

FOR PSA MEMBERS: **SOUTH AFRICAN HEALTH PRODUCTS REGULATORY AUTHORITY (SAHPRA)**

05-07-2023

Update: Meeting with SAHPRA Board - 3 July 2023

Salary disparities

Labour raised concerns regarding salary inequalities between employees who were transferred in terms of section 197 of the *Labour Relations Act* and their colleagues who were directly employed by SAHPRA as well as the slow pace in resolving salary disparities that the employer is dealing with. In the meeting, members made input that the report presented by the Chief Executive Officer (CEO) identifying salary disparities across different salary levels should be presented to the Board for implementation. Members maintained that the basic principle of equal pay for work of equal value should be applied. After deliberation, it was agreed that all jobs needed to be evaluated and graded accordingly. The meeting resolved that the external benchmarking process be put on hold. The internal standard operating policy on job evaluation will guide the process. The employer will share a draft project plan for input. The Board committed to providing a progress report in the next two weeks.

Tax matters

The PSA wrote a letter to the CEO, requesting proof of payment made to SARS on behalf of affected employees who had tax liabilities before their migration from the Persal system to the Sage payroll. Management indicated that it paid tax liabilities to SARS in bulk and that was why proof of payment for each individual affected employee could not be provided. Labour maintained that affected employees must not be held accountable for the payment of tax liabilities as the employer decided to transfer the employees in the middle of the tax year. The employer acceded to the notion that it was warned against such a decision. The employer proposed to submit proof of the bulk payment made to SARS. The CFO will dispose an affidavit to confirm the bulk payment. Labour objected to the proposal, as affected employees continue to be harassed by SARS. They continue to receive calls and letters of demand. Labour maintained that affected employees cannot be held liable for tax liabilities owed to SARS as the employer alleged to have made a bulk payment. Employees will be advised not to sign an acknowledgement of debt from the employer. The Board requested to be allowed to deliberate on the matter and establish mechanisms to resolve the impasse. It committed to endeavoring to seek legal assistance to write off the debt and liabilities incurred by affected employees.

Irregular appointments

Labour previously raised a concern about certain irregular appointments and promotions approved by the Board. Labour insisted that there are more irregular appointments that are not reported. The employer invoked the so-called "cooling-off clause", where categories of employees were excluded to participate in

the recruitment and selection process. The Board committed to initiating an investigation into the allegations made by labour through the Internal Audit unit. Labour objected to the Internal Audit unit investigation and questioned the impartiality of the unit. It was agreed that a tender process will be undertaken to appoint an external investigator for impartiality and transparency. Labour will submit evidence of irregular appointments within seven days.

Donor-funding conditions

Labour previously raised concerns about alleged conditions by donors who fund some SAHPRA projects, which were said to be against the *Medication Act*. Labour was not comfortable with the conditions placed for funding by donors. The employer shared a policy, which outlined procedures to be followed to regulate donor funding. The policy was signed and endorsed by the Board. Labour bemoaned the decision of the employer to sign a policy without consultation with labour. Employers believed that they only consulted on policies that affected the conditions of employment for employees. Labour held a different view and maintained that policies must be consulted for engagement or noting. Labour requested to be allowed to seek advice on the matter and revert to the Board.

Policy uncertainty

Labour previously raised concerns about the non-implementation of certain policies such as the Grievance policy and Grade Progression policy. There were grievances lodged and not resolved over a period of 12 months. Labour urged the employer to fast-track the appointment of Labour Relations Officers to increase capacity to resolve grievances. The employer committed to completing the appointment processes. The understaffing and constant resignation at the Labour Relations unit caused the delay in the grievance process. Labour will be updated on progress.

Divisions amongst staff at SAHPRA

Labour raised a concern regarding the visible division between employees transferred in terms of section 197 of the *LRA* and those appointed directly by SAHPRA. The lack of a remuneration policy exacerbated divisions between the two sets of employees. Labour urged the employer to derive mechanisms to harmonise working relations between the groups of employees and fast-track the adoption of the remuneration policy. Employees continue to receive different benefits because of the non-implementation of the remuneration policy. Parties urged the CEO to prioritise the discussions on the draft remuneration policy to harmonise the conditions of service of all employees at SAHPRA. The date of the meeting will be confirmed in due course.

Employees who want to join the PSA can visit the PSA's website (www.psa.co.za), send an email to ask@psa.co.za or contact PSA Provincial Offices.

GENERAL MANAGER