



**TO: ALL SABC EMPLOYEES**

**DATE: 29 OCTOBER 2018**

**NOTICE OF POSSIBLE JOB REDUNDANCY / RETRENCHMENT AND NOTIFICATION IN TERMS OF SECTION 189(3) OF THE LABOUR RELATIONS ACT 66 OF 1995 ('THE LRA')**

As a result of the reasons outlined below, the SABC is currently contemplating a process of restructuring which will have a direct effect on, and consequence to, the entire operational and organizational structure of the SABC, and the positions occupied by employees therein.

The current dire financial position of the SABC is well known, and a matter of public record. It does not matter what the cause of this may have been in the past, as the current reality is that unless drastic measures are taken to try restore the financial viability of the SABC, it would as an organization simply not be financially viable going forward. Added to this, a number of irregular and unlawful operational decisions made by former senior executives need to be remedied.

The SABC has already embarked upon several cost cutting measures, but there is simply no manner in which a complete organizational wide restructuring and reduction of positions can be avoided, and with it, the issue of possible retrenchments are regrettably contemplated.

From the outset, we must reiterate that no final decision has as yet been taken in this regard nor will any final decision be taken in the absence of full and proper consultation with employees and/or representatives. The SABC, in the light of the reasons set out below, has a preliminary view, and any final decision will only be made after due and proper process has been exhausted.

The purpose of the consultation initiated by this notice is to achieve consensus on all the issues as referred to in this letter, and in order to comply with the requirements of Section 189 of the Labour Relations Act.

It is also specifically conveyed to all affected parties that this is an instance where Section 189A of the LRA will apply, and as such, the SABC will opt for facilitated consultation by the CCMA under these provisions. A facilitation request referral will be made along with the issuing of this notice.

**1. REASONS / RATIONALE FOR RESTRUCTURING**

- 1.1 The SABC is currently in dire financial straits. The particulars of this precarious financial position is a matter of public record, and has been conveyed to the employees, organised labour, Shareholder, the Parliamentary Portfolio Committee and other

key stakeholders. . If required, detailed information in this regard will be provided in the course of the facilitated consultation proceedings. The situation has been further exacerbated by the fact that the SABC has been unable to secure government guarantees and external funding from financial institutions for its operations.

- 1.2 In addition to the above difficulties, it has been discovered that under the auspices of the erstwhile management of the SABC, there has been many instances of unlawful and irregular promotions and increases afforded to employees, resulting in an inflated remuneration cost and the payment of salaries to employees that are not commensurate to the actual positions occupied by employees. The SABC is also overstaffed, considering its actual operational needs.
- 1.3 As a result of all of these reasons, it is needed to drastically reduce operating costs in the SABC, and with it the abolishment of a number of positions, which is dealt with later in this notice. It is also needed to re-evaluate the entire organizational structure in the SABC, so as to determine the proper remuneration and duties and responsibilities associated with all remaining positions.
- 1.4 Accordingly, it is contemplated that the above will result in the redundancy of a large number of positions, and the restructuring of others. This exercise will affect all employees in the SABC, and once implemented, should result in a cost saving of close on R440 Million to the SABC even at this preliminary stage.
- 1.5 In short, the proposed restructuring is thus for both economic and structural reasons.
- 1.6 All employees and/or representative trade unions are invited to provide representations and submissions during the facilitated consultations to follow on all the issues raised above.
- 1.7 Where it comes to the sharing of information on these issues, it is proposed that all requests for information be submitted in the course of the facilitated consultation proceedings, where such requests can be properly assessed, discussed, and the issue of disclosure thereof decided. This notice only serves to notify all affected parties of the core rationale for the restructuring, and this notice is not intended to constitute a detailed analysis of it.

## 2. ALTERNATIVES TO BE CONSIDERED BEFORE PROPOSING DISMISSAL

- 2.1 The preliminary view of the SABC is that there simply does not appear to be any alternatives available. All other reasonable means of cost cutting has been exhausted. In this regard, the SABC has to date managed to secure supplier and budget cost

saving of close to R60 Million, but this is still completely insufficient to avoid restructuring.

- 2.2 The SABC has further resolved to end the contracts it has with approximately 1 200 freelance employees (independent contractors) to further reduce possible retrenchment of employees.
- 2.3 Despite these efforts, all that remains is unfortunately the current staffing and positions in the SABC, as the final avenue of cost reduction open to the SABC.
- 2.4 Should employees, however, have any proposals regarding alternatives to avoid any redundancy or possible retrenchment, we welcome these proposals, and urge employees to propose the same in the facilitated consultation process to follow.
- 2.5 The SABC may be willing to discuss voluntary retrenchment packages for any employees that may wish to volunteer for and then accept retrenchment. This will however be done on a one on one basis with volunteering employees, and will always be in the sole and absolute discretion of the SABC. This issue will also be dealt with in the facilitated consultation process.

### 3 EMPLOYEES AFFECTED

It is envisaged that all employees and at all levels in the SABC will be affected by the restructuring. This would include Group Services, Provincial Operations, Commercial Enterprises, Media Technology and Infrastructure, News, Radio, Sport and Television. At this stage, and should retrenchments be necessary, it is envisaged that 981 (nine hundred and eighty one) employees may possibly be retrenched as a result of the restructuring, across all the aforesaid business units and operations of the SABC.

### 4 SELECTION CRITERIA

- 4.1 The SABC believes that it is essential, in order to ensure its recovery to financial viability, that it retains the services of the most suitably qualified, experienced and skilled employees in the remaining available positions.
- 4.2 As such, the SABC proposes a method of selection based on an objective assessment of the skills, experience, expertise and/or qualifications of employees. It is envisaged that the process of selection based on these criteria be conducted as follows:
  - 4.2.1 Employees indicate which of the available positions in the final structure they are interested in;
  - 4.2.2 Employees then be subjected to an interview process relating to these positions they have expressed an

interest in. The actual constitution of the interview panel and method of interview will be a topic for consultation in the facilitated consultation process.

4.2.3 Employees to be selected for placement in terms of the above process will be placed on the basis of the highest score awarded to employees in the process.

4.2.4 If all is equal in the application of the process, then LIFO will apply.

4.3 Employees are specifically informed that this method of selection envisaged by the SABC has not been finally decided. Employees are urged to propose, in the facilitated consultation process, any other basis of selection of employees for consideration.

## 5 TIMING OF RETRENCHMENT

It is intended that the consultation process be finalised by 31 January 2019. If termination of employment is then the end result of such consultation process, it is proposed that contractual notice of termination of employment be given with effect from 1 February 2019.

## 6 SEVERANCE PAY

6.1 Should the SABC have no alternative but to terminate services of employees, it proposes paying severance pay of 1(one) week's salary per completed year of service in accordance with the guidelines of the Basic Conditions of Employment Act.

6.2 If however a possible reasonable alternative to retrenchment arises from the consultation process, and such alternative position is unreasonably refused by an employee, it is recorded that an employee will forfeit his/her right to the payment of any severance pay, in accordance with the guidelines of the Basic Conditions of Employment Act.

## 7 ASSISTANCE

The SABC undertakes to provide all reasonable assistance that employees may request in the process, or as a result of any termination of employment, including, but not limited to a certificate of service, stating work category, length of service and reasons for termination of service, all outstanding monies in respect of leave pay, letter to creditors and/or possible references. The SABC will welcome any proposals from employees in this regard as well.

## 8 POSSIBLE RE-EMPLOYMENT

8.1 Any possible future re-employment is not envisaged by the SABC at this stage.

8.2 However, and should any suitable vacancies arise within 6 (six) months of termination of employment of employees, and should the same become necessary, the SABC undertakes to contact employees and invite employees for an interview for such position.

8.3 The SABC, however, does not and cannot supply a re-employment guarantee, and nothing in this letter can be construed as such.

8.4 In order to be contactable for any such interview, employees must keep the SABC apprised of current addresses and contact particulars.

## 9 NUMBER OF EMPLOYEES EMPLOYED

The SABC currently employs 3 376 (three thousand three hundred and seventy six) employees and 2400 freelancers.

## 10 DISMISSALS DURING PAST 12 MONTHS

No employees have been dismissed in the past 12 months due to operational requirements.

We fully appreciate that employees may be concerned and apprehensive about the possible consequences which the contemplated redundancy will have upon employees and we are committed to conclude the process as soon as reasonably possible. To this end we trust that we may rely on employees' co-operation to conclude the process as soon as possible and in a fair and proper manner.

Once the CCMA has appointed a facilitator, all parties will be advised of the date and venue of the first facilitated consultation meeting, which will be conducted under the guidance and auspices of the appointed facilitator. The facilitator would also be required to decide the process in which the consultations are to be conducted going forward.

Yours faithfully,



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**Madoda Mxakwe**  
**Group Chief Executive Officer**