

FOR PSA MEMBERS: **STATE INFORMATION TECHNOLOGY AGENCY (SITA)**

21-02-2022

Feedback: Special Bargaining Forum meeting – 18 February 2022

Canteen operational challenges

Members will recall that employer tabled this item for consultation in the previous Bargaining Forum meeting, which was followed by the PSA engagement with members. The employer intended to close canteens in Centurion and Erasmuskloof owing to operational challenges. The employer stated that it is no longer sustainable to run the canteens as the cost of employees outstrips operational costs, This was exacerbated by the impact of the COVID-19 pandemic, which introduced remote working arrangements. Further, the employer stated that the canteens are currently not operational. Subsequently, the employer presented options to mitigate the impact of operational requirements, which were rejected by affected members who felt that they needed more information. Consultation continued and the employer tabled a presentation (*attached*) on how the matter will be dealt with. Members are advised to contact the Provincial Office for clarity. The PSA remains committed to protect the rights and interests of members and will ensure that the employer complies with section 189 of the *Act* in this process, including exploring all avenues to avoid retrenchment of employees.

2015-Salaries disparity

Members are aware that the concluded salary agreement for 2021 included addressing salary disparity within three years. The slow implementation led to a challenge where new employees were placed on higher salary scales than existing employees, which caused discontent. The PSA raised this matter in the previous meeting and the employer conceded that there is indeed salary disparity and committed to address those employees who were earning below the salary scales by 25 February 2022. However, at the meeting of 18 February 2022, the employer reported that the matter was far more complex and requested more time to address the issue. It requested until 25 March 2022 to address the issue. The employer further stated that it is avoiding a special run owing to tax implications. The PSA was infuriated by the employer's failure to live up to its commitment, which is not only undermining the spirit of collective bargaining but adversely affecting employees who were expecting their payments on 25 February. The PSA will pursue this matter to ensure that members are paid as soon as possible.

Members will be informed of developments.

GENERAL MANAGER

Canteen Project

**Feedback to PSA
18 Feb 2022**



Presentation Layout

- 1 Issues raised by Unions
- 2 Business motivation for closure
- 3 Current Situation and Background
- 4 Repurposing of Staff
- 5 Voluntary Early Retirement / VSP /
Retrenchment

Issues raised by the Unions

1. Business case for closure not clear.
 - Canteen objective was to not make profit
 - Canteen services are provided to neighboring companies.
2. How will the canteen staff be repurposed and how many.
3. Difference between Voluntary Severance Package (VSP) and Voluntary Early Retirement (VER).
 - Why is VSP not offered.

Business Motivation for Closure

- SITA currently provide in-house canteen and catering services at both Erasmuskloof and Centurion
- Business rationale is to provide food to employees at reasonable prices
- No longer enough employees to participate
- The staff compliment consists of 52 staff members
- Monthly salary bill of R 1,6 million
- Salaries escalated over the years above the market benchmark
- Running cost very high
- Cannot achieve economy of scale
- Covid impacted the situation and worsened the viability of the operations
- Income only R 80 000 per month vs the salary bill vs the previous income of R 300 000 per month

Current Situation and Background

- Various options considered to keep canteens open (consolidation etc.)
- Current low participation by employees does not justify the current service
- Remote working policy approved by SITA board a further impact
- Developing a Hybrid Workplace policy
- Forced SITA to reconsider the operations
- Next door participation will not be allowed as we are NKP sites and security very strict – also we are not a commercial canteen that is open for the public

Re-Purposing of staff

- The recently submitted Vacancy report contain 78 vacancies throughout SITA HQ on job grades A1 – C1
- All 52 employees are primarily intended to be repurposed pending:
 - Willingness by employees
 - Some may opt for alternative mechanisms provided by employer
- Assessment report
- Ability and interest to be trained in new skill for ultimate placement.

Note: Placement of employees will not result in salary adjustments.

Voluntary Early Retirement / VSP / Retrenchment

Voluntary Early Retirement	Voluntary Severance Package (VSP)	Retrenchment Package (Severance Pay)
<ul style="list-style-type: none">• When an employee voluntarily retires before the Pension or Provident Fund's normal retirement age.• This is subject to pension fund rules.	<ul style="list-style-type: none">• VSP is an alternative to a potential forced or compulsory retrenchment.• In essence, the employee volunteers and enters in an agreement to be retrenched.• In return they agree not to sue the employer for an alleged unfair dismissal.• Employee gets payment of an amount or receipt of benefits in addition to that to which he/she is legally entitled.	<ul style="list-style-type: none">• Payment that is paid to an employee in an event where an employee is dismissed due to operational requirements, as per section 189 of the BCEA.• Minimum prescribed by the act is one week for every year of completed service.

SITA is currently exploring the above options and no decision has been made yet.



“Thuma Mina, I want to be there to lend a hand, send me!”

