

26 July 2017

NHLS MEDIA STATEMENT

POSSIBLE DISRUPTION OF LABORATORY SERVICES AS A RESULT OF NHLS STRIKE

It is with disappointment that the NHLS Management advises the South African Public that despite its best attempts at addressing the demands of Unions during the 2017/8 salary negotiations, we have been unsuccessful to reach a compromise position. This, despite significant compromises approved by the NHLS board that pose a significant financial risk to the NHLS should it not receive payments due to it and servicing of debt totalling more than R5 billion owed to it by a select few Provincial Departments of Health.

Although exact impact of the strike cannot yet be determined, the NHLS will operationalise contingency plans to mitigate the risk of compromising the lives of South Africans dependent on the Public Health Sector. It will, however, be unable to offer its full basket of laboratory services as of Wednesday, 26 July 2017 at 07h00.

As an update, the initial demand by the unions was an annual increase of 13% across the board for employees on the A-D1 bands, whilst the NHLS could only offer an increase of 3%. Following subsequent negotiations and interventions by the Director-General in the National Department of Health, the Board of the NHLS proposed a revised offer to unions at a meeting that was held on 24 July 2017. The offer was as follows:

- A 7.3% salary increase to staff in the A-D1 bands, with effect from 1 April 2017, implemented effective of the calendar month in which an agreement can be signed.
- The implementation of the Proficiency Assessment for the key health professional roles subject to the finalisation of the evaluation-scoring tool with relevant disciplines; and the implementation thereof within the 2017/8 financial year. The salary adjustments of the successful applicants will be backdated to 1 October 2016.
- The Implementation of Progression Placement for the A-D1 within the General and Management pay scale as agreed upon in 2016/7.
- Implementation of insourcing and the phasing in thereof with effect from 1 April 2018, subject to finalising an agreed modality for its implementation, which will include holistic costing by the “insourcing task team”.

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However, this revised offer has not yet been accepted by the Unions, which demanded immediate implementation of Proficiency Assessment promotion and insourcing of current security, cleaning and maintenance personnel that are contracted to external service providers. Also, the NHLS Board is unable to accede to these timelines, since the tools and the full costing to enable Proficiency Assessment promotion and insourcing are yet to be finalised and approved by the NHLS Board. Furthermore, additional Union demands include an increase from the current 74.6% medical aid subsidy and living allowance adjustments.

The NHLS Board notes that the biggest challenge facing the organisation was non-payment by Provincial Departments of Health for laboratory services rendered by the NHLS – the biggest defaulters being the Gauteng and KwaZulu Natal Provincial Health Departments, although the latter have been paying for their current consumption since the 2016/7 financial year. This outstanding debt has negatively affected the cash flow of the NHLS. It is critical that the current efforts supported by the National Department of Health to recover money owed to the NHLS be urgently addressed to ensure the financial viability of the NHLS and enable it to continue carrying out its mandate of providing quality laboratory services to the Public Health Sector.

All NHLS Provincial Area managers will be working with their counterparts in the Provincial Health Departments to address challenges that are specific to their Provinces. The ultimate aim is to ensure that all emergency tests are prioritised to minimise the effect of this strike action on patient care.

Although it is regrettable that we have arrived at this point, the NHLS Management and Board remain committed to continuing their engagement with Unions to seek a solution and safeguard the health of those dependent on the Public Health Sector and one which does not compromise the financial viability of the Organisation.

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Issued by Prof Shabir Madhi

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