



**ALLIANCE
Of
Communication Workers Union
&
South African Communication Union**



Dear Colleagues

Strategic briefing session with Siphos Maseko held on 28 August 2018 in Centurion

As communicated in the previous broadcast we met with Telkom Group GCEO, Siphos Maseko, to discuss the various concerns from Organised Labour as well as to receive feedback on the communication in the media about the ICASA rulings.

Siphos Maseko started the meeting by raising his concerns regarding ICASA's recent announcement on the call termination rates and the perceived effect thereof. He went on to say, as was communicated in the media, that Telkom will be challenging ICASA, and that Telkom.SA has a formidable legal team in place to counter the effects that the ruling would create. He went further saying that the proposed new regulations, if left unchallenged, would lead to serious job losses in Telkom.SA and its subsidiaries.

Present at the GCEO briefing session were the Chief Executive of Human Resources, Melody Lekota, Chief of Employee Relations Alfie Ngubo, and GE remuneration, JC Smit.

After this session Melody Lekota informed Organised Labour that in addition to the GCEO concerns

and challenges management are tentatively strategizing to offer VSP/VERPS throughout the company.

Labour's response was that we should be open and transparent during these sessions. A short break was taken, and on their return Melody Lekota informed the session that Employee relations told her that their proposal might create an incorrect interpretation of what she had just shared regarding the packages. Melody went on to say that she was just informing Organised Labour and that the company does not intend to engage with the Alliance on the Voluntary retrenchment issue because it is the company's prerogative to offer packages. This is clearly gross ignorance of the rights of employees in term of the relevant sections of the Labour Relations Act and the rights of the respective Social Partners that are side-lined in this intended process. One example of this kind of behaviour, intended or not, can be seen in the disrespect between the company and the employees, even those in management, who were transferred from Telkom to BCX.

The company was reminded that they offered a unilateral 3% increase based on the 50th percentile no less, to employees, side-lining the negotiations. Their contention at the time was that if the increase was more substantial it would lead to job losses. Organised Labour then declared that the GCEO is challenging ICASA by using job losses that will follow if that the new termination rates are implemented

We also said that the media broadcast mentioning Telkom as the biggest employer counteracts this strategy of offering Voluntary Packages. It rather seems that offering the voluntary retrenchment packages is the only true strategy which was manifested in all of the communications.

After a long debate on the matter, agreement was reached that the rationale for offering voluntary separation packages will officially be shared in a future discussion with the Alliance.

It is shocking to see the hypocrisy of Telkom management arguing in the media that the ICASA ruling is going to be cause of job losses, yet nothing is being implemented. It is our considered view that Telkom is actually attempting to shed jobs in a hurry, which is re-enforced by their strategy of engaging ICASA with this apparent Legal "dream Team".

Termination Rates:

ICASA glide path period where a charge for terminating a call on mobile and fixed location would be **12c and 8c** respectively, from October 2018 to September 2019; **10c and 5c** for the period October 2019 to September 2020; and **9c and 3c** from October 2020 onwards. Telkom was a 50% shareholder of Vodacom, from 1994 until 2008.

CLICK:

A discussion was held where the COO Lucas Ndala explained that most of the discrepancies are being addressed as the program is already implemented. He also indicated that the commercial NGN system is withholding orders and faults and it is not the CLICK system.

Lucas went further indicating that a subject matter expert who previously assisted TELSTRA with their CLICK roll out, had been appointed to assist with the tweaking of the system as well as any anomalies.

Organised Labour categorically reminded Lucas that there is a serious disconnect in the communication between Management and the techs in respect of concerns relating to defects in the CLICK process. Employees are uncomfortable to raise any anomalies or concerns due to the fact that they get targeted and disciplined if they complain over any aspect of the CLICK drive. This is clearly not conducive to the required success of CLICK in the operations.

Management agreed to provide the relevant parties as well as Organised Labour a regular detailed update in future because we indicated that the system is a compliance system, yet employees are measured on productivity. The system will definitely influence the performance of employees.

We have attached application forms for easy reference in joining the Alliance (CWU & SACU)

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