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## **MOTOR NEGOTIATIONS DISPUTE – 2<sup>ND</sup> ROUND MEDIATION REPORT**

### **1. INTRODUCTION**

The 2<sup>nd</sup> Round Mediation meeting was held on 26 August 2016 at the Premier Hotel, Kempton Park.

The caucus held on 25 August 2016 consolidated the Regional reports, following the Regional meetings to review our position, in order to get offers from the industry employer bodies.

We presented the reviewed NUMSA position to the Plenary and stated our readiness to engage in Bilaterals with them, if the need arise, in order to fast-track progress.

The CCMA Commissioner, MOE ALLY is the appointed Mediator. The next date of Mediation is 12 – 13<sup>th</sup> September 2016, starting 09H00. NUMSA Caucus will be on Sunday, 11 September 2016 starting 11h30.

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**2. The report below is the responses from the FRA, NEASA and RMI. RMI and NEASA are still acting as a block.**

<u>Numsa's demand</u>	Numsa Reviewed Position	FRA Response	RMI/NEASA Response
<p><b>1. One-year wage agreement (2016 – 2017):</b></p>	<p><b>3-year Agreement subject to alignment addressed over 18 - 24 months</b></p>	<p><b>Agreed: 3 years is their initial position</b></p>	<p><b>Agreed: 3 years is their initial position</b></p>
<ul style="list-style-type: none"> <li>The Parties need to conclude an agreement for a period of 12 months, in order that the parties engage with other role players in the realignment of the Sectors and Value Chain Collective Bargaining Model.</li> </ul>	<p><b>Commitment for the Realignment to addressed over 18 - 24 months with all the other role-players</b></p>	<p>Will consider this but have concern with the Union representativity if the other Sectors move out of MIBCO</p>	<p>No response</p>
<ul style="list-style-type: none"> <li>The cycle and period of agreement for this intervening period must be form 01 July 2016 to 30 June 2017</li> </ul>	<p><b>The Cycle of Agreement to be phase to 30 June over 3 years</b></p>	<p>No response</p>	<p>Not agreed</p>

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<b>2. Motor Vehicle Sales and Fuel Services:</b>			
<ul style="list-style-type: none"> <li>Re-alignment of the Bargaining Model on Value Chain basis in terms of the NUMSA New Bargaining Strategy.</li> </ul>	<b>3-year Agreement subject to Realignment being addressed over 18 - 24 months</b>	The process must determine the timeline. We must not pre-empt it.	No response
<ul style="list-style-type: none"> <li>Components Manufacturers and Vehicle Body Builders to be shifted to the Automotive Manufacturing Sector Value Chain</li> </ul>		Not their Sector. Concern about the Motor Industry representativity of the remaining Sectors	No response
<ul style="list-style-type: none"> <li>Motor Retail, Fuels Services Sector to be one including the Refineries and Fuel Wholesalers and Distributors.</li> </ul>		Agree to the proposal in a Forum of all role-players and government	
<ul style="list-style-type: none"> <li>Insourcing of the Cleaning, Catering and Security Services,</li> </ul>			

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<p>including Restaurants and food retailer in Sector 5, into the MIBCO Scope;</p>			
<ul style="list-style-type: none"> <li>• Car Valets &amp; and Cleaning Services of offices and workshops in the Motor Companies must be re-demarcated to Motor by DOL/Nedlac.</li> </ul>			
<p><b>3. Wages:</b></p>			
<ul style="list-style-type: none"> <li>• Industry minimum wages for Grade 1 employees and Watchman to be increase to R30 per hour and</li> </ul>			
<ul style="list-style-type: none"> <li>• Increase of 20% on actual rates of pay across the board for all employees in occupational categories earning above R30 per hour.</li> </ul>	<p><b>1<sup>ST</sup> Year 15%; 2<sup>nd</sup> Year 13%; 3<sup>rd</sup> Year 12% on actual rates of pay</b></p>	<p>1<sup>st</sup> year = 7%; 2<sup>nd</sup> year = 7% 3<sup>rd</sup> Year = 7%</p>	<p>1<sup>st</sup> year = 5%; 2<sup>nd</sup> year = 5% 3<sup>rd</sup> Year = 5%</p>

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<b>4. Extension of agreements to salaried staff earning above the current threshold.</b>			
<b>5. Scope of Application:</b> Threshold of earnings to be equal to the new BCEA figure: R205, 433.30 from 1 July 2015.	<b>Labour Brokers effective immediately, and the rest phased in over the 3-year period</b>	There are no labour brokers in Sector 5.  Agree to the phasing in.	Agree to phasing in but increase by the same percentage of the wage increase.
<b>6. Medical aid contribution subsidy of 80% by employer and 20% contribution by the member)</b>	<b>80% Phasing over 3 Years</b>		
<b>7. R5, 000 housing allowance per month.</b>	<b>Refer to Forum with Government after conclusion of these negotiations</b>		
<b>8. Short time provisions on Training Lay-off Scheme as per 2013 Settlement Agreement</b>	<b>Develop implementation plan &amp; guidelines for the</b>	<b>No response</b>	<b>No response</b>

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<b>to be implemented within 3 months from 01 June 2016:</b>	<b>industry, in conjunction with the Seta's &amp; CCMA</b>		
Employers who refuse to use the Scheme must be penalised by paying 100% during short-time.			
<b>9. All promulgated provisions, in terms of the 2013 Settlement Agreement must be entrenched in the Main Agreement, namely, Banning of labour brokers and Equal pay for work of equal value.</b>	<b>Develop implementation guidelines for the industry, in conjunction with the CCMA</b>	<b>No response</b>	<b>No response</b>
<b>10.</b> All the component companies that have relocated to other South African Custom Union countries to return to the Republic of South Africa in the areas where they relocated from.	<b>Refer to Joint forum that will include government and other role-players</b>	Not affected at the moment	No response

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### 3. Mibco Party Representation

#### EMPLOYER REPRESENTATION as at June 2016

Sector	RMI Employers	FRA Employers	NEASA Employers	Non Party Employers	Total
1	201	-	44	589	834
2	115	-	23	299	437
3	337	2	62	470	871
4	3 167	24	485	6 387	10 063
5	627	1 777	267	2 250	4 921
6	1 220	25	87	1 784	3 116
7	373	4	70	1 283	1 730
Total	6 040	1 832	1 038	13 062	21 972

*Source: Mibco Data, presentation on re-alignment 2016.*

#### EMPLOYEES PER EMPLOYER PARTY PER SECTOR as at June 2016.

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Sector	RMI Employees	FRA Employees	NEASA Employees	Non Party Employees	Total
1	25 123	-	1 990	20 528	47 641
2	1 233	-	207	1 835	3 275
3	4 810	38	707	2 650	8 205
4	34 540	365	4 032	40 309	79 246
5	15 203	38 930	5 172	31 249	90 554
6	49 881	1 320	2 038	14 496	67 735
7	8 785	22	1 143	8 782	18 732
Total	139 575	40 675	15 289	119 849	315 388

*Source: Mibco Presentation on re-alignment, 2016.*

## EMPLOYEE REPRESENTIVITY PER SECTOR as at JUNE 2016



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Sector	NUMSA Members	MISA Members	Non-Union	Total Employees
1	23 151	506	23 475	47 132
2	580	154	2 496	3 230
3	1 466	926	5 449	7 841
4	13 542	5 652	57 938	77 132
5	23 266	1 283	58 518	83 067
6	8 975	28 623	27 686	65 284
7	3 096	1 281	13 707	18 084
Total	74 076	38 425	189 269	301 770

*Source: Mibco Presentation on Re-alignment, 2016.*