

78 May 2016

## **FRE dispute update ...**

### **a message from your Chairperson, Lynette Roodt**



Dear members

NTEU received the **Ombudsman's initial recommendations** regarding the dispute on the FRE component of the salary increase formula on 10 May 2016. It was clear that the contract needed to be honoured as illustrated in the extracts from the Ombudsman's report in *italics* below :

*"In essence, our submission is that the current Agreement must be complied with to avoid unnecessary costly legal proceedings, where the prospect of success is minimal and to avoid erosion of trust between the parties, an essential ingredient for the negotiations due to start forthwith."*

However, it also stated:

*That the CPI related increase be confirmed in respect of the current and future FRE Agreement/s;*

*That the FRE performance related percentage be paid in cash for the period under consideration (period ending on the 30th April 2016);*

*That the performance related (FRE) percentage be re-negotiated for the period commencing May 2016, taking into account such matters as affordability, financial challenges, unexpected and unplanned expenditure incurred.*

#### **NTEU responded:**

For the record we need to advise that we cannot agree with the indication that "the FRE performance related percentage be paid in cash for the period under consideration (period ending on the 30<sup>th</sup> April 2016)". The Conditions of Service Agreement makes provision for a Salary Formula (COLA and COLE component) and changes a staff member's position in their scale. Once-off payments were not envisaged as part of the agreement and we can therefore not agree with that interpretation. Once-off payments only apply to those on the top of their salary scales. We trust that this was only an oversight and that the NMMU will honour the 2015 R and R FRE agreement as agreed to between NMMU and unions on 12 May 2015.

Thereafter the Ombudsman did a **revised submission** to the initial recommendation which NTEU received on 17 May 2016. It reads as :as illustrated in the extracts from the Ombudsman's report in *italics* below :

*"It has now come to light that there is a disagreement as to the interpretation and the manner of application of the FRE.*

*... continue on page 2*

## **Contracting for the 2016 Cycle**

At a meeting between Management and the unions last week, Management advised that they would be **encouraging staff** to contract before 30 June 2016. NTEU obviously objected to the contracting for a new cycle as parties have not started negotiations with respect to a FRE Reward and Recognition Agreement for the FRE 2016 cycle as yet.

NTEU's stance remain that staff cannot be forced to complete FRE contracts (WPA) for 2016, till the R & R model for 2016 is finalized.

Management said that they would not be able to take disciplinary action against staff for not contracting seeing that there is no agreement in place.

Difficult times indeed, but we're trusting that NMMU will come to the party to negotiate a Reward and Recognition Agreement for the next cycle soon. We will keep members posted.

## **FRE dispute update continues...**

*In essence these Unions are of the view that the FRE must be interpreted and applied to the effect that the percentage determined in terms of the FRE for the period in question, which expired on 30 April 2016, must be applied going forward for the entire duration of the employee's employment with the University.*

### *Submission*

*13. For avoidance of ambiguity and confusion this matter must be concluded on the basis*

*of the Agreement and the intention of the parties at signature, viz;*

*13.1 the payment of the CPI related increase in respect of the current and future FRE Agreement/s.*

*13.2 the FRE performance related percentage for the period under consideration i.e. 2015, be paid in accordance with the stipulation contained in table 4.3 of the signed Annexure to the main contract dated 12 May 2015, referred to as Document 3.*

*(i) Those employees who are at the maximum of their scale must be paid a once-off bonus calculated as percentage of their annual salary.*

*(ii) Those employees who are not yet at the maximum of their scale must receive an incremental adjustment to their annual salaries as at 01 May 2016 which amounts to COLA plus a percentage of their annual salary; as per the performance assessment referred to in Document 3.*

*14. In the end should any of the parties not disapproves these recommendations, such party is at liberty to refer this matter for arbitration. In such case and in view of our expressed views in this matter which are not necessarily binding and as per the Dispute Resolution clause of the Agreement between the parties, we shall recommend an Independent Arbitrator who has no prior involvement in this matter."*

**NTEU** informed the Ombudsman this morning that we are in agreement with the revised submission.

Management informed the Ombudsman this morning that an independent arbitrator be nominated to finalise the process. It appears that Management is not in agreement with the revised submission of the Ombudsman. This is regrettable as it will prolong the process.

## **Institutional Consensus seeking process**

The Consensus Committee meeting will in all likelihood take place on 8 June 2016.

Their brief is to ensure consistency across the entire university, managing the quality application of FRE and managing risks associated with instances of inconsistent application.

NTEU earmarked two representatives for this particular committee meeting, one from the PASS grouping and another from the Academic grouping.



# **Beyond frustrated? Join the club...**