



FOR PSA MEMBERS: ONDERSTEPSPOORT BIOLOGICAL PRODUCTS (OBP)

22-05-2025

Feedback: OBP Bargaining Forum (BF) - 20 May 2025

Wage demands for 2025/26

Members were previously requested to submit inputs regarding the 2025/26-wage negotiations. Subsequently, a labour caucus was held on 16 May 2025 and consolidated wage demands were finalised. The consolidated wage demands were tabled at the Bargaining Forum on 20 May 2025, and were outlined as follows:

- 12% cost-of-living adjustment across the board.
- 13th cheque to be paid in the month of birth.
- 7.5% contribution to the Pension Fund by both employer and employees.
- R2 500 housing subsidy.
- Medical-aid contributions for employee and two dependents. Employer to choose medical-aid scheme.
- Performance bonus to be implemented according to the existing policy.

Parties agreed to start wage negotiations on 20 June 2025. Members will be informed of developments.

Pension funds modalities

It was previously reported that the two pension funds, namely the Government Employees Pension Fund (GEPF) and *Alexander Forbes*, were invited to make a presentation regarding their products. The meetings could not take place owing to other official commitments. The employer aims to reschedule the meetings before 20 June 2025. The PSA noted the report and urged the employer to fast track the process for employees to understand the dynamics of each fund.

Remuneration expert

The employer reported that a policy review workshop was held on 7 and 8 May 2025 and the remuneration policy was discussed at length. Labour proposed that the employer should consider the remuneration model used in the public service administered by the Department of Public Service and Administration (DPSA) and replace the cost-to-company remuneration system. The employer noted the proposal by labour and committed to engage DPSA as the custodian and report at the next meeting.

Benchmarking report

The employer reported that a benchmark exercise was conducted regarding the draft organisational structure. The benchmark report was shared with labour for comments and inputs. Labour noted the report and raised concern that the report did not outline the salary scales that must be aligned to the organisational structure. Labour demanded that salary scales of all positions in the structure be shared by 20 June 2025.

Organogram versus filled positions

Labour raised concern that the employer decided to advertise posts externally without affording internal employees an opportunity to apply. Parties agreed that those advertised posts would be withdrawn and advertised internally with specific closing dates. Labour demanded to be included in all shortlisting and interview meetings to maintain transparency and fairness.

OBP residence

It was previously reported that labour raised concern about high rent fees and safety at the OBP residence. An inspection was conducted, and a report was escalated to executive management for approval. The report recommended an audit of employees occupying the houses and the fee charged. The employer reported that the report was still under consideration and the final approved report would be shared with labour at the next meeting.

Shutdown process

Members are aware that the employer reportedly used old and outdated equipment. As a result, the employer procured more productive and efficient equipment to improve operations. The equipment is expected to be installed by experts from abroad. As soon as they start the installation process, the production site will be shut down to complete the process. Members will be informed as soon as the installation process is about to start.

Amendment to contract of employment

The employer proposed amendments to all employees' current contract of employment. Parties proposed that clauses in the employment contract, which included probation, confidentiality, and restraint of trade, be amended and clarified. The employer is in the process of seeking legal opinion of proposed changes and will provide feedback by 20 June 2025. Labour supported the changes and urged the employer to conduct an awareness campaign to inform employees about the changes in their contract of employment.

Amendment of retirement age

Members will recall that it was previously reported that the employer started a process to change the retirement age from 60 to 65. The employer committed to invite the GEPP and *Alexander Forbes* to provide guidance on the matter. Labour urged the employer to fast track the process and convene the meeting with relevant stakeholders by 30 May 2025.

2024/25 Auditor-General (AG) findings

It was previously reported that the AG issued a qualified report regarding failure to review policies of the entity. Subsequently, a policy review meeting was held on 7 and 8 May 2025 and 20 draft policies were consulted and reviewed. Only seven policies are still outstanding. Parties agreed to convene a review meeting by 20 June 2025. Labour requested that finalised policies be distributed to parties before these could be signed.

Operational challenges

Labour raised concern regarding vaccine products that are not sold and returned to the plant. Labour maintained that returned products deprive employees of proceeds of bonuses since the company would not make any profits. They urged the employer to develop mechanisms to increase sales of vaccine products so that employees could receive their deserved bonuses. The employer noted the concern and requested to provide feedback at the next meeting.

Members will be informed of developments.

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

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