

NOTES: Economic Cluster Media Briefing

Friday, 28 May 2020

GCIS Media Auditorium, Pretoria

Input: Minister TW Nxesi

President Cyril Ramaphosa has announced that the country will be moving to Alert Level 3 of the Lockdown from June 1, 2020. This means that a lot more people will be going back to work. In the face of the pandemic, there are important actions that need to be taken to make sure that we reduce exposure to COVID-19.

We have therefore – in consultation with all the social partners at Nedlac - drafted amendments to the directive issued on the 29 April 2020, when we moved to level 4.

In terms of the draft amendments, employers who will be reopening their businesses in terms of Alert Level 3 will be required to do the following:

- **appoint a COVID-19 compliance officer,**

- **undertake a risk assessment of the workplace,**
- **and develop a plan for the return to work.**
- **This must be done before re-opening their businesses - in consultation with representative trade unions and health and safety committees.**

Key draft changes are:

- The obligations of employers to employees who have comorbidities, or are over 60 years of age, have been clarified because of medical evidence that they are more vulnerable to COVID19 complications or death.
- Workers who have had close contact involving a high risk of transmission with a worker – or workers - diagnosed with COVID-19 must be placed on 14 days quarantine with paid sick leave. Department of Health guidelines set out the procedure for assessing the risk of transmission.
- The requirements that all persons must wear masks in the workplace and that each employee must be given,

free of charge, at least two masks are retained. The requirement to wash masks at work has been removed after feedback from trade unions.

- The draft Direction clarifies that employees have a right to refuse to work if they have a reasonable belief that the necessary precautions have not been put in place to prevent the transmission of COVID-19.

Where such disputes arise, employers should seek to resolve these as quickly as possible. If the dispute leads to a dismissal or other unfair labour practice, these cases may be referred to the CCMA (Council for Conciliation, Mediation and Arbitration.)

- The Direction also clarifies that employers may not deduct the cost of Covid-19 precautions from employees' wages or require them to pay for these.

These draft amendments to existing directives, will be finalised and published, upon approval.

We cannot overemphasise the importance of ensuring that employers – both public and private - mitigate the worst effects of the pandemic.

As the Department of Employment and Labour, one of the most important functions that we have to perform is to inspect workplaces to ensure healthy and safe working conditions. Unfortunately the Inspection and Enforcement Services Branch has seen low compliance, which, given the issues of the pandemic means that employers have to do more to ensure that their workplaces are safe.

Workplaces need to ensure that:

- the correct number of employees return;
- that office space and factory floors are in the desirable state; and
- that cleanliness and hygiene are top of mind with workplaces having been deep-cleaned and vehicles disinfected.

As indicated, the state of compliance leaves much to be desired. For example, in the inspections conducted on Monday this week of 72 workplaces, 44 of them were not compliant.

As a result, the inspectors served 6 prohibition notices, 37 contraventions, and 6 improvement notices - just on the one day.

We need to change behaviour in response to the dangers posed by COVID-19. This message has not embedded itself in the consciousness of many employers - according to what we see in our statistics.

The cumulative picture from 30 March to 30 May is not positive. In that period, a total of 332 prohibition notices were served, which averages out at about 9 prohibition notices per day. Out of the total amount of 3,844 inspections, 2,116 complied while 1,724 failed to comply.

The situation is now further complicated by the fact that at Level 3 of lockdown, many more manual workers will be returning to work – often working for smaller, less resourced employers. It is therefore critical, that all parties are alert and redouble efforts to safeguard the workplace against the spread of the virus.

We would expect every employer to jump at the opportunity of saving their company by protecting their key asset – their workers.

Inspections have been, and will continue to be, conducted in the public and private sectors. It pains me to announce that as we send our inspectors out to the workplaces, they are also affected.

As we speak, a number of our inspectors here in Gauteng are in self-isolation following one of their colleagues testing positive. We also have had one fatality of one of our workers who passed on as a result of COVID-19. Again, the lesson is clear:

- none of us is immune from the virus; and
- every effort must be made to ensure the health and safety of all workplaces.

Income support (UIF)

Since the start of the lockdown, the UIF has committed over R17-billion, and paid out just over R15-billion in COVID19 relief benefits to 3 million workers, through 200,000 employers and bargaining councils. These disbursements have been in lieu of salaries that could not be paid or as a top up where salaries have been reduced. Each of those 3 million recipients have families and dependents – greatly increasing the reach of the COVID19 benefit scheme.

We will continue to process the **April applications** as well as resolve outstanding queries.

Yesterday, we opened **May applications**, which we are currently processing. My apologies for the two-day delay

caused by a break in the fibre cable. This situation has now been resolved.

We believe that with the move to Alert Level 3, the financial burden on the UIF will be eased somewhat, as more and more people go back to work.

The Fund's primary responsibility – to pay ordinary UIF benefits to contributors – has not been interrupted during the lockdown, with some R2 billion disbursed to 280,000 claimants. We anticipate that ordinary claims will increase as unemployment increases in the wake of the pandemic. The UIF is preparing for this eventuality.

We are also committed to contribute to economic recovery and job preservation as required by section 5 (d) of the Unemployment Insurance Act. Labour Activation Programmes will remain a critical part of the mandate of the Fund along with other job creation programmes.

Looking to the future, serious discussions will be held at NEDLAC on the finalisation of the Comprehensive Social Security and Retirement Reform (CSSRR) Framework - a holistic approach to the provision of a social security safety net into the future.

The Compensation Fund will be expected to deal with compensation for COVID19 contracted on work duty. Already we have received 116 claims and we have already accepted liability for 108. The majority of claimants are females who represent 91% of the claims. The big numbers are from KZN with 63 cases (54%), followed by the Western Cape with 32 cases (28%) and Gauteng with 18 cases (16%) – with the majority of claims (83%) coming from healthcare practitioners.

Mitigation of the worst effects of economic meltdown (CCMA)

CCMA Offices (Council for Conciliation, Mediation and Arbitration) reopened for physical referrals last week and

we all witnessed the large numbers of people who came to our offices.

Physical hearings started from Monday 18 May 2020 and the offices opened for physical referrals – walk-ins - on Wednesday 20 May 2020 – resulting in increased volumes of referrals.

For the month of April, there were 1,682 referrals – mostly dealing with retrenchment applications and dismissals.

Between April 1 and May 27, the CCMA has received cases which in total affect 28,000 employees.

In an attempt to reduce the spread the Covid-19 virus, and the need for applicants to have to physically go to a CCMA office to obtain referral forms - **from the 8th of June 2020, the application and referral forms will be available electronically from the CCMA website or the #CCMAConnect App.**

Normal TERS

With regard to the Normal Temporary Employers/ Employees Relief Scheme applications – to support wages of employees in distressed companies - the CCMA has received 47 applications – which are currently being processed.

Productivity SA

To turn things around, the Department will, through Productivity SA, focus on enhancing the operational efficiency of companies facing economic distress to preserve jobs and mitigate the retrenchment of workers. This will include implementing Turnaround strategies to restructure and improve the competitiveness.

Our interventions will focus mainly on the small businesses operating in the informal economy, many of which are struggling to graduate from informal operations into established businesses, thus limiting their potential to create jobs.

OPENING OF THE DEPARTMENT LABOUR CENTRES:

On the 1st of June 2020, Labour Centres will open primarily to assist clients with queries and applications for Normal UIF Benefits as well as Covid-19 TERS Benefit queries.

The department encourages the use of their online services for clients to be serviced remotely and avoid over-crowding as well as the spread of the Covid-19 virus.

Clients should please note, a register must be maintained to capture details of all clients entering the building, their contact numbers and physical addresses. During this Covid-19 period, it is critical to have these details in order to conduct contact tracing, should the need arise.

The client service centres:

- will be re-configured to ensure social distancing.
- All clients must wear masks as they enter the premises to be served, and
- queueing should adhere to the 1.5-metre social distancing protocol – which will be clearly marked on the floor.
- All points of entry into the buildings will have hand sanitiser, disposable towels, waste bins and digital non-contact thermometers.

Thank you and stay safe.