



South African Transport and Allied Workers Union

HEAD OFFICE

DATE : 09/03/2020
TO : COSATU
Att : Matthew Parks
RE : A Perspective on Rail

Revolutionary Greetings,

This paper is written to provide an overview of labours- SATAWUs-role in Transnet. The union participates at a bargaining council level with a specific focus on collective issues such as renegotiation of agreements, the rules governing the council and disciplinary procedures etc. Notwithstanding, that there are multiple interlacing factors that have an impact on the wellbeing of workers, on one hand, and the SOE in general, on the other.

1. Transnet

1.1. Acting Positions

The main challenges is that people appointed in very senior positions do not take accountability in the execution of their roles and responsibilities. The rationale behind this is that a majority are acting in those positions. In attempting to mitigate the challenge at hand, the board recently appointed a GCEO by the name of Portia Derby. The union has had bilateral meetings with the GCEO where common ground was reached. The concerns on acting positions was raised and it was promised that vacancies will be permanently filled. The conundrum that the GCEO might face rests with pending matters in relation to suspended senior managers. This might frustrate the process of filling existing vacancies. Staff is unable to adapt to change owing to the existence of acting positions. The constant replacement of senior managers leads to policy and structural change. This not only creates confusion but uncertainty and fear of the unknown.

1.2. New Executive Structure

The GCEO recently appointed a new executive structure which sounded very good from a conceptual perspective. The strategy admits that various divisions do not have CEOs. This historical phenomenon has affected strategic implementation. A classic example is that newly appointed CEOs would often change the policy trajectory of their predecessors thus adding to existing challenges. The new structure aims at decentralising power from group to operational level. An example of this is that TFR (Transnet Freight Rail) will be in a better position to implement its procurement plans. This function like many others are centralised at group level. This caused a great degree of red tape, slow turnaround time, unaccountability at divisional level, oligarchy and corruption at group level. The decentralisation of power is aimed at negating the current internal impediments.

SATAWU welcomes this proposal with an understanding that management and operations will be effective and efficient. The only concern the union has rests with the migration of workers at TGC (Transnet Group Capital) level. Approximately 600 workers at TGC are stationed at the head office. Some of their roles and responsibilities include but not limited to procurement. The GCEO believes that they must, on one hand, be removed from head office and be migrated to various divisions, on the other.

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The migration process has the potential to create an overlap of role thus resulting to job losses. Though the GCEO promised not to retrench workers, the new conditions/variations has the potential of creating interpersonal conflict, unhealthy competition and skewed organisational culture. Finally, talent management and succession planning is a thorny issue in the SOE. We strongly believe that succession planning and talent management must take place on basis so to allow the organisation to adapt and influence change.

1.3. Dilapidated Infrastructure

We are concerned about the state of infrastructure in the freight rail division. The trains are not only old but use outdated technologies. The late arrival of trains to their destinations has affected various business relations. We have seen many companies terminate and/or deflect business from rail to road freight sector. The GCEO like her predecessors has spoken on the question of modernisation to address the state of infrastructure. Our concern is that the modernisation project has continuously been affected leadership change at a board and group level.

1.4. Salary Disparities

The union is concerned with the employer's non conformity to the concept of equal work for equal pay. We have realised the wage gap in all divisions. Furthermore, taking note that salaries are structured on race as such the problem is defined as a historical problem. Management has indicated that this will take years to resolve without committing to a date. We believe that the delay is to prevent payment of huge sums of money in order to balance and/or achieve the principle of equal work for equal pay. This is one of the contributing factors to labour instability hence, the movement of workers between unions.

1.5. Corruption vs Zondo Commission

After the departure of the former GCEO-Siyabonga Gama- the Transnet board extensively investigated a multiplicity of issues ranging from maladministration to corruption. Investigations were conducted through a law firm which were subsequently reported to the Zondo Commission. It is concerning that the cases are unfolding at a snail pace thus delaying the apprehension of the corrupt. Transnet has lost astronomic amounts of money during this period. It faces the likelihood of being unable to fulfil its obligations. It is our view that at a certain stage in development, Transnet might find itself in a similar position like SAA. The workers will at the end of the day be casualties. In mitigating these challenges, parliament must separate the two following processes: state capture vs. individuals that have committed gross mismanagement. We strongly hold the view that parliament must instruct the board to recoup funds from corrupt perpetrators while the Zondo Commission deals with the issue of state capture.

1.6. Transnet Port Terminals

SATAWU is greatly concerned with the low performance of various ports. We believe that the action is deliberate as it intends to outsource or privatise the ports in future. This will negatively affect the economy but most importantly lead to mass retrenchment of workers. We also do not see the company investing resources in tools of trade. A majority of cranes used in the port are either old or used as scrap. They cannot no longer sustain the pressure. This reality has affected the performance of employees operating within the port.

1.7. Transnet Corridors

Transnet has the potential to play a critical role in the African continent in general. We believe that the South African economy can be bolstered through the diversification/expansion of business in countries such as Zimbabwe, Mozambique and Nigeria etc. The state must work with Transnet so to ensure that this vision is achieved. Notwithstanding, that investing in infrastructure will not only link rail to other sectors of the economy but bolster its competitiveness.

2. PRASA and Autopax

The passenger rail agency was recently placed under administration by the Minister of Transport. The Minister called a joint meeting with labour on the question at hand. The collapse of corporate governance compelled the Minister to dissolve the board and place the rail agency under administration. Labour only came to learn that the board failed to implement recommendations of the Auditor General (AG), provide records, reports and minutes of previous meetings. It was revealed that a significant amount of senior managers were not qualified for the positions. Furthermore, adverse findings of irregular expenditure were found to be the main reason that thwarted day to day activities of both PRASA and Autopax. Amidst the administrative misfortune, board members never failed to remunerate themselves accordingly.

The union has met with the Administrator to talk to PRASA's turnaround strategy. We were informed that historical agreements that favoured labour were not to be reversed. The Minister also shared the same sentiments. Part of the engagements included the re-incorporation of Autopax in PRASA. SATAWU has been lobbying for the reintegration with an understanding that jobs will not only be saved but administrative difficulties may be mitigated. The effects of the near collapse of Autopax are devastating for workers. We realise this through the non to late payment of staff salaries. Their precarity is in direct contradiction to the commitments made by the Minister. It was presupposed that at this interval in time the SOE would either be incorporated or bailed out. SATAWU is currently engaging with its constituencies to plan a march where memorandums will be delivered to relevant departments within and without the SOEs.

2.1. PRASA RAIL

PRASA Rail is on the verge of collapse in major cities as an outcome of operational costs. We have discovered that the passenger rail agency has disregarded occupational and health issues owing to lack of funds. We are equally worried with the inability to address the issue pertaining the shortage of train sets/locomotives for local and long distance travel. These conditions have added to employee uncertainties caused by the unavailability of components and trains etc.

2.2. PRASA CRES

We are concerned that there is no land audit nor properties owned by PRASA. The lack of coordination between PRASA entities on various activities such as infrastructure, investment and development. PRASA CRES is currently faced with a leadership crisis which culminates to the misrepresentation of priorities and low staff morale.

2.3. CORPORATE ISSUES

We have noted with concern the slow paced implementation of PRASA's turnaround strategy. The strategy is inward looking due to lack of resources. Nevertheless, it fails to address the modernisation programme in the medium and long term. The slow pace in transforming procurement process has compromised the rail agency's Performance and Fare Revenue

2.4. STRATEGIC LEVEL


SATAWU believes that the PRASA modernisation program is handicapped due to the entities skewed operating model, poor stakeholder management, information and communication management and collapse of internal systems. We have observed the poor state of readiness in developing and implementing the New Operating Model. The current situation is influenced by environmental factors-internal and external. PRASA's funding model is not sustainable owing to poor and/or lack of budget allocation. The rail agency has found it difficult to achieve the vision of an affordable, reliable, safe and integrated transport system. The highlighted factors have affected organisational needs and level of competitiveness in the external environment.

3. Railway Safety Regulator

We are concerned with the decision taken by RSR to revoke the operating license of the passenger rail agency. Indeed, PRASA failed to comply with safety regulations. We do take the fatalities and death toll into consideration. Moreover, appreciating and respecting the mandate of the RSR. However, the National Development Plan (NDP) outlines the need to resolve the existing state of the transport industry. Through the implementation of vision 2030, we believe that the matter could have been addressed differently such as impose a penalty on PRASA. The rail agency and commuters in general are faced with a catch 22 situation. On one hand, the two are interdependent for business and mobility purposes. They however, compromised on safety issues, on the other. Revoking the licence has had dire consequences on mobility and job securities of ordinary workers. At things currently stand, employees responsible for operating trains are currently not working though the company is paying them. We fear that at a certain interval in time, a decision might be taken to lay them off. This will as a result reproduce/intensify structural challenges faced by the downtrodden. The state must support SOEs in championing a socio-economic vision that achieves economic growth and human development in the same proportion.

We hope that the above report is in order.

Regards,



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SATAWU General Secretary