

Newsflash!

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VC Addresses the 2022 Salary Negotiating Parties

The salary negotiations of 2022 started with two unprecedented events: organized labour came together as a collective to negotiate on the salary negotiations, and the Vice-Chancellor Prof Peter Mbatia came to wish the parties well in the course of the challenging engagements ahead.

On 14 March 2022, the Vice Chancellor of Sefako Makgatho Health Sciences University (SMU) joined the salary negotiations meeting to wish the parties well in their deliberations. He acknowledged that the mere fact that he is at this gathering is because something is definitely happening at SMU; there is a sense of renewal and hope, and the 'winds of change' are ushering a new era. Whether from Council or Management or Organised Labour or SRC leadership, there is a new understanding of what needs to be done to "reclaim the soul" of our University, and a recognition that it is not business as usual, and the full realization that all the pivotal stakeholders have a role to play to secure the future of the institution. This new interaction must be

premised on, and guided by truth and even where *parties agree to disagree*, it must be on the basis of honesty and truth.

The VC is committed, together with his Management team, to the welfare of all SMU stakeholders, especially employees and students. To provide an environment where there is dignity and pride, and even as we get into these difficult negotiations, which are emotional by their very nature, there must be mutual respect based on a common goal to ensure the sustainability of SMU. While he cannot be involved in the actual talks, since if deadlock is reached, he needs to be the arbiter on issues before they go to Council, his role therefore was to wish all the parties well. At the same time, he reminded the parties that they cannot forget who we are? He responded by saying: *We are a University, producing the highest quality training, which is our primary focus, guided by the core function of teaching, learning, research & innovation, and supported by an administrative team. If we say we are a University, we need to have serious discussions in respect of the*

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academic/admin ratio and the current skewing towards admin staff; understand the problems around structuring and aligning our vision to the need for more academics. Our South African university financing model is self-sustaining; your income must balance your expenditure, and the reality is that SMU is in a unique position as we cannot sustain our expenses; have a huge shortfall and we are close to a "fiscal cliff" since our fixed costs (salaries, and other support services" gobble close to 87% of our revenue, leaving Management with no room to prioritise other equally important activities such as much needed maintenance and gardening services.

At this juncture, the Vice Chancellor further wished to reiterate serious concerns raised by the Finance and Investment Committee of Council (FICC) in its meeting of the 10th of March 2022. The FICC were emphatic in their view that the current salary bill at 63% of total revenue as presented to the meeting was unsustainable and may need serious and "out of the box" interventions by Management in consultation with organised Labour. Costs such as overtime and part-time employees have become unsustainable and difficult to justify under the current funding regime.

He went on further to say that, the question then arises: If we are not self-sustaining, whose problem is it to correct this anomaly? Is it the VC's, CFO's; ED: HR; Organised Labour or students? The truth of the matter is that it is all OUR problem (management, employees, labour, staff) and we need to form effective strategic partnerships to ensure that ten (10) to (20) years from now the University will still be able to open its doors for the next generation. We have a responsibility to uphold the SMU dream and not break it. We have to be more efficient in the uses of our human resources, and to do this we must have robust and honest conversations.

In conclusion, he wished the parties well as they navigate the difficult salary negotiation space; recognizing that labour represents a constituency which wants a high increase; Management will present counter arguments, and somewhere in the middle, the parties need to meet each other. The University must continue to be a going concern, and must be sustainable and for this to happen, it will be because the parties took responsible decisions today. On this note, he thanked the Chairperson, Manager: ER for the invitation, and wished everybody good luck.

All parties thanked the VC for coming to wish them well.

