

Press release

30 April 2024

## **TERS application for certain Post Office employees not recommended**

The Joint Business Rescue Practitioners (“BRPs”) announce that the TERS relief funding application has not been recommended by the Single Adjudication Committee.

The ruling, issued to the BRPs from the CCMA commissioner, follows a joint application by the Business Rescue team and relevant labour unions to the Single Adjudication Committee (‘the Committee’) to seek TERS relief funding for the Post Office’s bargaining unit staff.

Joint Business Rescue Practitioner, Anoosh Rooplal commented, “we are very disappointed with the unsuccessful application, as we were hopeful that the TERS funding would provide a temporary relief to the bargaining unit staff members, as the funding would have effectively been used to up-skill and re-train staff for possible job placements whilst still earning a salary. The Department of Communications and Digital Technologies had also offered to assist with finding placement positions for staff after their upskilling.

Rooplal continued, the funding could have assisted employees, while the business was stabilising and in due course growing. In time, potential positions could have been made available to affected staff at the Post Office.

As was noted in the application agreement, the withdrawal of the termination letters was conditional on the success of the TERS application and if not successful, as is the case now, the bargaining unit category of employees would revert to the current position and so be retrenched. This retrenchment impacts 4889 employees of the bargaining unit staff members.

“We tried our very best and acted in good faith, together with the unions, to make a final attempt to apply for TERS relief funding, to limit the impact on possible retrenchments and provide a temporary relief for the bargaining unit”.

“We are conscious of the turmoil that this application and subsequent rejection will and has caused the bargaining unit staff members and their families and for that we are deeply sorry”.

“Should the application have been successful, we believe that the outcome for the affected employees may have led to a better outcome for them and their families, even if it was only for a short period” concluded Rooplal.

ENDS

Louise Brugman 083 504 1186 on behalf of Joint South African Post Office ('SAPO') Business Rescue Practitioners (BRPs), Mr Anoosh Rooplal and Mr Juanito Damons

### **Notes to editors**

The Business Rescue Plan ('The Plan') that was accepted on 7 December 2023, noted

The approach in the Plan is to rationalise costs which are currently unsustainable and to assist in restructuring the Post office into an efficient and future-proofed business. SA Post Office's financial sustainability is a critical concern that demanded attention. The Post Offices' costs have consistently exceeded 200% of its revenue since FY22. Employee costs accounted for 150% of revenue, with inadequate investment into IT systems, fleet management, mail processing centres, depots and the branch network.

After an extensive analysis of the employee base, the Plan proposes to right size the business through the retrenchment of approximately 6 000 of the 11 083 (31 Oct 2023) total employee base. This action will reduce the annual employee cost by approximately R1.2 billion.

The organisation however lacks skills and the leadership, management, and technical expertise across the business. This needs to be appropriately strengthened and developed, which is necessary to drive a culture change towards a high-performance organisation.