

Progress on Paarl Media fire

Following on its statement earlier this week about the tragic fire on its premises, representatives of Paarl Media Group, the Federation of Unions of South Africa (FEDUSA) and the South African Typographical Union (SATU) met on 24 February 2010 in Paarl for discussions.



They considered the findings of the specialists who investigated the fire that occurred at Paarl Print on 17 April 2009, the subsequent payments to the families of those affected by the fire and the rebuilding of Paarl Print as a viable, long-term business.

The Department of Labour investigation begins 1 March 2010 in Paarl, where the relevant specialists involved in the investigation will be available to testify at the inquiry as and when required by the presiding officer. This will facilitate a transparent process and enable the company and other employers to take appropriate action to prevent a reoccurrence.

Compensation

FEDUSA and SATU thanked Paarl Print and its shareholders for the financial support afforded to the injured and the families of the persons who lost their lives in the fire. The company reacted immediately to assist families by making a payment of R10 000 to each family and by contributing a further R10 000 to each of the deceased's families to carry funeral costs.

A Third Party Fund was also immediately established after the fire to allow members of the public to contribute financially to assist the affected families and the individuals injured in the fire. The Third Party Fund of approximately R1.4 million has already been paid out in full in the form of payments to the families of the deceased as well as employees who were hospitalised.

The unions further expressed their gratitude to the shareholders who contributed further amounts to a fund for the support of the dependants of the affected personnel. The purpose of these shareholders funds is to ensure long-term financial stability for the families of the deceased and for the continual provision towards medical costs incurred for those injured and hospitalised. An independent actuary was appointed to attend to the fair distribution of funds. The extent of payments to each dependant was finalised, in consultation with each of the affected families, by end September 2009. A total amount of

approximately R5.8 million has been paid out to the affected individuals as ex gratia payments.

Payments, benefits from other sources

- The company has a 24-hour accident cover as a standard benefit to all employees. A claim was submitted directly after the fire on behalf of the next of kin and a benefit equal to that of one year's remuneration has been paid out to next of kin during the first week of June 2009;
- The deceased were members of the pension and/or provident funds and funeral and death benefits have been paid out to the beneficiaries under these funds;
- The company assisted the employees and their families to expedite payment of benefits under the Compensation for Occupational Injuries and Diseases Act.

Restructuring staff

The total plant facility was destroyed in the fire, which meant that no work was available to employees. For three months after the fire, the company guaranteed the payment of gross salaries and wages of all employees, which was effected in full with all personnel receiving the payments in question.

It then became clear that another 12 months would be necessary to rebuild the company as a business. Notwithstanding the fact that there would be no functioning business in this period, a decision was made to secure the core skills required for the business on its re-establishment. This resulted in 191 employees being retained in the business on full gross remuneration until commencement of full operations.

A formal process in terms of section 189 of the Labour Relations Act was followed concerning the restructuring of the operations after the fire. The representative forum (comprising of SATU, CEPPWAWU and non-unionised representation) formed to consult with the employees in respect of the proposed restructuring, agreed on the following criteria:

- Skills;
- Last in first out (in terms of date of employment);
- Preference to BEE candidates.

These criteria were consistently applied to place employees in the positions and the representative forum was fully involved with this process. Consensus was achieved in the consultation process by the representative forum. Through the representative forum, the company agreed to pay twice the statutory requirement for every completed year of service.

New brand

The group announced on 24 June 2009 that the company would be re-established on the premises of Paarl Web in Paarl, thereby reducing the re-establishment time from 24 months to 12 months.

The company should be fully operational again in July 2010 under its new name, Paarl Media Paarl. The company, FEDUSA and SATU have agreed to approach the CCMA jointly to participate in the CCMA Training Layoff Programme for retraining of employees not currently participating in the daily operation of the plant. This provides an opportunity to train employees and to allow for optimal re-absorption of employees into the organisation once it is operational again.

In supporting the town's community further, the company is sponsoring job creation and skills development, as well as contributing to the wider economy of the region through the successful implementation of the Paarl Mountain Project. To date 48 individuals have been successfully employed in this venture.

Joint commitments

The company reconfirmed its commitment to cooperate fully with the unions in the interests of the well-being and safety of its employees and other stakeholders. In return, the unions pledged their support to the company for the upcoming public inquiry and the rebuilding of this historic business.

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