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MEDIA RELEASE

TRANSNET PORTS: PRIVATE SECTOR PARTICIPATION (PSP)

The United National Transport Union (UNTU) and SATAWU met with Transnet Management at the Port of Elizabeth on Monday, 03 June 2023 and Tuesday, 04 June 2023 to discuss the proposed Private Sector Participation (PSP), these discussions were aimed at obtaining the long outstanding information that has been requested by both Labour Unions throughout the consultation process.

The meeting was attended by UNTU Leadership comprising of the Vice President, Wielligh Meyer, Executive Councillors Carestone Damons, Clayten du Plessis, General Secretary, Cobus van Vuuren, Deputy General Secretaries John Pereira and Mandlakhe Zondo, and several UNTU's Full-Time Union Representatives.

UNTU has repeatedly expressed to Transnet Management that Recognised Labour and the concept of "meaningful consultation" have been undermined since the beginning of the engagements and throughout the engagements regarding the incorporation of Private Strategic Partners into the Transnet Ports.

While Transnet Management has invited Recognised Labour to several meetings to discuss PSPs, Management has failed to hold meaningful consultations which involve, consulting in good faith, in a way that gives the interested and affected persons **ALL** the relevant information, and reasonable time and opportunity to make an informed decision regarding the impact of the proposed activities and carefully considering the views of all involved, in a manner that is conscious of all views expressed by those who stand to be impacted.

UNTU Leadership has at all times heeded the call by Transnet to sit down and engage on the PSP plan in the spirit of upholding the true meaning of a meaningful consultative process in honour of the *Labour Relations Act of 1995* and with the intention of influencing this process to ensure that the job security of members are not threatened at any point should Transnet or its shareholder (which is actually only Government) decide to implement PSP's.

It is clear to UNTU Leadership that the Government and any other external forces unknown to UNTU are willing to push for the involvement of the Private Sector Participation at Transnet Ports against all odds and with or without Recognised Labour. This is very apparent in the recent C101 berth saga in the Port of Ngqura which UNTU has exposed. UNTU's focus remains on ensuring that this process does not benefit any of the politically connected and of course prevent more "Gupta incidents", Transnet will not survive another attack like this putting the employment of more than 45 000 employment opportunities at risk! UNTU is of the view that Labour Unions in this case have a duty to ensure that Transnet delivers on its mandate to contribute to job creation, alleviate poverty in the communities it operates in, and enable economic growth as the custodian of ports and rails of this beloved country.

Up until now, Transnet Management has failed to answer key questions posed by UNTU Leadership pertaining to its PSP plans. These unanswered questions and issues include amongst many others:

- The analysis and results of the skills shortages within Transnet, especially if PSPs are implemented.
- They have failed to provide answers on what will happen to employees who do not meet the skills required for positions needed by a Strategic Private Partner.
- They have failed to indicate which employees will be transferred from Transnet to the Private strategic Partner and which process will be followed to determine this.
- There is no guarantee or indication of how the employees who will not be used by the PSP will be remunerated for overtime and shift allowance that they may not be able to earn if they are not deployed to the PSP's.
- There have been no organisational structures communicated or discussed so it is impossible to verify how many Transnet employees will be used to perform work under the PSP banner versus how many employees will not be utilised by the PSPs.
- Further to the above, there is no clear indication on what the employees that is not going to be used by the PSP is going to be doing if they are not required by the PSPs.
- There is no guarantee that there will not be retrenchments after 12 months of the PSP taking over the management of the ports.
- How the "modernisation" of the Ports will affect the organisational structures and staff complement.
- There are no answers on how the Board and the Exco of the two different entities (Transnet and the PSP) will be structured and function, if they are both functioning independently it is a duplication of structures and naturally it has a massive cost impact.
- The issues around how the relationship between Transnet and the PSP will look regarding personnel related matters such as performance management, disciplinary action, etc.
- There is no indication of how much money the PSP will inject into Transnet, no timelines regarding when these injections will take place and where such would take place.
- The current asset value of the individual ports and how the PSP will increase such asset values during their "concession periods".
- At what costs Transnet will have to reimburse the PSP at the end of the "concession period" for their investments.
- There is no written proof of the shareholding of the PSP, neither is there written confirmation on what such PSP's voting strength would be during Board decisions.
- What happens if the PSP is unsuccessful and does not turn Transnet and its woes around in a reasonable period?

The consultations that have been done thus far have not been done in good faith, nor has it been anywhere close to what should have been a meaningful consultation process. This whole PSP process has been shrouded in secrecy and vague unclear answers, clear from the non-disclosure agreements that had to be signed by Labour, even now, on the brink of an announcement of who the successful PSP provider is. It must be made clear.....Government is going to push through with the PSP and the further privatisation of State Owned Enterprises irrespective of Labour's constant objections on this, this is clearly evident from Government's White paper on the Rail Policy as published in March 2022 where it specifies that PSP's and Slot sales **WILL** happen and President Cyril Ramaphosa's announcements during the SONA speeches of 2021 and 2022 where he specifically makes mention of the Slots sales and the PSP implementation.

There are too many unanswered questions and too many little secrets.....Although we understand the necessity of cash injections into the failing SOE's, we must not forget who the **ONLY** shareholder in the SOE's is.

UNTU is not convinced that the PSP's and Slot sales projects will save Transnet, neither are we convinced that the employees' jobs are safe, job security and job creation stays and will stay at the forefront of Labour's intent. The PSP's is not the "silver bullet" that it is made out to be..... it will not resolve the corruption, cable theft, sabotage, lack of spares and equipment to fix the failing infrastructure and the inefficiencies, neither will it resolve the fact that the Management structure of Transnet is over-inflated, in fact, it would exacerbate it due to the duplication of Management structures.

UNTU Leadership will not sign any agreements pertaining to PSPs until Management shows transparency and addresses the myriad of outstanding issues, information and burning unanswered questions.

Issued by UNTU Media Liaison and Communications Officer, Atenkosi Plaatjie on behalf of General Secretary Cobus van Vuuren. For UNTU press statements phone Atenkosi on 067 994 7081 or email atenkosi@untu.co.za

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