolen in recent months at a cost of R1-million - and when it is considered that the airport handles 3 500 passengers during peak hours, and has only 1 200 trolleys to convey their baggage, the level of frayed nerves from passengers can be imagined.

To add fuel to their ire, when irate passengers ask staff for assistance, they are either fobbed off with "I don't work for the Airports Company, it's not my problem" from airways or security staff, or a bored "They're coming" from Airports Company of SA (ACSA) staff. And "They're coming" can mean a wait of an hour or more.

Rory McKie, general manager at Johannesburg International Airport, said the airport had stopped broadcasting apologies to passengers for delays with trolleys, and had not put up any signs apologising "because an executive at a car hire company told me it gave a negative impression".

To add to the situation, the airport, which is undergoing extensive ongoing renovations that periodically foul up



FRAYED NERVES: Passengers had to contend with a strike this week, but the shortage of trolleys is an ongoing hassle

parking, terminals and tempers, this week experienced a one-day strike by baggage handlers that disrupted flights

Baggage handlers from Apron Services went on strike after seeing advertisements placed by the ACSA calling for tenders for the ramp-handling operations. Mediation by Independent Mediation Services saw the strike called off after just a day.

But for travellers, difficulties in finding trolleys to convey their baggage remain. McKie said a syndicate appeared to have made two large raids, stealing 500 trolleys at a time, "probably through the basement parking. Although we have found some

trolleys at other airports, it seems most are destined for melting. The trolleys are of expensive stainless steel."

He said the ACSA had laid charges and taken additional security measures, including a nightly audit of all trolleys, but no arrests had been made.

"We have placed R2-million in orders for 1 300 new trolleys and will begin receiving 60 new trolleys a day from the middle of August. We have also put out a R7.5-million international tender for new trolleys that can be safely used on escalators too.

"Our new R190-million multistorey parkade, with 4 000 parking bays, will have escalator access so that trolleys must be able to go on those, but they will be much more expensive."

McKie said that although most business travellers don't need trolleys, international travellers certainly do; and at peak hours on a Sunday at international arrivals, scenes are chaotic, with dejected and angry tourists battling to find trolleys - and having their queries met with lack of interest from most staff.

McKie said "Of the 15 000 people who work at Johannesburg International, only 800 work for the Airports Company". A booth had been set up to assist passengers.

SPair 26/9/98

270
(270)

Million commuters face Metrorail strike this week

(270)
Johannesburg - About 10 000 Metrorail workers will strike from Friday after wage talks broke down, the SA Footplate Staff Association announced.

Conciliation between the company and trade unions failed and deadlock was reached over negotiations.

In a statement on behalf of all unions involved in the dispute, Safsa general secretary Chris de Vos said the strike would leave more than a million commuters stranded if alternative transport was not provided.

"This could also have a ripple effect because of the impact on Spoornet's Blue Train and other freight trains controlled by Metrorail's train control officers."

Since it would be a protected strike, all members of the unions in

ARG 28/7/98
all regions of Metrorail's operations would participate, the statement said.

A notice of the intended strike was served on Metrorail yesterday, Mr De Vos said.

Train drivers represented by Safsa had already given the union the mandate to force Metrorail to reach an agreement similar to one reached with Spoornet.

Safsa last week reached a two-year agreement with Spoornet for an increase of 7,5% back-dated to March 1, a further 3,5% increase on September 16 and a third rise on March 16 next year.

Mr De Vos said Metrorail was not prepared to meet similar demands. It offered 7,5%, 3,5% short of what the unions were prepared to agree to on a one-year basis. - Sapa

(022)

Rail strike on track as Metro wage talks fail (270)

RODNEY VICTOR

CF 28/7/98

SOUTH AFRICA faces what could be its most disastrous strike ever if Metrorail workers embark on a strike from Friday.

Four unions representing 10 000 workers yesterday gave Metrorail 48 hours' notice of their intention to strike following the breakdown of talks yesterday.

The strike would leave more than a million train commuters without transport, and would affect other transport sectors, including tram and freight services controlled by Metrorail's officers.

General secretary of the SA Footplate Staff Association, Chris de Vos, said last night the dead-

lock followed Metrorail's refusal to grant its staff the same increases as those given to staff at Spoornet. Metrorail is a division of Spoornet.

Spoornet agreed last week that staff would receive an increase of 7,5% backdated to March 1 this year and a further increase of 3,5% on September 16. Metrorail, however, was prepared to grant an increase of 7,5% only.

"We cannot accept an agreement that is less favourable than that agreed to for Spoornet. We have a strong mandate to go ahead with the strike," De Vos said.

Metrorail spokesperson Fred Randa said he was not in a position to comment.

SAA labour caucus supports CEO's salary

(270) CT(MR) 28/7/98

FRANK NXUMALO

LABOUR EDITOR

Johannesburg — The South African Airways (SAA) labour caucus yesterday welcomed the appointment of Coleman Andrews as the new chief executive officer and said his salary package — believed to be about R638 000 a month — was “irrelevant”

“This is not money which will be taken from the workers, it is money which the airline will generate from renewed profitability under Andrews’s leadership,” said Anton Richman, the labour caucus chairman

“We have begun working with Andrews to turn our airline around into one which will be able to afford to pay its employees and its managers well”

Mafika Mkwanazi, the SAA chairman, said expertise like that possessed by Andrews had to be paid for.

“SAA has lost over a billion rands in five years,” Mkwanazi said. “If this trend was allowed to continue, the airline, an important asset in which the taxpayer has invested billions, would have ceased to exist.

“To set the situation right requires an enormous amount of expertise, which Coleman Andrews has”

Richman said the unions were impressed by Andrews’s willingness to act decisively with a view to solving the carrier’s problems, and that SAA “clearly needed this sort of overseas airline expertise mandated by the shareholder to take on our international competitors

“We want our passengers to feel this change and to prefer flying with us rather than other international carriers. If our company has to pay a competitive hard currency CEO package to achieve this, it makes sense to us.”

Talks may avert strike

Sowetan 29/8/98 (270)

TRADE unions representing Metrorail workers have agreed to meet the company's negotiating team today in an effort to avert a planned strike by 10 000 workers, the unions said yesterday

This followed a meeting between union representatives and Metrorail chief executive Mr Z Jakovula yesterday, SA Footplate Staff Association (Safsa) general secretary Mr Chris de Vos said

The unions announced on Monday that their members would embark on a national strike from Friday due to the deadlock reached in wage negotiations and the unsuccessful

conciliation process. This would leave one million commuters stranded, they said

Earlier Metrorail said it had offered a wage increase of 7,5 percent and a further 2,5 percent in September

It also offered a profit-sharing scheme so that employees could benefit from the company's profits. Metrorail said implementation of this scheme still had to be negotiated

De Vos said on Monday that train drivers represented by Safsa demanded an agreement with Metrorail similar to one reached with Spoornet

Safsa's two-year agreement

with Spoornet entailed an increase of 7,5 percent backdated to March 1, a further 3,5 percent increase on September 16 and a third on March 16 next year

A further increase for September next year would be negotiated later and would be based on the performance of the company's transformation process

Metrorail spokeswoman Ms Bintu Petsana said yesterday that train services between Germiston, Daveyton and Leralla (on the East Rand) were expected to return to normal today after two days of disruption

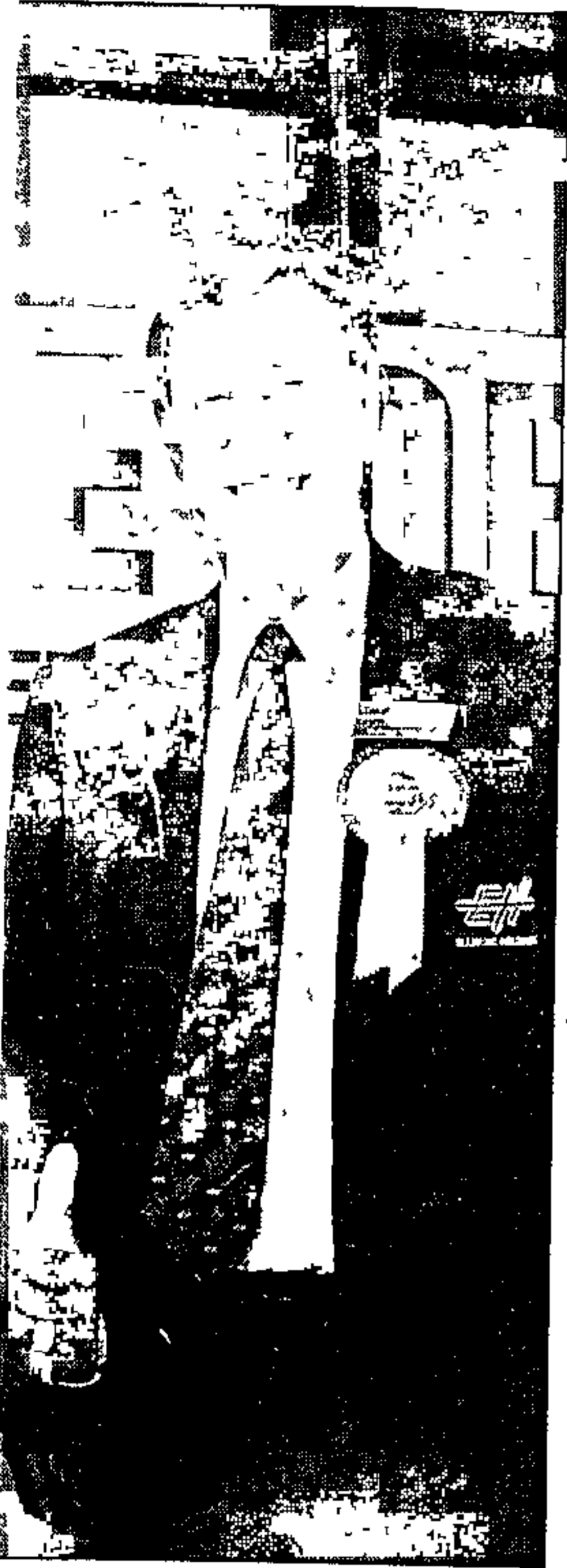
caused by train guards

The strike by some guards at the Germiston depot started on Monday in protest against a new timetable that meant they would have to start work an hour earlier, she said "According to an agreement reached this afternoon, a committee made up of labour and management will be established to review the new timetable"

Suggested changes would, however, have to be in accordance with the agreement which was reached in November last year, Petsana said

The committee would submit its suggestions to management by noon on Friday - Sapa

(b71)



Boxing junior flyweight champion Sydney Ellerine during the official weigh-in, on Monday. Ellerine's parents took her to McKgopong creche and day care. PIC CLEMENT LEKANYANE

Train strike off after agreement

(2.70)

Sowetan 30/7/98

By Mzwakhe Hlangani

A POTENTIALLY crippling nationwide strike planned for tomorrow was averted last night when six trade unions representing about 10 000 workers and management of Metrorail reached a last-minute agreement over wage increases.

Only one union, the SA Footplate Association (Safsa) with a membership of only 1 700, including train drivers, technical workers and train guards, rejected Metrorail's final offer.

Safsa spokesman Mr Chris de Vos said the union's demands were not met and it would report back to its members for a new mandate.

The deal followed lengthy talks in Johannesburg yesterday between the SA Railways and Harbours Workers Union, the Black Allied Workers Union and the Technical Allied Workers Union (Tatu) in a bid to resolve the wage dispute.

The signatories said social commitment was the major criterion for reaching consensus among all the parties

since the strike would affect the poor communities more than it would Metrorail's management.

Metrorail executive human resources director Mr Mark Ganstein-Bem pointed out that the deadlocked negotiations were reopened after chief executive officer Mr Z Jakavula and Sarhwa general secretary Mr Derrick Smoko had started informal talks with the aim of "putting out the flames that could be caused by the strike".

He said the doors would be left open for Safsa to join the fold as it had reneged in the final minutes.

If the union decided to go on with the strike, minimal disruption could be expected as buses had been hired in anticipation of the strike by some train drivers.

The terms of agreement include a 7,5 percent increase backdated to March 16 1998 and 3,5 percent to be effective from November 16 1998. There would be a further 5 percent from March 16 next year.

Both parties agreed to negotiate a deal on profit-sharing among the workers.

Hospital sets quotas

Sowetan 30/7/98

By McKeed Kotlolo

A CRISIS is gripping the Pretoria Academic Hospital, one of the capital's busiest hospitals, following an acute shortage of pharmacists caused by resignations.

As a result, hospital management has introduced a temporary quota system with a maximum of 150 outpatients accepted each day.

Dr Julius Kunzmann, the Pretoria hospital's director, said yesterday such situations occurred from time to time when pharmacists left to join the private sector which offers lucrative salaries.

Although the Pretoria Academic

Hospital has managed to cope with the situation in the past, the recent departure of four pharmacists in a short period had dealt the institution a serious blow, he said.

Kunzmann said the issue of improving hospital salaries was out of their control since it was negotiated at the national level.

The hospital's chief medical superintendent, Dr Zola Njongwe, said the new quota system came into effect on Monday in an attempt to ease the pharmacy's load.

She said the hospital had 32 approved pharmacist posts, but only nine were filled. "Of the remaining nine, three have resigned their posts

and would be leaving us at the end of the month," Njongwe added.

The departure on maternity leave at the end of this week of one of the remaining six pharmacists would worsen the situation.

She appealed to residents, in particular those from the eastern and central suburbs of Pretoria, to take note of the limited number of patients to be admitted a day at the general outpatients clinic.

Njongwe appealed to qualified pharmacists "who are able and willing to assist us on a full-time or sessional basis (with remuneration)" to urgently contact Mrs A Engelbrecht on telephone number (012) 354-2235.

Train services due to be derailed by strikers

BD 31/7/98

Dustin Chick

METROPOLITAN train services around SA come to a grinding halt today, leaving about 1-million commuters stranded as the majority of train drivers and other operational staff begin their strike against Metrorail, a subsidiary of Transnet.

The SA Footplate Staff Association (Safsa) announced its intention to go ahead with the strike on Wednesday, after refusing to sign a two-year wage agreement with Metrorail that was agreed to by six other unions.

The union represents the majority of train operational staff and train drivers.

Metrorail spokesman Bintu Petsana said train services in Cape Town and Durban had been cancelled, while services in Johannesburg and Pretoria were expected to operate at about 15%-20% capacity.

Petsana said about 1 000 police officers had been deployed in Pretoria, in case commuters "turned violent".

She said Metrorail managers would be seconded to drive some trains, but commuters were advised to make transport arrangements as Metrorail could not guarantee that alternative transport would be available as in Johannesburg alone buses to carry about

500 000 people would have to be hired

The pay agreement, signed on Wednesday by six other unions, grants a 7,5% increase backdated to March, an additional 3,5% in November and a third increase of 5% from March 1999. Safsa refused to sign the deal — after allegedly claiming it would in an informal meeting — because of a disagreement over the implementation date for the second increase.

A meeting has been convened today by the Commission for Conciliation, Mediation and Arbitration in an attempt to resolve the dispute.

Safsa general secretary Chris de Vos said his union would consider applying for an interdict against this move which indicated that "the fight is on".

The union would attend the CCMA meeting today in attempt avoid a protracted strike, but it had not been enough to stop workers from striking.

Metrorail criticised Safsa for bargaining in bad faith as the union had reneged on an informal agreement made with Metrorail CE Zandile Jakavula on Tuesday over the implementation of the second increase.

De Vos said he had indicated to Jakavula that the November implementation date had been a suggestion and would be mandated by Safsa.

107,

Talks fail to avert railways strike

ET 31/7/98 (108) (270)

MOTSHIDISI MOKWENA

THE first complete strike by Metro-rail workers will leave more than half a million daily commuters stranded all over the Metropole today as the South African Foot-plate Association (Safsa) goes ahead with its planned strike.

The strike follows a deadlock in wage negotiations between Metro-rail management and the union. Last minute negotiations failed to bear any fruit yesterday.

Metro-rail spokesperson Riana Jacobs said: "We have done everything in our power to avert the strike and we would like to apolo-

gise for any inconvenience the public may face due to the strike."

Safsa spokesperson Chris De Vos said the union would like to express its humblest apologies to the commuters for the inconvenience. But the union had no other option but to strike.

"Management was very arrogant and was not willing to accede to our demands. Our union members are prepared to strike for two weeks," he said.

Cape Town Traffic chief Mark Sangster said: "We are appealing to the public to exercise patience on the roads and leave home at least 45 minutes to an hour earlier than

usual. Instead of using the major freeways, M5, N1 and N5, motorists should use the Main Road, Lower Main Road and Voortrekker Road to avoid traffic."

Reggie Malimba spokesperson for the Congress of Democratic Taxi Associations (Codeta) said his organisation would have taxis on standby to help with the influx of commuters.

No arrangements had been made between Codeta and Metro-rail, Malimba said. Fears of a conflict between different taxi associations because of the commuter influx were played down by Malimba.

Police spokesperson Mark Rom-burg said police would be deployed at

the main train stations and others would maintain their presence at taxi ranks and other transport centres.

The only issue of disagreement between Safsa, which represents 99% of train operations staff including the majority of train drivers, and management is on when to implement the second wage increase. The union wants the increase paid as from September and not November.

De Vos said there were slim chances that the strike would be averted. He said his union would be meeting with the Centre for Conciliation Mediation and Arbitration at 12 30pm today.

Tight security for train (270)

drivers' strike

Star 31/07/98

BY RODNEY VICTOR

Thousands of police officers and soldiers were due to be deployed at train stations throughout Gauteng this morning as a nationwide strike by train drivers was scheduled to begin.

Johannesburg police spokesperson Inspector Mark Reynolds said police and troops would keep watch at tram and bus stations throughout Johannesburg.

Similar arrangements were in place in Soweto, the East Rand, West Rand, Pretoria and the Vaal Triangle.

A last-ditch attempt is to be made today to end the strike.

The Commission for Conciliation, Mediation and Arbitration (CCMA) has called a meeting between Metrorail and the SA Footplate Staff Association, which has rejected salary increases offered by Metrorail.

Safsa represents about 99% of Metrorail train drivers, signallers and shunters.

Safsa general secretary Chris de Vos said the union would go to the meeting with a positive attitude.

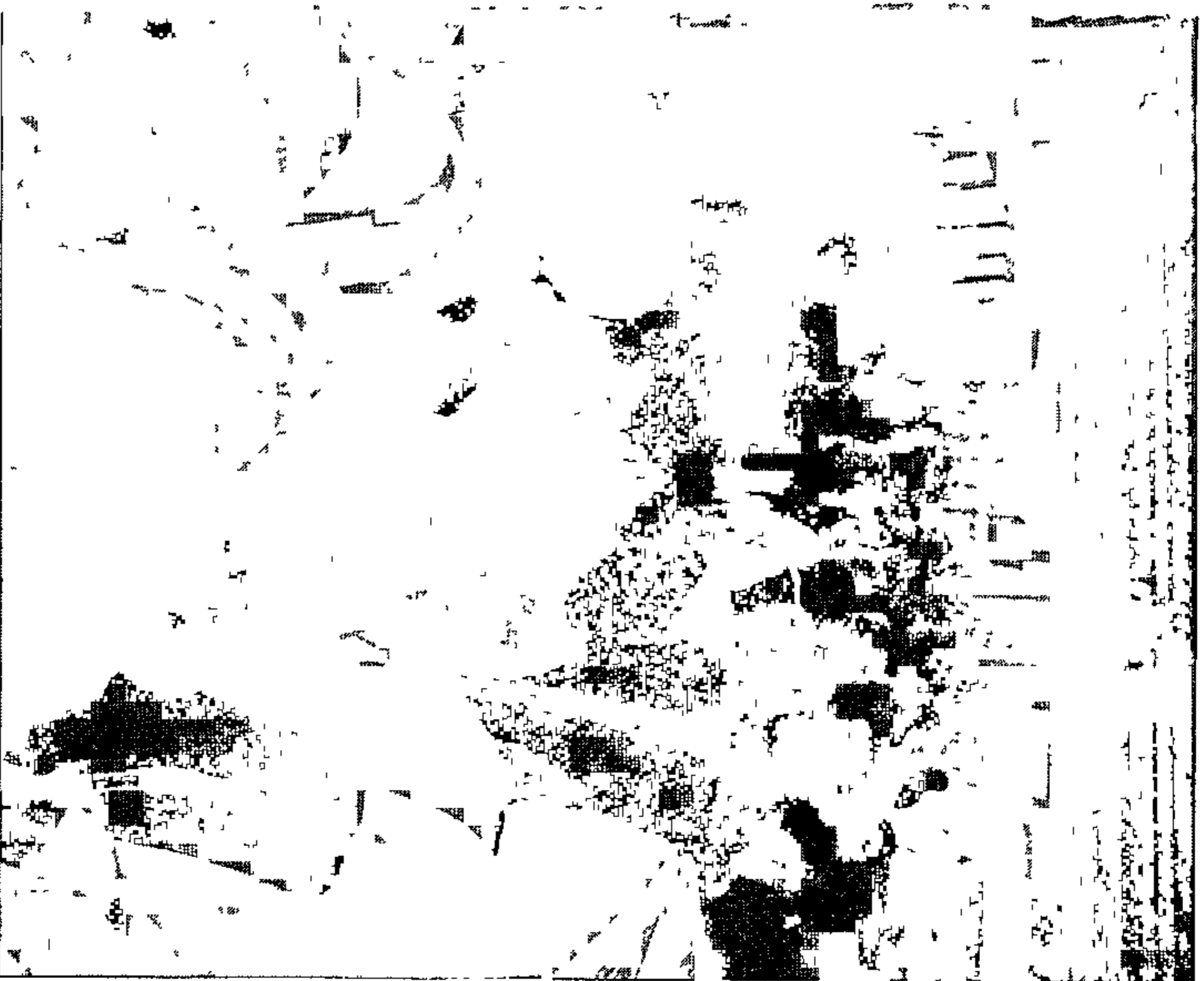
Metrorail spokesperson Fred Ramba said Metrorail's mandate and position remained unchanged. "We are taking nothing new to the CCMA."

Reynolds called on employers and employees to remain patient while the strike lasted.

Metrorail spokesperson Bintu Petsana urged commuters to make alternative transport arrangements, if possible.

"In places where you normally get a train every three minutes, it will be an hour or two between trains."

The company was making use of tram drivers who were not Safsa members, and of section managers to run a skeleton service, Petsana said.



ome during the strike

Picture OBED ZILWA

Thousands queue at

Cape Town taxi rank

LINDA DANIELS
RAG 1/8/98
(070)

Emotions ran high last night at the Cape Town taxi rank as thousands of commuters queued on the station deck for minibus taxis to take them home

Like hundreds of thousands of other commuters, these people had been left stranded by the ongoing strike by members of the SA Foot-plate Association, who were striking for higher wages

The station itself was deserted
Beauty Mhupu from Site C in Khayelitsha waited for two hours in the queue to catch a taxi to Khayelitsha. Mrs Mhupu usually takes the 4.45pm train home but as a result of the strike she found herself waiting for a minibus taxi. "I am very angry I have two little boys waiting at home and maybe I'll only get there at nine o'clock tonight"

Thamsanqa Skeyr, also in the queue, said people had started to queue from early afternoon.

Monica Basson from Mitchell's Plain normally also takes a train. Yesterday she left work at 3pm, but hours later she was still queuing.

Not everyone at the taxi rank was upset about the disruption of the strike. Neave Kannemeyer, a taxi driver, said he had made over R1 600 since he started work yesterday.



JAM: the roads were packed

Picture ANDREW INGRAM

WHAT A SILLY STRIKE

But thousands of Cape Town commuters pay the price during day of transport chaos

DANIELLE CRONIN

Labour experts called it the "silly strike". But railway workers turned the lives of more than a million South Africans upside down yesterday - for about R500 each.

All train services were suspended because of the strike which started at midnight on Thursday.

The SA Footplate Association (Safsa) eventually agreed to suspend the strike last night following talks with Metrorail management.

The union said it had called off the strike because it had "been moved" by the plight of commuters. In return, the Metrorail management agreed to suspend a lock-out of workers. Train services are expected to be back to normal by tomorrow, the union said.

Yesterday about 600 000 stranded train commuters in the Western Cape had to find alternative transport. It is estimated that more than a million commuters were stranded countrywide.

Chaos reigned in Cape Town and other major cities as traffic jams developed along the main roads. Commuters jostled, pushed and shoved for the few seats available on minibus taxis while crowded buses passed thousands of stranded workers who struggled to get to work and home again.

At least five people were killed and three people seriously injured in four separate accidents on Cape Town's congested roads.

The union's suspension of the strike last night came too late to ease the plight of stranded commuters.

Late yesterday afternoon the station deck in Cape Town was still jam-packed with commuters trying to find minibus taxis home. Hundreds of irate people waited for their turn to board the taxis.

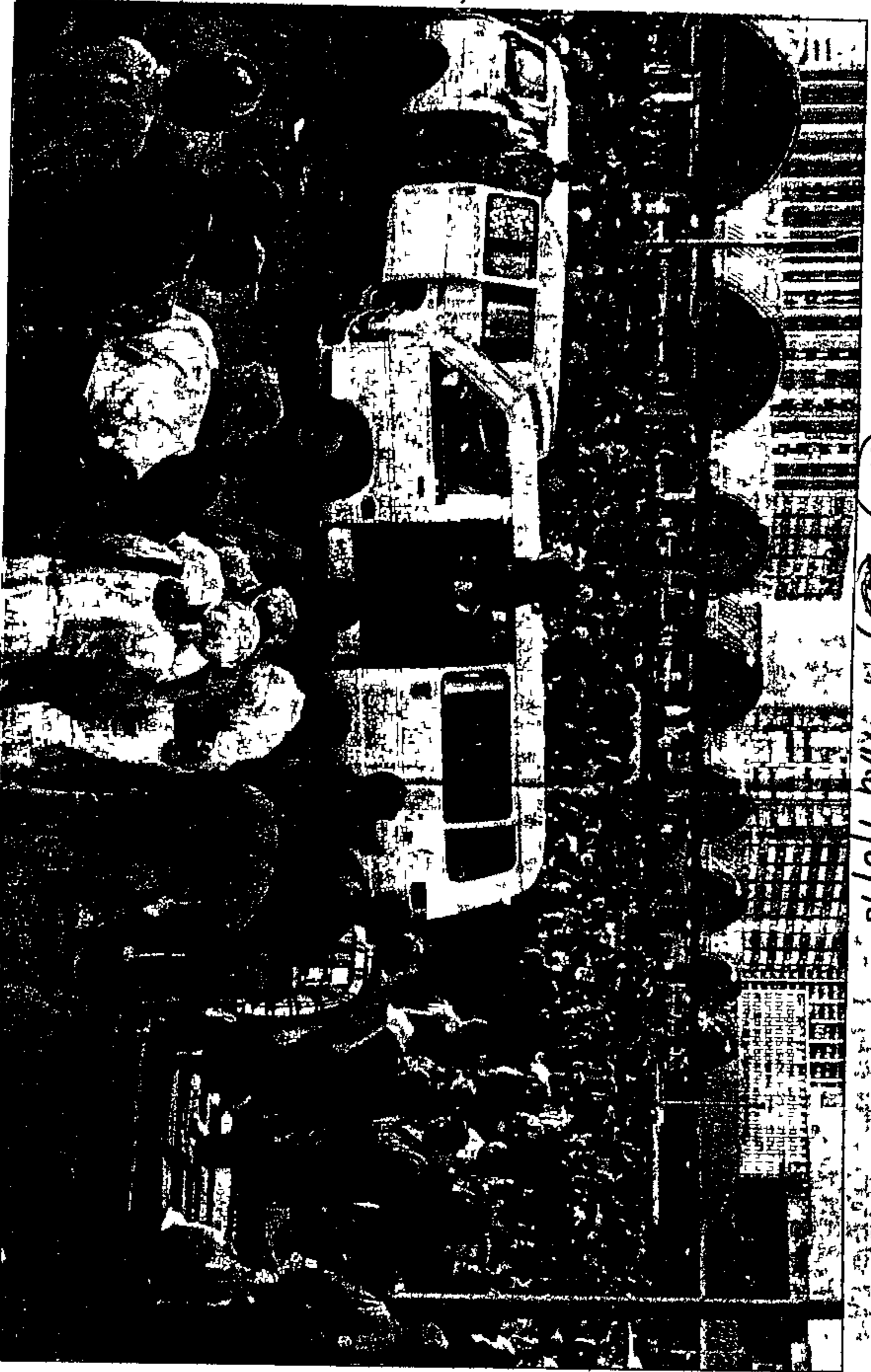
Cape Amalgamated Taxi Association president Steven Williams said road blocks hampered drivers' efforts to transport commuters to work. Taxi drivers had to push speed and load limits to keep pace with the huge demand.

Earlier in the day school children tried to hail passing cars without success as they struggled to get to and from schools. Thousands of students were late for classes across the Peninsula.

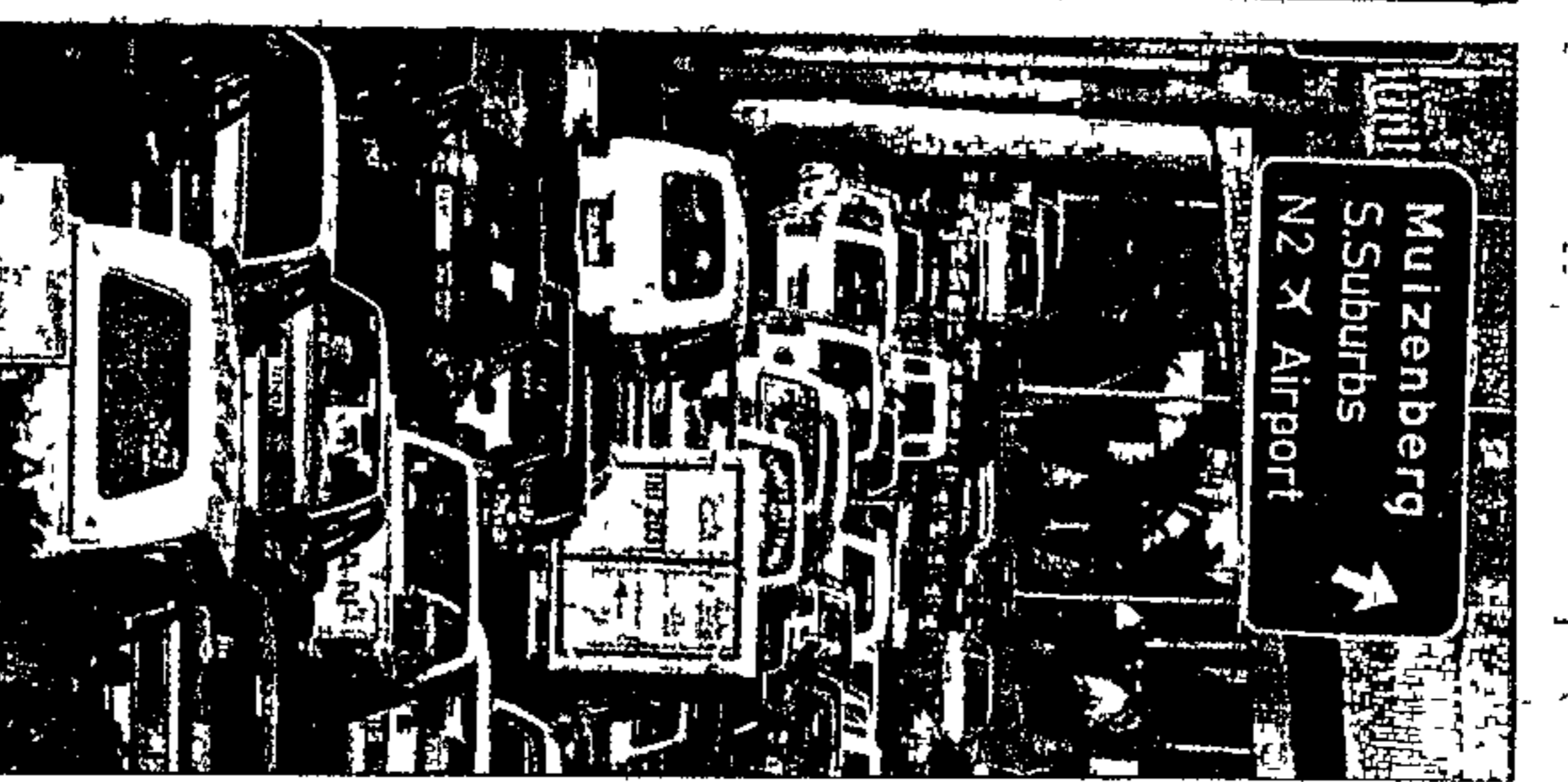
Before the strike was called off Safsa deputy general secretary Louis Brockert said the union sympathised with inconvenienced commuters.

However, it was fighting for a principle and had the complete support of its striking members.

The union demanded a 3.5% increase on pensionable income from September while



TAXI TURMOL. chaos reigns as commuters jostle and shove for a few seats on minibus taxis on Cape Town's station deck. By late yesterday the taxi rank was still packed with commuters trying to get a ride home. Picture: OBEID ZILWA



HIGHWAY HORROR: as thousands of commuters try to leave the city. Picture: ANDREW INGRAM

Metrorail planned to pay the increase from November.

Workers would have lost about 10% of this month's pay if the strike had dragged on for three days or longer.

Mr Brockert said Safsa members had endorsed the union's tactics because they wanted the same deal as other Transport employees a wage increase on September 16.

Earlier a Metrorail spokeswoman said all the strikers hoped to win was about R500 each - a "negligible" amount. She said workers could lose hundreds of rands every day they

were on strike because of the "principle pay" principle.

Clive Thompson, a University of Cape Town industrial relations professor, said workers would have lost out financially in the short term but "bigger" issues were at stake.

The exercising of industrial muscle would well have placed Safsa in a stronger position when a new wage agreement is negotiated in two years' time, he said.

Earlier Metrorail offered its workers a 7.5% pensionable income increase backdated to March 16, an extra 3.5% increase from November 16 and further increase of 5% from

March 16 1999.

Six of the seven unions signed the agreement, including the Employees' Union of South Africa, Salaried Staff Union, South African Railways and Harbours Workers' Union and the Black Trade Unions.

Safsa was the only union to reject the deal and members went on strike.

A Safsa spokesman said last night that although the union had agreed to call off the strike it would retain the option to resume it should the talks reach a deadlock.

Negotiations through the Council for Conciliation, Mediation and Arbitration are expected to continue on Tuesday.

See report, pictures on page 3

Wage dispute on hold as talks resume

Pearl Sebolao

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THE Metrorail strike, which on Friday brought almost all SA train services to a halt, has been suspended with immediate effect pending the outcome of this week's talks between Metrorail and the SA Footplate Association (Safsa).

The suspension was agreed to at a meeting brokered by the Commission for Conciliation, Mediation and Arbitration on Friday night.

About 1,700 train drivers, ticket collectors and station staff went on strike last week after a wage dispute between Safsa and Metrorail.

The Johannesburg Chamber of Commerce monitored the strike and said it caused a degree of economic disruption, especially in the first and last hours of the day.

However, because ample warning was given by Metrorail, the effect was contained.

Most employers and employees made alternative arrangements so workers could get to work and the taxi industry had also been prepared for the strike.

Metrorail spokesman Bantu Petsana said Metrorail and Safsa would resume talks on the implementation date of the second increase in the two-year wage agreement, which had already been signed by other trade unions at Metrorail. Safsa wanted the second increase to come into effect in September, while Metrorail has offered the increase from November.

The strike would resume if another deadlock occurred this week, Safsa spokesman Chris de Vos said.

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Train union turns to minister

ARG 6/18/98 (270)

SHARKEY ISAACS
STAFF REPORTER

n The train operators' union, the
r SA Footplate Staff Association, is
t to ask Minister of Labour
is Shepherd Mdladlana to intervene
e in its dispute with Metrorail after
o- talks broke down last night.
h In spite of the deadlock, union secretary Chris de Vos has ruled out another strike.
"We don't want to strand thou-

sands of commuters again," he said. A devastating 24 hour strike last Friday caused major road congestion throughout the country.
Metrorail warned last night that all members of the union would be locked out if they went on strike again.
The union suspended last week's strike pending renewed talks on their wage dispute with Metrorail. Metrorail said last night a marathon two-day meeting between labour repre-


sentatives and Metrorail management had failed to end in agreement.
The union is demanding that a proposed 3,5% wage increase come in September instead of November
Metrorail said it was unable to bring forward the implementation date, because it had already signed an agreement with six other trade unions and had no funds to honour such an agreement.
It would take the matter to arbitration as requested by the union.

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Train union turns to minister

ARG 6/8/98 (270)

SHARKEY ISAACS
STAFF REPORTER

The train operators' union, the SA Footplate Staff Association, is to ask Minister of Labour Shepherd Mdladlana to intervene in its dispute with Metrorail after talks broke down last night.

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Rail workers' talks scuppered

(270) *Sowetan 6/8/98*
TALKS between Metrorail and the SA Footplate Association (Safsa) broke down yesterday over a refusal by the company to consider arbitration

Metrorail, at talks in Johannesburg brokered by the Commission for Conciliation, Mediation and Arbitration, refused to consider arbitration, arguing that there was nothing to be gained by arbitrating on an issue for which no funds were available

Safsa declared a dispute last week, resulting in a national strike last Friday over the implementation of a 3,5 per-

cent increase. Safsa insisted it come into effect in September, while Metrorail offered the increase from November

The agreement includes a 7,5 per cent increase to be implemented with immediate effect and backdated to March this year, and a five per cent increase in March 1999

Safsa general secretary Mr Chris de Vos said the union would approach Labour Minister Shepard Mdladlana to intervene in the matter rather than resume the nationwide strike

"Metrorail refused point-blank to

consider the arbitration process, which is in line with the requirements of the Labour Relations Act, saying there were no funds available for them to move the implementation date forward," De Vos said

Last Friday's strike by 1 700 train drivers, ticket collectors and station staff belonging to Safsa left thousands of commuters stranded or late for work

Safsa agreed to suspend the strike on Friday night pending talks with Metrorail to be held on Tuesday and yesterday - *Sapa*

BD 20/8/98

Nehawu threatens action against Airports Company

Pearl Sebolao
and Renée Grawitzky

(270)

THE National Education, Health and Allied Workers' Union (Nehawu) threatened industrial action yesterday against the Airports Company following a breakdown in wage negotiations.

Nehawu is also protesting against what it called a "secret payroll" that is allegedly reserved for management.

A complaint about the company's failure to disclose information on the payroll was lodged with the Commission for Conciliation, Mediation and Arbitration yesterday, union spokesman Alistair Charles said.

Airports Company spokesman Charmaine Lodewyk denied the existence of such a scheme, saying that all the "company's remuneration policies were transparent and were dealt with by a relevant subcommittee."

The payment of salaries for all staff complied with procedures laid down by the board of directors and were subject to external audits.

With regard to allegations by Nehawu that only management received performance bonuses, Lodewyk said all employees were initially offered the bonus but trade unions had opted not to accept them.

Nehawu would be joined by the Transport & General Workers' Union in the industrial action, which could lead to a strike, Charles said.

The two unions were demanding the implementation of a three-year strategy to reduce the wage gap from the current 131 to 18 and an improvement in the leave package.

Meanwhile, there was a resurgence of violence at a number of petroleum companies yesterday as negotiations between chemical employers and the Chemical Workers' Industrial Union (CWIU) reached a sensitive stage.

There were indications that the five remaining sectors might reach tentative agreements by tomorrow.

However, CWIU assistant general secretary Nelson Mthombeni said he did not think workers would return to work this week.

It was reported yesterday that a group of workers caused "severe damage" to Caltex offices in Cape Town. The National Petroleum Employers Association said there were incidents of stone throwing and blockades, while notices warning of bomb attacks were put on delivery trucks.

Police are investigating whether a fire at a disused work site at Engen's Chamdor plant is linked to the dispute after a note saying "beware of fire bombs" was found on the gate.

Members of the National Union of Metalworkers of SA (Numsa) and the National Union of Mineworkers will today embark on strike action at Eskom's Rotek Industries after a breakdown in wage negotiations earlier this month.

Airports strike threatens major conference in SA

ARGUS CORRESPONDENT

(270)

(18)

ARG 20/8/98

Durban – Staff at South Africa's nine main airports are threatening a major strike that could cripple services and disrupt the arrival of thousands of high-profile delegates to the Non-Aligned Movement Conference to be held here next week.

One of the "workers" unions, Nehawu, confirmed last night that its

members would engage in industrial action this week which could lead to a full-blown strike.

A second union, the Transport and General Workers' Union, is also expected to join the strike.

But the Airports Company of South Africa said that should a full-blown strike take place, a contingency plan would be put into operation.

The two unions are protesting

against what they have called a "secret payroll" of the Airports Company's management and the company's alleged failure to resolve wage negotiations.

Questions about the impact of a possible strike on the travel arrangements of the Non Aligned Movement delegates – who will be arriving in South Africa for the organisation's summit in Durban next week – Mr Charles said the union was "political-

ly sensitive, but the ball is in the court of management".

They are demanding a 12% increase as opposed to the 9% offered.

Chief executive of the Airports Company Dirk Ackerman said it would do everything possible to resolve the dispute before hundreds of Non Aligned Movement delegates – including presidents, prime ministers and foreign ministers – began to arrive.

Airports strike threat grows

(270) (115) (112) FRC 2 1 3
ARGUS CORRESPONDENT AND SAPA

Durban - Two unions representing disgruntled airport workers countrywide will today meet management of the Airports Company of South Africa (Acsa) for crisis talks in a bid to avert a full-blown strike.

But a third union yesterday threatened to join the planned strike, which would cause chaos at the Non-Aligned Summit here next week

The president of the SA Railway and Harbour Workers' Union, Bolakele Jonas, said a dispute had been declared with three airport services companies — Acsa, SA Airways and Apron Ser-

vices

This follows disputes lodged by the Transport and General Workers' Union (TGWU) and the National Education, Health and Allied Workers' Union (Nehawu)

If it goes ahead, a strike at the country's nine main airports could cripple some essential services and disrupt travel for thousands of international heads of state, cabinet ministers and other VIPs who will begin arriving for the NAM summit in Durban from August 28.

In July Acsa and Apron Services employees caused havoc at international airports when they went on strike to protest against expected job losses

Thousands of SAA staff threaten strike action

Pearl Sebolao
and René Grawitzky

SA Airways (SAA), scheduled for partial privatisation by May, faces disruptions to its domestic and international flights tomorrow as thousands of ground staff, cabin crew and technical maintenance staff embark on strike action after wage negotiations ended in a dispute.

The SA Railway and Harbours Workers' Union (Sarhwu) notified the company of possible strike action, while airport union Salstaff will begin various forms of protest action which still have to be announced.

Sarhwu threatened that if the SAA dispute was not resolved it would call out its members in the Airports Company and Apron Service on a sympathy strike.

SAA CE Coleman Andrews expressed concern that the strike would affect efforts to make the airline a viable organisation.

Industry sources warned that the strike might not necessarily have an effect on the privatisation process under way, but that it could indirectly affect investor perceptions.

The sources said the strike was sparked by the fact that pilots were awarded a 17% increase in terms of an arbitration ruling. Management threatened to take this on review but later dropped the matter.

It is believed that the increase for 650 pilots cost the company R53m. Remaining SAA staff have been offered a 7.5% increase while the union is demanding 12%.

Salstaff said that it was initially prepared to accept 7.5% as management had motivated that the company could not afford more and would adjust wages if the financial position improved.

Another industry source said the dispute could have been further exacerbated by the fact that SAA executives were not certain that they should be doing, as their positions were coming up for review in September. That is why there was a certain amount of hesitancy in taking decisions.

In addition, Andrews had got involved midway through the negotiations. The Airports Company said it had not received any notices from Sarhwu about impending sympathy action. However, wage negotiations were continuing and the parties would meet in the Commission for Conciliation, Mediation and Arbitration today.

after wage talks fail
270
27/8/98

Strike disruption looms for SAA

CT (BR) 27/8/98 (270) (15)

FRANK NXUMALO
AND THABO LESHILO

Johannesburg — South African Airways (SAA) faces disruptions on its domestic and international schedules tomorrow as more than 9 000 South African Railway and Harbours Workers' Union (Sarhwu) workers and other industry unions go on strike

The company said yesterday "all categories except pilots" would take part in the strike

The news came as Zukile Nomvete, the former executive director of Transnet in charge of the airline, announced he had left the parastatal. He said his services were ended on August 14

Thami Didiza, the spokesman for Transnet, refused to divulge reasons, citing a secrecy clause that precluded Transnet and Nomvete from disclosing details

Didiza said staff would be informed, but denied any sinister motives for not immediately releasing the information.



RESIGNED Zukile Nomvete

Tshidiso Moshao, Sarhwu's assistant general secretary, said the union had declared a dispute and decided on a strike after the Commission for Conciliation, Mediation and Arbitration had failed to reconcile the parties

Moshao said Sarhwu was demanding wage increases of 12 percent across the board against a company offer of 7,5 percent to 10,5 percent

Coleman Andrews, SAA's chief executive, said the strike "could hamper the ailing airline's fight to regain profitability"

He said 11 000 jobs were at stake if SAA failed.

"I have explained to the unions that SAA will cease to exist if we do not stop the financial losses the airline has suffered. These have amounted to more than R1 billion over a period of five years"

Andrews refuted union claims that he had granted pilots a 17 percent pay rise

"The truth is that an independent arbitrator awarded pilots an 8,17 percent increase for 1997 and 1998; this decision was binding on the company," he said

He said SAA passengers would suffer minimum inconvenience as "SAA flights would still operate as normal".

A company spokesman said this was because SAA believed it had "enough non-unionised workers" to minimise

'SAA strike will not affect NAM summit'

Reneé Grawitzky

GOVERNMENT said last night it was determined that the threatened strike by SA Airways staff would not affect the Nonaligned Movement summit, regardless of the outcome of negotiations between labour and management, which continued late into the night.

At the time of going to press the SA Railway and Harbours Workers' Union (Sarhwu), Salstaff and SAA management were locked in negotiations, with uncertainty over whether the strike would go ahead.

SAA believed disruptions to passengers would be minimal, as worker

BD 28/8/98 (270) (72)
demonstrations, rather than full-blown industrial action, were expected.

Sarhwu denied that it was using the summit to put pressure on management to settle. "The strike was coincidental to the summit being held," negotiator Evan Abrahamse said.

The strike centres on a joint labour demand of 12%, while the company has offered 7,5%. The unions acknowledged that the strike would come at a bad time, but said workers were frustrated because pilots had received a 17% wage increase over two years.

Farouk Chothia reports Deputy Foreign Minister Aziz Pahad as saying Labour Minister Shepherd Mdlalana

was involved in talks with the unions to try to avert the strike.

Pahad said government was hopeful the dispute would be resolved amicably and that the unions realised the summit was in the national interest.

The threatened strike at SAA coincides with a strike by Air Chef employees, the caterers to most airlines operating out of SA airports.

The wage strike, which started last week, turned violent yesterday when two nonstrikers were injured.

The SA Clothing, Commercial and Allied Workers' Union claimed 52 airlines had their food service supplies disrupted. The company denied this.

SAA strike off - and NAM delegates cleared for landing

ARGUS CORRESPONDENT

Durban - A threatened strike by South African Airways staff here and at six other major airports has been called off after unions reached an agreement with management over a wage issue - a last-minute

reprieve for the huge conference of the Non-Aligned Movement opening here tomorrow.

Had the strike gone ahead, it would have affected the arrival of international delegates. Meanwhile Durban's infrastructure is being stretched to the limit as

the international spotlight falls on the city, which will host about 5 000 visitors - including heads of states and foreign ministers.

The summit is being billed as one of the most important, yet as the divide between Third World countries and the West widens.

But taking on one of the biggest conferences the African continent has hosted has inevitably brought administrative hurdles with it.

Delegates and journalists queued for several hours for accreditation to the summit yesterday, owing to a delay caused by computer problems

And hurdles yet to come include demonstrations planned by several groups, including the Pan Africanist Congress, Grey Street traders and supporters of the Tamil minority in Sri Lanka - and the fact that cell-phone links will be stretched to the limit.

See page 12

AR 28/8/98 (272)

(270)
**Airports
Company
raps unions**
ET(MK) 28/8/98

FRANK NXUMALO

LABOUR EDITOR

Johannesburg — The Airports Company of South Africa (Acsa) expressed surprise and disappointment yesterday at two trade unions for prematurely releasing details of a bargaining council wage settlement

The unions are the National Education Health and Allied Workers' Union (Nehawu) and the Transport and General Workers' Union (T&GWU).

"The details issued by Nehawu and T&GWU today have not been finalised or signed by both parties," Acsa said.

They were to be discussed with Nehawu and T&GWU constituents before a follow-up meeting which has been scheduled between the union and Acsa for today. The unions said the parties had agreed on an effective 9 per cent wage increase.

They said the agreement had averted a potentially crippling national strike that they had threatened, had their demands not been met by management.

Strike chaos on SAA's flight schedule

FRANK NXUMALO

LABOUR EDITOR

Johannesburg — Chaos is expected to hit South African Airways' (SAA) domestic and international schedules today as more than 9 000 ground staff, cabin crew and maintenance workers down tools over wage demands

The department of foreign affairs was concerned the strike, by members of the South African Railway and Harbours' Union (Sarhwu) and the Aviation Industry Workers' Unit SAA (AIWU SAA), might have a negative effect on the transportation of delegates to the Non Aligned Summit scheduled to start tomorrow in Durban

"This summit is a matter of national interest, and we are doing everything possible to make it a success," Aziz Pahad, the deputy minister of foreign affairs, said yesterday "Through

the ministry of labour, there are ongoing negotiations with the unions involved We are hopeful that solutions will be found "

Victor Nosa, an SAA spokesman, said "The situation hasn't changed We are expecting a strike tomorrow (today) Management is still offering between 7,5 percent and 10,5 percent, the unions are still demanding 12 percent "

"We are going on the strike at 12 noon tomorrow," Sarhwu spokesman Evan Abrahamse said Cabin crew on international flights would also go on strike at 12 noon, he said

He said Sarhwu was also having dispute meetings at the Commission for Conciliation, Mediation and Arbitration with the Airports Company of South Africa over wage demands

The commission talks will continue today after the parties failed to reach agreement yester-

day However the Airports Company has settled separately with Nehawu and T&GWU at an effective 9 percent across the board The agreement is expected to be signed today

"The overwhelming outcry from our members stems from the recurring injustice by SAA management in that they continue handsomely rewarding the pilots and flight engineers in their bargaining units while our members have to be satisfied with the crumbs that fall off the table," said Andre Venter, AIWU SAA general secretary of labour relations

Venter said that Coleman Andrews, the SAA chief executive, had awarded pilots a 17 percent salary increase, an allegation was denied by Andrews

"The truth is that an independent arbitrator awarded pilots an 8,17 percent increase for 1997 and 1998, this decision was binding on the company," Andrews said

SAA suspends executive pending disciplinary hearing

Reneé Grawitzky
and Robyn Chalmers

SA AIRWAYS (SAA) has suspended its executive manager of onboard services, Bettina Engelbrecht, pending a disciplinary inquiry, while the airline's technical executive manager Tom Botha has handed in his resignation.

SAA spokesman David Barritt confirmed at the weekend that Engelbrecht was suspended ahead of a hearing this week, but declined to elaborate.

Industry officials believed that Engelbrecht had been suspended following intervention from senior Transnet executives.

This was the result of staff opposition to an alleged

unilateral decision taken by Engelbrecht to declare the jobs of a number of onboard managers redundant and to place them in office jobs.

In the meantime, SAA spokesman Leon Els confirmed that Botha was serving a two-month notice period. Industry sources said Botha, alongside his colleague Dieter Klemen, was regarded as an expert in the technical field of aircraft safety and he would be hard to replace.

However, SAA said there were still a lot of competent people among their technical staff.

This comes as SAA has just emerged from threatened strike action at a crucial time in its restructuring and partial privatisation process.

A minority stake of between 25% and 30% in SAA

is to be sold by next March, with expectations that R1bn could be raised as a result.

Trade unions believed that the strike was spurred on by worker frustration and perceptions that pilots had received increases far above the general wage offer made by the company.

SAA CEO Coleman Andrews recently told Parliament that he had introduced measures which had cut costs by about R140m in the two months since taking over at the loss-making airline. Only four jobs had been lost.

Andrews also said he had made a number of senior appointments — promotions within SAA and new appointments from Europe and the US — mainly in the marketing and revenue-generating areas.

Sarhwu surprises SAA management with

Pearl Sebolao

THE SA Railway and Harbours Workers' Union (Sarhwu) went on strike at SA Airways (SAA) yesterday, despite indications by the union last week that it would accept the company's wage proposal.

SAA accused Sarhwu of unilaterally calling out its members on strike after assuring the company that no industrial action would take place without management being informed well in advance.

"The first notification management had of this action was . . . some 20 minutes before the strike action commenced," the company said.

More than 2 000 Sarhwu members downed tools after rejecting the two-year wage agreement which was signed by an-

other SAA union, Salstaff, on Friday.

The agreement stipulates that workers will receive an 8,5% pensionable increase and a productivity bonus of 2,5% in 1998/99. They will receive an extra bonus of R150 a month as an incentive for maintaining 95% efficiency at their stations.

For 1999/2000, SAA and the union agreed on a 6,5% pensionable increase with a potential 4,5% productivity bonus as well as the R150 a month bonus.

Sarhwu spokesman Evan Abrahamse said the union had not yet made any plans to meet SAA to resolve the dispute. The union was meeting management to negotiate picketing rules and to discuss the lockout instituted by SAA when workers began the strike.

He said workers, who include cabin

crews, check-in and technical support staff, would continue the strike today.

Sarhwu indicated that it would also go on strike against the Airports Company if the dispute was not resolved.

The Airports Company has reached a tentative agreement with the Transport & General Workers' Union and the National Education, Health and Allied Workers' Union.

Abrahamse said a dispute certificate was issued yesterday by the Commission for Conciliation, Mediation and Arbitration and Airports Company workers would strike before the end of the week.

Airports Company spokesman Charmaine Lodewyk said she hoped the scheduled meeting with Sarhwu tomorrow would avoid any industrial action.

She said the company expected to finalise the settlement reached with the two other unions soon.

Meanwhile, the strike by Air Chiefs employees was resolved after management and the SA Commercial, Catering and Allied Workers' Union agreed on a settlement at the weekend.

Details of the settlement were not disclosed because of a confidentiality clause in the agreement.

Sapa reports SAA CE Coleman Andrews said yesterday that flights were not affected by the nationwide strike.

"Everything is on schedule and running normally. So far today more than 80 flights have departed and there has not been a single delay caused by industrial action," he said.

Andrews said more than 8 400 SAA staff not on strike were keeping the airline flying with minimum inconvenience to passengers.

"The employees — technical, personnel, pilots, cabin attendants, ground staff, sales and administrative personnel — are giving 100% effort to ensure that things continue to run smoothly."

He said this included 2 400 Salstaff members who signed a wage agreement with SAA on Friday.

Sarhwu said more than 1 000 of its members employed by Apron Services, which provides services for SAA, would take part in a sympathy strike.

Andrews said he hoped to resume discussions on the wage dispute with the union quickly.

strike

(270)

11/9/98

Sarhwu protest fails to disrupt SAA flights.

says airline (270)

BD 2/9/98
Pearl Sebolao

(USA)

SA AIRWAYS' operations were running normally and flights were on schedule despite a strike by more than 2 000 SA Railway and Harbour Workers' Union (Sarhwu) members that started on Monday, an SAA spokesman said yesterday.

Leon Els said a contingency plan was in place to minimise inconvenience to passengers. He would not disclose details.

SAA said on Monday that workers who were not on strike — these included Salstaff members who accepted a wage settlement last week — were "giving 100% to ensure things continued to run smoothly".

Sarhwu, and two other unions with which it has merged to form the SA Transport and Allied Workers' Union, went on strike after rejecting the two-year wage agreement that makes provision for an 8,5% increase, a productivity increase of 2,5% and an extra bonus of R150 a month as an incentive for maintaining 95% efficiency in 1998.

The agreement says also workers will receive a 6,5% increase plus a potential 4,5% productivity bonus and the R150 a month bonus next year.

Sarhwu spokesman Evan Abrahamse said the strike would continue today. No meeting had been arranged to resolve the dispute.

However, the union and SAA had resolved at a meeting last night to keep each other abreast of any new developments.

He would not be drawn on why Sarhwu had notified SAA management about the strike only minutes before it was due to start.

Abrahamse confirmed that notices of a sympathy strike had been served on Apron Services and the Airports Company of SA (Acsa). No date had been set yet for the start of the secondary strike action.

At the same time, last-minute talks have been scheduled to resolve the wage dispute between Sarhwu and Apron Services.

The parties would meet at the CCMA today.

Meanwhile, the strike by the National Union of Mineworkers at Goldfields Security Limited was suspended after agreement with management that there would be no retrenchments until negotiations on the issue had been exhausted.

The parties agreed to meet on September 15.

SAA feels pinch as unions go on full-blown strike

(270)
Sowetan 3/9/98 (S)

By Mzwakhe Hlangani

HOPES of settling the wage dispute between South African Airways and three trade unions were dashed yesterday when the unions embarked on a full-blown strike that has affected the airline's domestic flight operations

South African Railways and Harbours Workers Union (Sarhwu) spokesman Johnson Gamede said about 3 000 members downed tools after a weekend meeting rejected the management's two-year package of an 8,5 percent increase, effective from June, and 6,5 percent for next year

The unions had demanded 12 percent. Instead, management threatened to retrench 400 workers

The striking employees include cabin crew attendants, ticket reservations, cargo, transportation, personnel

and technical staff from Sarhwu, the Black Transnet Union (Blatu) and Transnet and the Allied Trade Union (Tatu)

Union members argued that the airline had spent about R4 million on the house of its chief executive

Gamede also charged that the management put the lives of passengers at risk by engaging scab labourers in operations that required technically trained staff

Agreement was reached in principle between SAA management, and negotiating teams from South African Staff and Footplate Association (Salstaff), Sarhwu, Blatu and Tatu last Friday. As a result Salstaff had withdrawn its previously filed notice of industrial action

SAA chief executive Coleman Andrews said more than 8 400 staff members not participating in the strike

kept the airline flying with minimum inconvenience to passengers

The strike action by the unions is a complete reversal of the position it had stated to management moments earlier

"In the light of the airline's financial situation we consider our offer to be fair and reasonable. Given the deepening recession, it is dangerous for the unions to embark on a strike," said Andrews

Meanwhile, the national strike by about 60 000 motor industry workers entered its second day yesterday with the unions assessing the success of the country's first sympathy strike in support of the workers' wage claim

The workers, represented by the National Union of Metalworkers of SA, the Motor Industry Employees' Union and the Motor Industry Staff Association, are demanding a wage increase of between 12 and 18 percent

Airport, motor industry union members clash with police

(270) (112) (112)
Renee Grawitzky

Pearl Sebolao and Percy Mthimkhulu

BD 3/9/98
ATTEMPTS to intensify the strike by thousands of motor industry workers and those at the Airports Company yesterday turned violent following clashes with the police.

More than 60 members of the National Union of Metalworkers of SA (Numsa) were arrested in Mpumalanga for an illegal march while police confirmed that a senior SA Railway and Harbours Workers' Union (Sarhwu) official was arrested at Johannesburg International Airport.

The strike action at the Airports Company of SA began after last-ditch wage talks between management and Sarhwu ended in deadlock. Management said it was prepared for the strike and contingency plans, including management teams maintaining essential services including shopfloor work and security checks in airports, had been put in place to minimise its effect.

In the motor industry strike, SA Motor Industry Employers Association (Samea) spokesman Vic Fourie said intimidation increased when workers picketed outside petrol stations and

panelbeating shops. Police used tear-gas in some instances to remove workers involved in "illegal" sit-ins.

The union believed the strike was intensifying while employers downplayed its effect and said there was minimal disruption. Fourie said there were definitely not 60 000 workers on strike as alleged by the union. The parties meet today to draft picketing rules.

Meanwhile, SAA said more than 1 000 SA Transport and Allied Workers' Union members defied their union and returned to work after signing declarations accepting management's wage offer.

The airline also said a number of workers had resigned from Satawu — which consists of a merger between Sarhwu and two other SAA unions.

The union did not deny that some of its members had accepted the offer, which was agreed to by Salstaff last week.

Sarhwu general secretary Derrick Simoko alleged that some striking workers were coerced into accepting the settlement and said their return to work did not weaken Satawu's bargaining position.

Setting the record straight: Page 12

City airport picketed as strikers locked out

SHARKEY ISAACS
TRANSPORT REPORTER
ARC 3/19/98
SA Airways security staff

enforced a lockout of more than 1 000 striking workers at airport terminals around the country on the third day of their action.

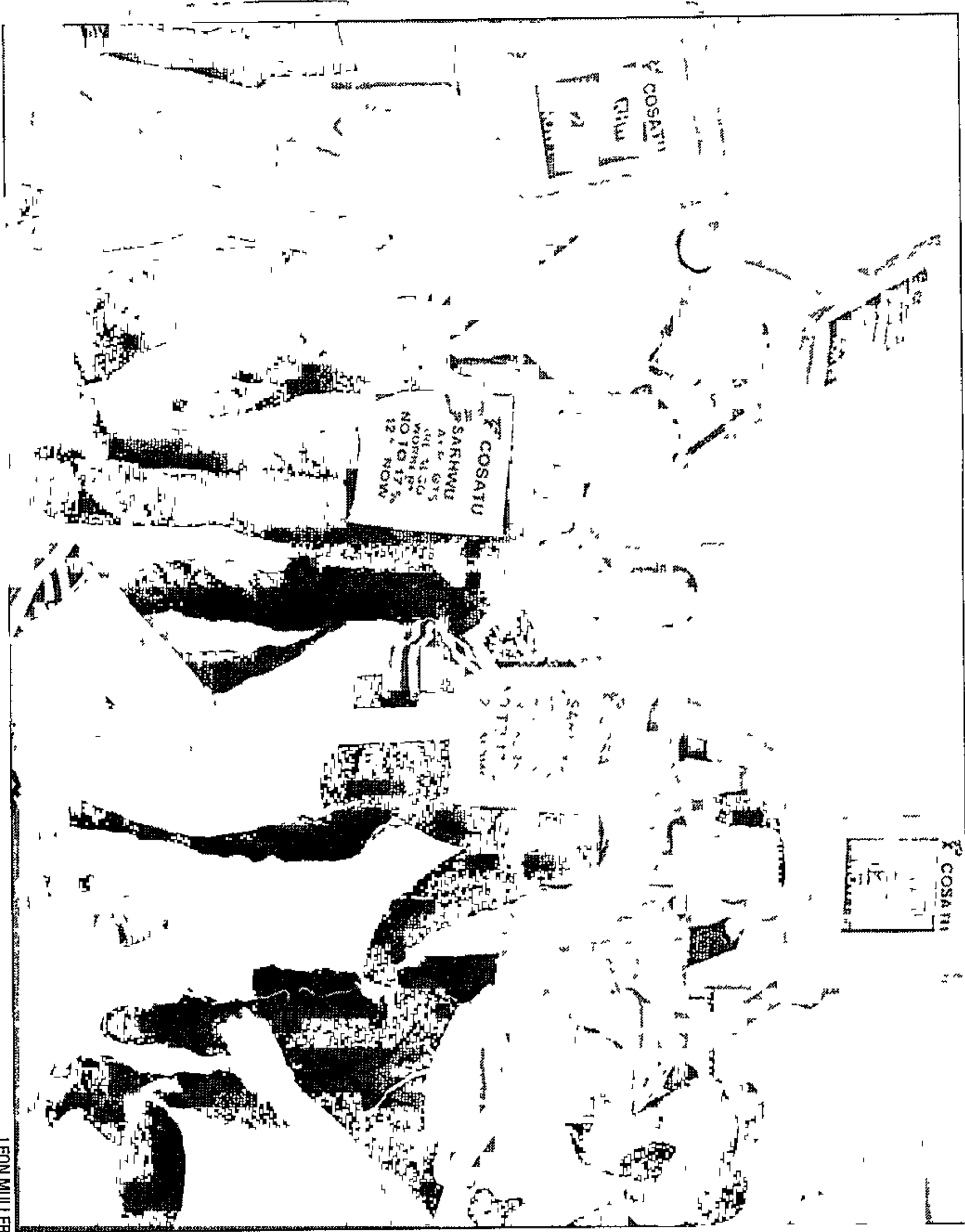
At Cape Town International Airport yesterday, members of the SA Transport and Allied Workers' Union met officials to work out rules for a placard demonstration outside the domestic terminals

About 100 demonstrators took part after pledging to restrict the picket to a space between the two terminals and agreeing not to intimidate non-striking workers

They were also prohibited from entering parking areas. The strike is in support of a 12% wage increase demand SAA has offered 8,5%

SAA spokesman Leon Elis said the airline was exercising its right to lock out striking workers

Airline operations around the country had not been affected and all flights were on schedule, he said. Staff not on strike were working hard to ensure there was no disruption



Foot patrol: striking SAA workers demonstrate at Cape Town International Airport yesterday in support of a 12% wage increase

Union shop steward David Lockman said SAA had used a devious strategy in asking individual workers to sign declarations accepting the company's wage offer and pledging not to take part in further demonstrations on the issue

A register had been kept of striking workers and no one had signed the declaration and returned to work

SAA claimed it had reached an agreement in principle on wage structures for the next two years with the union last Friday and that the union had promised it would not go on a strike without informing management in advance

SAA said it was informed of the intended strike only 20 minutes in advance

Meanwhile, more than 1 000 airport apron service members of the SA Railways and Harbours Workers' Union are expected to strike in support of the transport workers soon

Secretary-general Derrick Simoko said the striking unions hoped to meet management to resolve the dispute

"We are trying our level best to break the impasse"

Union and Acsa still in wage talks

ET (MR) 4/9/98

(270) (A/A)

FRANK NXUMALO

LABOUR EDITOR

Johannesburg — The South African Railways and Harbour Workers' Union and the Airports Company of South Africa (Acsa) were still locked in wage negotiations by late yesterday

An estimated 5 000 workers allied to the union are on a national strike to press for a 12 percent wage increase across the board. This is against a company offer of 10 percent.

Charmaine Lodewyk, an Acsa spokesman, said apart from Johannesburg Airport, where workers scuffled briefly with the police after abandoning designated picketing areas, the strike was generally peaceful in other parts of the country.

She said the company had contingency plans in place so "services, operations and everything

has been running smoothly".

Lodewyk said the company was committed to a settlement with the union.

"We will keep striving to find a solution to this problem."

Meanwhile, about 100 members of the Unemployed Masses of South Africa marched to the labour department's Pretoria head office to hand over a memorandum on the forthcoming presidential jobs summit. The summit is scheduled for October 30.

The department said the government was gravely concerned about the high levels of unemployment.

"An interdepartmental process was started to prepare a strategy to address the problem... The government produced a framework entitled Creating Jobs, Fighting Poverty. It was published for public comment on July 3," the department said.

SAA's cabin crew boss suspended in wake of chaos

ROGER MAKINGS

ST 6/9/98

SOUTH African Airways has suspended its on-board services executive manager, the woman responsible for the airline's 2 500 cabin attendants.

Bertina Engelbrecht was suspended last week by the airline's new chief executive, Coleman Andrews, but no reason has been given.

Senior SAA spokesman Leon Els confirmed the suspension, but would only say that a hearing would be held this week.

SAA sources say Andrews is determined to improve customer service, especially on board aircraft, but that Engelbrecht's department was unable to effect the

changes he demanded

"It's all about a lack of managerial skills in on-board services," said an airline insider

At the centre of Engelbrecht's suspension is a "certain tardiness" among cabin crew when it comes to reporting for duty on time, or even at all

"Generally there is a lack of discipline and commitment which Engelbrecht and her managers seem unable to control," the source said

Another source blamed bad management practices and inexperience within onboard services

The crew rostering system is said to be chaotic, with people who are either pensioners or deceased being rostered for cabin crew duty

Several flights in the



BERTINA ENGELBRECHT

last few months have failed to take off on time or have been cancelled, either because cabin crews arrived late for work or not at all

Late last year the Sunday Times reported on the parlous state of cabin crew training in SAA, which cast serious doubts on their ability to handle emergencies

This was denied by management at the time. Shortly thereafter, SAA launched a Fly With Pride campaign that offered prizes to cabin attendants who demonstrated service excellence.

SAA strike ends, but further labour action could follow

René Grwitzky, (270) (B) Pearl Sebolao and Dustin Chick

THE week-old strike at SA Airways was finally resolved on Friday when the airline signed a wage agreement with the SA Transport and Allied Workers' Union.

The parties agreed on a 10% split increase, with 5% backdated to June and the remaining 5% increase implemented in December this year. Workers would also get a 13th cheque based on the 10% increase.

At the same time, talks at the Airports Company of SA (Acasa) resumed this morning. Union spokesman Evan

Abrahamse said he hoped for a settlement as soon as possible, but the outcome depended on what was agreed to at the bargaining table.

He said unions were demanding a 12% increase to be implemented as from September 1, and were discussing the "possibility" of implementing a two-year wage agreement. Although the union position still remained at 12%, they were looking towards a settlement, Abrahamse said. It is believed that the two parties differ over 1%.

However, SAA could still be faced by a secondary strike action by SA Railways and Harbours Workers' Union members in support of workers at Acasa

Rift between farmers grows

Louise Cook

THE threatening split between the SA Agricultural Union (SAAU) and the Transvaal Agricultural Union (TAU) has spilled over into the Northern Province — the TAU's last remaining stronghold.

Farmers there say they are "awaiting the natural death of the TAU" before setting up their own union.

At the TAU's congress last week, the union attacked the SAAU for being African National Congress-orientated and selling out the TAU.

Two of the four provinces the TAU represents — North West and Mpumalanga — have set up separate unions in the past three years. A group of Gauteng farmers is due to set up a Gauteng union on Wednesday. Bertie van Zyl, a former Northern Province TAU member, said TAU support in the province had dwindled con-

siderably. Many former members preferred to farm without any union affiliation. They would join another union if it were free of politics and had a strong provincial focus. The Northern Province's Letaba district said it had disaffiliated from the TAU.

In Gauteng, former TAU regional chairman Alf Becker, who is starting up a new union, said he distanced himself "on behalf of a string of farmers in the region" from statements at the congress. TAU president Gert Ehlers dismissed his claims, saying the union retained majority support in Gauteng.

The SAAU has refused to comment on last week's TAU congress. It is to decide next month on its position on the TAU's decision to break away from the SAAU if it does not change its constitution to make the TAU the sole affiliated union for its four provinces

Comment: page 11

if the union fails to settle. Acasa said management and other staff would continue to work in areas operated by striking workers to ensure airports were disrupted as little as possible.

Meanwhile, SA Commercial, Catering and Allied Workers' Union (Saccawu) and Federated Retail and Allied Workers members disrupted operations at a number of Edgars stores on Friday. Pickets were held at a number of stores with claims that workers defied a Labour Court interdict by preventing customers' access to the premises.

In addition, there were sporadic reports of assaults on customers.

This action is in line with a decision taken by the unions at the end of July to embark on sporadic action against the company. Such action began in early August and has caused disruption and financial losses which could further exacerbate the company's already tenuous financial position.

The two-week old strike by Saccawu members at Stuttafords continues with attempts by the union to get the company back to the bargaining table.

The company instituted a lockout after negotiations deadlocked with the union demanding R200 across the board. Stuttafords' final offer was R140, plus extended working hours.

Union tunes in to change

Robyn Chalmers

THE Pan-African Telecommunications Union (Patu) will be restructured and a new union established by the end of next year to meet the challenges of a rapidly changing telecoms sector in Africa, it was decided at the recent conference in Lusaka. Patu has 44 members on the continent.

A document was drawn up indicating that the restructuring was driven by developments, including globalisation, privatisation and regulation trends and the convergence of the telecommunications, broadcasting and the information sectors.

A number of African countries have gone the privatisation route. Guinea led the way with the sale of 60% of its

telecoms utility in 1996 to Telekom Malaysia for \$45m. Ghana, Côte d'Ivoire, SA and Senegal have also partially privatised their utilities.

The document said there was a need to increase the number of telephones in Africa and to facilitate access to telecommunications services.

Conditions had to be created that would attract investment for the development of infrastructure and for Africa to adapt to the rapid technological changes under way.

The conference approved a restructuring implementation team for the new Patu.

Income generating activities approved included exhibitions, symposiums, on-line services via a dedicated website and publications.

Transport strike unresolved

ARG 7/9/98

(270) (182)

Johannesburg - Talks between the Airports Company of SA and the SA Railway and Harbour Workers' Union resumed today in a bid to resolve a six-day-old strike.

About 3 000 Sarhwu members countrywide went on strike last Wednesday after Acsa offered a 10 percent wage increase against the 12 percent demand of the union

Airports company spokeswoman Nicky Rose-Innes today said manage-

ment was optimistic that a settlement would be reached with the union in the next two days

"We believe 10 percent is more than fair. Other companies, like SAA, have offered between six and eight-and-a-half percent," she said. Management's offer includes transport, a housing subsidy and 13th cheque

She said contingency plans were put into place immediately to ensure passengers were not inconvenienced.

- Sapa

Airports Company and Sarhwu in 'progressive' wage settlement

(270) CT(BR) 9/9/98

ROY COKAYNE

Pretoria — The Airports Company of South Africa (Acsa) and SA Railway and Harbours Workers' Union (Sarhwu) had settled their wage dispute, Dirk Ackerman, the managing director of Acsa, said yesterday.

Ackerman said Acsa was happy that a settlement had been reached which included a performance bonus that underpinned shareholder value.

He added that the relationship between management and labour had not been damaged by the dispute.

In a joint statement, Acsa and Sarhwu described the settlement as "a progressive agreement".

"Acsa staff will be

afforded the opportunity of improving their remuneration as a result of a performance-based remuneration structure.

"This further demonstrates the sound relationships between shareholder interests and labour going into the future," it said.

The statement said the performance measurement system would be developed and agreed upon by the parties in continuance of the spirit of co-operation between the company and its labour force.

It added that Acsa,

which was recognised as one of the most progressive companies in terms of basic conditions of employ-

ment, had committed itself to further improvements in accordance with legislative changes in the future.

The parties have agreed to:

□ A 10 percent across-the-board increase,

□ A substantial move of the minimum wage of 18,8 percent, and

□ A one-off pensionable production bonus equal to 1 percent of basic pensionable salary, paid in 12 instalments from September this year to August next year.

Acsa staff will be afforded an opportunity of performance-based (added) remuneration

Disruptive strike ended

Sowetan 9/9/98
By Mzwakhe Hlangani
Labour Reporter

A FINAL agreement to end a disruptive strike has been reached between the Airports Company of South Africa (Acsa) and the South African Railways and Harbours Workers Union (Sarhwu), management and union officials announced yesterday

In a joint statement Acsa and Sarhwu described the settlement as progressive and conclusive. It would improve staff pay as a result of a perfor-

mance-based remuneration structure. The agreement demonstrated the sound relationship between shareholder interests and labour

Acsa general manager of marketing Ms Chamaine Lodewyk said the performance-measurement system would be developed by both parties. Both parties agreed to a 10 percent increase and a substantial move to narrow the wage gap

The housing assistance scheme has been adjusted to minimise the hardships of families after the recent dramatic mortgage rates hike

Meanwhile, a five-day industrial action by SA Transnet Allied Workers Union has been settled, SAA chief executive officer Andrew Coleman said

He said Satawu members had agreed to the company's two-year wage offer

● About 5 000 Edgars Stores employees have embarked on partial work stoppage to demand wage talks with management, spokesmen for the Federation Council of Retail and Allied Workers Union and the SA Clothing and Catering Allied Workers Union said yesterday

Transnet neglecting agreement — unions

Reneé Grawitzky (270)

TRANSNET trade unions were expected to circulate a memorandum to top government officials expressing their concerns about the company's restructuring and privatisation programme

Labour claimed that the National Framework Agreement was being neglected and unions were only being given "token consultation" on the programme's masterplan.

The memorandum — compiled by Transnet's restructuring labour steering committee — said the unions were informally briefed about the company's restructuring plans only after the proposals were published in the media.

A union source said labour had still not seen the masterplan

Labour said it was committed to Transnet's restructuring and did not want to upset the process, but wanted to participate as an equal partner.

20 18/9/98

Aim to trim (270) staff by half

By Mzwakhe Hlangani
Labour Reporter

TRANSPORT parastatal Spoornet has begun the first phase of a corporate re-engineering process aimed at trimming down its inflated 50 000 staff complement by half.

This follows a mutual decision reached by management and organised labour on voluntary retrenchment packages offered to employees

The offer will see up to 20 000 workers opting for retrenchments.

Spoornet chief executive officer Braam le Roux said agreement was reached with trade unions that employees who occupied positions regarded as redundant.

The offer is valid from Monday until February 28 next year.

South African Transport and Allied Workers Union spokesman Mojalefa Musi also agreed that the coordination of the restructuring process and business transformation would lead to shedding of some positions.

He said a deal was brokered two years ago that the process should be conducted in a sensitive manner.

As a result a subcommittee was formed to look at other possibilities of job creation and that retrenchment would be taken as a last resort.

Le Roux also expressed confidence that once the process was finalised, implemented and operational, these projects would result in major improvements in Spoornet's ability to service customers in a highly competitive market.

Sawleton 8/10/98

Natal to get further R80m 'for peace'

Farouk Chothia

DURBAN — Despite the KwaZulu-Natal government's failure to spend R100m allocated for the promotion of peace through development, Finance Minister Trevor Manuel is giving the province a further R80m grant to promote peace through education.

KwaZulu-Natal premier Ben Ngubane confirmed this yesterday, saying the "slapdash arrangements" in the province should not detract from the pursuit of "worthwhile objectives".

Manuel allocated R100m to the province during the 1997/98 financial year with the aim of "rewarding" communities that achieved peace by launching developmental projects. However, the Democratic Party (DP) claimed last week that only about

R5,8m of the R100m had been spent, most of it on consultants.

Despite this Manuel is expected to refer to the R80m allocation in his Adjustment Estimates Bill to be unveiled next month.

DP KwaZulu-Natal MP Wessel Nel said the provincial government seemed to have already started spending from the R80m, even though it had not received the money.

This raised the question of whether the province was involved in unauthorised expenditure, he said.

Nel said it appeared that the provincial government had decided to pay consultants about R800 000 from the R80m. A tender of about R10m had also been awarded to a consortium to develop curriculums and project proposals for "peace education", Nel said.

The tender was not granted from the R100m peace fund, as widely reported in the media.

Despite denials by director-general Otty Nxumalo, Ngubane confirmed yesterday that the consortium was awarded the contract.

Ngubane said his understanding was that Nxumalo wanted the consortium to come up with a "base document for that type of (peace) education process". However, the consortium was unable to start work because the money was "not there".

He said he held discussions with Sibusiso Ndebele, the African National Congress KwaZulu-Natal chairman and the provincial transport MEC. They agreed that they should appoint two people each "to go into all the things" with Nxumalo.

ED 26/10/98

Transnet MD says allegations 'hogwash'

Pule Molebeledi

TRANSNET MD Saki Macozoma dismissed allegations yesterday that he abused his position by claiming free SA Airways (SAA) voyager frequent-flyer miles for friends and relatives as "hogwash" and an "attempt to besmirch my name".

City Press newspaper reported that he claimed more than 700 000 miles since 1996, contrary to rules barring Transnet executives from doing so as they travelled free of charge.

Macozoma said he dealt on a weekly basis with requests for travel assistance from a wide range of people in society, including nongovernmental organisations, burial societies, theatre

groups, schools, universities and individuals. "My approach to most of these requests is that SAA is a business that is in a delicate financial position. However, there are times when ... an exception needs to be made."

He said the advantages of using voyager miles, which are used on a seat available basis, were that "he did not get to interfere with the SAA systems and create exemptions that could be used to justify abuse. "The judgment on these issues is mine and mine alone. If the board cannot leave a decision like that to me, then the only option open to them is to fire me."

Transnet board chairman Louise Tager was reported to have said that it was fraudulent for Transnet execu-

tives to use voyager miles as they travelled for free. Macozoma said this was "absolute nonsense" and said Tager was "silly" for uttering such comments without calling him first. "I take strong exception to that," he said.

However, Transnet spokesman Thami Didiza said Tager, who could not be reached for comment, was misquoted. All she said was that full-time employees could not claim voyager miles for personal use.

Meanwhile, Zukile Nomvete, claiming he was forced to resign as Transnet executive director, is reported to be suing Macozoma for R2m for defamation and unfair dismissal. Macozoma said he expected to be attacked for firing "untouchable" black executives.

ED 26/10/98

(270)



Mbeki's office denies Macozoma inquiry

BD 27/10/98 (270)

Pule Molebeledi

DERUTY President Thabo Mbeki's office denied yesterday claims that it had instituted a commission of inquiry to investigate allegations of impropriety against Transnet MD Saki Macozoma.

This comes after Transnet board chairman Louise Tager rallied behind Macozoma last night and said there was no reason or evidence for the parastatal to investigate claims that Macozoma abused his position by claiming free SAA voyager frequent-flyer miles for friends and relatives.

It was reported in a weekend newspaper that Macozoma had claimed more than 700 000 miles since 1996, in contravention of Transnet rules.

Transnet spokesman Thami Didiza said there was no tiff between Macozoma and Tager

Macozoma had registered serious concerns about Tager after the board chairman was quoted as saying that it would be fraud if any Transnet executive had claimed free voyager miles. "There was nothing personal between the two," said Didiza, who claimed that Tager had been misquoted.

Tager said it was the policy of the board to request the parastatal to investigate, without hesitation, any evidence which pointed to wrongdoing by staff, regardless of the level at which they were employed. The board had no reason or evidence to believe the policy had not been complied with, she said.

Meanwhile, Mbeki's spokesman Ronnie Mamoepa said it was unfortunate that an impression had been created that government had established a covert commission of inquiry to probe Macozoma. "Nothing could be further from the truth. It is government policy to do things transparently."

Macozoma said on Sunday that threats had been made on his life.

A number of black executives have been dismissed from the transport company. "I have no regret about actions that I have taken and I will continue to take them when my conscience says so, even if character assassination graduates to physical assassination as it has threatened to many times," Macozoma said.

Key Market Movements — 23/10 to 26/10

I - NET BRIDGE

Gold				Currencies		Europe	Europe	Repo	Stock Markets				
Lon close \$/oz	Lon PM \$/oz	Lon PM R/oz	Kruger-rand	R per \$	\$ per R	close DM/\$	close R/E	rate	FTSE 100	Nikkei Index	JSE Ov'all	JSE Gold	JSE Indus
292,05	292,25	1 679,50	1 740,0	5,7370	0,1756	1,6470	9,6990	21,068	5 231,5	13 843,46	5 625,0	1 045,8	6 348,4
291,05	291,45	1 659,81	1 701,0	5,6950	0,1743	1,6372	9,6015	21,017	5 217,1	14 144,70	5 622,0	1 032,0	6 330,7

Black train drivers climb aboard

Sowetan Reporter

THE graduation of train drivers hardly raises eyebrows anywhere in the world and barely warrants a filler in a national newspaper

So the graduation of 20 young black men as train drivers at the Johannesburg Civic Centre in Bramfontein last Thursday should have passed unnoticed – if South Africa was a normal society

But for Wits Metrorail it was a momentous occasion that represented an important milestone in the transformation process in an industry in which train-driving has for many years been the sole preserve of white men, the majority of them Afrikaners

The occasion was also an important milestone for people such as Hendrik Botshelo, who was among the newcomers given a 'licence' to drive a train

But while growing up in the impoverished and windswept Manthe village, near Taung in North West Botshelo's dream was to become a traffic officer. No more, no less.

He did not even entertain the idea of being a train-driver because for a black person it was simply unthinkable

Raised by a widowed mother under very difficult conditions, Botshelo thought at the time that being a traffic officer was the only career that would give him personal satisfaction and

material rewards that would haul him and his family out of the depths of poverty.

When he matriculated a few years later, his passion to become a traffic officer was still burning fiercely. But after pounding the streets and knocking on doors for three years in search of this elusive career, his desire began to wane and he eventually lost interest completely

He was beginning to indulge in self-pity when an acquaintance approached him and told him of a Spoonet-sponsored programme to train black assistant train drivers

'I did not waste time and decided to try my luck', says Botshelo

The dying of one dream saw the birth of another when Botshelo (28) was selected for the programme

His group is the second batch of young black men who have qualified as fully-fledged Wits Metrorail train-drivers after undergoing a grueling eight-month course that involved four months of theory, two of practical training and the other two of route knowledge

The second batch brings to 38 the number of blacks who have qualified as train drivers in the Wits region of Metrorail in the past year. With a total complement of 759 train drivers in the region, the figure represents a mere 14 percent

But as regional manager Hendrik L van Stryp says, the endeavour is just



Newly graduated train driver Penwell Mthembu receives his certificate from Gauteng transport MEC Joyce Kgoali. PIC MOTTIAPELE SEGALE

270
Sowetan 6/11/98

the beginning of the transformation process at Metrorail which, in its previous life as part of the now-defunct South African Railways and Harbours, was used as a tool to affirm disadvantaged Afrikaners

Van Stryp says it is the company's firm commitment to transformation and development of human resources that saw it win the third prize in the 1998 Black Management Forum's Progressive Company of the Year award

"In fact we were quite surprised when we did not win the first prize," he says. Wits Metrorail has budgeted

R15 million for staff development and training in the current financial year

Meanwhile, Botshelo is excited at being part of a ground-breaking team and says he will do his best not to disgrace or embarrass the black nation and give affirmative action a bad name.

"In the past train-driving was made to look as if it was the most difficult job in the world. Blacks were not to be trusted. I'm a fully-fledged train-driver now and the heavens have not carved in says Botshelo who now lives in a luxurious townhouse complex in Florida on the West Rand. But what is the attitude of Bot-

"Many a time when people see me walking on the platform towards the engine with my briefcase, it's not uncommon to hear them saying 'Look who's driving the train today. Do you think we'll reach our destination alive?'"

"But many of them are proud of our achievements. They come and shake our hands or even give us presents like apples and sweets," says Botshelo.

On the same day his group received certificates of achievement, 24 young women were being congratulated for having qualified as women train guards – the first group of women to do so in a field that used to be the preserve of black men.

Metrorail chief executive officer Zandile Jakavula, who is passionate about gender issues, says these women have not reached the end of their tracks.

He says it is hoped that Metrorail will have its first black women trainee drivers before the end of the organisation's financial year.

While more black drivers are being trained – 14 more are expected to qualify within the next few months – Botshelo is looking further ahead.

I want to be a train-driving instructor in the not too distant future. But for now, I would like to tell my passengers this: 'I'll take you there, *nomma kanyam* (come what may)'

R12-m empowerment deal for truckers launched

By Shadrack Mashalaba

A R12 MILLION empowerment initiative has been launched to help emerging black entrepreneurs own their own trucks

The "owner-driver truck operator" agreement, which gives entrepreneurs the right to own the trucks and do business while repaying their installments, was signed between Iveco South Africa, empowerment group Tsohle Commercial, Citibank and Rauties Transport

The unique initiative, expected to set a precedent for South Africa's commercial transport industry, is the brainchild of the Italian truck company, Iveco, and Tsohle Commercial

In terms of the deal, Tsohle Com-

mercial has been contracted to distribute about 22 Iveco Eurotech truck tractors to recruited "seasoned" truck operators

Managing director of public relations company Mostly Media Philip Claasen said eight trucks had already been delivered to owners

He said 20 closed corporations had been registered for each of the truck operators

Tsohle Commercial was formed two years ago by Sam Nomyane to redress the imbalances in the transport industry

Citibank provided finance for the deal, which will extend over a five-year period with no residual value on the vehicles

Citibank spokesman Tim Neary

said for South Africa to build a better future, the private sector would have to keep on reaching out to assist members of previously disadvantaged communities to help them become part of the country's formal business sector

Roadman, an owner-driver management company and a subsidiary of the Roadcor Group, will provide all the administrative back-up and operational assistance to the operators, such as forming the CCs, completing Value Added Tax returns as well as comprehensive training in business practice for each operator

Claasen said the initiative would involve people who had experience in the transport industry "I am confident that the venture will grow and get even better," he said

Powerman 9/11/98

(270)

Union shock over Transnet job cuts

CT(MR) 10/11/98 (270)

**NCABA HLOPHE
AND FRANK NXUMALO**

Johannesburg — Transnet, the transport parastatal, yesterday said substantial lay-offs, possibly running into thousands, would take place before the end of its financial year in March

But the South African Rail and Harbours Workers' Union (Sarhwu) denied any knowledge of the retrenchment plans and said it was "shocked"

"It came as shock that Transnet planned to retrench thousands of workers without consultation, in accordance with the Labour Relations Act and we are going to fight that," said Johnson Gamede, a Sarhwu spokesman

Tough trading conditions have bludgeoned the utility into the red in the first half to September 30

Saki Macozoma, the managing director, could not give specific numbers as he was "still negotiating with the unions", which he described as having reacted "constructively" to the news

The group lost R133 million



IN THE RED Transnet's MD Saki Macozoma (left) and group executive director for finance Gloria Serobe at yesterday's announcement of the utility's half-year results PHOTO JOHN WOODPOOF

in the half year compared with R48 million profit in the same period last year

Petronet sneaked from behind to increase interim net operating profit from R152 million to R186 million and upstaged

Portnet and Spoornet, both of which reported subdued profits

SAA lost R207 million while PX, the parcel division, managed to arrest its losses from R228 million last year to R126 million.

Gloria Serobe, group executive director for finance, said Transnet had increased cash flow from R1,4 billion last year to R3,2 billion and netted an increase of R1,3 billion compared with a R30 million deficit

BD 8/12/98
**Ailing SAA 'may
lose R90m' if it
complies with act**

Reneé Grawitzky (270)

THE loss-making SA Airways could lose a further R90m a year if it complied with the working time requirements of the Basic Conditions of Employment Act, industry sources said yesterday.

SAA — which could be partially privatised by April — has asked the labour department to discuss problems it has implementing the act, mainly in relation to cabin attendants. SAA said it wanted the industry excluded from the act.

Other Transnet subsidiaries, such as Spoornet, were in negotiations with unions over new shift arrangements to prevent additional costs that could amount to R300m, unionists said.

Labour department chief director Lisa Seftel said the department would meet SAA. The department wanted to establish a balance between the needs of the sector and the protection of workers.

The act's provisions on working time, which include meal interval requirements, night-shift arrangements and overtime limitations, will affect cabin attendants, especially on long international flights. Compliance with the act could, in theory, require SAA to take on board a double shift per flight.

SAA said the act did not take account of the aviation industry, or it was in conflict with the Aviation Act, which followed international legislation and guidelines.

Labour lawyer Clive Thompson said that "at face value the protective provisions of the act would require SAA to take on board a double shift."

However, the act allowed for flexibility through collective bargaining. The limitation on overtime, for example, could be resolved through averaging or a compressed working week.

The act also adversely affects long-distance hauliers, whose drivers often work long hours.

Labour analysts warned that many companies had not analysed the act properly to find ways of restructuring their operations so that they did not incur additional costs.

Unions' merger is unusual

(270) (37)
Partners in this link-up have come from different federations

BD 23 11 198

Reneé Grawitzky

THE launch of a new union operating predominantly in state transport parastatal Transnet could lead to a rise in mergers between unions from different federations as organised labour seeks to retain a majority presence in the workplace.

The launch of the SA Transport and Allied Workers' Union (Satawu) last week is in line also with a series of mergers and the formation of new alliances at Transnet.

Satawu official Mojalefa Musi said the merger process in Transnet was triggered by the new thresholds for union eligibility in the bargaining council and in other forums.

The new union is a merger between the SA Railways and Harbours Workers' Union (Sarhwu), a Congress of SA Trade Union (Cosatu) affiliate, the Black Transnet

Allied Trade Union (Blatu), a National Council of Trade Union (Nactu) affiliate and the nonaligned Transnet Allied Trade Union.

Musi said the union comprised members from across the political spectrum. Its formation marked the first time in recent years that Nactu and Cosatu affiliates had merged.

The Labour Relations Act, he said, encouraged the formation of majority unions.

As a result of this, unions of all sizes wanted to retain a sizeable presence in the workplace. He said smaller unions could no longer afford "to be small".

Musi said in an article in the SA Labour Bulletin that other reasons for the increase in mergers were linked to the fact that majority unions carried more political weight.

"The union with the most pull will be able to influence policy and strat-

egy development," he said. He argued, too, that unions wanted to join federations or unions such as Cosatu which had political clout.

The Satawu merger, resulting in the formation of a union with a membership of 47 000, was the first phase in the formation of a single transport union. The launch congress resolved to endorse a process aimed at a merger with the Transport and General Workers' Union in June.

The union's general secretary is Johnson Gumede (former Sarhwu administration secretary). Former Sarhwu president Bonakele Jonas is the new union's president.

Ephraim Motlhako (from Blatu) was appointed first vice-president while the second vice-president is Tony Naidoo (former Tatu president). The union's new treasurer is Ezra Mabyana, who was Sarhwu's former treasurer.

PS - TRANSPORT - LABOUR
1999

Star 16/11-99 (270)

Scores of cabin attendants take legal action against SAA

By KAREN LE ROUX

A total of 245 South African Airways senior cabin attendants have taken action against SAA for unfair labour practices.

SAA's acting vice-president, Pitso Kekana, has been subpoenaed to appear before an Arbitration Court hearing, which starts on Monday.

A spokesperson for the crew members said a Johannesburg-based law firm issued summons on behalf of the cabin attendants against SAA after the issue had dragged on for 18 months.

Both Kekana and Betina Engelbrecht, suspended onboard services executive manager, have been subpoenaed to attend the hearing.

Late on Thursday, SAA management requested a postponement of the hearing, which was scheduled to start yesterday.

Senior SAA spokesperson Leon

Els said they were aware of only 150 unhappy employees and requested an extension in order to "solve these minor issues".

But a spokesperson for SAA personnel, former onboard manager Raymond Stein, said proceedings had started as far back as 18 months ago, when the 1996 career path agreement, to which both the union and management had agreed, was not implemented by SAA.

He said the career path agreement, signed on February 26 1996 by Ernest Collett on behalf of SAA, and Rui de Pinho on behalf of the SA Railway and Harbour Workers' Union, clearly stated that all personnel would, over a seven-year period, work their way from the bottom to the top.

"SAA never had any intention of implementing this agreement," said Stein.

"In 1997 SAA announced a verbal agreement, and a couple of

months later they announced the Lesedi agreement, which served as an amendment to the 1996 agreement.

"Both these two announcements are invalid and are in dispute."

Engelbrecht, who was responsible for the airline's cabin attendants, was suspended by SAA's new chief executive, Coleman Andrews, in September last year.

"From the outset Engelbrecht decided to remove white faces from the inside of aircraft and replace them with black ones. Experience never played a role, in her opinion," Stein claimed this week.

He added that this action was a direct result of the "disastrously bad service" experienced by passengers aboard SAA flights.

Stein confirmed that attorneys acting on behalf of SAA had audited all 245 mandates by late Thursday afternoon.

Truckers keep on truckin' for safety

By Mzwakhe Hlangani (270)
Labour Reporter

THE tougher implementation of laws passed to limit the working hours of long-distance truck drivers is a major challenge in the transformation of South Africa's transport industry.

According to Transport and General Workers Union (TGWU) national organiser Thulani Dlamini, truck drivers across the country were uniting to call for tougher limits on hours spent behind the wheel.

Dlamini, who is also the road transport bargaining council's chief negotiator, said 'Big truck companies force drivers to spend long hours on the road, pressuring them to ignore speed laws and other regulations that set a limit on driving and resting time.

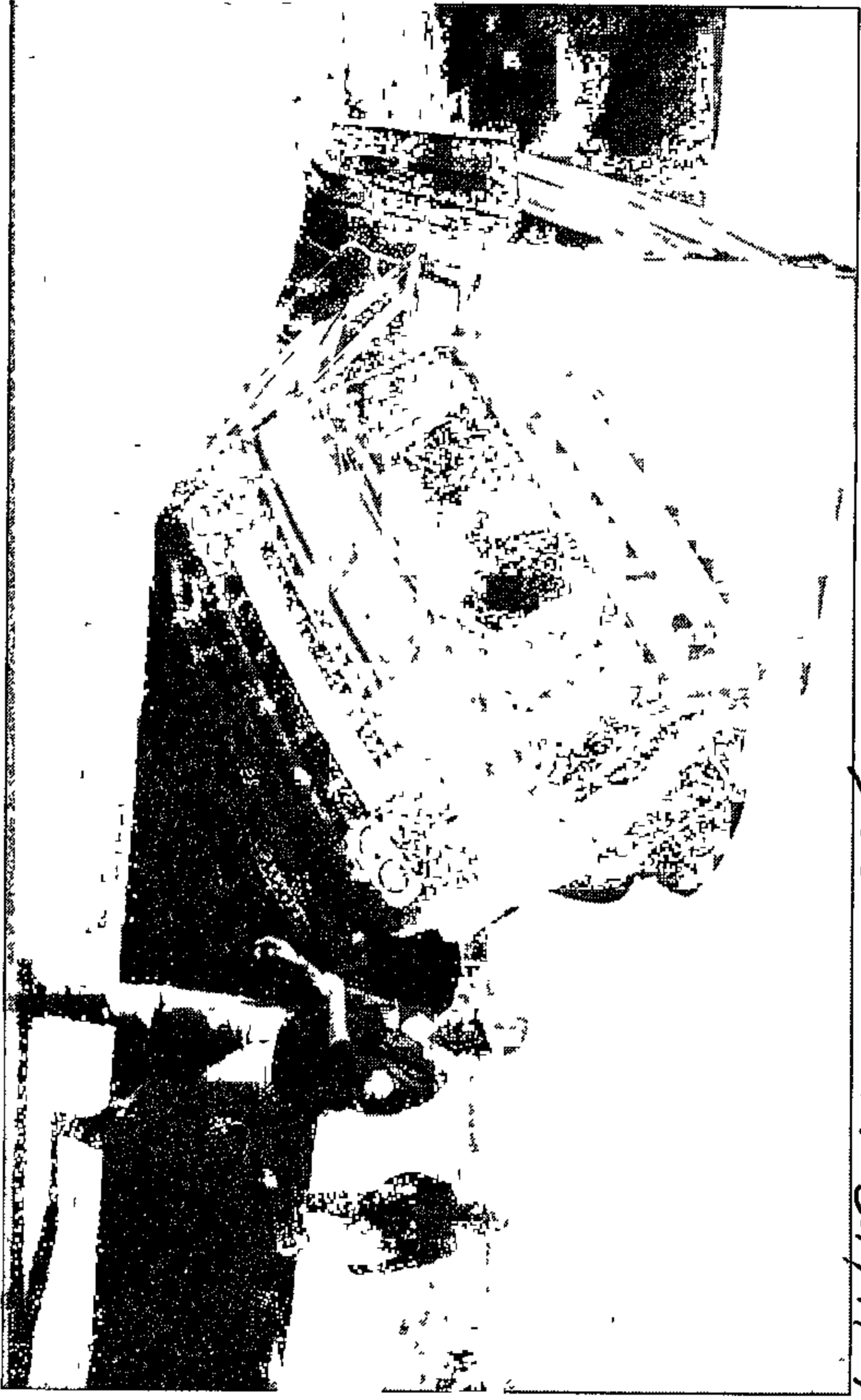
As a result, worn-out drivers are more likely to be involved in serious accidents and make the highways unsafe for the public in general. At least 10 trucks were involved in serious accidents a week before the Arrive Alive campaign."

The TGWU, which represents 28 000 of the country's extra heavy-duty vehicle drivers, is championing the cause for minimum standards for continuous and flexible daily, weekly and monthly resting time.

It is also implementing the Congress of South African Trade Unions' campaign to reduce working hours and joined the International Transport Workers Federation's fight around the globe for safe highways.

Other unions participating in the national bargaining council for the road freight industry include the Motor Transport Workers Union of South Africa, South African Transport Workers Union, Professional Transport Workers Union of South Africa, African Miners and Allied Workers Union, Transport and Allied Workers Union and Turning the Wheel Workers Union.

They all argue that working and



Fire department workers remove an overturned truck on a road. At one stage 10 trucks were involved in serious accidents a week because of the long hours that truck drivers work. PIC PAUL VELASCO

resting time policies must take into account that productivity-linked wages contributed to long working hours and driving time, which threatened public road safety.

Competition in the road freight sector also had the potential to spiral into conflict similar to that affecting the minibus taxi industry as it created harsh and unsafe conditions for truck drivers.

Dlamini pointed out that the Basic Conditions of Employment Act legislated 46 working hours a week, but some truck drivers still worked up to 19 hours a day.

Over and above the new law, it was further agreed in industry-wide negotiations that truck drivers must only work three hours overtime every day. "In practice this does not work."

said Dlamini.

"For example, a truck driver is sometimes required to take a truck in the morning to Cape Town. Before he reaches Bloemfontein, he has already spent 12 hours on the road.

"He cannot abandon the truck or stop even if he wanted to. He is forced to keep on driving."

Dlamini also said current negotiations in the industry wanted to bring an end to productivity-based remuneration systems because it encouraged unsafe working hours and inflexible resting hours.

Other issues being addressed related to double crew drivers, continuous driving and shift systems, recording, monitoring and enforcement of drivers working and resting

time, and penalties for the contravention of basic conditions of employment agreements.

Other areas of concern would be regulated after the Moving South African Project has finalised discussions on some of these issues.

This project is run by a Government agency which provides forums for employer associations, Government and trade unions to look at redundant or unenforceable laws which were intended to improve the quality of road safety.

"We are trying our best to influence road traffic regulations within the context of the bargaining council," said Dlamini. "We are trying to set national standards, national benefits, and national

wage agreements that will be effective from March 1 to the year 2000."

Road Freight Employers Association general secretary and vice-chairman of the national bargaining council Nico Badenhorst said the council agreement currently stipulates that working hours include all periods of driving. This also includes any time spent by the driver on his work or any period for which a subsistence allowance is payable to an employee. Badenhorst said.

In terms of the agreement, ordinary working hours would not exceed 46 hours a week.

Trip details

For each day's work drivers were required to record in their logbooks details relating to trips such as kilometres, fuel consumption, destinations and deliveries made.

"At present, the road transport quality system we have cannot be implemented because of erroneous historical problems - the driver was held responsible for every defect detected on the truck as if he owned the truck," said Dlamini.

Last year the road freight sector held industry-wide negotiations for the first time to regulate the industry.

Dlamini claimed that many managers had started joining TGWU, and hoped that the next round of talks in June would negotiate on behalf of other categories of employees from supervisory to middle management level.

Since 1986 Government's transport policy has focused on restructuring and privatising Government-owned transport services and removing legislation which controlled competition.

However, Dlamini argued that this must be reversed in order to implement regulations that sought to limit working time for truck drivers.

And, he believes, the participation of truck drivers in the formulation of these regulations will make them a success.

Cosatu's transport super union is born

(170) Star 29/1/99
FRANK NXUMALO

LABOUR EDITOR

Johannesburg — The road to a new-look Cosatu, the labour federation, hit another milestone this week with the birth of a second super union, the South African Transport and Allied Workers Union (Satawu).

The 150 000-strong Satawu is the culmination of a merger process between two Cosatu transport industry affiliates — the South African Railways and Harbours Workers Union (Sarhwu) and the Transport and General Workers Union (T&GWU).

Chemppwawu, the first Cosatu super union with about 120 000 members formed from a merger of the Chemical Industrial Workers Union and the Paper, Printing, Wood and Allied Workers Union, will be officially launched in Johannesburg early next month.

The formation of super unions was one of the most important resolutions adopted at the sixth national Cosatu Congress held at the World Trade Centre in September 1997.

The establishment of these super unions along broadly defined sectors including manufacturing, mining and energy, public sector, private sector services and agriculture could see the number of Cosatu affiliates grouped down from the present 19 to about six or seven super affiliates or cartels.

The primary aims are the

peaceful resolutions of conflicts originating from the poaching of members by unions organising within the same industrial sector, improving services to members, sector policy making and collective bargaining.

Some affiliates, although organising in the same sector, are just too powerful to be "absorbed" by their sister affiliates, and these are super unions in their own right.

The National Union of Mineworkers and the National Union of Metalworkers of South Africa with more than 350 000 and 250 000 members respectively, are classic examples.

Johnson Gamede, the general secretary of Satawu, said that although the six national office bearer positions of president, first and second vice-president, general secretary, deputy general secretary and treasurer might not be shared equally among the two, the important positions of president and secretary should go either way.

Gamede said the question of the two unions' assets and liabilities would be handled by a firm of auditors and that former T&GWU members would be allowed to buy shares in the Sarhwu investment company.

He said like all Cosatu affiliates, Satawu would fight against the wholesale privatisation of state assets and for significant union stakes in those assets and services that would have to be privatised.

Case tests wage discrimination

BD 5/2/99

(270)

(270)

Alan Fine

CAPE TOWN — In the first case of its kind under the Labour Relations Act, a black employee of a bus company has claimed thousands of rands in back pay on the grounds that his pay was unfairly set due to racial discrimination.

Legal counsel for the Golden Arrow Bus Company — which denies paying racially discriminatory wages — warned yesterday of dire consequences for the economy should the courts empower themselves to adjudicate on wage discrimination.

In argument before the Labour Court this week, Michael Louw compared his employment history at Golden Arrow Bus Company — known as City Tramways until purchased by Golden Arrow in 1992 — with that of a white employee, Johannes Beneke. Louw, a buyer, was employed in 1984. When Beneke joined the company in the same position in 1990, he was paid R2 300 a month compared with Louw's R1 500. At the time Louw had no experience of any sort in the motor industry, or as a buyer.

The differential in their pay remained at more than 60% until 1997 when their respective salaries were R4 460 and R2 760. Beneke became warehouse supervisor in 1994.

Counsel for Louw, Halton Cheadle — who was also a key author of the act — argued that the two employees had always carried out work of equal value, and that the difference in salaries was due to racial discrimination. Louw has applied for back pay equivalent to the difference in salaries paid to the two since November 1996 — when the new act which declares racial discrimination an unfair labour practice came into effect.

Golden Arrow, represented by Alec Freund, said salaries of employees not covered by union agreements were determined "in good faith, without regard to



Michael Louw ... seeks compensation

race" by managerial assessment of their "particular circumstances, responsibilities, performance and market forces".

Golden Arrow's submission says Beneke's responsibilities as warehouse supervisor were more onerous than those of buyer Louw.

However, Cheadle said figures showed that Beneke did not receive an increase when appointed to the new post in 1994, so it had to be concluded that the two jobs were of equal value.

The company says Beneke's performance, attitude, skills, potential and experience were better than Louw's.

Freund applied for an absolution ruling — the equivalent in a civil case of a criminal case being dismissed without need for the defence to make a case.

The application was dismissed by Judge Adolph Landman, who said there was sufficient evidence for the respondent to have to answer the case against it.

Freund had argued that a ruling in favour of Louw could have a chaotic impact on the economy if courts were to acquire the right to adjudicate on such allegations of discrimination.

holding

between impa

likely

'I was ⁽²⁷⁰⁾ underpaid because I'm black'

Chiara Carter

A Cape Town bus company employee is asking the Labour Court to find that he has been paid less than a white colleague because he is black — a case which, if successful, is likely to set a precedent for challenging discrimination in the workplace

Michael Louw, a buyer for Golden Arrow Bus Services, joined City Tramways in mid-1984. The company has since been taken over by Golden Arrow. Louw argues that in 1990 a white man, Johannes Beneke, was employed as a buyer at a far higher salary — R2 300 a month as opposed to Louw's salary of R1 500.

Beneke, who was appointed warehouse supervisor in April 1994, last year earned R5 390 as compared to Louw, who earned R3 335.

This week, the Cape Town Labour Court heard Louw's argument that the difference in pay was based on race discrimination and was illegal. Golden Arrow is opposing the application and its lawyers have asked the court to dismiss the case.

Louw's lawyers, Cheadle, Thompson and Haysom, argued that the difference in salaries was disproportionate to the difference in the two men's jobs and although Beneke was now a supervisor, the work performed by the two men was of equal value. This was despite the company saying it decided salaries on the basis of criteria such as performance, potential, experience, education, attitude, skills, entry level and market forces.

The lawyers concluded that since there was no justification for the difference the only explanation was that Louw was the victim of discrimination on the grounds of race, colour or



Not fair: Michael Louw claims he earns less than one of his colleagues because he is black. PHOTOGRAPH: RODGER BOSCH

ethnic origin. They are alternatively arguing that the factors the company uses to evaluate wages had a disadvantageous impact on black employees.

Louw wants the court to rule that the company must pay him the difference in wages from November 1996 when the Labour Relations Act came into effect until now, as well as interest on this amount. He also wants his salary adjusted until an independent job evaluator examines the situation.

In its response Golden Arrow Bus Services has indicated that it intends arguing that Louw's claims are untrue. The company said it did not classify its employees by race, colour or ethnic origin and it inherited Louw and Beneke as employees when it bought City Tramways in 1992.

The company said details dating back to before Beneke's appointment as a supervisor were irrelevant and after that appointment the two jobs did not have the same value.

It also inherited the salaries paid by the men's previous employers. These were adjusted annually on the basis of judgments made by management. These decisions were not based on discriminatory criteria, the company argues. The difference in wages could be explained by the different stature of the two jobs as well as factors such as performance, attitudes, skills, potential and experience.

Golden Arrow also denied that the criteria it used to decide wages disadvantaged black employees and were discriminatory.

MG 5-11/2/99

NEW labour legislation and restructuring will cost Transnet billions of rands, says MD Saki Macozoma

Macozoma says the loss-making transport parastatal is talking to government and unions about ways of minimising the cost that the legislation will bring about, and negotiating a social plan to accompany probable retrenchments

Transnet is not likely to show much improvement in the next reporting period after losing R133-million in the six months to end-September owing largely to a weak economy and resultant slack demand

"There is no growth out there, and there is cost-creep," he told Business Times

Macozoma says the additional costs to Transnet arising from new labour legislation will be between R800-million and R1-billion, money that Transnet "just doesn't have" He says the 24-hours-a-day, 7-days-a-week nature of the business is the major driver of extra costs, and unions are being consulted about exemptions from the legislation

At the recent World Economic Forum in Davos, says Macozoma, international investors remained concerned about labour laws, but the focus was mainly on crime and security

Macozoma, a key player in the Business Trust launched last year, says the trust is identifying aspects of the labour laws that affect job creation

Also, a social plan now being formulated to manage planned restructuring and retrenchments at Transnet will cost between R1-billion and R2-billion

According to Macozoma, the parastatal is still looking at ways to manage its major headache, a huge R10.4-billion deficit on the pension fund It may make announcements soon that will offer a partial solution

"We are grappling with it sooner rather than later, we will have a partial solution"

This may include shifting the R32-billion portfolio to attain improved income streams that match outflows, reducing the

Transnet can't afford new labour laws

Macozoma is in talks with government and unions to minimise the damage, writes ANDREW GILL

ST(BT) 14/2/99

(270)

R2-billion a year Transnet is now pumping into the fund to meet liabilities But a longer-term solution has still to be found for Transnet to reach a stage where it can privatise at least some of its larger units

"Ultimately, the solution will be for the country to take over the debt, but that would throw the macro-economic balances out, so there is no easy answer"

Macozoma's attempts to turn the parastatal around have been hampered by the recent reversal in SA's economic fortunes He says SA was hurt by fundamentally unrelated events in other emerging markets, but the previous mood to globalise at all costs appears to be changing among global investors

Macozoma found a shift in thinking from previous years, chiefly among European delegations "The Europeans are interested in some kind of early warning system, managed by existing institutions," he says

This will help to detect poten-

tial capital outflows before they occur, possibly "like milder versions of what the Malaysians have done, or what George Soros has proposed", he adds

"It is a fairly significant departure from the earlier euphoria about globalisation"

Many US investors still believe the current system should

not be tampered with, but Macozoma says this view comes from the country that benefited most from emerging market outflows

"Those that say we need some type of mechanism are probably correct"

"We can't live in a world where countries can be so affected by such flows"

"Some countries suffer too much They sacrificed a

lot to get into the world economy, only to find that their plans are ruined overnight by things over which they have no control It is not appropriate"

He says SA participants at the forum tried to emphasise that the country survived the turmoil because it had its fiscal and

monetary policies in place

But there are issues that need to be addressed locally "We need to encourage savings We are saving too little, and must focus on infrastructure-type investment from Coega to SDIs"

He says there is a great lack of confidence in the SA business community, which at times makes the country hard to sell "Often it seems as if foreign business is more upbeat about SA than SA business"

Skills development is crucial While small and medium enterprises are often the greatest sector in many countries, this is because of the wealth of skills

Of his personal plans, Macozoma says he has no intention to go to Parliament "I have informed the ANC secretary-general that I will not be available to stand for Parliament"

But he is not likely to be at Transnet after 2001, when his contract expires "I have no intention of not honouring my contract," he says, although the form of his service may differ at some stage if the need arises in terms of succession planning

Macozoma feels that after he has achieved restructuring a time will come when the "executioner" will have to give way to someone who can lead the group through a growth phase



SAKI MACOZOMA

Right-sizing was a painful process for the Department of Transport – choosing who would stay and who would not after a decision to cut staff to a quarter, from 1 047 to 250, while internal sections were cut from 25 to 12, saving R70-million. Staff then agreed to productivity and efficiency standards. Mac Maharaj, the man behind the changes, has announced he will leave Cabinet soon, and many will be sorry to see him go, writes **Ryan Cresswell**

Challenges of moving SA

Some journeys are slow and comfortable, others fast and painful. As these things go, the national Transport Department's restructuring process can be classed in the second category.

Thus is largely due to the man behind the wheel of the process, Transport Minister Mac Maharaj, who in the last few years has expressed a desire to accelerate along the transformation highway.

He will retire soon and many will be sorry to see him go. But there are others, including senior insiders and even other ministers, who saw his privatisation drive as depriving some of the chance to show their management prowess or as a step into rival domains.

Maharaj believes that when he started as minister in 1994 the role and function of transport in South Africa was not firmly in the "public mind". He now feels the definition of transport as one of the most critical parts of the restructuring of the economy in a competitive global village is taking root.

"Transport is critical to whether we succeed or fail," he said.

Maharaj badly states that the old transport ministry under the National Party did not play any role in overall national policy-making and strategic planning but was absorbed in operational details and bureaucracy.

To be fair, it is worth noting that there were a few National Party transport functionaries who seemed to have some grasp of the larger economic picture and at least one even achieved an operating profit.

But the old political climate deprived the majority of the population of equitable transport facilities and this left a mass of problems.

The apartheid legacy has left a system where four times as much is spent on roads than any other commuter system. And about 40% of the rail system moves only 5% of the total freight – while farmers benefit greatly from this. Maharaj admits that not much has



#(879) DON JEFFER

ATW 15/2/99

The waiting game... for the majority of black commuters, transport opportunities improved under the leadership of Maharaj, while companies were privatised and trimmed their budgets.

There are over 8 000km of national roads and nearly 1 000km are toll roads. One transport spokesperson said giving toll concessions was a worldwide phenomena because of the costs of building and maintaining roads.

"But people should remember that the Government still owns the roads, they just live out concessions," she added.

Maharaj said the focus, toll roads and other concessions all played a part in the building and upkeep of roads. He said privatisation had also found its way into maritime, rail and aviation sectors.

Sun Air was privatised and the Airports Company of South Africa took over a company controlling 11 airports and began restructuring.

An overseas equity partner was found in Italy and an employee shareholder plan installed.

This caused controversy because black workers were concerned that a few white bosses were getting the lion's part of shares.

Air-traffic navigation was redefined as a utility and special training was initiated for disadvantaged citizens and people from other countries in Africa.

Maharaj wants to concession out a demonstration project – a section of rail – to check the viability of rail privatisation. Transport will be able to bid for this project.

Bus operators now have performance-based contracts, which puts pressure on suppliers to become competitive.

The department's aim is to make things easier for more than four million people to get to work every day, by using private sector skills and money. The annual budget for national roads is about R900-million and transport officials say millions more are needed every year.

Maharaj said making things easier was made especially difficult by a legacy that created "an invisible workforce" and placed most workers far away from urban centres, in direct contrast to the usual set up in most countries.

The department and its members have

At the 100th call climate deprived the majority of the population of equitable transport facilities and this left a mass of problems.

The apartheid legacy has left a system where four times as much is spent on roads than any other computer system. And about 40% of the rail system moves only 5% of the total freight - while farmers benefit greatly from this.

Maharaj admits that not much has changed in this regard since he took office, but says a new direction regarding rail transport is finally starting to take shape. Maharaj, who was probably on the side of a socialist type of economy at heart when he took the job as minister, was forced to soul-search in the beginning.

He said his team looked at transport around the world in 1984 and saw that administrations made up of small groups of hard working professionals were managing complex grids with the help of strategic privatisation, concessions and customer payment.

This meant painful rightsizing and staff reductions, and this was done in quick stages.

Three agencies, the South African National Roads Agency, the South African Maritime Safety Authority and the South African Cross Border Road Transport Agency, were then formed to handle the move into privatisation. The South African Civil Aviation Agency came about much later.

Maharaj said the role of the department quickly moved towards "transparent regulation" and this all fell within the aims of the Government's macroeconomic policy. Maharaj said empowerment was an important aspect of concessions and most groups which won bids were made up of conglomerates.

Maharaj asserted that the success of the new approach was made clear by the fact that contractors no longer required at least two guarantees to get involved in road building.

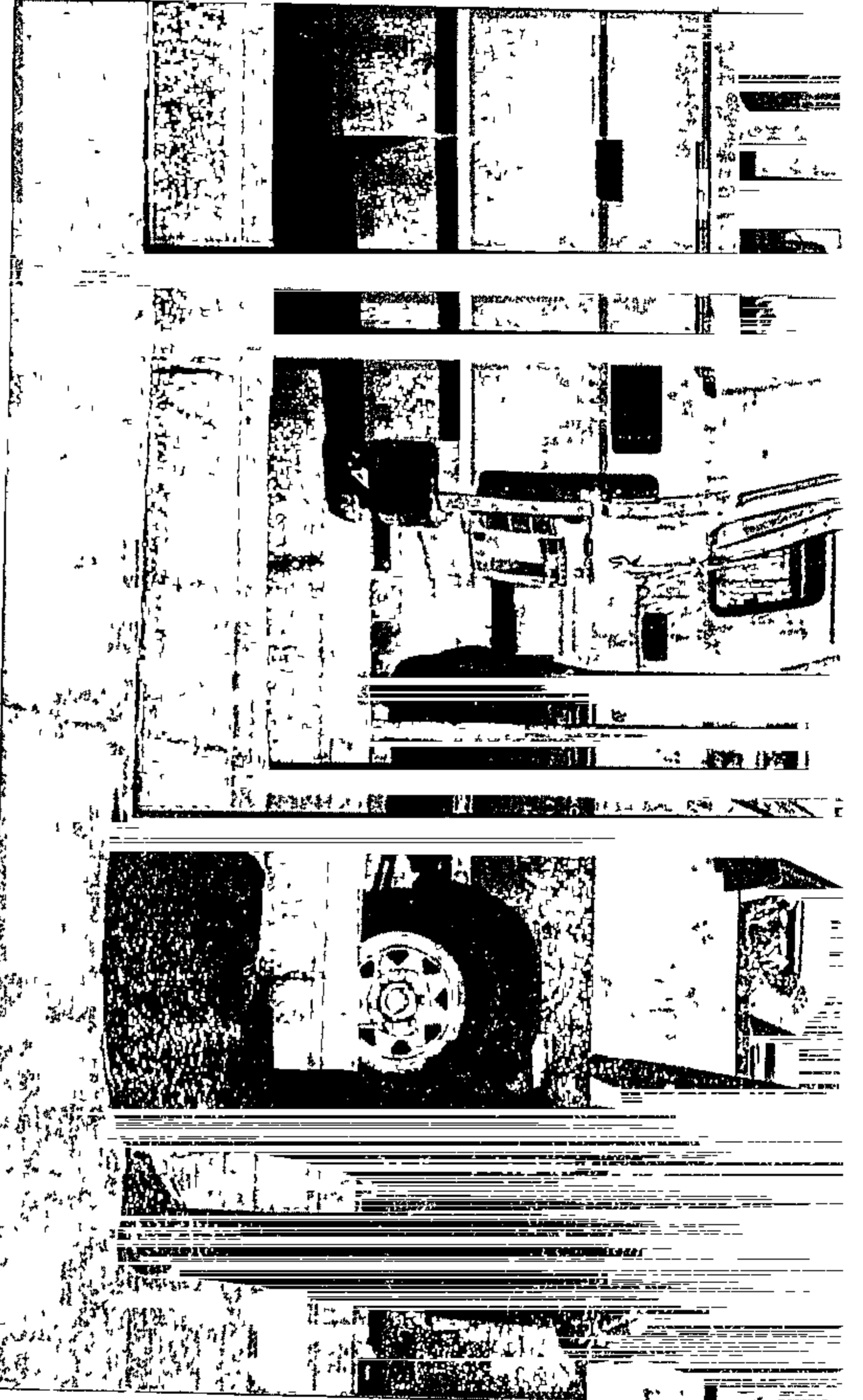
Civil Aviation Authority

The South African Civil Aviation Authority was launched on October 1 1998. It is an authority charged with promoting civil aviation, regulating the industry and enforcing safety standards.

The creation of the CAA reflects the Government's priorities of policy development, economic restructuring and reducing the burden on the taxpayer by providing services on a "user-pays" basis. The establishment of the CAA is consistent with international trends.

It is funded by a combination of user charges, a levy (paid for passengers) on all industry participants and government funding for services which the CAA performs on its behalf.

This creates a more efficient cost-effective regulatory regime and a safer aviation environment.



The Maputo corridor, part of the N4, is being built under concession and the European Bank is backing this project to the tune of billions.

A deal has also almost been closed with a concession group for the Platinum Road on the Botswana border.

And a deal has almost been reached

with the private sector for N3 additions. These three projects will cost the private sector nearly R8-billion over the next 25 years or so.

Commuters and big business alike are concerned about the condition of some of the other main roads. The N2 is a case in point but officials say one section has al-

ready been upgraded and updating proposals for two other sections are still being investigated by the Roads Agency.

Maharaj feels it is important to stimulate future development and growth in a geographical region, rather than pour money into particular structures, and points to the Maputo corridor as an example of how this

Cross Border Road Transport Authority

CBRTA is involved in the collection, processing and dissemination of relevant information, the provision of training and capacity building and the promotion of entrepreneurship generally with a particular focus on small, medium and micro enterprises with an interest in cross border road transport.

Its functions include:

- Advancing the minister of transport on cross-border road transport matters and assisting in the process of negotiating and renegotiating cross-border agreements
- Regulating the road transport industry's access to the cross-border road transport market
- Undertaking road transport law enforcement

The main source of income for the CBRTA will be the fees charged for cross-border permits.

Problems with public transport efficiency

Things seem to be moving forward for Mac Maharaj and the Transport Department, but the department and commuters still face many problems.

More rail jobs could be on the line this year and unions are again agitated.

Sportnet apparently wants to give 22 000 people mutual-consent retrenchment packages.

Accident rates - both vehicle and pedestrian - are very high by international standards.

Bloated transport administrations are also a concern.

Allegations of provincial transport corruption, especially in Gauteng, continue to come in, month after month.

Financial support by the Government is also a problem for the Transport Department and residents in some areas believe their roads are in a bad way.

Some observers are also worried about the state of bus transport in urban areas. Passengers complain of long waits and too few buses.

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National Roads Agency

The NRA is a statutory, commercially driven organisation committed to providing and managing an adequate and sustainable primary road network for the road users of South Africa, in order to stimulate economic growth and improve the quality of life.

NRA is tasked with the same functions previously undertaken by the chief directorate of roads, but it will focus its efforts on establishing alternative sources of funding for roads. This will be done by promoting user charging, creating infrastructure through mobilising private sector funds, using innovative models of contracting based on public-private partnerships.

Road management and strategic road network planning

Construction and maintenance

Financial programming

Administration

Law enforcement and road safety

Maritime Safety Agency

To serve the maritime industry and the nation by ensuring the safety of life and property at sea, preventing pollution by ships and promoting SA as a maritime nation SAMSAs duties:

Provide shipping competence and pollution services

Manage marine incidents, casualties, wrecks and participation in search and rescue

Control standby tugs and pollution stores

Maintain standards of training sealars

Provide a shipping administration support service

Manage registration of ships

Develop a National Ports Authority

Establish a coastal patrol

Manage vessel traffic including navigation aids and

Provide lifelines

got to work every day by using private sector skills and money. The annual budget for national roads is about R300-million and transport officials say millions more are needed every year.

Maharaj said making things easier was made especially difficult by a legacy that placed most workers far away from urban centres, in direct contrast to the usual set up in most countries.

The department and its members have been changing policies and strategies as they go to suit the realities but a definite direction has now formed.

So Maharaj is pleased with a report and strategic recommendations released in September last year, called 'Towards a Transport Strategy for 2020'.

The report cost R20-million, summarised 14 months of research and analysis and is part of the department's Moving South Africa project.

It found that restructuring and privatisation could help create greater value for customers, improve industry profitability, lower the fiscal burden and minimise external costs.

It all seemed to indicate that the department was roughly on the right track. The strategy will be taken further later in the year after negotiations with other departments.

Maharaj believes his personal race is well on the way to being won.

He said overseas sectors were now asking questions about how transport changes were handled in this country and his personal grasp of the issues was recently recognised by an influential overseas business journal.

The personable pragmatist has a dream that restructuring will also eventually help lower South Africa's frightening motorway and pedestrian accident levels and make things safer for rail and bus commuters.

"The benefits will be seen in the years to come," he stressed.

He had better be right on all counts, because for South Africa in the future, movement will be everything.

AIRLINES 'Fewer job cuts than expected' ahead of partial privatisation

SAA to retrench up to 1100 workers

AUDREY D'ANGELO

Cape Town — SAA, the national airline, would shed between 900 and 1 100 of its nearly 11 000 jobs in a huge restructuring exercise ahead of its partial privatisation, Coleman Andrews, the chief executive officer, said yesterday.

Last Friday Andrews told airline staff in a statement that fewer jobs would be lost than previously expected. He said the previous management had expected 3 000 staff positions to be cut. As late as October it was thought that 2 000 jobs would have to disappear.

A long-standing staff member said yesterday that many employees had been asked to reapply for their present jobs and to submit CVs.

"We have been told that failure to do this will be considered as an application for voluntary retrenchment," said the employee, who wished not to be named.

Andrews said in some cases, job descriptions had been "substantially altered." In

these cases existing managers would be given the first opportunity to apply.

He said that thanks to the success of a new strategy to make the airline more efficient and to expand its operations, he believed "the total number of retrenchments can be held to between 900 and 1 100."

He said jobs would not be cut among air crew and technical grades — areas "where growth in job numbers is ultimately required."

SAA has expanded its route network, put on more flights and acquired more aircraft as part of a process of renewing its fleet. It recently head-hunted cabin staff from BA/Comair, the regional airline, to serve on additional long-haul flights.

Its engineering department, which has maintained aircraft for other African airlines for several years, has been looking for more work from outside the company to bring in profit.

"Before any forced retrenchments begin we expect to offer — and have chosen to include in

our discussions — a package for voluntary departure by mutual consent," Andrews said.

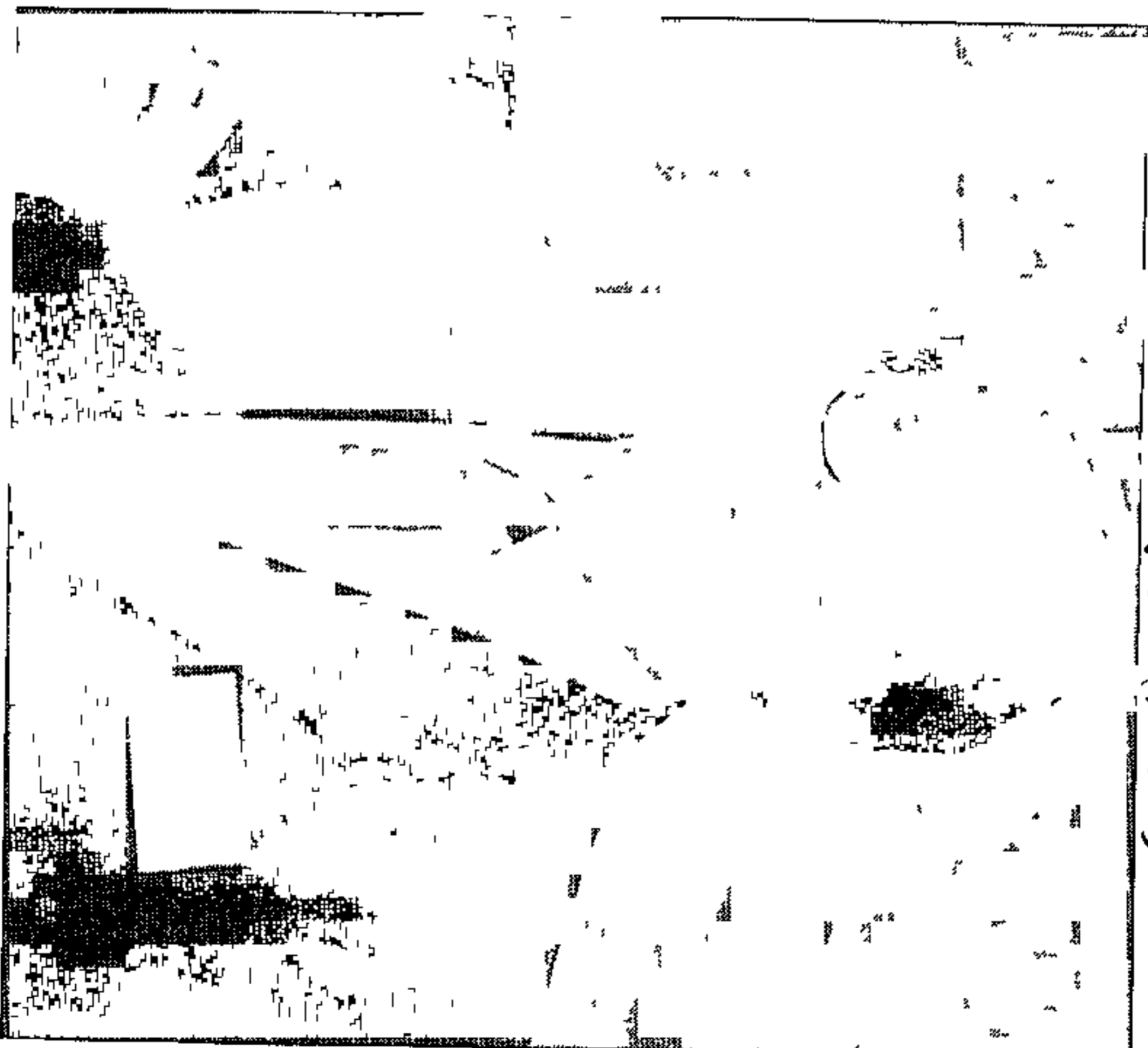
He said there was no credible strategy for the future that could be achieved without some changes to work rule and a reduction in the size of the work force.

Management and union representatives had agreed to meet every day "to refine management's ideas about structure, staffing and social plan issues."

Victor Nosi, the head of corporate communications at SAA, said SAA's top management and the six trade unions with membership in the airline were still engaged in ongoing discussions.

Tender documents inviting foreign airlines to bid for a stake of up to 30 percent in SAA are due to go out soon. Several airlines which have shown interest have said this was subject to the terms of sale.

German airline Lufthansa said it had not yet put a ceiling on the amount it was prepared to offer, but this would depend on the state of SAA's balance sheet.



AGENT FOR CHANGE CEO Coleman Andrews has called for staff members to submit CVs to reapply for their jobs

CT (WR) 18/2/99

SA (A70)

Bus company to retrench 1 200 workers

(270)

Sowetan 24/2/99

By McKeed Kotlolo

THE North West Star Bus Company, widely known as BTH, announced yesterday that it will retrench 1 200 workers, starting from the end of next month, in an effort to cut costs

The company's marketing and communications manager, Mr Godfrey Mokoboto, said the company had already started with the distribution of retrenchment letters to the affected employees

He said "The company regrets having to take this drastic but unavoidable measure"

BTH operates mostly in North West province and some of its major routes are in Mafikeng, Mabopane, Garankuwa and Hammanskraal

According to Mokoboto, between 1 100 and 1 200 workers would be retrenched from March 31. He attributed the retrenchments to the efforts to align the company with the requirements of the National Transportation Policy which stipulates that all subsidised routes be put to tender

Mokoboto also said the company's financial position had been severely affected by a number of factors, including the general decline in the economy of the country

The decline in the economy had led to unemployment and, in turn, the company had lost passengers. Other factors were urbanisation and competition

from alternative modes of transport

The company also cited the withdrawal of the "per capita" subsidy on cash tickets in some areas which also resulted in an additional loss of passengers

Mokoboto said the retrenchments meant that the company would save between R5 million and R6 million a month

To ensure that the company would be in a position to successfully tender for its own as well as other bus routes, it was "forced to reduce its current man to bus ratio of 3,7 employees per bus to the national bus industry norm of 2,5 employees per bus"

Mokoboto said those factors resulted in a negative cash generating position and all other cost-cutting exercises implemented by the company had failed to bring a turnaround

"Thus we are compelled to implement the only remaining cost-saving alternative, namely to retrench staff," he said

He added that the process had been thoroughly discussed with all stakeholders, including two transport trade unions

He said the Transport National General Workers Union had tried to take the matter to the Industrial Court but failed

The retrenchments would also bring about an improved service for their commuters

Airport strike hits planes

ARG 26/2/99

(270)
ARGUS CORRESPONDENT

Johannesburg - Thousands of passengers were stranded at the Johannesburg International Airport this morning when Swissport workers, who handle baggage for British Airways, prevented several planes from taking off.

One passenger, who was on a flight to Durban, said his plane was stranded for almost an hour before passengers were told to get off because it was

unlikely that any planes could take off. The passenger said demonstrators parked vehicles in front of and behind several planes.

It was impossible to get comment on the situation from airport, British Airways or union officials.

Airports Company spokesperson Nicky Rose-Innes said. "I am going to our crisis centre and I cannot comment. We will issue a statement later."

SAA spokesperson Victor Nosi said. "I am waiting for information from our crew on the ground."

Cops disperse strikers at Jo'burg airport

By PAUL EKSTEEN



Chaos reigned at Johannesburg international airport yesterday morning as about 100 members of the ramp-handling service provider Swissport (SA) went on strike. More than 10 people were arrested as police and defence force members battled for two hours to gain control of the situation.

According to Roy Mackey, general manager of the airport, about 19 flights, half of which were international, were delayed as workers marched across the airfield and prevented planes from reaching their parking bays by blocking their paths with stationary vehicles.

"Access to a number of parking areas was delayed. Landing of aircraft took place safely, but 19 aircraft could not reach their parking bays. They were parked on taxi ways," he said. Passengers were later unloaded from these points and transported safely to the terminal building.

Mackey admitted that the strike would affect flights for a couple of days. "Most of the flights have left already. It will have an impact on flights from this time," he said.

The strike came as a result of a two-week-old judgment to uphold a tender process for ramp-handlers, a decision which Swissport appealed against.

Mackey was quick to defend the use of the police and defence

forces to disperse the strikers. "Johannesburg airport is a national keypoint and is obviously guarded by the legislation under the country's constitution."

"At 11am, they (police and defence force members) brought the strikers to order. Accsa (Airports Company of South Africa) regrets greatly the incidents that have happened, but obviously the action was conducted by people who do not have the same control mechanisms that we do," he said.

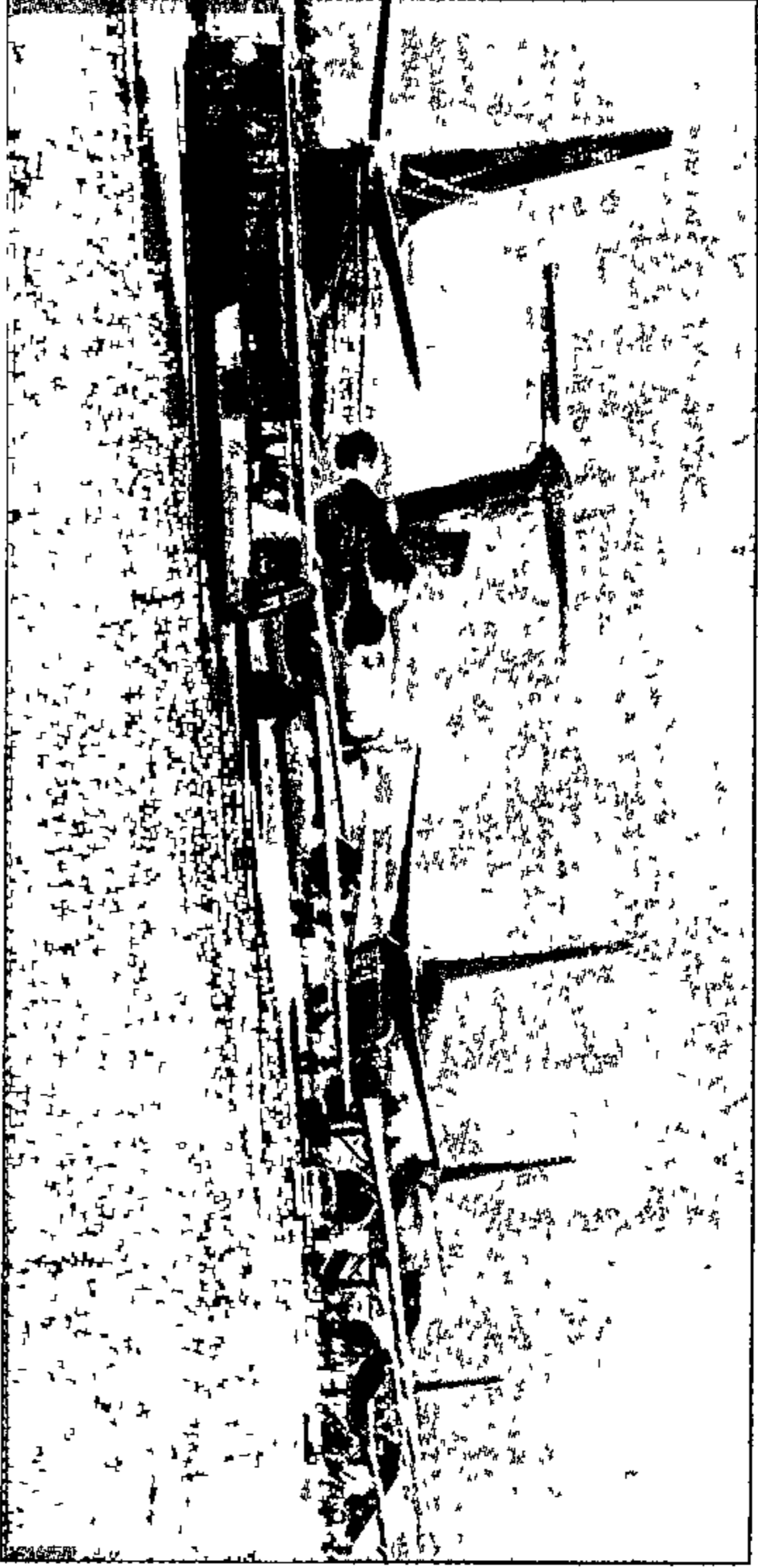
According to Piet de Jager, divisional general manager of airport services at Johannesburg international, similar incidents occurred at other major airports around the country. "We've had similar incidents in Cape Town and Durban. These were more peaceful," he said.

Although no incidents of violence were reported, Superintendent Eugene Opperman of the SAPS confirmed that several strikers resisted arrest.

"We have arrested a number of people. We discussed it with them and asked them to disperse peacefully. Some wouldn't. Some of them resisted arrest, and we had to contain them in the normal way under the Criminal Procedure Act," he said.

According to De Jager, most of the strikers had returned to work. "The staff are back at work at their institutions and are working as usual. We just want to ensure that everything will be normal when we hit the next peak," he said.

Paul Eksteen 27/2/99



GROUNDLED This picture, taken by a passenger, shows a row of idle planes parked at Johannesburg International airport

Strikers cause chaos at airports

IAN SHIFFMAN

(270)

Industrial action by the employees of a company providing ramp services at Cape Town, Johannesburg and Durban airports delayed dozens of flights yesterday

Swissport staff staged a march at Cape Town International Airport to highlight their grievances

At Johannesburg International they blocked the apron, preventing aircraft from landing and taking off and causing chaos in overcrowded terminals. International and domestic flights were delayed for about three hours while negotiations took place

Their strike action followed a request to President Nelson Mandela to intervene in what they allege has been the unfair issuing of licences for ramp handling services at South African airports

In their appeal to Mr Mandela, the workers wrote: "It cannot be disputed that if there is an unfair ruling against Swissport in the case of issuing of the licence, there will be an increase in the number of unemployed people in South Africa"

Ramp-handling licences were awarded to Apron Services and newcomer Gatwick Handling International. Swissport, which has been operating at Durban, Johannesburg, and Cape Town for some years and has 350 employees, lost its licence

Swissport has appealed against the Airports Company's decision to award the licences to new companies. The dispute will go to arbitration this weekend. Should Swissport win its appeal, the Airports Company will have to start the licensing process again



WAITING GAME: aircraft wait to take off from Johannesburg International Airport as a result of delays caused by the strike

Seatbelt missing: SAA accused

IAN SHIFFMAN

Cape Town travel agents have expressed dismay at declining safety standards, the deteriorating condition of aircraft and poor staff training at South African Airways

Dermont Swaine, editor of Inside Travel, questioned how SAA could allow an aircraft to fly with a passenger seat safety belt missing

Travel agents ask whether SAA had cut expenditure on training, maintenance and aircraft checks, with its new, aggressive pricing policies to regain lost market share

SAA chief Coleman Andrews said the airline had made a financial turnaround and hoped to make a

profit of R50-million, or at least break even, in the six months to March 31

He said the improvement had been achieved through extensive training and the development of new alliances with other carriers. Earlier he launched a campaign to cut costs and improve customer service

A prominent city travel agent, who asked not to be identified as he feared reprisals from SAA, asked how aircraft could be fully examined and safety checks carried out with such fast turnaround times

Mr Swaine said he was flying on SAA flight SA314, an Airbus A300, from Cape Town to Johannesburg, when he experienced what he

described as "new" standards in SAA's "cost cutting" policy

Mr Swaine said seated in 30D "the right side armrest had no cushion pad. My arm and elbow leaned on open aluminium with big holes that added to the discomfort. Not very comfortable. But forget comfort, at least I had a working seatbelt"

"An Oriental visitor across the aisle in seat 29C had no seatbelt. He alerted the flight attendant, who searched in vain for the missing seatbelt, but did nothing about it. It was up to the tour group leader, doing his head count, to hear the concerns of the unfortunate passenger and move him to a free seat with the required seatbelts intact"

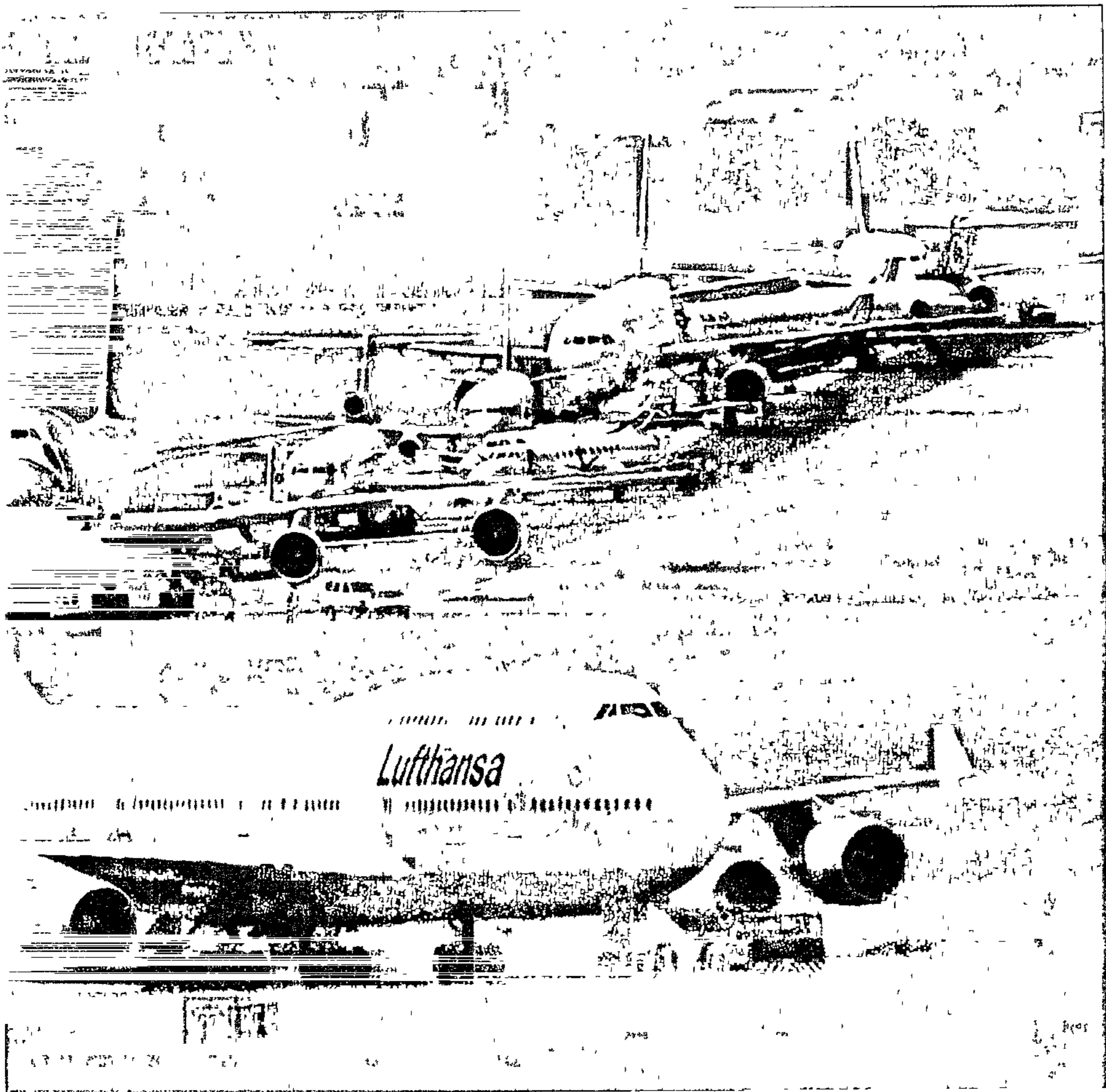
"The flight attendant had no idea what to do. Surely he, not the tour leader, should have moved the passenger to a 'safe' seat," said Mr Swaine

He asked what would have happened if the plane had hit bad turbulence and the passenger had been injured or if the flight had been fully booked with no spare seat

If a flight attendant could not handle this type of problem efficiently, how safe would passengers be in a real emergency, he asked. He was also concerned that SAA was seeking to become a "winning" airline at the cost of lowering standards

Last year an SAA aircraft had serious wing damage after an engine

blew another Boeing caught quite. The flight and they served. On the flight to the flight



Airport as a result of delays caused by the strike

accused of drop in standards

"The flight attendant had no idea what to do. Surely he, not the tour leader, should have moved the passenger to a 'safe' seat," said Mr Swaine.

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Last year an SAA aircraft had serious wing damage after an engine

blew on a flight to Johannesburg. In another incident, an engine on a Boeing 747 flying from Sydney caught fire due to a faulty fuel line.

Several travel agents said service standards had dropped and it was quite obvious the airline had cabin attendant problems.

They said attendants were put on flights without sufficient training, and they were concerned how staff would react in a real emergency if they could not handle normal cabin services.

On a number of occasions passengers had reported that the backs of the seats or tray tables did not close to the correct positions and that flight attendants were often rude

and unhelpful.

On longhaul flights, attendants were not on duty all the time and ignored passengers' call bells.

Toilets were dirty and blocked and paper and tissues not replaced.

Although passengers had special meals confirmed on the ground, they were informed on the flights that no special meals had been requested.

They also complained that SAA had closed its Cape Town "ops" office and it was almost impossible to get through to Johannesburg on the telephone.

Victor Nosi, SAA's corporate communications spokesman, said the airline had 710 flights a week and isolated incidents did occur.

Mr Nosi said Mr Swaine's seatbelt and armrest incident had been investigated but no report could be found.

Mr Swaine said the cabin attendant or her superior should have reported the incident.

If SAA had no record of the complaint, there was even more suspicion that staff could be negligent or were covering up faults, he said.

Although SAA does maintenance on several foreign airlines at its Johannesburg headquarters and is recognised for a high standard of work as demanded by foreign carriers, travel experts are asking whether SAA cares as much about its own passengers and aircraft.

NATIONAL

airport strike
270
20/3/99

Reneé Grawitzky and Sapa

Legal battle continues after

Police and troops called in to quell protest over tender process

THE legal battle over a tender process for ramp handlers at Johannesburg International Airport continued at the weekend between Swissport and the Airports Company after Swissport workers caused disruptions at the airport on Friday.

The SA Police Services and the SA National Defence Force were called in to disperse striking Swissport workers who blocked access to the aircraft parking areas, resulting in delays of up to

four hours of domestic and international flights. A number of workers were arrested. Police said some workers were facing charges including malicious damage to property, resisting arrest and contraventions of the National Key Point Act.

The illegal protest action preceded an arbitration appeal that was heard at the weekend. The ruling has not yet been handed down.

Swissport, a ramp handling service provider at the airport, failed to secure one of the two ramp handling tenders awarded late last year. The company

claimed there had been irregularities in the tendering process. An arbitration ruling handed down two weeks ago upheld the tendering process. Swissport appealed against this ruling.

The tenders were awarded to GHL Thobela consortium and to Apron Services, a subsidiary of Transnet which is to be sold off in the near future. There has been some speculation that Kopano ke Matla, Cosatu's investment arm, has expressed an interest in buy-

ing Apron Services.

Last year Apron Services employees caused major disruptions when they too blocked the tarmac at the airport in protest against the decision to call for tenders.

Swissport director Mike van der Watt said yesterday the termination of Swissport's operations would deter future foreign investors.

The Airports Company could not be contacted for comment.

He said the decision to award the services tender to a company with no ramp handling experience, and to oust Swissport, "implies that a government official can take away the right of any company which has been operating legitimately in this country to continue its business."

"This will serve as a warning for other companies that are considering investing in SA, and would seem contrary to government policy which is trying to attract foreign investment."

Happy SAA employees take airline to the top

CATHY POWERS ET 13/5/99
OWN CORRESPONDENT

JOHANNESBURG: SAA has learned the art of keeping its customers happy: put a smile on your employees' faces first

Plagued by reports of tardiness and sloppy service in the past, the airline is brushing up its image by dangling a small cash carrot in front of its employees in return for 100% work attendance and a punctual operation

For the past seven months, the airline has been implementing its Laduma Project, designed to keep its flights on time

A 100% attendance by staff and enforcing departure times for all SAA's international, Africa and domestic flights puts employees in line for a R50 bonus per month for one target met, or a R100 bonus if all three targets are met, said SAA spokesperson Leon Els

"We are doing better than the best European and American airlines," said Els.

The airline has met its targets for the past three months.

Diligent employees also stand to win a Hyundai car in a lucky draw if all three targets are met and they have a 100% attendance record for the month. A number of cars have already been won

So successful has the project been in whipping tardy employees into shape that it has been extended until July.

"The bottom line is to improve customer service," Els said

● Customers are also smiling their way to exotic places on cheap tickets via SAA's ticket auctions on the Internet

The ad hoc online auctions, still in the testing phase, have been running for the past 18 months. You can access SAA's website at www.saa.co.za.



Congress of SA Trade Unions general secretary Zwelinzima Vavi, right, pledged yesterday the federation's support for the programme of mass action announced by public service unions. Also attending yesterday's press conference was SA Democratic Teachers' Union president Willie Madisha, centre, and National Education, Health and Allied Workers' Union president Vusi Nhlapo.

Picture TREVOR SAMSON

Transnet unions request intervention on social plan

Reneé Grawitzky

(270)

BD 7/7/99

TRANSNET unions have asked Public Enterprises Minister Jeff Radebe to intervene in an impasse on social plan negotiations with Transnet before further retrenchments are made.

Simultaneously, Congress of SA Trade Unions (Cosatu) acting general secretary Zwelinzima Vavi warned yesterday that the country was heading for a catastrophe if the spiral of job losses continued. He said more than 20 000 jobs were at risk with threats of 12 000 job losses at Telkom, 5 000 at East Rand Proprietary Mines and an estimated 5 000 at Old Mutual. There had also been speculation that about half of Spoornet's 43 000 workforce was under threat.

Cosatu and its affiliates planned to hold an urgent meeting on Friday to discuss the pending retrenchments and a possible programme of action.

Transnet and its unions said negotiations on a social plan had reached an advanced stage with agreement reached on all aspects of the plan. However, a stalemate had been reached on how the plan should be funded. A social plan is intended to minimise or avoid job losses.

Measures are provided to cushion the social and economic effects of retrenchment.

Unions demanded two weeks for every year of service as a severance package while the company, in line with the Labour Relations Act, offered one week. Unions said the meeting with Radebe was intended to assess whether government was prepared to put additional funds into the plan.

They said it was critical to finalise negotiations because of the anticipated mass retrenchments at Spoornet. Speculation was rife that about half of Spoornet's workforce could be affected. The unions said in view of the fact that the plan was supposed to be a tripartite agreement, it had become necessary to discuss the plan with government.

The plan would include provision for counselling those workers facing retrenchments, coupled with personal assessments and opportunities for retraining.

Meanwhile, the Communication Workers Union said no discussions had been held with Telkom. The company was negotiating through the media, the union's general secretary Seleboho Kiti said.

The union's national office bearers were to meet today to discuss this development.

Union seeks court action over job cuts at Spoornet

BD 8/7/99 (270)
Reneé Grawitzky
and Robyn Chalmers

SALSTAFF, a white-collar union operating in transport parastatal Transnet, lodged an application with the Labour Court yesterday for an urgent order forcing rail subsidiary Spoornet to resume consultation about the retrenchment of a number of middle managers

Salstaff general secretary Andre Venter said last night a stand had to be taken as a "matter of principle" against the way Spoornet consulted employees before retrenching 18 managers, mainly in the marketing department

The action comes ahead of a Spoornet management briefing of unions today on measures approved by the Transnet board last week. Talk among employees is that one option is mass

retrenchments far in excess of the 18 000 figure that has been the basis of media speculation recently

Outsourcing is also likely to be a key component of the transformation plan Spoornet moved in this direction with last week's announcement of a partnership between its Main Line Passenger Services, BJ's Fast Foods and Fedics

Transformation will affect, among other things, the number of locomotives and wagons used, as well as Spoornet's network capacity. Unprofitable lines are likely to be outsourced or closed

Transnet will announce its results to end-March on Monday. Analysts predict that Spoornet will have moved into the red for the first time in many years

Insider Trading: Page 2

Layoffs on the cards at Transnet

ET (BR) 9/7/99

(270)

FRANK NXUMALO

LABOUR EDITOR

Johannesburg – Cosatu yesterday vowed to fight Spoornet's plans to axe 18 000 workers, while the Federation of Unions of South Africa (Fedusa), its sister federation, said as many as 27 000 jobs could go in all of Transnet.

Cosatu said by laying off the workers Spoornet was depriving itself and the nation of the capacity to deliver affordable transport to the masses.

The labour federation said it would not tolerate the fact that, this week alone, several companies announced the loss or probable loss of up to 40 000 jobs.

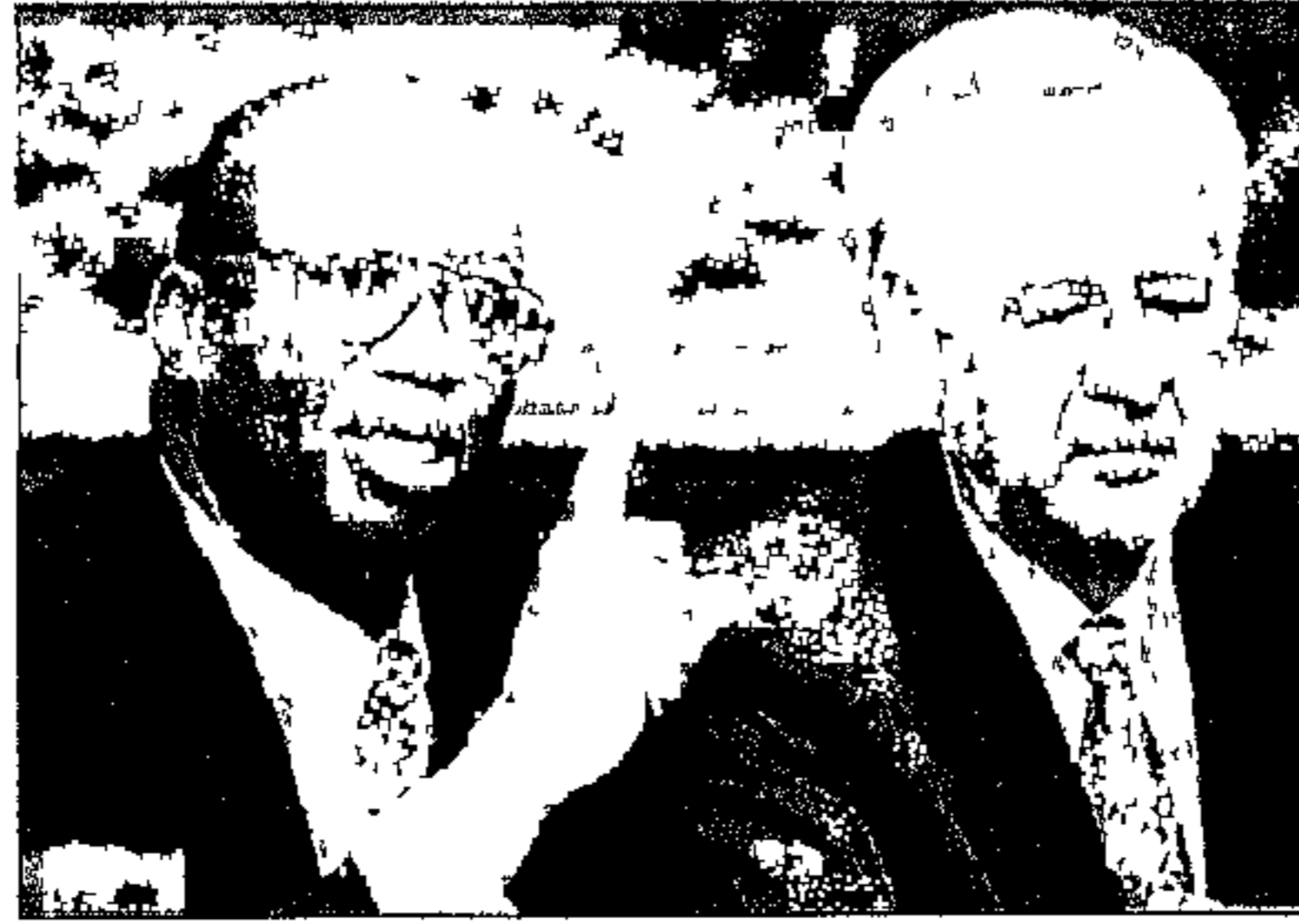
"Cosatu will not be an observer, nor shall we sit on the fence watching over this ugly spectacle of retrenchments," said Zwelinzima Vavi, the federation's acting general secretary.

"We will demand the urgent amendment of section 189 of the Labour Relations Act, which makes retrenchments merely an issue for consultation rather than negotiations," he said.

Cosatu is to hold an extra-

ordinary special congress today to discuss the impending retrenchments.

"This meeting will emerge with a tough mass action programme directed at those industries that want to make the living conditions of the majority of South Africans more nightmar-



TOUGH CALL Transnet's Mafika Mkhwanazi and Braam le Roux

PHOTO SELWYN TAIT

ments would cost billions of rands in severance packages, but would not comment on the accuracy of the figures being bandied about by organised labour, save to concede that a "figure like that has got to be a liability to Transnet".

Mafika Mkhwanazi, the deputy managing director of Transnet and the chief director of Spoornet, said what had to be borne in mind was whether management could do it and the company's balance sheets handle it. "It's a figure that we haven't got a handle on," Mkhwanazi said.

"Nobody likes what we have to do, it's not something you can talk someone into and he says it's okay, (but) it's a question of weighing up alternatives".

Braam le Roux, the chief executive officer of Spoornet, said. "I am not saying the figures are right or wrong but that they are not sourced from management".

Le Roux said a negative cash flow of R244 million in 1998-99, primarily on losses in general freight traffic, the largest turnover of the division, had led to the need for major transformation.

ish by retrenching workers," Vavi said.

"It is totally unacceptable that talking about job creation is the order of the day while practical reality shows that many sectors, including the transport, mining and textile sectors, are shedding jobs at an alarming rate," Chez Milani, the general secretary of Fedusa, said.

Transnet said the retrench-

SOUTH AFRICA

(270)

Unionists rail against Spoornet job-cut plan

ET 9/7/99
SPOORNET aims to shed 27 000 jobs over the next two to three years as part of a plan to make the railway parastatal profitable, trade unionists have warned.

SA Footplate Staff Association officials said unions with members in Spoornet are to seek an urgent meeting with Public Enterprises Minister Jeff Radebe on the issue.

Gold delegation off to Europe: A delegation representing the cabinet, the SA Chamber of Mines and the National

Spoornet layoffs could spark labour eruption

The socioeconomic effects on SA could be devastating, writes Robyn Chalmers

B0 917 199

(270)

RAIL parastatal Spoornet finds itself in an invidious position. The organisation once a "guaranteed" employer, is losing tens of millions of rands each month due mainly to changing market conditions and growing competition from road hauliers.

Spoornet says it cannot continue in its current form and a new transformation plan, announced yesterday, will see it reducing its 45 000-strong workforce.

Details on the number of job cuts have yet to be confirmed as they will create significant liabilities for Transnet dirt are believed to be on the order of 27 000 jobs by 2002.

Spoornet MD Bram le Roux agrees that the task ahead is a difficult one. "Nobody likes what we have to do. It is not something that you can convince people about. What we have to do is weigh up the alternatives and show labour the reasons behind this."

The retrenchment of tens of thousands of people this year, coming on top of significant job cuts by Telkom, other Transnet subsidiaries, possibly Eskom and the public service in the future, will have a devastating effect on the job market and the socioeconomic conditions in this country.

There will be outsourcing opportunities flowing from the transformation of these parastatals and some jobs will be retained by new private partners but retrenchments will nevertheless be the order of the day.

Spoornet management and its parent Transnet has been aware of the impending problem for a number of years and began planning for this eventually in 1991.

Transnet MD Saki Macozoma makes it clear that Spoornet was intended to be the



Year to March	Number of employees	Hot operating profit (Rust) after final cost Rm
94/95	85 452	734
95/96	83 063	734
96/97	60 476	734
97/98	47 732	734
98/99 forecast	41 141	1400 - 600

last on the list in terms of major concessioning to the private sector. This was largely due to the labour considerations of restructuring a rail network where almost half of the operations are unviable. Labour resistance to a big reshaping exercise has been building for some time but the deteriorating financial situation has now forced the parastatal to take unpopular decisions.

The decline in cash flow is ultimately the result of shifting market conditions since road freight deregulation last year. The company has been increasingly sustained by its profitable coal and iron ore rail lines.

It earlier streamlined its operation by removing a management layer and has attempted to diversify its revenue stream by moving into Africa, South America and Asia.

for some time but the deteriorating financial situation has now forced the parastatal to take unpopular decisions.

The decline in cash flow is ultimately the result of shifting market conditions since road freight deregulation last year. The com-

pany has been increasingly sustained by its profitable coal and iron ore rail lines.

It earlier streamlined its operation by removing a management layer and has attempted to diversify its revenue stream by moving into Africa, South America and Asia.

Railways to slash routes and staff

BD 9/7/99

(270)

Furious unions pledge mass action campaign over threat to 27 000 jobs

Robyn Chalmers, René Grawitzky and Sapa

ABOUT half of SA's rail network is set to disappear or change hands under a massive streamlining exercise planned by Spoornet over the next three years

According to Spoornet's trade unions, the revamp will involve cutting as many as 27 000 jobs across the board — more than half of the current 41 000-strong workforce — to help achieve savings of R3,8bn

Almost 10 000km of the 22 000km freight rail network will be closed or outsourced, and the number of locomotives and wagons reduced by 1 700 and 68 000 respectively

The move has been pending since the early 1990s, but has become urgent after Spoornet produced a net loss estimated at between R400m and R600m in 1998/99

Outraged Spoornet unions have threatened to embark on rolling mass action from today, despite warnings from Spoornet management that any delays in the cuts programme will cost up to R100m and an additional 400 jobs a month

SA Transport and Allied Workers' Union (Satawu) president Bonakele Jonas said action against the job cuts would culminate in a national strike

The Congress of SA Trade Unions and the Federation of Unions of SA warned of chaos if retrenchments went ahead at Spoornet, Telkom and the gold mines. Both federations meet today to discuss job losses in the economy

Spoornet management would not be drawn yesterday on details of the transformation plan, which were supplied by unions after they were briefed yesterday by management. Spoornet CE Braam le Roux said "radical and immediate transformation" was required at Spoornet to achieve a turnaround early in the millennium

"Spoornet will emerge as a very different organisation and will work in fundamentally different ways to make it and its customers competitive in the global marketplace," he said

It would focus on profitable markets and invest in a strategic network of high-density core lines, using noncore

lines as feeder systems

Although Spoornet will operate a reduced fleet, substantial capital investment is needed for productivity improvements

Transnet deputy MD Mafika Mkwanazi said details of the plan would be announced by Public Enterprises Minister Jeff Radebe next week. A team has been appointed to implement the strategy

Mkwanazi confirmed that retrenchments would start almost immediately, but said the extent of Transnet's liabilities as a result still had to be assessed. Unions said the impact of job losses on Transnet's precarious pension fund had to be investigated

The four unions operating in Spoornet — Satawu, the SA Footplate Staff Association, Technical Workers Union (TWU) and Salstaff — said consultation on Spoornet's restructuring plan would be a farce

TWU general secretary Christo van Heerden said government and the Transnet board had already approved the plan, so it would be difficult to persuade the organisation to consider alternatives

The unions have written to Transnet pointing to past failures by Spoornet management and expressing concern over its ability to drive the transformation

Spoornet's approach, the unions said, duplicated government's attitude in its interactions with labour on restructuring and within the structures created in terms of the National Framework Agreement

Government was attempting to "bulldoze" labour and reduce its involvement in the overall process of restructuring



Spoornet CEO Braam le Roux and Transnet deputy MD Mafika Mkwanazi

Picture ROBERT BOTHA

27 000 facing the axe as ailing Spoornet goes off the rails

Johannesburg - Ailing Spoornet has become the latest employer to announce massive job cuts.

In addition, a huge sell-off of trains and wagons - and indefinite mothballing of some railway lines - is likely to be announced soon.

Labour unions claim that at least 27 000 Spoornet workers face retrenchment over the next three years.

Spoornet thus joins Telkom, which plans to shed 10 000 jobs over a similar period, and the mining industry, which earlier this week warned that 11 700 jobs were threat-

ened at five gold mines.

The railway parastatal has confirmed "significant" retrenchments ahead, but declined to say exactly how many of its employees would be hit by a new restructuring plan to make it financially viable.

Nor has it yet spelled out details of its asset or route cutbacks.

Spoornet spokesman Johan Hugo said last night: "We expect that on Monday, when Public Enterprises Minister Jeff Radebe announces the Transnet financial results, he could give full details of the expected cutbacks.

"(Otherwise) it will take place some time next week."

However, Saki Macozoma, managing director of Spoornet's parent, Transnet, acknowledged last night that Spoornet was looking at decreasing its rail network from 22 000 km to 10 000 km or even 7 000 km. This could mean the end of rail services to large parts of the country.

"People will be retrenched because a smaller network cannot support as many jobs as the present one does," Mr. Macozoma said.

In the face of a union threat about massive strike action, he said, "All I

can say is that toyi toyi will result in the loss of more customers and ultimately the loss of more jobs."

Earlier yesterday Spoornet management briefed unions on measures approved by Transnet to make the rail parastatal profitable, saying it had posted losses of R244-million for 1998/99.

Transnet deputy managing director Mafika Mkwana and Spoornet chief executive officer Braam le Roux repeatedly evaded questions about the number of retrenchments.

However, they did say general freight traffic locomotives would be

reduced by 1 700 and wagons by 68 000. Some were already being sold as steel while others were being modified to be sold to neighbouring countries.

Although they did not raise the matter yesterday, there has been speculation that manlyne passenger services such as the Trans Karoo and Trans-Natal expresses will be "outsourced" while many lesser trains will simply be scrapped.

Shock and disbelief filled the boardroom of the SA Footplate Staff Association in Braamfontein yesterday as officials gathered with mem-

bers of other trade unions to brief the media. "Their dads and granddads have been working for the company - they are from railway families - some people just can't get over it," said Safa general-secretary Christa Vos.

Christo van Heerden, general secretary of the Technical Workers Union, warned that the effects were not confined to Spoornet - the ripple effect of the planned withdrawal of 1 700 locomotives would affect staff at affiliated companies such as Transwerk and Transstel, which employ about 7 500 people. - Sapa

(270)

ARG 9/7/99

40 000 to fight lay-offs

By Sapa and Mokgadi Pela

A "ROLLING MASS ACTION" by more than 40 000 Spoorinet employees is planned to start today to protest against more than 27 000 job losses announced by Spoorinet this week.

South African Transport and Allied Workers Union president Bonakele Jonas said in Johannesburg yesterday that the action, which would culminate in a national strike, was aimed at stopping the parastatal from going ahead with the retrenchments. Addressing a media conference at the union's headquarters, Jonas accused Transnet of "going public with their sinister plan" without consulting or forming workers.

Going to the media about such delicate plans involving thousands of workers, let alone the tens of thousands of their beneficiaries, is a clear sign that mutual respect between the two parties has been eroded.

While Spoorinet had become the latest victim of Transnet's privatisation, a lot of dirty tricks were hidden beneath Spoorinet's so-called unprofitability, he said.

"In fact, there is a noticeable pattern among enterprises earmarked for privatisation throughout the country's economy and specifically within Transnet." Jonas charged that most of the white management packages together with their black colleagues, only to return as consultants at new companies within the privatised sphere.

Jonas also accused the Ministry of Public Enterprises of having "an anti-worker stance", including a lack of consultation with the union on restructuring.

(continued on page 3)

Threat of mass (270) action by workers

● From page 1

He said the mass action would only be stepped by Spoorinet's halting of the planned retrenchments.

Another trade union, Salstaff, has lodged an application with the Labour Court for an urgent order forcing Spoorinet to resume consultation about the retrenchment of 18 middle managers, mainly in the marketing department.

Mr Chris de Vos, a spokesman for the SA Footplate Staff Association, which was among the unions that met Spoorinet representatives earlier yesterday to discuss the restructuring plan, told Sapa talks were continuing but the unions would definitely seek Government intervention.

The unions would ask for an urgent meeting with Public Enterprises Minister Jeff Radebe about

the issue. "The country can't afford this situation," De Vos said.

A meeting of the Federation of Unions of South Africa is scheduled to take place today to come up with alternative proposals in an attempt to minimise the jobs losses.

At a media conference in Johannesburg yesterday, Spoorinet chief executive officer Mr Braham le Roux and deputy managing director of Transnet Mr Mafika Mkhwanazi refused to confirm or deny the retrenchment figures being mentioned.

"All we can say is that a sizeable number of people will be retrenched. The figures being bandied about could have grave liability for us and we still need to quantify figures before making announcements," Mkhwanazi said.

Spoornet unions leave body

**Robyn Chalmers
and Reneé Grawitzky**

TWO key Spoornet trade unions are to withdraw from the rail parastatal's transformation committee

This came as government adopted a cautious approach yesterday to proposed mass retrenchments. Public Enterprises Minister Jeff Radebe said he would meet Spoornet unions and management "as soon as possible". He emphasised that government had not formally been briefed on or approved any Spoornet restructuring. Plans would be considered by government's interministerial cabinet body on Thursday.

Announcing that Transnet moved into a R426m loss in 1998/99 (R278m profit previously), MD Saki Macozoma confirmed yesterday that between 18 000 and 27 000 job cuts were on the cards at Spoornet. Some of these jobs could be absorbed in outsourcing rail activities.

Salstaff and the Technical Workers' Union told Spoornet's management they would withhold participation in the transformation body pending a meeting with Radebe on the plan's status. They sought clarity on what transformation option government intended sanctioning so they would know how

staff would be affected. "Management made us believe government had approved the plan," the unions said.

Radebe said it was clear restructuring was needed urgently to eliminate losses, as was a streamlined entity capable of driving government's economic development programme. However, restructuring had wide-ranging implications and was not intended to "create more poverty pockets in our country". Reports that retrenchments were imminent at Spoornet were premature.

The board had approved a plan to reduce sharply staff numbers, locomotives, wagons and the rail network by 2002/03, focusing on profitable markets and investing in a strategic network of high-density core lines.

Macozoma said Transnet had already downsized to about 100 000 employees in 1998/99 from 240 000 a few years ago. This could not have been done without a good working relationship with labour, he said.

He confirmed that infotech division Transtel and Johnnic planned to bid jointly for a second fixed-line telecommunications network once Telkom's monopoly expired in 2002 or 2003.

Return to profitability: Page 11

Scramble to save Spoornet jobs

Sowetan 12/17/99 (270)

By Mokgadi Pela

THE Federation of Unions of South Africa (Fedusa) will explore several avenues, including political intervention, to avert job losses at Spoornet

This was announced at the weekend as unions operating at Spoornet and its sectors attempted to save 27 000 jobs due to be shed in the next two to three years

Although Spoornet could not confirm the figure, it said many

people would be retrenched following a R244 million decline in its cash-flow in 1998/9, due to a fall off in general freight traffic

The company is expected to announce more details of the retrenchments at a conference today

Fedusa now faces a number of options such as involving Nedlac, the Commission for Conciliation Mediation and Arbitration and raising the issue with the International Confederation of Free Trade

Unions

Fedusa also announced a multi-pronged plan to save jobs, which included, among other things

- Independent evaluation of the Mercur plan presented by Transnet which envisages substantial job losses,

- Intervention by outside management consultants,

- Establishing a speedy dispute resolution mechanism to address all current points of disagreement between unions and Transnet

More lay-offs loom as Transnet reports loss

By Shadrack Mashalaba

TRANSNET'S drive to rightsize its business operations is supported by the group's financial results plunging

It reported a loss of R426 million for the financial year ended March 31 against the previous financial year loss of R278 million

Transnet is in the process of retrenching between 18 000 and 27 000 employees in the Spoornet division in the current financial year - a move which the group had in the past warned was inevitable after the non-performance of its divisions

Addressing a media briefing in Johannesburg yesterday, managing director Saki Macozoma said despite the losses, a significant number of investments have been made to rehabilitate the infrastructure of the divisions. These include the R5,4 billion spending on new aircraft, widening the

Saldanha bay and provision of maintenance at Portnet and Spoornet

Transnet includes trading divisions such as Autonet which reported a net loss of R74 million (last year it reported a profit of R8 million), Fast Forward (previously known as PX) reported a net loss of R276 million (R322 million loss), Metrorail's net profit was R54 million (R28 million loss), Petronet profit was R392 million (R321 million profit)

Portnet posted a profit of R1 383 million (R1 653 million profit), South African Airways returned to the black with net profit of R51 million (R244 million loss), and Spoornet posted a net loss of R136 million (R573 million profit)

Transnet also has a number of related and support businesses and various subsidiaries

Financial director Gloria Serobe said Transnet has a funding plan to deal with

costs requirements. She said the group would always look domestically and only go offshore for hedging purposes, and when it was opportune to do so

Serobe said the deficit in the pension fund, which amounted to about R1 billion, was receiving attention. "We cannot carry out our programmes. We need to deal with the matter urgently and not shift it to the Government"

Macozoma warned that delaying restructuring at Spoornet would lead to more damage. "Privatisation on the passenger side will be possible. We will also examine other areas of business for possible privatisation"

SAA has been partially privatised and other divisions facing privatisation include Spoornet, Fast Forward and Autonet

To date, Transnet has laid off more than 2 000 workers, most of whom worked for SAA

(270)

Source: IBS/199

War on lay-offs

(250) (270) (1809) (197) ~~(1887)~~ (1888)

Sauerhan 14/7/99

Thousands to protest at job losses

By Mzwakhe Hlangani
Labour Reporter

A SPATE of strikes and demonstrations hit the country this week in protest against the impending retrenchment of over 50 000 workers in parastatals, hotels and catering service industries.

The South African Transport and Allied Workers Union (Satawu) jointly with SA Foot-plate Staff Association and Technical Workers Union intensified protests against the possible lay-offs of about 27 000 Spoonet workers with lunchtime demonstrations at the Transnet head office

Meanwhile, the Southern African Clothing and Textile Workers Union (Sactwu) warned yesterday it would stage human chain marches to the Department of Trade and Industry offices countrywide next Monday to register concern about trade agreements the union believed had resulted in the massive job cuts and factory closures in the clothing, textile and leather industries

Sactwu regional secretary Mr Sommyboy Masingi said tariff reductions on imports of textile, and smuggled goods had resulted in a massive loss of revenue

The Congress of South African Trade Unions has also raised concerns about the threats to



retrench workers in several industries including Telkom and the Post Office, which reportedly threatened to lay off 12 000, while Old Mutual will put another 5 000 workers out in the cold.

Cosatu's acting general secretary, Mr Zwelinzima Vavi, said the economy had lost more than 180 000 jobs last year and unemployment stood at a staggering 30 percent

"In this context the need to protect existing jobs cannot be over emphasised

"Cosatu will not be an observer, nor will we sit on the fence watching over this ugly spectacle of retrenchments"

The federation is expected to emerge with a tough mass action programme today to protest against retrenchments

It will also demand the urgent amendment of section 189 of the Labour Relations Act which makes retrenchments an issue for consultation rather than negotiations

Over 8 000 workers in steel engineering companies Highveld Steel and Samancor were expected to embark on a secondary strike in support of the 900 striking workers at the Columbus Stainless Steel company in Mpumalanga, a spokesman for the National Union of Metal-

Prison warders toy-toyl outside the Johannesburg Prison yesterday as part of a nationwide lunchtime protest action by civil servants against job losses and a demand for a 10 percent wage increase. Should their demands not be met, the stage appears set for mass action by government workers across the country.

PIC CLEMENT
LEKANVANE

workers of South Africa, Mr Dumusa Ntuli, said yesterday. Four workers were arrested for alleged intimidation, and the strike has been ongoing for two days, he said.

Columbus human resources manager Mr Willem Prinsloo said some Numsa members disrupted access at another gate and were arrested. Numsa is demanding a 7,7 percent increase and an improvement factor of two percent.

About 2 000 workers at Southern Sun continued their two-week-old strike after both parties deadlocked on company restructuring and wage talks

Labour seeks competition at Spoornet

René Grawitzky and Sapa

LABOUR has proposed that Spoornet be opened to competition to allow international best practices to restore the ailing rail parastatal.

This emerged yesterday during a meeting between Public Enterprise Minister Jeff Radebe and Transnet unions to defuse tension arising from Spoornet's restructuring plans, which could lead to the retrenchment of 27 000 workers.

At the meeting, labour said there were fundamental flaws in Spoornet's restructuring plan, in terms of which management would retain only profitable rail lines, giving independent operators access only to loss-making or marginal lines.

Labour believed restructuring should be guided by a "network ap-

proach" which would entail the packaging of profitable and marginal lines, and opening these up to competitive bidding processes. This could lead to the granting of concessions.

Any plan should stave off premature closure until optimal strategies had been found, while a minimal level of rail service should continue to be provided by Spoornet, the unions said.

Spoornet had failed to consider in its proposal the inflow of external capital or to attempt to provide for a competitive bidding process.

Labour said it did not only want to save jobs but also to prevent "Spoornet from being the captain of the ship".

In addition, it did not believe the plan was in line with existing government policy, and said it would destroy capacity in SA and neighbouring states.

Genfai, secretary of the Salstaff union, Andre Venter, said the meeting

was constructive and that labour was confident following intervention by an interministerial cabinet subcommittee.

The subcommittee, made up of key ministers, has been set up to oversee the process, which will be channelled through the national framework agreement.

Venter said labour had tabled its initial response to the plan and would finalise its position within the next few days, then present a formal alternative position to government and Spoornet.

SA Footplate Staff Association spokesman Chris de Vosa said Labour Minister Memphasi Mdladlana and Transport Minister Dullah Omar had also participated in the meeting.

Radebe's spokesman, Zard Norden, said the minister repeated earlier assurances that government had not yet taken a decision to retrench anyone from Spoornet.

Radebe allays union fears over Spoornet

By Mzwakhe Hlangani
Labour Reporter

PUBLIC Enterprises Minister Mr Jeff Radebe yesterday reiterated his earlier position that the Government did not approve the retrenchments of between 18 000 and 27 000 workers at Spoornet

Elated trade union delegations representing Transnet workers said their fears of immediate retrenchment were dispelled after meeting Radebe, Transport Minister Mr Dullah Omar and Labour Minister Mr Membathisi Mdladlana

The unions were given an opportunity to put forward alternative recommendations on the restructuring and transformation. They were told that any restructuring had to take place at the National Framework Agreement

South Africa Footplate Staff Association deputy secretary Mr

Louis Brockett said the seven unions discussed the proposal by Mercer Consultants with the ministers who reiterated they had never sanctioned any retrenchment proposals

Brockett said the joint transformation discussions with Spoornet management had been summarily disbanded as a result

South Africa Transport and Allied Workers Union general secretary M. Johnson Gamede said the three ministers had indicated their willingness to listen to their suggestions for alternatives to retrenchment proposals for Spoornet

The delegations showed concern that not enough consultation and procedures had been followed, Gamede said

Department of Public Enterprises spokesman Mr Zaid Nordien said the three ministers were scheduled to meet Transnet management today to discuss the issue

"All the proposals by the unions will be formally submitted to the committee of ministers soon," Nordien said

Spoornet announced its restructuring plan which would result in the retrenchment of between 18 000 and 27 000 workers

In its alternative proposal, Spoornet's unions said they could add value to the restructuring process if they were allowed to participate in the process

"Transport unions have constructively engaged in restructuring at the Airports Company of South Africa and at South African Airways

"Both exercises yielded better-than-expected outcomes," the proposal said

Radebe stressed that although restructuring of the parastatal was inevitable, the Government would ensure that the process continued in an integrated manner

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(270)

Unions get say on Spoornet

ET (Bar) 22/7/99 (270)

ZINTLE FILTANE

Johannesburg - Spoornet unions were ready to present an alternative proposal regarding the restructuring of Spoornet, Zaid Nordien, a spokesman for public enterprises, said yesterday

The proposal would be considered by Jeff Radebe, the minister of public enterprises, Dullah Omar, the minister of transport, and Membathisi Mdladlana, the minister of labour

The unions would make their presentation within days of Tuesday's meeting with the three ministers, as part of an effort to stop massive job losses at Spoornet

Chris de Vos, the general secretary for the South African Footplate Staff Association, said proposals from all four unions included legislation that would "level the playing field between Spoornet and road hauliers", its major competitor

This legislation would limit the tonnage road hauliers were allowed to carry, meaning that business would be redirected to the railway

The Inter Ministerial Cabinet Committee, which met on Thursday last week, agreed to look at alternative proposals, giving an indication that it may oppose management's preferred option

Meeting over planned lay-offs

By Ido Lekota (270)

THE future of thousands of Spoornet workers facing retrenchment is to be discussed at a meeting involving the Government, Spoornet and transport unions today

The meeting was convened by Public Enterprises Minister Jeff Radebe after an announcement by Transnet that Spoornet is facing the reality of having to retrench between 18 000 and 27 000 workers

The announcement came after a financial report that revealed that Transnet had lost more than R400 million last financial year

Yesterday South African Transport and Allied Workers Union general secretary Mr Johnston Gumede said they expected the meeting to explore ways of making Spoornet financially viable without having to resort to retrenchments

"Transnet took the easy way out by resorting to retrenchment without exploring other alternatives," said Gumede

He said the union had proposals on

how to get back Transnet's customers

Before the announcement of the retrenchments, Transnet acquired the services of an American consultancy to look at ways to restructure itself

The consultancy put three options on the table. One option was that the transport utility continued as it was and eventually become liquidated

The other option was that Transnet sell off all the non-performing units and retain the profitable ones - this apparently could have led to over 40 000 jobs being lost - and the last option was that Transnet sells off its non-core business

This is apparently the option the board has taken but it could see 27 000 workers losing their jobs

Radebe's call for today's meeting has averted a large-scale protest by unions which had vowed to launch mass action against the retrenchments

The minister said any talks about retrenchments were premature and the meeting was aimed at discussing the issue of rationalising the transport utility without any job losses

Sawetaw 20/7/99

Transnet borrows to fund pension

BD 23/8/99

(270)

(300)

Robyn Chalmers

TRANSNET has sharply raised its debt burden to fund its pension liabilities

Its total borrowings rose by about R4,2bn to R27,2bn in the two years to March 31, boosting the funding of its pension fund to 90% from 22% in 1990

Public Enterprises Minister Jeff Radebe said the debt was a significant constraint in restructuring Transnet. It has several components, but the biggest is the pension fund deficit and provisions for pensioners' benefits

Radebe has previously indicated that Transnet and its subsidiaries were in dire need of restructuring. "We do not have the luxury of lots of time to come up with workable solutions"

The pension fund debt has been the key obstacle in government's attempt to unbundle and partially or fully privatise Transnet subsidiaries, which all play a crucial role in government's transport strategy

Government and Transnet management have been grappling with the pension fund liability for more than three years. One proposal was for government to take on the R9bn deficit. Another was to house the debt in a special purpose vehicle and inject privatisation proceeds into it. Both options appear to have been rejected

The cost of providing retirement benefits has averaged around R1,4bn annually. This has consistently pushed Transnet into the red, with the exception of the 1998 financial year

In the year ended March 1999, Transnet made a profit of R973m, but a R1,4bn payment to the pension fund led to a total loss of R426m

Transnet MD Saki Macozoma said a "sensible solution" to the challenge of the pension fund deficit was receiving close attention.

Gloria Serobe, Transnet finance executive director, said the group was investigating a method of changing the

valuation assumptions of the pension fund to deal with the deficit. Pension provision was also being changed from a defined benefit to a defined contribution basis.

Radebe said the pension fund debt resulted from the corporatisation of the then SA Transport Services (SATS) into Transnet in 1990. At that time, the pension fund for SATS employees was only around 22% funded. Transnet management issued a bond — known as a T11 bond — to strengthen the fund's financial position to 64%.

The 1998 annual report showed the fair value of the T11 bond at R9,2bn with a redemption date of April 2010. Radebe said the coupon rate for the bond was 16,5% and the company had to issue more debt just to service the interest payments

Since then, management has used additional contributions and more debt to improve the pension fund's funding level to around 90%.

Lock-out 'may lead to violence'

CT 6/19/99 (152) (270) #

JOHANNESBURG. Telkom's plan to lock out more than 16 000 Communication Workers' Union (CWU) members on Wednesday could lead to violence, the union has warned.

The union is to begin a four-day mass protest tomorrow.

Telkom told the union on Friday that it would use the lock-out option to stop workers from demonstrating on the premises, embarking on work-to-rule and go-slows and banning overtime.

Telkom spokesperson Amanda Singleton said yesterday the company had reached this decision reluctantly after realising that the union was interested only in mass protests and not in giving negotiations another chance.

"We cannot allow the union to disrupt our business by demonstrating on the premises," she said. "We will allow workers to protest on the premises tomorrow, but we will lock them out from Wednesday. Workers will be asked if they accept our offer and will be required to sign."

"Those who refuse to sign will be asked to leave the premises. Lock-out, like a strike, is part of the negotiations process to compel the other party to accept the offer. We are within our rights, as unions are with strike action."

"We are aware that the lock-out could lead to violence and we hope the union will discourage its members from intimidating non-strikers."

Singleton expected that disruption of services would be minimal as 16 000 of the 26 000 CWU members would be on strike. "We are confident that non-striking workers will deliver services. We are ready to meet the union at any time."

CWU general secretary Seleboho Kiti said a lock-out would be "intimidation" and could lead to violence.

"The company is refusing to negotiate with the union and is using the lock-out to engage in direct talks with the workers," he said. "We will demonstrate outside the premises with placards and banners highlighting our plight."

● The government and the public sector unions are to resume their wage negotiations in Pretoria today. — Own Correspondent

Spoornet starts retrenchments as losses mount

(270)
Robyn Chalmers
and Linda Ensor

MD 22/9/99

SPOORNET is retrenching about 1 000 employees a month on a voluntary basis in a bid to stem mounting losses, estimated at R120m a month.

Spoornet has embarked on the voluntary retrenchment programme as an interim measure while government considers its options on a management plan to overhaul the rail parastatal, say officials.

The organisation is also understood to be looking for a new candidate to take over from MD Braam le Roux, who is on contract. A successor is expected to be announced within months.

Saki Macozoma, MD of Transnet, Spoornet's holding company, warned Parliament's public enterprises committee yesterday that Spoornet was losing R120m a month. He said downsizing should have taken place years ago, and even a resolution by the end of the year would be too late.

Public enterprises ministry spokesman Zaid Nordien said yesterday that two proposals from management and labour to restructure the troubled parastatal were being explored as part of the national framework agreement process. "We are aware of the urgency of the process but the options need to be fully assessed," he said.

Management recommended in July that to save R3,8bn by 2002/03, up to 27 000 employees should be retrenched and about half of the 20 000km rail network be outsourced or closed. It warned that any delay in implementing the reshaping plan would lead to losses of up to R100m a month and the retrenchment of a further 400 people.

Labour wants the network to be opened up to competition by packaging the profitable and marginal lines and allowing international firms to bid for them. This could lead to concessions being granted.

Public Enterprises Minister Jeff Radebe has made it clear that no decision will be made on the way forward for Spoornet, until government has assessed all proposals.

Spoornet management referred queries on restructuring to government, but officials confirmed that about 1 000 people were retrenched in August and a similar number are likely to take up the offer this month.

Unions fight Spoornet packages

Reneé Grawitzky

SPOORNET unions have advised their members not to take up the voluntary retrenchment packages offered by Spoornet in the latest round of retrenchments

However, thousands of Spoornet employees are likely to cash in on these lucrative packages in light of the company's plan to go ahead with the forced retrenchment of up to 27 000 workers

Sources close to the process said Spoornet employees would rather "die on the job" than resign or face dismissal because they could be severely penalised in terms of the final payout from the pension fund and other benefits

Labour yesterday criticised Spoornet's decision to move ahead with voluntary retrenchments in defiance of a

government decision to halt retrenchments pending consensus on a plan to restructure the company

The Technical Workers' Union's general secretary, Christo van Heerden, said management was arrogant and had defied an undertaking to assess both labour and management's restructuring plans before a final decision was taken

In July, Spoornet announced its plans to restructure the company, which could see shedding of 27 000 jobs and closure or outsourcing of about half of the 20 000km rail network

Government eventually stepped in and agreed that such plans had to form part of overall discussions in line with the National Framework Agreement

Labour claimed Spoornet management had bypassed this process, which was intended to regulate the restructur-

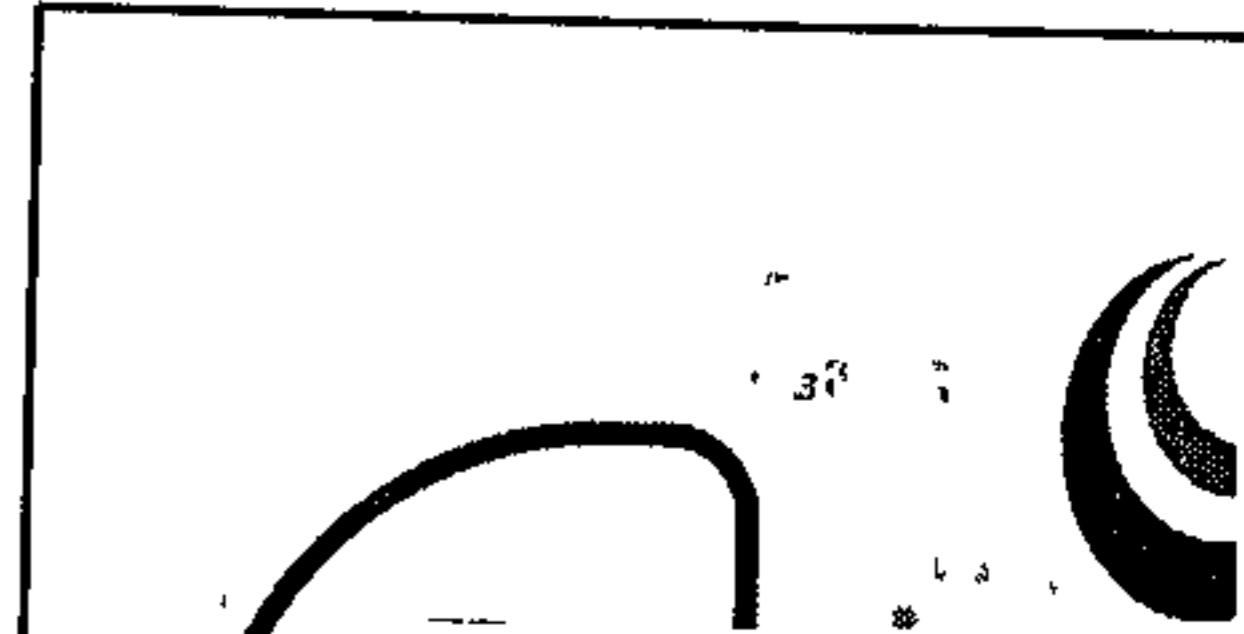
ing of state assets. As a result, labour was given an opportunity to table its counter-proposals

This process is under way, but Spoornet warned that delays in implementing its plan would lead to losses of about R120m a month

The union said workers were being forced to take voluntary packages because they were being told by their line managers that if they did not agree they would be retrenched anyway

(270)

BD 23/9/99



Unions fear major Telkom retrenchments

Reneé Grawitzky

RETRENCHMENTS at Telkom could exceed the 11 000 announced in July, a union source said ahead of a planned meeting on retrenchments tomorrow.

The meeting between Telkom and labour to discuss "managing of staff numbers" comes in the wake of the protracted and acrimonious wage dispute that eventually led to a lock-out of members of the Communication Workers Union (CWU).

The final settlement, of between 5,5% and 7%, cost the company more than R400m. Some Telkom unions said they

tried to temper their demands in the knowledge of the upcoming talks on retrenchments.

SA Communications Union president Colin Smith said the union did not want to exacerbate the situation by pushing unreasonable demands.

CWU assistant general secretary Mike Serobe said the CWU's demands were based on the company's performance.

Telkom, in support of its final wage offer, said it was not saying that the company was overstaffed, but that it had a skewed skills mix

A union source said there was both a skills mismatch and over-staffing, which had already been identified in a number of departments. The human resource department alone had identified 1 000 redundant jobs.

The source said the company was currently employing people in "critical skills" as they were about to embark on retrenchment talks.

The National Framework Agreement, which governs the restructuring of state assets, provides that if companies are overstaffed then they

should look at reskilling their staff.

Some union sources claimed that despite the allocation of billions of rands for training, it was unclear how the money was being spent as it did not appear that personnel were being reskilled.

While this was happening, managers and other personnel in the Western Cape were being informed that their jobs were redundant, without proper consultation.

Smith said labour needed to address the reasons for proposed retrenchments and whether it was

based on affordability or on international staffing norms.

The union did not believe international staffing norms were relevant to the SA scenario as Telkom had certain commitments in terms of delivery and the rolling out of telephone lines.

In addition, the country was an emerging economy while the penetration rate in first world countries was in the region of 95%.

Telkom MD Sizwe Nxasana indicated, at the recent, release of the company's results that Telkom planned to streamline its operations in preparation for the deregulation of the local telephone market.

(270)

PD 20/9/99