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Telkom Substantive Negotiations 1998 / 1999

PRESENTATION BY CWU

FEBRUARY 1998

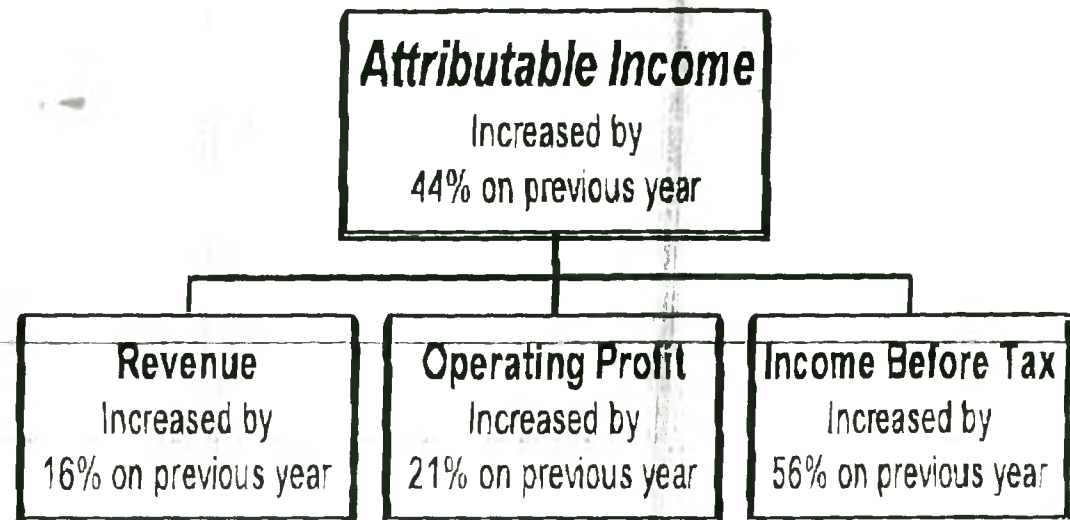
Company "Information"

Company Performance for **1st six months of 1997/98**

During the financial presentation of the company, the impression was created that the attributable income is unrealistic due to the fact that capital expenditure for the first six months were way below budget.

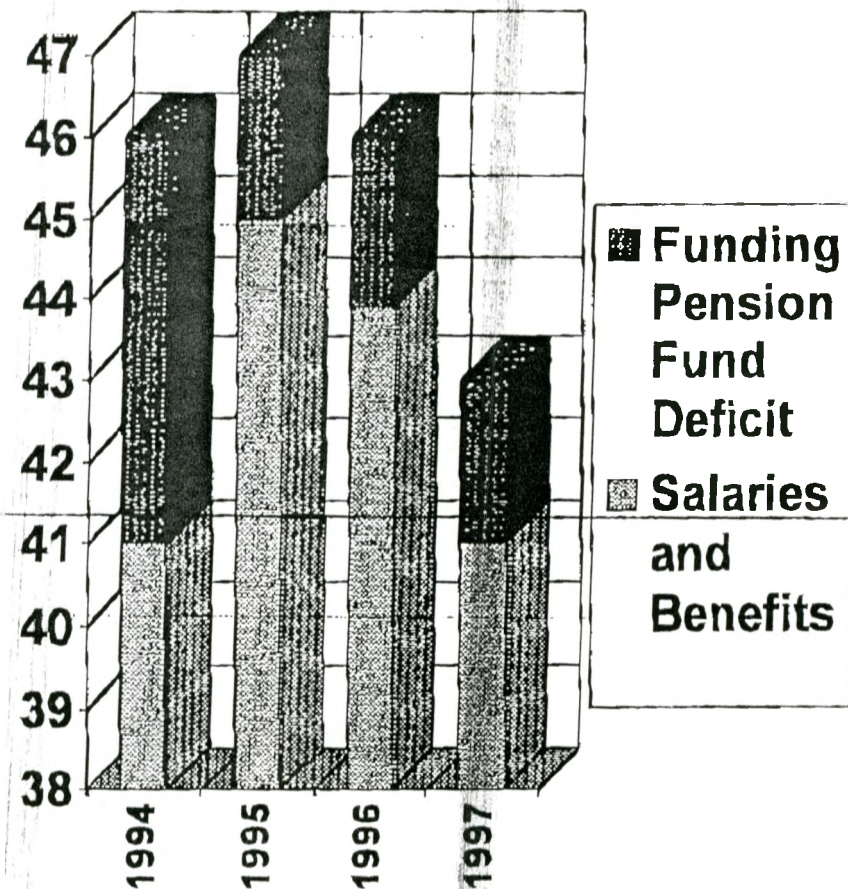
This is exactly what the company stated last year and our experience shows this not to be the truth.

CWU assumes that the year end figures will be at least close to the half year figures.



Staff Expenses

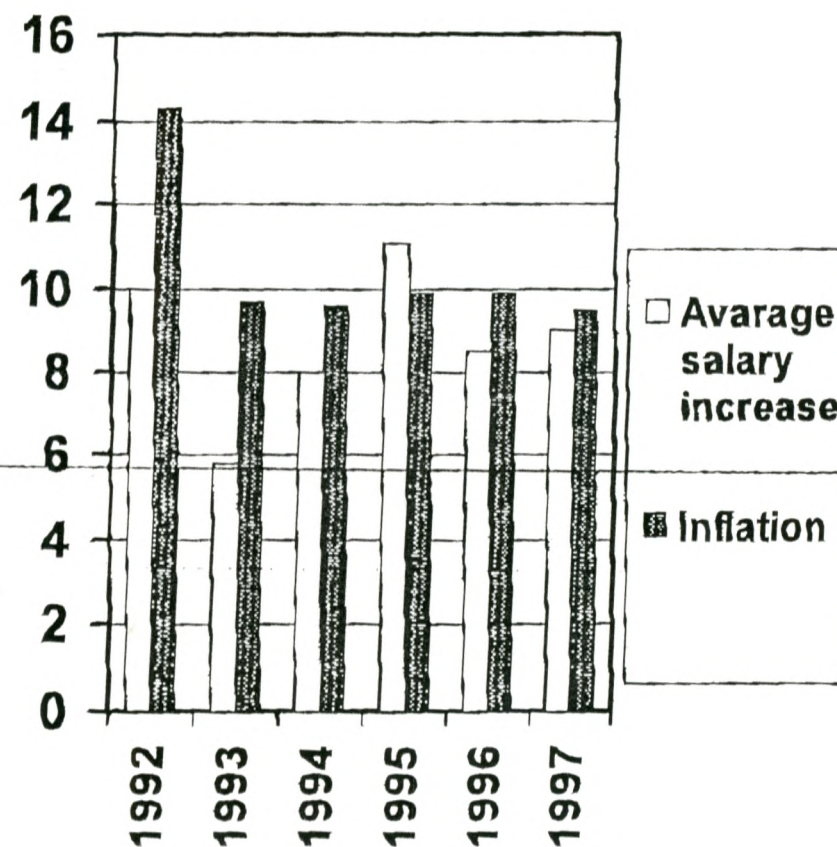
- If the company exclude the pension fund deficit, which workers neither caused nor had any control over, the picture looks quite different for staff expenses.
- In fact staff expenses in terms of salaries and benefits has consistently decreased over the last 3 years.



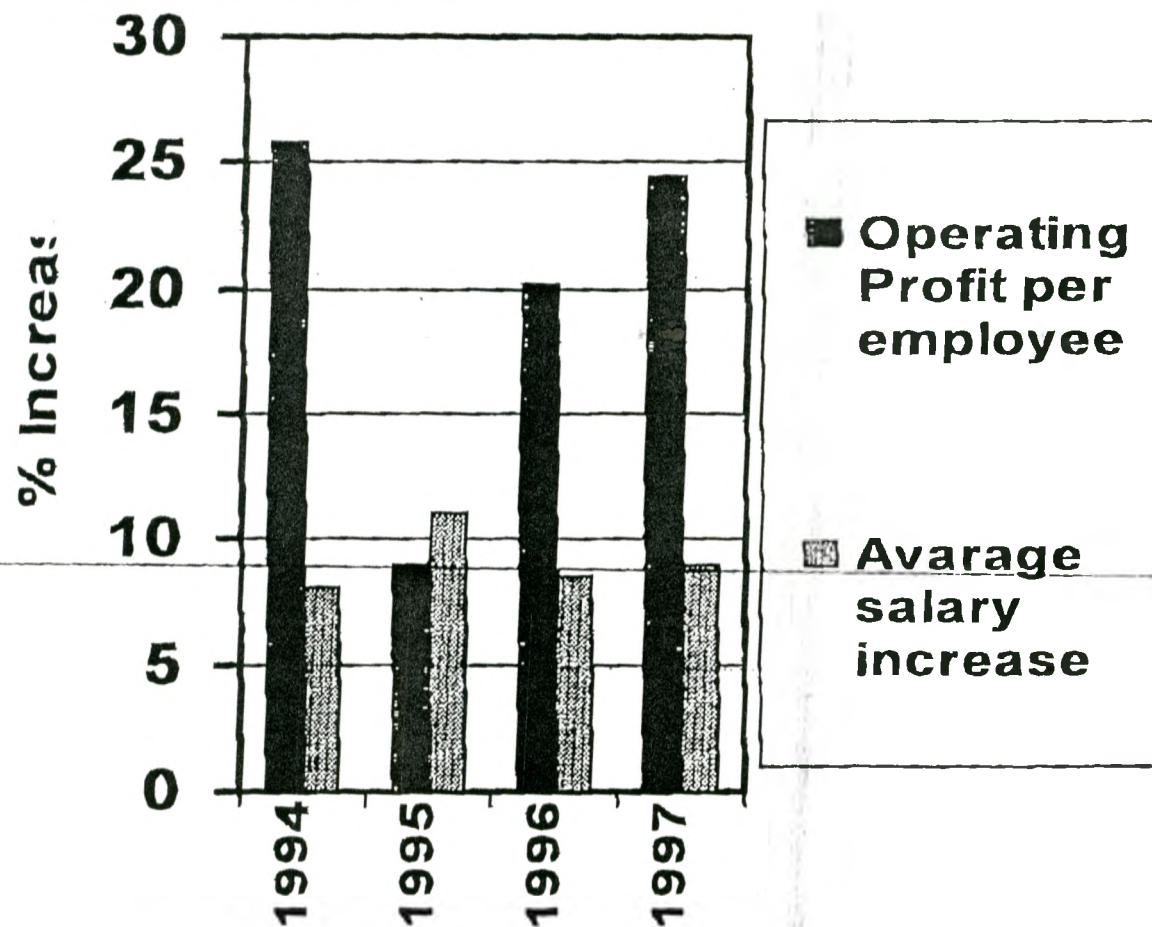
Salary Increases Vs Inflation

Rate 1992 to 1997

- As can be seen from the Graph, except for 1995 (1.2% above) the average salary increase was below inflation every year, which effectively means that employees had to consistently lower their standard of living over the last 6 years.

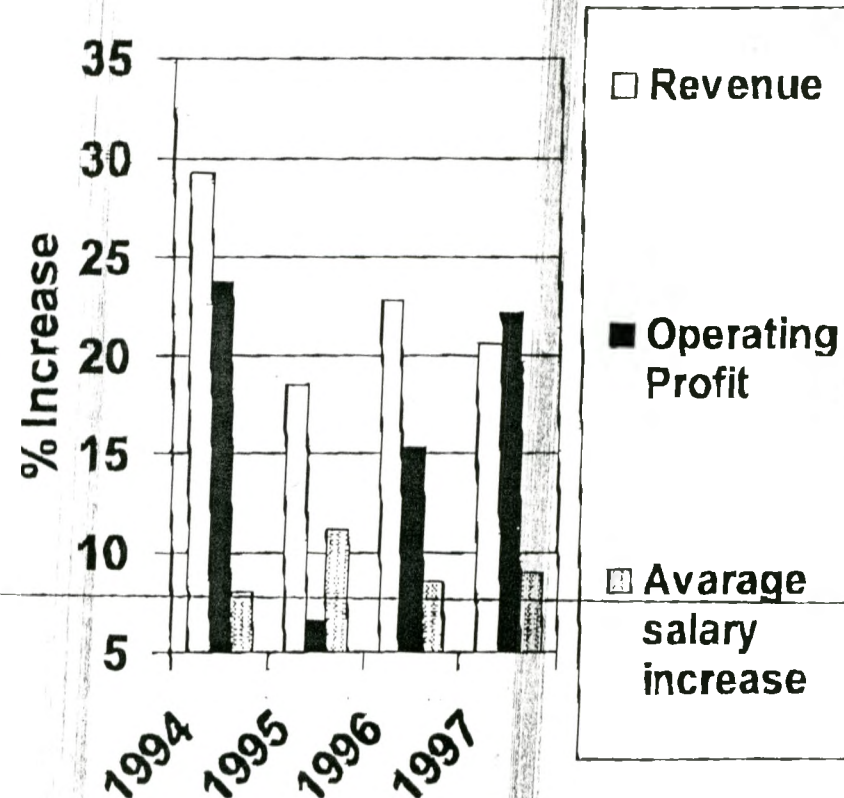


Salary Increases Vs Employee Performance 1994 to 1997



Company performance Vs Salary increases 1994 to 1997

- As can be seen from the graph, company performance (increase in revenue) has over the last three years far exceeded the increases granted to employees.
- The same holds true for increases in operating profit except for 1995.
- This pattern was also experienced in previous years.



Principles of CMMU Demand

PRINCIPLES

- The salary gap between the highest and lowest paid employee should be reduced
- Employee benefits should not be eroded.
- Salary overlaps between different levels must be reduced with the intention to totally remove this anomaly.
- The effect of Inflation and the company/employee performance should be taken into account for the % increase in salaries.
- Implementation date for this year's agreement to be 1 April 1998.

Demands of CWU

Employment Standards

Working Hours

- Working hours should be reduced to 40 hours per week for workers working in excess thereof, without any loss in salary.

Parental Rights

(Principles)

- Males and females have the right to employment and a normal family life.
- Parents have the right and freedom to responsibly decide on when and the amount of children they want to have.
- Due to the fact that workers contribute to the profit and growth of employers, thus ensuring their future, a similar responsibility lies with the employers to provide for the future generation.

Parental Rights

- Maternity leave to be increased to 12 months paid leave per annum. The decision should be with the expecting mother as to when this leave should commence, but should not be later than 4 weeks before delivery.
- Adopting and foster mothers should also be entitled to the same period of leave.
- In cases of a still birth the leave should be limited to 3 months.
- The jobs of employees on maternity leave must be guaranteed.

Benefits

■ The loan scheme should be changed to allow workers a maximum loan of R5000 repayable interest free over a 3 year period.

■ Conditions to be removed remunerated at the higher salary level for the full period that they act in this higher post.

Telephone Rebate

- The current free call units for staff must be standardised at 200 units per month per employee.

Demands

the necessary training have been ,
and that the necessary structures as
well as procedures are in place. An
agreement on implementation must be
signed between the company and the
union

Job Guarantees

- Employees' jobs must be guaranteed and the company should commit itself to creating more job opportunities for especially those disadvantaged under anartheid.

Salary Demands

Overlaps

- Overlaps where they exist must be removed completely over a 2 year period.
- As a first step employees earning less than the maximum on a specific level (eg. B5) should be moved to the maximum salary notch on that level.

Gain/Profit Sharing

- Profit sharing should be based on the performance of the company on the whole.
- A bonus must be paid to all employees based on an agreed upon formula
- This bonus should be the same for all employees irrespective of salary
- This could be done in various ways:
 - a. The company meeting its targets as agreed with government
 - b. The increase in profit (PBIT)
 - c. Company growth (balance sheet)

Salary Demands

■ Differentiated increases to be given to the different levels in the bargaining unit

■ R500 a.t.b. for all employees in B.U.

■ In addition

- D1 and above limited to 5%

- Supervisory levels 10%

- Operational levels 12%

- Auxiliary Levels 16%

Minimum Wage

R2500