



Numsa Media Monitor

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A daily compilation of local, national and international articles dealing with labour related issues

Numsa

Numsa KZN secretary in court for fraud

Amanda Khoza, News24, 31 Aug 2016

Durban – A senior Numsa official has appeared in the Durban Specialised Commercial Crime Court on charges of defrauding his bodyguard, the Hawks said on Wednesday.

“It is alleged that the accused defrauded an employee in their organisation. He was charged with fraud,” Hawks provincial spokesperson Simphiwe Mhlongo said.

National Union of Metalworkers of SA (Numsa) KwaZulu-Natal secretary Mbuso Ngubane was granted R5 000 bail and his case was postponed to September 9.

Ngubane declined to comment to News24.

Ngubane’s bodyguard Sandile Mkhize said in a statement to Numsa’s leadership that he was unfairly dismissed after he asked why he had been short-changed.

Mkhize said he started working for the Numsa’s KwaZulu-Natal region as a VIP protection officer in July 2012.

After two months of working for Ngubane, Mkhize asked about his employment contract. Ngubane told him he was waiting for one from head office.

No payslip

“So when I got paid the first month of my work, he demanded R5 000 from my salary and he told me that it was his money in my account. I did not suspect anything at first until I asked for a payslip and he said there were no payslips,” Mkhize said.

Mkhize claimed he never received a payslip until October 2013. Ngubane continued to demand R5 000 from him every month by making him withdraw money from his own account and hand it over to him. This happened for 15 months, from July 2012 until October 2013, a sum of R75 000.

“I then spoke to him and found out that the money he was demanding was mine, he admitted. I asked him to pay it back, and he said if he pays me then I won’t work with him anymore, so he will fire me. Now I am unfairly dismissed because I wanted the regional secretary to stop stealing my money.”

When he reported the matter to the union, it was agreed that Ngubane would repay him R60 000.

After challenging the matter with the union, Ngubane allegedly dismissed Mkhize.

Mkhize approached the Commission for Conciliation, Mediation and Arbitration to challenge the dismissal.

The matter was heard on August 5, 2014, and the parties agreed Mkhize would be paid R324 000, according to a copy of the settlement agreement.

Ngubane had allegedly not paid Mkhize.

Numsa general secretary Irvin Jim was not immediately available to comment.

<http://www.news24.com/SouthAfrica/News/numsa-kzn-secretary-in-court-for-fraud-20160831>

South African workers

Telkom working to interdict CWU strike

Ziyanda Ngcobo, EWN, 31 Aug 2016

Workers have been on strike since last month demanding a salary hike and 6 months paid maternity leave.

Telkom says it will today be urgently interdicting workers picketing outside some of their offices across the country.

Workers affiliated to the Communication Workers Union (CWU) have been on strike since last month, demanding a salary hike and 6 months paid maternity leave.

At the same time, the Labour Court has ruled in favour of Telkom continuing with their retrenchment process, describing the CWU as “confrontational” and “obstructionist” during talks.

The telecommunications company’s Jacqui O’Sullivan says the Labour Court’s ruling that the union has been “confrontational” shows the difficulty in being able to end the current strike.

"The strike that we are dealing with at the moment is a result of the CWU’s unwillingness to agree to an incentive based performance programme."

She says the union has been reluctant to change at Telkom.

"We will be taking action this morning, to interdict the picketing that we saw yesterday in Menlyn, parts of East London and the Mall of Africa."

The union says it is reviewing the judgment and will respond thereafter.

<http://ewn.co.za/2016/08/31/Telkom-working-to-interdict-CWU-strike>

CWU, MTN agree to 'engage' on call centres

Dineo Faku, Business Report, 1 September 2016

Johannesburg - The Communication Workers Union (CWU) has withdrawn a court interdict to prevent MTN from outsourcing its call centre facilities.

The plan to outsource the call centres comes as the telecoms industry is cutting costs amid strong competition and as South Africa's dwindling growth prospects put pressure on consumer spending.

MTN earlier this month unveiled plans to outsource some of its call centres to a third party, in a bid to rein in costs.

The CWU went to court to oppose the outsourcing of call centres amid fears that members would be retrenched.

CWU president Clyde Mervin said yesterday that both parties had agreed to "engage" on the outsourcing. "We agreed we that are going to have a proper consultation. If anything goes wrong during the talks, meaning if we do not find each other, we will exercise our rights and approach the Labour Court."

Vindicated

In a statement yesterday, MTN said it believed it had been vindicated by the CWU's decision to withdraw its interdict application and said the decision further affirmed that the company had conducted itself in a reasonable manner and had been engaging the employees in good faith.

"MTN will continue to maintain an open-door policy with the union on the matter, in order to reach an outcome that will benefit all the parties concerned, including our customers," said Nhlanhla Qwabe, the chief human resources officer at MTN South Africa.

MTN earlier disclosed that it would adopt a hybrid outsource model, which would result in some of its call centres being outsourced to an experienced third-party vendor, while others were retained in-house.

The group said this move was aimed at optimising MTN operations and enhancing customer experience.

"The finalisation of this commercial undertaking will enable MTN to streamline its operations and focus on its core competencies, improve its ability to offer its customers a better customer value proposition and reduce operational costs," the company said.

Sibonginkosi Nyanga, an equity research analyst at Momentum SP Reid, said the outsourcing was about cutting costs. "The industry is trying to rationalise costs and obviously the union will not be happy. The thinking around the withdrawal of the interdict is that there cannot be good negotiations when there is looming court case."

MTN Group was fined \$5.2 billion (about R75.1bn) by Nigeria for missing a deadline to disconnect 5.1 million unregistered SIM cards.

Shares gained 0.18 percent yesterday to close at R120.20.

<http://www.iol.co.za/business/companies/cwu-mtn-agree-to-engage-on-call-centres-2063241>

Strike threat after 205 Limpopo educators aren't paid

Heidi Giokos, Independent Media, 31 August 2016

Johannesburg - The South African Democratic Teachers Union (Sadtu) is fed up with the Department of Education in Limpopo after it failed to pay the salaries of 205 temporary educators.

The union said the teachers had not been paid for five months, meaning over R70 000 was owed to each educator.

In addition, the province is also facing down the National Education, Health and Allied Workers Union (Nehawu) over an unresolved 2011 dispute.

Sadtu general secretary Mugwena Maluleke said the union's legal team had become involved in an effort to "force the department to pay".

"It is almost five months that our teachers have not been paid a salary. Each teacher should get about R17 000 per month, which is a their gross salary. We have instructed our legal team to force them to pay."

"The (National) Treasury cannot make this the teachers' problem. We have consulted with our lawyers and legal action will be taken. The children are the main ones affected."

Maluleke would not rule out mass action if teachers are not paid by the end of August.

"Teachers have now become beggars, they live as paupers and are heavily indebted, with mashonisas (loan sharks) going after them," he said.

"We are running out of patience and will soon return the favour of extending our solidarity to our 205 colleagues through mass action."

The Limpopo Department of Education's senior communication manager Naledzani Rasila said payment would be made to all the affected teachers, including back-pay, by Wednesday.

Rasila said the fault lay in the payroll system the department had been using, resulting in no payments going through. "We are aware of the problem and it is as a result of our system that we had been using which was causing delays."

Limpopo faces further union troubles after Nehawu said it was planning to shut down the province's public service if its demands, which date back to 2011, are not resolved by the provincial government.

The union's demands include resolving a dispute over the training of nurses, the re-employment of outsourced workers in security services, laundries and kitchens, and the scrapping of housing rental fees.

This could cripple the administration and shut down learning and other public services.

<http://www.iol.co.za/news/south-africa/limpopo/strike-threat-after-205-limpopo-educators-arent-paid-2062938>

'New, improved' teacher payment system caused chaos

Steven Tau, The Citizen, 31 August 2016

All the 205 temporary teachers in Limpopo who have not been paid in recent months should expect their salaries – backdated to April – today, the provincial education department said yesterday.

This is after the SA Democratic Teachers Union (SADTU) threatened a provincial shutdown in the coming weeks if the teachers were not paid. Yesterday, spokesperson for the Limpopo education department Naledzani Rasila said the delays in payment were as a result of a “new, improved system” which required the teachers' personal documentation.

“The MEC has also expressed disappointment in the delays,” Rasila said. “However, we expect all the teachers to be paid their salaries, which will be backdated to April, by Wednesday.”

SADTU provincial secretary Matome Raphasha said the department failed to meet its payment deadline of Tuesday last week and that left the union with no choice but to start planning picketing and protest action.

“Our shop stewards are planning to hold pickets in all the six districts on Thursday [tomorrow], which will be followed by a provincial march.

“As SADTU, we are also concerned about the many vacancies,” Raphasha said.

He reiterated that the shutdown would continue unless the department paid all the affected teachers.

Meanwhile, commenting on how the catch-up programme in Vuwani has been going after months of a total shutdown of services, which also saw children barred from going to school, Rasila said everything has progressed according to plan.

“Affected pupils were also able to sit for their mid-year examinations recently and they are now ready for the trial exams, which begin on Thursday. “The catch-up programme will be completed during the September holidays, which will also be used to prepare pupils for the year-end examination,” Rasila said.

During the Vuwani shutdown of services, which also saw businesses and taxis not allowed to operate in the area for more than three months, nearly 30 schools were torched.

<http://citizen.co.za/1270330/new-improved-teacher-payment-system-causes-chaos/>

UFS double standards on pay exposed

Bulelwa Dayimani, Destiny.com, 31 August 31, 2016

Former University of the Free State lecturer Advocate Loyiso Makapela has accused the institution of overlooking her for a promotion, while her less-qualified white counterparts were promoted

Former Faculty of Law lecturer Advocate Loyiso Makapela, who is being sued for R800 000 by the university, says the institution is using the lawsuit to intimidate her after she took it to task over her salary and unfair treatment.

She became the youngest lecturer in the university's law faculty when she joined the UFS in 2013, and its top-performing academic.

However, Makapela claims she was overlooked for a promotion while her less-qualified white colleagues were given senior positions.

"At present I'm embroiled in a legal battle with the University of the Free State, one which began three years ago when I discovered I had been appointed to a Junior Level that my white colleagues had never been appointed to. They had merely been automatically promoted upon appointment, regardless of the fact that some of them were less-qualified than I was. Furthermore, my promotion was contested, despite the fact that I was twice as qualified as my white counterparts," Makapela tells Destiny.

Feeling she was being discriminated against, she laid several complaints against the university, but they yielded no results.

"I have laid complaints, questioned and queried the disgusting racial discrimination that resulted in my being appointed to a lower position than other white colleagues. I was 'bribed' with the promise of a job in another section of the faculty, and when that did not work, I kept asking uncomfortable questions," she says.

"The last thing we need in a country that has a democracy 22 years strong is to be dealing with issues as appalling as being paid up to R10 000 less than white people one is more qualified than"

When that failed, she decided to take the matter to the Commission for Conciliation Mediation and Arbitration (CCMA) and demanded that she be compensated for all the years she spent earning less than her white colleagues.

"The university made empty promises in a bid to avoid arbitration, promising settlement amounts etc. I refused as all I seek, and all I have ever sought are justice and reparation," she says.

In June she resigned from the university.

“I was threatened, intimidated and treated in such an oppressive nature that I had no choice but to resign effective June 2016 for fear of damage to my mental and emotional well-being,” she says.

On Monday, Makapela and representatives of the university met again at the CCMA and the case is still pending as the commissioner needs to consider all the facts of the case. If her CCMA appeal fails, she plans to take her challenge to the Constitutional Court. She hopes the court will set a precedent that will make it illegal for institutions to discriminate against employees along racial lines.

“If, as a country, we want free quality education, much of it depends on good quality academics to disseminate that education, and the last thing we need in a country that has a democracy 22 years strong is to be dealing with issues as appalling as being paid up to R10 000 less than white people one is more qualified than,” she says.

The university’s lawsuit against her has only strengthened her resolve.

“The university tried to intimidate me further on 26 August 2016, informing me that they had instructed their lawyers to prepare to sue me for R800 000 for the funds they supposedly ‘wasted’ on me by giving me a scholarship to go and complete my second Master’s degree in London in 2014,” she says.

Makapela believes the university is using the lawsuit as a scare tactic to stop her from continuing her fight against discrimination against black academics at the institution.

In a statement, the UFS denied the allegations, insisting it treated her fairly: “The University of the Free State strenuously denies the inaccuracies and misrepresentation about the case of Adv Loyiso Makapela in the social media. As the case is sub judice and pending at the CCMA, the UFS can unfortunately not comment on the merits thereof except to state that the university, including its Faculty of Law, will emerge as having treated Adv Makapela fairly in all respects.

“The UFS remains committed at all times to treating our current and former employees and fellow students fairly in all respects, as will emerge in this case.”

<http://www.destinyconnect.com/2016/08/31/former-ufs-lecturer-sued-university/>

A low-income home now pays 20% more for a basic food basket than a year ago

Claire Bisseker, Business Day, 31 August 2016

THE price of a typical food basket for a low-income household has increased to its highest level to date, driven mainly by a surge in the price of maize meal.

In August, the price of a low-income household’s food basket rose R318 or almost 20% to R1,942 compared to August 2015, according to research by the Pietermaritzburg Agency for Community Social Action (Pacsa).

The Pacsa basket is constructed on the observed actual consumption patterns of an average low-income household of seven people.

The 20% price surge in this food basket over the past year was driven largely by maize meal. As a result of the severe drought, a 25kg bag of maize cost R233 this August — nearly 40% or R66 more than a year ago.

The price of sugar is also trending higher, with a 10kg bag of white sugar up R11 in August this year compared to the previous month. This moved the total price of a bag of sugar to R136 — a 26% increase on August last year.

Other foodstuffs that contributed to the steep annual increase in August's food basket included samp, white sugar, maas (sour milk) and eggs.

However, frozen chicken portion prices continue to drop. At a little more than R21/kg, frozen chicken pieces were 7% cheaper this August than at the same time a year ago.

Pacsa estimates that a food basket for a family of seven that meets minimum nutritional requirements cost R4,325 in August. This is R2,382 more than the average low-income family of seven in the Pietermaritzburg area is spending on food.

"It means that low-income families with seven members are underspending on nutritious, albeit still very basic, food by 55%," said Pacsa director Mervyn Abrahams. "This has implications for health and wellbeing because there is a direct connection between the food we eat and how our bodies function."

Pacsa estimates that the cost of meeting the minimum nutritional requirements of a small child (aged three to nine years) topped R554 a month in August. The current value of the state child support grant is R350 a month.

Similarly, the cost of feeding an elderly person older than 65 years a diet that meets minimum nutritional requirements ranges from R605 a month for a woman to R644 a month for a man. The current old-age pension is R1,500 a month.

<http://www.bdlive.co.za/national/2016/08/31/a-low-income-home-now-pays-20-more-for-a-basic-food-basket-than-a-year-ago>

South Africa

Salary cuts may await Gauteng's new city managers as Cosatu braces for a 'purge'

Govan Whittles, Mail & Guardian, 1 Sep 2016

While the Democratic Alliance mulls over the appointment of city managers in the Tshwane and Johannesburg metros, new Tshwane mayor Solly Msimanga has promised a review of the municipal manager's salary package, which currently sits at more than R3-million a year.

But the DA has quashed allegations of ANC-style cadre deployment tactics or that DA membership is a prerequisite for landing a top job.

Gauteng DA leader John Moodey told the Mail & Guardian that the usual recruitment processes will be followed – but candidates who understand and agree with the DA's philosophy stand a better chance of getting shortlisted.

“Part of the question will be to ascertain whether applicants shortlisted have an idea of what the DA philosophy and vision is for the way forward. We will test whether such individuals are compatible with the strategy, moving forward. It’s not that you need to be DA, but you will need some political savvy,” he said.

Msimanga appointed Lisa Mangcu as acting city manager in Tshwane following the resignation of former municipal manager Jason Ngobeni.

Although Mangcu has served as deputy city manager for more than a decade, it is unlikely that he will occupy the top job permanently as Msimanga remains hopeful that “two candidates with unparalleled experience and qualifications” will apply for the position.

“I’m certainly not going to make a rushed decision. I need someone to turn around the city’s finances. We need to bring some credibility back into how the city is viewed. We won’t necessarily appoint people that are affiliated to us,” the mayor said.

The appointment process begins with the placement of advertisements for the position, followed by interviews. The mayor then recommends a preferred candidate to the city council. Although the process is open to the public, the party admits that it will advise its mayors who to nominate for the positions.

In Johannesburg, speculation remains over whether Herman Mashaba will keep Trevor Fowler on as city manager when his term comes to an end in October.

Fowler has been in office for more than 10 years. After the DA’s victory in the municipality, he was quoted as describing the City of Jo’burg offices as “a graveyard” – referring to widespread uncertainty about whether people would keep their jobs under the new administration.

“There has been no engagement between [Mashaba] and the current city manager in respect of his contract. The process going forward is defined by legislation and a legal process that would ultimately end up in council. The mayor has been very appreciative of Fowler for assisting in the transition between administrations,” Mashaba’s new chief of staff, Michael Beaumont, said.

City manager positions are considered to be among the most lucrative in local government, boasting a fat pay cheque and the power to implement the municipal budget.

In June, the DA described the city manager’s salary in Tshwane as “outrageous and symptomatic of a corrupt ANC government”. Yet now, the party appears to be backtracking, saying a salary cut will be considered – but not at the expense of the “right talent”.

“I would love to pay a market-related salary for the city manager, but that will also come with its own key expectations. If somebody says they are worth this much and they can prove that through their track record and work ethic, we would agree. We would love to attract the right talent and make sure it doesn’t get scooped up by the private sector,” Msimanga said this week.

Mashaba's team, on the other hand, appears more complacent than their capital-city counterparts, saying that municipal salaries fall under the cooperative governance ministry (Cogta).

"The primary understanding is that Cogta determines salary grading, including that of the municipal manager. If they are entering into a review process, that's their prerogative. The city can give its comments but it hasn't been discussed," Beaumont said.

The review of contractual staff positions within these metros will be one of the DA's first opportunities to hire people outside its own ranks. Both DA mayors have already demonstrated their willingness to do so, having appointed a host of mayoral committee members from the various parties that entered into a coalition with them.

But Cosatu says that it is preparing for a "purge". "We expect the DA to unleash a war against workers and purge many of them from municipalities they won," said Cosatu general secretary Bheki Ntshalintshali.

Meanwhile, the DA denies breaking its promise to scrap unpopular government initiatives such as the e-tolling system in Gauteng.

"The DA is opposed to the present taxation – we are not opposed to the user-pay philosophy," Moodey said.

"The present system of collection is uncalled for and the DA is saying the people must decide if they want to pay. Personally, I haven't paid. I won't take out an e-tag and I'm waiting for my day in court, to query all the inefficiencies in the system. I oppose this unjust law as seriously as I opposed the unjust apartheid laws."

http://mg.co.za/article/2016-09-01-00-salary-cuts-may-await-gautengs-new-city-managers-as-cosatu-braces-for-a-purge?utm_source=Mail+%26+Guardian&utm_medium=email&utm_campaign=Daily+newsletter&utm_term=http%3A%2F%2Fmg.co.za%2Farticle%2F2016-09-01-00-salary-cuts-may-await-gautengs-new-city-managers-as-cosatu-braces-for-a-purge

'We are coming', warns Msimanga as he threatens to 'nail' ANC councillors in previous administration

Kingdom Mabuza, TimesLive, 31 August 2016

Newly-elected Tshwane mayor Solly Msimanga has promised to nail ANC councillors who led the previous administration.

Msimanga who was giving a report during a council meeting on Wednesday, pulled out files of forensic reports from his bag and then waved them in the direction of ANC councillors.

"Let me explain to the house why there is this boiling thing that is happening across us. You see, I am sitting with reports that are starting to shine some light on some of the dealings that have been taking place.

"So, we understand what is happening, I have five here (reports). These are forensic reports that have been suppressed for the longest of time. Believe you me, we are

coming, we are coming. If you think that everything was swept under the carpet you have another thing coming. We are coming.

"Some will change their suits into the orange uniform very soon.

"Some have even turned departments into family organisations. From director level there are his siblings, uncle and three cousins," he said.

ANC councillors challenged Msimanga to reveal the details of the reports and if there are allegations of corruption refer the matter to the police.

Wednesday's proceedings were continuously interrupted with heckling, creating doubts whether the council would ever be able to agree on issues of service delivery.

<http://www.timeslive.co.za/politics/2016/08/31/%E2%80%98We-are-coming%E2%80%99%E2%80%9A-warns-Msimanga-as-he-threatens-to-%E2%80%98nail%E2%80%99-ANC-councillors-in-previous-administration>

Cosatu slams Van Rooyen for Gordhan comments

Getrude Makhafola, Independent Media, 30 August 2016

Johannesburg - The Congress of South African Trade Unions on Tuesday condemned statements by Kebby Maphatsoe of the Umkhonto weSizwe Military Veterans' Association and Co-operative Governance and Traditional Affairs Minister David van Rooyen against Finance Minister Pravin Gordhan, and accused the MKMVA of brewing factional battles within the tri-partite alliance.

"Cosatu is deeply disappointed by the actions of MKMVA leaders, comrades Kebby Maphatsoe and Des Van Rooyen, of publicly condemning another minister (Pravin Gordhan) using their different political hats as a justification. We find this insincere and distasteful because these ministers have many forums available at their disposal to internally discuss this matter and raise their views inside the ANC," Cosatu said in a statement.

"These comrades are all ANC ministers serving one cabinet and one organisation, and do not need press conferences to engage and reconcile their positions. The MKMVA leadership is continuing to propagate the same factional battles of the ANC that have eroded the overwhelming support that the ANC-led alliance enjoyed amongst our people."

Cosatu, the South African Communist Party and the African National Congress form the tri-partite alliance.

Maphatsoe, also Deputy Minister of Defence and Military Veterans, and Van Rooyen, both in their capacity as MKMVA leaders, lambasted Gordhan over the Directorate for Priority Crime Investigation (Hawks) saga at a media briefing on Monday. Van Rooyen called on Gordhan to "stop running to the media" and present himself to the Hawks as requested.

This came in the wake of reports that the Hawks had wrapped up their probe into the activities of the SA Revenue Services' so-called "rogue unit" and would soon bring charges against Gordhan. The unit was established while Gordhan was SARS

commissioner. He had refused to present himself to the Hawks as summoned last week and said there was no legal obligation for him to do so.

Van Rooyen was briefly appointed as finance minister in December last year, only to be replaced by Gordhan after a rand rout.

<http://www.iol.co.za/business/news/cosatu-slams-van-rooyen-for-gordhan-comments-2062459>

Brown lines up Gupta file

Gadeeja Abbas & Siyabonga Mkhwanazi, Cape Argus, 31 August 2016

Cape Town - Eskom bosses have been placed in Parliament's firing line by Minister of Public Enterprises Lynne Brown, who has instructed them to hand over to the Treasury the report into tenders with Gupta-linked companies.

The Treasury on Monday said it had tried for months to obtain the 172-page report on coal contracts with Tegeta Exploration, owned by the Gupta's Oakbay Investments.

Eskom has now agreed to work with the Treasury after Brown instructed they do so.

Eskom bosses are expected to appear before the portfolio committee on public enterprises to face a grilling from MPs on their conduct in the investigation by the Treasury.

Brown told Talk Radio 702 Eskom bosses have to urgently respond to the Treasury's request for information on the tenders.

The Guptas had threatened to take the Treasury to court to block it from making its report into the coal contracts public.

The coal contracts into the Guptas are reportedly worth R400 million over a period of 10 years.

The Treasury has become the subject of intense public scrutiny following the investigation by the Hawks into Finance Minister Pravin Gordhan.

Gordhan has been receiving backing from across society.

The business sector and civil society have called on President Jacob Zuma to intervene, but so far he has failed to act.

The remarks by Brown that Eskom must co-operate with Treasury comes as a stern warning to the power utility bosses to get their act together.

Meanwhile, the probe into Eskom's dealings with Tegeta is an assertion of Gordhan's authority, but could have dire consequences for the economy and the consumer, according to political analyst Keith Gottschalk.

In addition to this, the Cape Chamber of Commerce and Industry has warned the public the enormous cost overruns on the two new power stations, Medupi and Kusile, meant huge and unaffordable increases in future electricity tariffs - beside the annual 8 percent increase each year for the next five years.

Cost estimates have grown in a short period of time with the Ingula pump storage scheme, which was estimated to cost R8.9 billion, increasing to R36bn.

The cost of the Medupi power station was estimated at R69.1bn in April 2007, but in July this year costs were R135bn, according to Eskom.

The cost of the Kusile power station has experienced a similar increase from R80.6bn to R135bn.

“Their incompetence has resulted in power stations costing double of what was originally promised. If Eskom was given the go-ahead it would be a R1 trillion load on consumers. It would mean huge electricity increases. If electricity costs keep jumping up, businesses will experience a drop in profits,” Gottschalk said.

It was clear, however, that Gordhan was even more committed to rooting out corruption in state-owned enterprises, even if it meant the government waged war on itself, he said.

“This means that National Treasury is more than ever before investigating irregularities in government tenders. This has, without a doubt, inflamed the relationship between Eskom and Gordhan and escalated the conflict between the minister and President Jacob Zuma’s donors - the Guptas,” he said.

He said the Hawks’ investigation of Gordhan was added stress on his watchful eye of the tender processes within government structures. He said the Hawks investigation of Gordhan was added pressure in his honing in on tender processes within government structures.

Earlier yesterday, Brown spoke to political analyst, Eusebius McKaiser on Talk Radio 702 where she said she could not provide any real comment on the controversial coal contract speculated about in the media until the probe was concluded.

The Sunday Times reported the Treasury investigation showed Eskom paid more than R130m to a mining company owned by the Gupta family for coal the power utility could not use.

Brown refuted these claims, saying no real evidence was presented to her board of directors that proved such a contract existed.

However, Brown admitted she would not be aware if coal was bought that was unusable to the parastatal as the board made such decisions.

“I would not be able to check,” she said.

The Gupta family on Sunday announced plans to sell their shares in their South African interests before the end of the year, but denied leaving the country.

The family has been accused of trying to influence political appointments and using its relationship with Zuma to advance its business interests. The family has denied using such influence.

<http://www.iol.co.za/business/companies/brown-lines-up-gupta-file-2062864>

Eskom does things ‘by the book’ and has nothing to hide, Ben Ngubane says

Linda Ensor, Business Day, 31 August 2016

ESKOM has "nothing to hide" with regard to its coal contracts with Gupta-linked Tegeta Exploration and Resources, Eskom chairperson Ben Ngubane insisted in Parliament Wednesday.

Ngubane and Eskom executives appeared before the portfolio committee on public enterprises and were grilled by opposition party MPs about the contracts and about Eskom's clash with the Treasury over its reporting on them.

Eskom delivered the documentation required by the Treasury on its prepayments to Tegeta, this week.

Ngubane said the board had full confidence in Eskom executives who "work by the book". All tender decisions were independently vetted and audited. "It is a very watertight system," Ngubane said.

He condemned the campaign to "kill" public trust in Eskom and dismissed the portrayal of Eskom as having been captured by the Guptas.

State capture of Eskom on a massive scale had take place under National Party rule under apartheid, when huge prepayments were made to major coal companies, Ngubane said.

Eskom wanted to effect transformation and allow other companies to benefit from its coal contracts.

Ngubane pointed out that Tegeta provided only 5% of Eskom's total coal supply. Eskom needed coal urgently and Tegeta said it could only open up a new coal seam if it received prepayments. All this was preplanned.

"Please stop believing the lies about this," Ngubane pleaded.

Eskom CEO Brian Molefe dealt with accusations that he was defending the Guptas and that Tegeta had become captured by the family. He said it was not correct that Tegeta had delivered substandard coal as alleged.

Eskom could not legally blacklist Tegeta without having valid reasons for doing so, Molefe said. This was required by the Public Finance Management Act and the Constitution. There were no valid reasons for not doing business with the company and they therefore had to be considered like all other companies wanting to do business with Eskom.

The Guptas had not been found guilty of anything by a court of law, Molefe said.

Eskom chief financial officer Anoj Singh said the prepayments made to Tegeta were not unusual and historically had been part of Eskom's business practice. It had made significant upfront payment for capital investment by the big coal-mining companies.

Singh said Tegeta did not ask for the prepayments. At the time Eskom was experiencing supply constraints during winter. In return for the prepayments it asked Tegeta for a 3% discount on the cost of the coal. Tegeta provided adequate security for the prepayment, which had been repaid in full by August 12 this year.

Molefe said Eskom had been ready to supply the Treasury with the requested information for months but understood that the Treasury required that it be endorsed by the Eskom board before it was handed over. As the board has scheduled meetings — the next is in September — the executives held on to the information and only handed it over this week at the request of Public Enterprises Minister Lynne Brown.

Molefe insisted that Eskom always intended to comply with the Treasury's request "to the T".

<http://www.bdlive.co.za/business/energy/2016/08/31/eskom-does-things-by-the-book-and-has-nothing-to-hide-ben-ngubane-says>

'I'm captured by the Constitution, not the Guptas'

Chantall Presence, Independent Media, 31 August 2016

Eskom group chief executive Brian Molefe on Wednesday rejected accusations that he was corrupt or captured by the Guptas, the influential Indian family said to have close ties to President Jacob Zuma, instead insisting he was captured by the Constitution.

While briefing MPs in Parliament, Molefe was put in the hot seat by MPs on his relationship with the Gupta family and accusations from National Treasury that the power utility had failed to cooperate with a probe by chief procurement officer Kenneth Brown into Eskom's contracts with coal suppliers, including Gupta-controlled Tegeta Exploration and Resources.

"The fact that I have met the Guptas and I know them, I shook their hands and I've had a conversation with them does not make me corrupt, I'm sorry. We need more substance than that to prove that I'm captured and corrupt and I would contest that I'm captured or corrupt," he said, explaining his relationship with the family.

Gossip and innuendo

He added that he had met business tycoons Johnathan Oppenheimer and Johann Rupert and found them both to be likeable.

"I don't know what people expected me to have said – I have never met them and I hate them and in fact tomorrow I'm disconnecting their electricity. I think everybody would be happy with me then. Unfortunately my job is not like that."

Molefe said allegations against the Guptas were merely "gossip and innuendo" and as long as the Guptas were not found guilty of any wrongdoing, Eskom could not merely stop doing business with them.

"Until we can get a reason to blacklist them, I'm afraid if they bid for a transaction, if they apply to do work with us, we have to consider them like everybody else and that is required of us by a document no less than the Constitution," he said.

"I don't know that by saying so that makes me a captured person. Perhaps I'm captured, but I am captured by the Constitution, not by the Guptas."

Eskom board chairman Ben Ngubane was also asked directly about his relationship with the Guptas and whether his appointment was preceded by a meeting with the family.

A visibly perturbed Ngubane replied: "I had nothing to do with the Guptas or anybody else in terms of coming to the board of Eskom. Now, to be publicly impugned as if one is a lackey. I don't need to be a lackey. I have served this country with distinction...so I reject with contempt this impugning my honour and my integrity."

He accused critics of trying to undermine public trust in the power utility.

"This campaign to kill trust in Eskom to actually portray us as if we are committed or we are bored or we are captured is nonsense. Please help us with this. The state was captured in 1948 when the nationalists came to power," Ngubane said.

40 years of state capture

"We have contracts at Eskom that have lasted 40 years which was approved by the Nationalist Party government giving huge prepayments, billions of dollars, to the Anglos, to the other companies which were mining coal – the five coal suppliers to Eskom...Those shareholders are sitting in London, all over the place, have benefited on the sweat of our miners. They have benefited taking money from this country because of the state capture."

Ngubane said Tegeta made up only five percent of the coal supplied to Eskom and payments made to the company was nothing near what the power utility has had to pay the big five mining companies.

"The prepayments we have made are not even in multi billions like before but we needed coal urgently at the time...," he said.

"That was made because there were stations that were going to shut down and we had massive loadshedding. It was all well thought out. There was no funny tricks about it and please stop believing lies being told by other people about us."

SABS

Molefe rubbished reports in weekend newspapers that a draft National Treasury report had found that Eskom spent over R130 million on poor quality coal from Tegeta.

"The issue of substandard coal has absolutely no basis. That coal was tested at South African Bureau of Standards [SABS]," he said, adding that employees had been suspended for classifying the coal as substandard when in fact the SABS had found differently.

He confirmed to MPs that all outstanding information required by Treasury for its probe into Eskom's coal supply contract with Tegeta was provided.

"I can confirm that the documents were delivered to Treasury. They have been signed by someone at Treasury as received. This [Wednesday] morning, the CFO [chief financial officer] wrote a letter to Kenneth Brown to ask if there's anything outstanding," said Molefe.

Molefe denied not cooperating with Treasury, saying the information requested by Treasury in April was ready, but had not been signed off by the board as required by Treasury. The next board meeting was only scheduled for September, he said.

“We were supposed to wait for the board to consider the information. We were shocked and perplexed to read in the Sunday Times we are not cooperating.”

<http://www.iol.co.za/news/politics/im-captured-by-the-constitution-not-the-guptas-2063149>

International

Rousseff Deposed by Brazilian Senate

Morning Star [UK], 1 September 2016

Brazil’s senate voted for the impeachment of President Dilma Rousseff yesterday following a marathon all-night debate.

Senators and journalists crammed into the chamber for the vote, delayed as Ms Rousseff’s supporters insisted that the two issues at hand — her removal from office and a ban from public office — be considered separately.

Senators voted by a majority of 61 to 20 to remove Rousseff from office.

Workers’ Party Senator Humberto Costa argued that “The punishment is disproportional in relation to the crime she is accused of.”

The trial’s main charge of making illegal loans was torn apart by the senate’s own expert witness, while Ms Rousseff has admitted shoring up social spending using measures employed by many of her predecessors — which are not illegal.

Following Ms Rousseff’s 14-hour testimony on Monday, the Senate debated into the small hours of Wednesday before adjourning ahead of the lunchtime vote.

Senator Janaina Paschoal, who led the prosecution in Ms Rousseff’s show trial, wept crocodile tears on Tuesday night as she begged forgiveness for causing the president “suffering,” but insisted it was justified.

“The Brazilian people must be aware that nothing illegal and illegitimate is being done here,” she claimed in response to Ms Rousseff’s charge that the process amounted to a legislative coup.

Her defence lawyer Jose Eduardo Cardozo retorted that the impeachment was part of turncoat Vice-President Michel Temer’s bid to halt corruption probes that have implicated many in his own PMDB party.

“I will not associate my name to this infamy,” read a sign held up by one senator.

<http://www.morningstaronline.co.uk/a-3b1d-Rousseff-deposed-by-Brazilian-senate#.V8e4BfI9600>

Trade Union Strike on Sept 2: Common man set to be hit; check out how

Financial Express [India], 1 September 2016

Reiterating their countrywide general strike call, 10 central trade unions (CTUs) on Wednesday said that banking, insurance and road transport services would be the worst hit on September 2, while industrial clusters would also remain closed.

Reiterating their countrywide general strike call, 10 central trade unions (CTUs) on Wednesday said that banking, insurance and road transport services would be the worst hit on September 2, while industrial clusters would also remain closed.

Addressing a joint press conference, CTUs said that the power, coal, textiles, automobiles, ports & docks, steel, oil, defence production and education sectors would also feel the impact. As many as 15 crore workers are likely to observe strike on the day and 10 states would virtually observe a bandh.

CTUs had also given a strike call last year on September 2. BMS, the largest union, was among the convenors of last year's strike initially, but backed out following assurances from the government. BMS is not a party to the strike. But agitating CTUs claim though the top leaders of the RSS-affiliated union are not lending support, its cadres at the ground level would chip in.

<http://www.financialexpress.com/economy/trade-union-strike-on-sept-2-common-man-set-to-be-hit-check-out-how/363699/>

Comment and opinion

The legacy of Mama Ray

Terry Bell, Fin24, 1 Sep 2016

THERE were three interlinked and noteworthy events during the Women's Month of August, says Terry Bell in his latest Labour Wrap. He lists them as the 1956 anti-pass march, the 1946 African mineworkers' strike and the decision last week by the Food and Allied Workers' Union (Fawu) to withdraw from Cosatu and the ANC-led alliance.

He points out that the common denominator in these events, spanning more than half a century, is one woman: Ray Alexander Simons who died in 2004, but whose legacy seems still to be felt in the ranks of Fawu.

A founder member and first general secretary of the Food and Canning Workers' Union that became Fawu, she was also - although banned and restricted to the Cape - one of the regional organisers of the 1956 march. And although seven months pregnant with her first child, Mary, she was at the forefront in support of the 1946 strike.

Bell notes that she campaigned, almost to the end of her days, against what she saw as the collapse into bureaucracy, sectarianism and corruption of much of the union movement. In the East European accent she never lost, she would loudly declare: "No corruption, no cover-ups!"

It was with this slogan that she memorably ended her speech to the then crisis-racked Fawu conference in 1997. Bell notes that the 84-year-old "Mama Ray" tore into a union hierarchy that had got itself enmeshed in a mess of commissions and the buying and selling of Krugerrands.

“The union is yours,” she told the conference delegates, adding that although the ANC had inherited “a corrupt government”, Fawu members had not inherited a corrupt union. She was underlining the fact that she and the early builders of the union had tried to leave a legacy of accountability and democracy.

Bell says this was highlighted by another of her regular instructions to trade unionists: “Never confuse union money with your own.” These instructions and this legacy, he maintains, may again be coming to the fore with the decision of the majority of Fawu members to distance themselves from the confusion and contradictions of the party politics of Cosatu.

<http://www.fin24.com/Economy/Labour/InsideLabour/labour-wrap-the-legacy-of-mama-ray-20160901>

Cosatu’s following ANC into twilight

Editorial, The Citizen, 1 Sep 2016

Fawu – along with eight other unions – had opposed the 2014 expulsion of Numsa and was widely expected to join an alternative federation still in the pipeline.

Like the ANC, its alliance partner Cosatu is on the decline and is facing some of its worst challenges. And like the ruling party, the once mighty trade union federation’s nightmares are self-inflicted.

Instead of advancing the interests of the workers, Cosatu and its affiliates turned themselves into a political party, captured by the ruling elite.

This is one of the reasons why Cosatu-affiliated unions are losing membership at an alarming rate to rivals such as the Association of Mineworkers and Construction Union (Amcu). So severe is the loss of membership that Amcu has toppled Cosatu’s National Union of Mineworkers (NUM) as the majority union at platinum mine Lonmin.

Many disgruntled members who dumped their unions for others, such as Amcu, have voiced their dissatisfaction with the union leaders, accusing them of being too close to management and too willing to compromise on workers’ demands. Members have attributed this to the close ties their unions have with the ruling party, which they say compromises unions’ independence.

Adding to Cosatu’s woes, was the loss of its biggest affiliate, the National Union of Metalworkers of SA (Numsa), a bitter split which cost the labour federation more than 300 000 Numsa members and about R1 million a month in affiliation fees. Now another union, the Food and Allied Workers’ Union (Fawu), has filed divorce papers with Cosatu.

Fawu – along with eight other unions – had opposed the 2014 expulsion of Numsa and was widely expected to join an alternative federation still in the pipeline.

The chickens are coming home to roost now for the once-feared Cosatu as it pays the penalty for allowing itself to be hijacked by the ruling elite. The involvement of unions in the factional politics of the ruling party has let down workers as the unions have for years neglected their plight.

It can't be denied that labour played an important role in bringing democracy to SA. But unions have to concentrate on labour-related matters and leave politics to political parties.

<http://www.citizen.co.za/1271646/cosatus-following-anc-into-twilight/>
