MEDIA RELEASE **Strike looming at Department of Trade, Industry and Competition**

DATE 19 October 2021

EMBARGO None

Enquiries communication@psa.co.za

The Public Servants Association (PSA), the majority Union at the Department of Trade, Industry and Competition (DTIC), is mobilising its members to down tools, which will affect a range of services to the public. This comes after extensive engagements with the DTIC on the non-payment of performance bonuses for the 2019/20-performance cycle. It is unfortunate that this is occurring at a national government department, which strangely received a clean audit despite violating legal principles pertaining to the law of contract applicable to performance agreements.

Some 259 employees, of whom the majority are women, qualified for 2019/20-performance bonuses. The DTIC in 2020 reported in the Departmental Bargaining Chamber that it was on track to pay, however, when payments had to be processed the accounting authority issued a letter, indicating a unilateral decision without consultation to terminate the benefit. The PSA declared a dispute and at conciliation the reasons given by the DTIC for not approving the payment of bonuses were different, namely budgetary constraints. However, since in accordance with the DPSA directive, the 0.75% budget would have been ring fenced long before the onset of the pandemic, it was unclear to the PSA what happened to the money. The PSA challenged the DTIC's reasoning by requesting the DTIC's audited financial statement since the DTIC had budgeted 0.75% of its remuneration budget for the payment of these bonuses.

At the second conciliation meeting, the DTIC did not honour the agreement reached at the previous conciliation to present the financial statements. Instead, it made an offer to pay the bonuses at 0.5% of the remuneration budget. The DTIC failed to provide clarity or assurance to the PSA that in signing the settlement agreement, employees who are eligible for 2020/21 bonuses will not be negatively affected by the offer. Based on this, parties reached a deadlock on the said issues, since the DTIC should pay according to the 0.75% that was budgeted for in accordance with the DPSA directive.

The PSA is in consultation with its perturbed members who have already confirmed a willingness to embark on industrial action since as they are of the view that there is no respect for the law of contract at the DTIC, and no sound discipline pertaining to required procedures for changing terms and conditions of employment. The members fear that should such abuse of power continue, their other benefits are also at risk of being unilaterally changed or terminated without consultation.

Once the mandating process is completed, the PSA will serve the DTIC with a notice of intended action. Should the DTIC not move from its current position, services such as the payment of grants, financial support to DTIC business beneficiaries, grants related to the Economic Relief Package for the recent looting in KwaZulu-Natal and Gauteng, payments to creditors as well as the submission or acceptance of COVID-related incentive support are some of the services that will be affected by industrial action.

END