

No. R. 268

12 April 2013

**LABOUR RELATIONS ACT, 1995**

**METAL AND ENGINEERING INDUSTRIES BARGAINING COUNCIL:  
EXTENSION TO NON-PARTIES OF THE MAIN COLLECTIVE  
AGREEMENT DATED 18 JULY 2011 AS AMENDED AND RE-ENACTED  
ON 14 JANUARY 2013 IN TERMS OF SECTION 32(2) READ WITH  
SECTION 32 (5) OF THE ACT**

I, **MILDRED NELISIWE OLIPHANT**, Minister of Labour, hereby declare, in terms of section 32(3) read with 32(5) of the Labour Relations Act, 1995, that the collective agreement which appears in the Schedule hereto, being an agreement concluded in the Metal and Engineering Industries Bargaining Council on 18 July 2011 as amended on 14 January 2013, which is binding , in terms of section 31 of the Labour Relations Act, 1995, on the parties which concluded the agreement (as amended and re-enacted), is extended to, and shall accordingly be binding on, the other employers and employees in that industry, with effect from **the date of publication** and for the period ending 30 June 2014.

**MN OLIPHANT**  
**MINISTER OF LABOUR**

**SCHEDULE****METAL AND ENGINEERING INDUSTRIES BARGAINING COUNCIL  
COLLECTIVE MAIN AGREEMENT**

In accordance with the provisions of the Labour Relations Act, 1995, made and entered into by and between the following registered Employer Organisations:

Association of Electrical Cable Manufacturers of South Africa

Association of Metal Service Centres of South Africa

Bright Bar Association

Cape Engineers' and Founders' Association

Constructional Engineering Association (South Africa)

Electrical Engineering and Allied Industries' Association

Electrical Manufacturers' Association of South Africa (EMASA)

Gate and Fence Association

Hand Tool Manufacturers' Association (HATMA)

KwaZulu-Natal Engineering Industries' Association

Lift Engineering Association of South Africa

Light Engineering Industries' Association of South Africa

Non-ferrous Metal Industries' Association of South Africa

Port Elizabeth Engineers' Association

Pressure Vessel Manufacturers' Association of South Africa

Refrigeration and Air Conditioning Manufacturers' and Suppliers' Association

S.A. Electro-Plating Industries' Association

S.A. Engineers' and Founders' Association

S.A. Fastener Manufacturers' Association (SAFMA)

S.A. Refrigeration and Air Conditioning Contractors' Association (SARACCA)

S.A. Post Tensioning Association (SAPTA)

S.A. Pump Manufacturers' Association

S.A. Reinforced Concrete Engineers' Association (SARCEA)

S.A. Valve and Actuator Manufacturers' Association (SAVAMA)

**(hereinafter referred to as the “employers” or the “employers’ organisations”), of the one part, and the –**

Chemical, Energy, Paper, Printing, Wood and Allied Workers’ Union (CEPPWAWU)

Metal and Electrical Workers Union of South Africa (MEWUSA)

Solidarity / Solidariteit

United Association of S.A. (UASA The Union)

National Union of Metalworkers of South Africa (NUMSA)

S.A. Equity Workers’ Association (SAEWA)

**(hereinafter referred to as the “employees” or the “trade unions”), of the other part, being the parties to the Metal and Engineering Industries Bargaining Council to amend the Collective Agreement published under Government Notice R.404 of 31 March 1998, as re-enacted and amended under Government Notices Nos. R.1491 of 27 November 1998, R.941 of 6 august 1999, R.1128 of 17 November 2000, R.1051 of 26 October 2001, R.138 of 8 February 2002, R.1082 of 16 August 2002, R.570 of 2 May 2003, R.1374 of 3 October 2003, R.542 of 30 April 2004, R.1165 of 8 October 2004, R.59 of 28 January 2005, R.868 of 9 September 2005, R.819 of 11 August 2006, R.77 of 2 February 2007, R.839 of 14 September 2007, R.1041 of 3 October 2008, R.899 of 11 September 2009, R.1181 of 18 December 2009, R. 531 of 18 June 2010 and R.628 of 23 July 2010 (hereinafter referred to as the “Former Agreement”).**

**PART I****CONDITIONS OF EMPLOYMENT****1. SCOPE OF APPLICATION OF AGREEMENT**

- (1) The terms of this Agreement shall be observed—
  - (a) in the Iron, Steel, Engineering and Metallurgical Industry throughout the Republic of South Africa;
  - (b) in the Provinces of the Transvaal and Natal by the section of the Industry concerned with the installation, repair and servicing of radios, refrigerators and domestic electrical appliances;
  - (c) in the Magisterial Districts of Durban, East London, Johannesburg, Pietersburg, Pinetown and The Cape by the section of the industry concerned with radio manufacture;
  - (d) by all employers who are members of the employers' organisations and by all employees who are members of the trade unions.
- (2) Notwithstanding the provisions of clauses 1(1)(d) and 2, the terms of this Agreement shall not apply to employers and employees who are not members of the employers organizations and trade unions, respectively.
- (3) Notwithstanding the provisions of subclause (1), the terms of this Agreement shall not apply to the following:
  - (a) the installation, repair and servicing of radios and domestic electrical appliances in the Provinces of the Cape of Good Hope and the Orange Free State.
  - (b) the manufacture, for sale, of standard high-speed cutting tools made from high-speed steel by means of plant and/or equipment and/or methods specifically adapted and/or designed for production by repetitive processes, in the Magisterial

Districts of Boksburg, Johannesburg, Pietermaritzburg and Vereeniging.

- (c) the manufacture of aluminium sheet and/or foil, and interrelated operations.
- (d) the installation and/or repair and/or maintenance of electrical lifts and escalators.
- (e) the production of iron and/or steel and/or ferro-alloys.
- (f) the installation, maintenance and repair of electrical equipment referred to in paragraph (a)(ii) of the definition 'Electrical Engineering Industry' in clause 3 of Part I of the former Agreement in the Provinces of the Cape of Good Hope and the Orange Free State.
- (g) the manufacture of tungsten carbide (hard metal).
- (h) the assembling, servicing, installation, maintenance and/or repair of appliances, equipment, machines, devices and apparatus, whether utilising manual, photographic, mechanical, electrical, electrostatic or electronic principles, or any combination of such principles, that are primarily intended for use in accounting and/or business and/or calculation and/or office and/or educational procedures.
- (i) the Venetian Blind and Allied Products Manufacturing Industry in the Province of the Transvaal.
- (j) the installation and/or repair of burglar and/or other similar alarm systems in the Provinces of the Cape of Good Hope and the Orange Free State.
- (k) the manufacture of plumbers' and/or engineers' brassware by means of gravity die-casting and/or pressure die-casting and/or hot pressing and/or machining.
- (l) the undertaking of Union Steel Corporation of South Africa (Pty) Limited, in the Magisterial District of Vereeniging, Transvaal.
- (m) the Locksmithing Trade in the Magisterial Districts of Benoni, Boksburg, Durban, Germiston, Johannesburg, Krugersdorp, Lower Umfolozi, Pinetown, Port

Elizabeth, Pretoria, Randburg, Roodepoort, Springs and The Cape.

- (n) the production, for sale, of welding electrodes by means of plant and/or equipment and/or methods specifically adapted and/or designed for production by repetitive processes, in the Magisterial Districts of Brits, Germiston, Kempton Park and Pretoria.
  - (o) the undertaking of Billiton Aluminium S.A. (Pty) Ltd in the Magisterial District of Lower Umfolozi.
  - (p) the erecting, on site, of products referred to in the preamble to Division D/7 of Part II of the Agreement published under Government Notice R.404 of 31 March 1998 (but shall exclude the manufacture on site of palisade fencing).
  - (q) the servicing and/or maintenance and/or repairing of lawn-mowing machines, cultivators, sickle-cutters, grass-cutters, edge-trimmers, chainsaws and/or parts and/or components thereof.
- (4) Notwithstanding the provisions of subclause (1), the terms of this Agreement shall apply to
- (a) apprentices only to the extent to which they are not inconsistent with the provisions of the Manpower Training Act, 1981, and learners in terms of chapter iv of the Skills Development Act 97/1998, or any contract entered into or any conditions fixed thereunder; and
  - (b) trainees under training in terms of section 30 of the Manpower Training Act, 1981, only in so far as they are not inconsistent with the provisions of the Act or any conditions fixed thereunder.
- (5) Notwithstanding the limitation of the Agreement to the operations therein scheduled—
- (a) the provisions of the clauses relating to Leave Pay, Additional Leave Pay and Leave Enhancement Pay of Part I of the Agreement published under Government Notice No. R.404 of 31 March 1998 shall apply to all employees employed in

operative processes receiving a rate of pay equivalent to or more than that prescribed from time to time in the Agreement for Rate D employees, whether paid weekly or monthly, but excluding payment for overtime;

- (b) no person directly employed in a manufacturing or production process shall be paid a wage less than Rate H as prescribed from time to time in Part II of this Agreement.

For the purposes of this subclause, 'employed in a manufacturing or production process' shall apply to those employees whose rate of pay is not scheduled in this Agreement but whose activities are directly concerned with the creation of the engineering goods and/or services as covered by the scope of application of this Agreement. This provision shall not apply to the work carried out by administrative staff and/or those employees employed in non-production operations.

- (6) The conditions of employment of watchmen shall be regulated by the provisions of this Agreement, except in respect of ordinary working hours, which shall be a maximum of 44 hours per week.

## **2. PERIOD OF OPERATION OF AGREEMENT**

This Agreement shall come into operation on such date as may be fixed by the Minister of Labour in terms of clause 32 of the Labour Relations Act, 1995, and shall remain in force until 30 June 2014.

## **3. SPECIAL PROVISIONS**

The provisions contained in clause 28 of the Agreement published under Government Notice No. R.628 dated 23 July 2010 (hereinafter referred to as the "Former Agreement") shall apply to employers and employees.

## **4. GENERAL PROVISIONS**

The provisions contained in clauses 3 to 27, and 29 to 47 of Part I and Part II of the Former Agreement shall apply to employers and employees.

### **CLAUSE 3: DEFINITIONS**

Substitute the following for the definition of "continuous employment":

'Continuous employment' means any period during which an employee has been continuously employed by the same employer, and for this purpose periods of employment with the same employer broken by not more than 12 months from date of termination of employment to re-employment of the employee owing to the discharge or retrenchment of the employee by the employer shall be deemed to be

continuous employment, but shall not apply for the purposes of calculating severance pay entitlement.

#### CLAUSE 6: SHIFT WORK

Insert the following new subclause (8):

“(8) An employer may only require or permit an employee to perform night work (meaning work performed after 18h00 and before 06h00 the next day) if transportation is available between the employee’s place of residence and the workplace at the commencement and conclusion of the employee’s shift.”

#### CLAUSE 7: SHORT TIME

Substitute the following for subclause (1):

“(1) *Notification*

- (a) An employer shall, **subject to 2(b)**, give the Regional Council, affected employees and affected party trade unions **five calendar days’** notice of the intention to implement short time hours. The employer shall, during the notification period, consult with the representatives of the trade union and/or elected shop stewards on the manner in which the short time working will operate. The union officials shall make themselves available to meet with the employer over the five day period and, where not available within this time period, then the employer must consult directly with the elected shop stewards.
- (b) The employer shall, as far as practicable, spread the work available amongst the employees affected.
- (c) An employer shall not be required to pay wages to his employees, except for the periods actually worked.
- (d) An employer shall, give the Regional Council, affected employees and affected party trade unions two clear working day’s notice of the intention to increase or reduce short time hours.



- (e) An employer shall notify the Regional Council and affected party trade unions if short time is to continue for more than six weeks from the date of original implementation.”

**CLAUSE 20: OUTWORK, TEMPORARY EMPLOYMENT SERVICES  
AND LIMITED DURATION CONTRACTS**

- (1) Insert the following preamble to this clause:

Notwithstanding anything to the contrary contained in this agreement the following special provisions shall apply:

- Employers must endeavor to minimize the use of temporary employment services in the industry;
- Employers must endeavor to enter into permanent employment relationships.

- (2) Substitute the following for subclause 3:

No employer shall utilize the services of workers within the meaning of Section 198 of the Act unless the temporary employment service provides proof to the employer of –

- a) The company’s CIPC (companies intellectual property Commission) registration document and details;
- b) The registration number issued by the MEIBC in respect of the temporary employment services in pursuance of the Council’s Registration and Administration Expenses Agreement (MIBFA number);
- c) An Accreditation certificate issued by the MEIBC certifying that the TES has undergone a verification audit and has met all the accreditation criteria as developed by the MEIBC, permitting the TES to operate as a Temporary Employment Service Provider in the Industry;
- d) An affidavit warranting compliance with regard to Legislation and Collective Agreements and that correct rates are being paid to placed staff, and correct deductions are being made according to the MEIBC Collective Agreements and including all benefits;

- e) Physical business address of the TES;
  - f) A list of the TES's clients which will remain confidential between the member and the MEIBC;
  - g) Copies of current exemptions to the Main Agreement, if applicable;
  - h) Client service and employee employment contracts to be available for inspection;
  - i) Letter of good standing from the Compensation Commissioner;
  - j) Letter of good standing from the Unemployment Insurance Fund;
  - k) Tax clearance certificate from SARS;
  - l) Proof of submission of Employment Equity reports if applicable;
  - m) BEE certificate;
  - n) The registration number allocated by the Director-General of Labour and/or a certificate of registration in respect of Section 24 of the Skills Development Act;
  - o) Confirmation from the Metal industries Benefit Fund Administrators that the TES is up to date with all fund contributions and levy payments;
  - p) Any other matter agreed.
- (3) Substitute the following for sub-clause 11:
- “(11) The following special provisions shall apply in respect of the use of workers supplied by a Temporary Employment Service providers:
- (a) Temporary employment service providers (TES) who comply with the following may be permitted to operate in the Industry:
    - Who have met the requirements set out in subclause (3) above;
    - Who have undergone a verification audit conducted by the MEIBC;
  - (b) The current provisions set out in Annexure A(3) of the Main Agreement dealing with Limited Duration Contracts of Employment obligating the TES to utilize

the same terms and conditions of employment that would be applicable to a company – when engaging an employee on a fixed term or limited duration contract of employment for a company; namely:

▪ Site work:

Employment in terms of a contract which specifies that employment is in respect of a specific construction site for the duration of the site contract or a specific portion or section thereof.

▪ Turnaround work:

Employment in terms of a contract of employment which specifies that employment is for the duration, or portion thereof, of

- A contract secured by the employer to carry out specified installation, maintenance, overhaul or development work on existing equipment or on an installation not owned by the employer, or
- Major maintenance, overhaul or development work on equipment or an installation owned by the employer necessitating the recruitment of employees over and above the normal complement.

▪ Ship repair work:

Employment in terms of a contract of employment that specifies that employment is for the duration or portion thereof of a specific contract secured by the employer to carry out repairs on a particular vessel.

▪ Short-term fluctuations in workload:

Employment in terms of a contract of employment which arises out of a situation where the employer is necessitated to take on additional

employees through a temporary employment service provider, as a result of having secured additional work of a short term nature. This employment will be limited in duration to a period not exceeding four months. Provided that if a longer period is required to complete a specific task or activity, then the period of the specific task or activity shall be specified in the limited duration contract of employment.

- (c) All employees including those employed on a limited duration contract will have access at plant level to social facilities including canteens, toilet and ablution facilities.
- (d) No employer shall require the procurement of employees from a Temporary Employment Service for any period beyond that which is envisaged in the Limited Duration Contract of Employment.
- (e) Where a worker works for a period beyond the terms of the contract such worker shall become permanent.
- (f) All workers procured through Temporary Employment Service will enjoy all existing terms and conditions of employment outlined in the Collective Main Agreement. Workshop and/or factory based employees may not be granted a package rate exemption, which takes into account all benefits payable to employees as an hourly rate of pay, other than overtime and Sunday time.
- (g) Procured workers may not elect the option of choice in becoming members of the retirement schemes offered to employees in the Metal and Engineering Industries.
- (h) To better monitor the prevalence of employees procured by Temporary Employment Service, a separate monthly return to the Metal Industries Fund Administrators must be endorsed by a client in the industry whose workers have

been procured through a temporary employment service to confirm the period for which employees are procured and the number thereof in each instance of procurement.

- (i) Where an employer intends to use Temporary Employment Service workers in scheduled occupations in the direct production process on a permanent basis, then clause 37 should not be construed to limit the parties' right to take industrial action in accordance with the provisions of the Labour Relations Act.
- (j) All Temporary Employment shall make use of the model Limited Duration Contract below:

#### **MODEL CONTRACT FOR USE BY TEMPORARY EMPLOYMENT SERVICES**

##### **LIMITED DURATION CONTRACT OF EMPLOYMENT**

Schedule referred to in clause 3(a) of Annexure A to the Main Agreement

##### **CONTRACT OF EMPLOYMENT**

(The employer) ..... agrees to engage the services of (the employee) and the employee hereby agrees to accept service with the employer on the following terms and conditions:

(i)(a) the contract of employment in terms of clause 3 of Annexure A to the Main Agreement shall be for a maximum period of ..... months / weeks from date of employment, for the purpose of site work / turn-around work / ship repair work (delete whichever is not applicable) from ..... to ..... or completion of the specific work detailed hereunder:

.....  
 .....

(b) The contract of employment for short-term fluctuations in workload shall not exceed a period of four months from date of employment, viz from ..... to .....

Or completion of the specific work detailed hereunder:

(*Note:* Should a period longer than four months be required to complete a specific task or activity, the period and the specific task or activity must be specified hereunder):

.....  
 .....

(ii) On completion of the contract detailed in (i) above, this contract shall automatically terminate.

Such termination shall not be construed as being retrenchment but as completion of contract.

(iii) The remaining conditions of employment, not expressly detailed above, shall be existing employer policy, rules and regulations and the general conditions of employment as contained in the Main Agreement for the Iron, Steel, Engineering and Metallurgical Industry, subject to the limitation set out in (ii) above.

(iv) Where employment continues after completion of this contract in terms of (i) above this contract shall become null and void and the provisions of the Main Agreement shall apply.

(v) Subject to the amendment of the general conditions of employment as set out in (ii) above, the engagement conditions shall be:

(a) Occupation .....

(b) Rate of pay .....

(which shall not be less than the rate scheduled in the Main Agreement)

The employee acknowledges that he/she understands the contents of this contract and signifies acceptance thereof.

Signed at ..... on .....2011.

Employer: .....

Employee: .....

Witness: .....

**Note:** The employer and employee shall, during the period of employment in terms of this contract, observe the provisions of the applicable Benefit Fund Agreements.

#### **CLAUSE 34: PAID SICK LEAVE**

Substitute the following for subclauses (6) and (7):

- (6) The employer, before making payment of any amount payable to an employee for any period of absence from work of more than two consecutive days or on more than two occasions during an eight week period, may require the employee to produce a medical certificate, clinic note or hospital note signed by a registered medical practitioner or any other person who is certified to diagnose and treat patients and who is registered with a professional council established by an Act or parliament, stating that the employee was unable to work for the duration of the employee's absence on account of a sickness or injury."
- (7) The employer may require an employee to produce a medical certificate, clinic note, hospital note in respect of any absence from work on a Friday or Monday or on the working day immediately before or after any paid public holiday before making payment of any amount payable in terms of this subclause."

#### **CLAUSE 33: TECHNOLOGICAL CHANGES AND WORK RE-ORGANISATION**

Substitute the following for subclause 2(a):

**(a) Notification**

Where an employer intends introducing technological change he shall notify the representative party trade union(s) and/or employee representative body not less than four months prior to the implementation date of such change.

The notice shall be given in writing and shall contain relevant information, including:

- (i) The nature of the change;
- (ii) the approximate date on which the employer proposes to effect the change;

- (iii) the employees likely to be affected by the change;
- (iv) the anticipated effect of the change on employees working conditions and terms of employment; and
- (v) any other relevant information relating to the anticipated effects on employees, including the change in skills.

The employer shall update the information provided, on a continuous basis, as soon as new developments arise or if any modifications are made.”

#### **CLAUSE 42: FAMILY RESPONSIBILITY LEAVE**

Substitute the following for subclause (2)(iv)(b):

“(iv) In the event of the death of –

- (b) the employee’s parent, adoptive parent, grand-parent, child, adopted child, grand-child, sibling or parents in-law.
- (c) The parties agree to amend the compassionate leave provision of the sick Pay Fund Agreement to allow for an accumulation of the existing three days per annum compassionate leave over a three year cycle.

It is the intention of the parties that this mechanism in conjunction with the existing provision on FLR in the Main Agreement will effectively entitle an employee to accumulate up to eighteen days family responsibility leave over a three year cycle.

#### **CLAUSE 46: TIME OFF FOR THE TRAINING OF SHOP STEWARDS AND FOR TRADE UNION OFFICE BEARERS TO ATTEND UNION MEETINGS**

Insert the following new subclauses:

- (c) The appointment of shop stewards and health and safety representatives will be a matter for plant level Agreement.
- (d) Union general meetings will take place on a quarterly basis at plant level subject to the time and duration of these meetings being agreed to a plant level.



- (e) A minimum of 5 days paid leave per annum per shop steward will be granted for shop steward training.
- (f) The above provisions constitute a minimum floor of rights and any rights exceeding these at plant level will remain in place. Further rights may be agreed at plant level.

Insert the following new clause:

#### **CLAUSE 48: EMPLOYEE TRAINING**

- (1) Where a training committee identifies a specific training need and an employee is selected to undergo such training, then this training shall, wherever possible, be undertaken during ordinary working hours and the employee shall be paid at normal whilst undergoing this training.
- (2) The time spent on ABET training shall be shared equally between the employer and the employee trainee on a 50/50 basis, such that for example if the training lasts two hours, one hour will be paid by the employer and the other will be an unpaid contribution of the employee.

Insert the following new clause:

#### **CLAUSE 49: INDUSTRY POLICY FORUM**

the union and employer parties, having noted the significant challenges facing the metal and Engineering Industry in the context of the imperative of creating and sustaining decent jobs and competitive manufacturing capability in the domestic and global market, have agreed to establish an Industry Policy Forum (hereinafter referred to as the IPF) under the auspices of the MEIBC as per the special provisions applicable in Annexure I.

## 14. PART II

Substitute the following for the existing clauses 1, 2 and 3:

### “1. WAGES AND/OR EARNINGS

A new five-grade job and wage structure has been determined for use in the Industry. Individual employers together with employees, their representatives and/or registered trade unions at establishment level will accordingly mutually agree on whether or not to implement the new five-grade job and wage structure on a voluntary basis or continue to observe the existing 13 grades (Rates A to H) and related arrangements.

Details of the five-grade job and wage structure are set out in Annexure B. Details of definitions of the grades are set out in Annexure C. Details of the current 13 grade structures are set out in Part II of this Agreement.

The Tables of Wage Rates as set out in (a) to (h) hereunder have general and/or specific application to operations listed in this Agreement. For ease of reference the wage rate categories are as follows:

- (a) Except as provided for in Wage Tables (b) to (f) hereunder, the wage rates prescribed in Wage Table (a) are applicable to all operations listed as Rates A, A1, AA, AB, B, C, D, DD, DDD, E, F, G and H, including watchman's work in—
  - Schedule G
  - Schedule M
  - Division D/O to D/33
  - Schedule E/1 and E/3
  - Division E/2.
- (b) Wage rates prescribed in Wage Table (b) are applicable to employees employed as vehicle drivers and have general application throughout the Technical Schedules in this Agreement.
- (c) Wage rates prescribed in Wage Table (c) have specific application to the operations listed therein.
- (d) Wage rates prescribed in Wage Table (d) apply only to the operations listed in Schedule F.
- (e) Wage rates prescribed in Wage Table (e) apply to apprentices only.
- (f) Wage Rates prescribed in wage table (f) apply only to the operations listed in Division D/7.
- (g) Wage rates prescribed in Annexure B, “Five Grade Job and Wage Structure” only apply to the operations listed therein and in Annexure C, “The Skills Definitions accompanying the new five grade structure”.
- (h) Wage rates prescribed in Annexure H, “Construction Sites covered by a Project Labour Agreement” only apply to the operations listed therein.
- (1) (a) Any employee who at the date of coming into operation of this Agreement was in receipt of a higher rate than that prescribed in the Agreement for the class of work upon which he is employed shall continue to receive not less than such higher rate while he is employed by the same employer on the same work or any other work for which a lower rate is prescribed.
- (b) Every employee who on the date of coming into operation of this Agreement is employed by an employer on work classified in the Agreement shall, whilst in the employ of the same employer and whether or not his actual rate of pay immediately prior to the said date was in excess of the rate specified for his class of work in this Agreement, be paid not less than the actual rate he was receiving immediately prior to the said date plus, as a guaranteed personal increase, an additional amount for his class of work, as set out in the Wage Tables hereunder: Provided that—
  - (i) the additional amount payable in terms of this subclause to an employee for his class of work may be reduced by the amount of any increase or increases granted to such employee on or subsequent to 1 July 2011.
  - (ii) any employee who was engaged after 1 July 2011 at a rate of pay not less than the rate of pay prescribed for his class of work as at the date of coming into operation of this Agreement shall not be entitled to be paid the additional amount specified in this subclause for his class of work;

**Note:**

The dates set out in subclauses (i) and (ii) above will change as follows in respect of subsequent annual cycles of the Agreement:

- For the period 1 July 2012 to 30 June 2013L 1 July 2012

- For the period 1 July 2013 to 30 June 2014: 1 July 2013
- (iii) no employer shall reduce the rate of pay of any employee to whom an increase in excess of the additional amount specified in this subclause for his class of work has been awarded on or subsequent to date of coming into operation of this Agreement, and no employee shall be paid wages at a rate less than the rate for his class of work specified in this Agreement;
- (iv) for the purposes of this Agreement the rate applicable in terms of this subclause shall *mutatis mutandis* apply to employees employed in incentive bonus work in terms of clause 10 of Part I of the Agreement;
- (v) an employer who intends to grant general increases to all employees, or all employees in a particular category of employees, in excess of the guaranteed personal minimum increases provided for in this Agreement, shall consult the employees concerned: Provided that, in respect of employees who are members of a union, if the employer is a member of any of the employers' organisations which are parties to the Agreement, the employer shall consult the trade unions concerned;
- (vi) Where an employer, following such consultation, grants such increases over and above that provided for in this Agreement, the Bargaining Council shall be notified of the increases granted.
- (2) No employee shall be required as part of his contract of service to accept board or lodging or both from his employer, nor to purchase any goods or hire any property from his employer. Where an employee agrees to accept board or lodging or both from his employer the employer may deduct from such employee's wages or earnings such amount as agreed upon for the payment of board or lodging or both: Provided that the Council is notified in writing prior to the said deductions being made and the amounts thereof.
- (3) No employee shall be employed on more than one occupation scheduled in this Agreement at different rates of pay in any one week, including any overtime worked at a higher-paid occupation, unless payment is made as if such employee had been employed for the whole of that week on the highest-paid occupation: Provided that where a lower-paid employee is temporarily substituted for a higher-paid employee who is absent from his work and not employed elsewhere in the establishment, such substituted employee shall be paid at the higher rate only for the period he actually worked at the higher-paid occupation. Any period of substitution of less than one-half shift in the aggregate in any one week shall not count for payment at the higher rate.
- (4) Subject to the provisions of subclauses (1) to (3), inclusive, no employer shall pay to the employees engaged on any of the classes of work hereinafter specified in the following Wage Schedules wages and/or earnings lower than those stated against such classes and no employee shall accept wages and/or earnings lower than those stated against such classes.

## 2. ALLOWANCES

Allowances payable subject to the provisions of Part I, Clause 17 of this Agreement:

(1) ***Subsistence allowance under Groups A and B***

Grade and Category ..... Subsistence Allowance per day

Rates A to H and Categories 5 to I(a) of ..... R65,00

Section G(d) "Structural Engineering"

(2) ***Abnormally dirty work allowance*** (employees other than employees expressly engaged as cleaners):

The allowance payable is 60 cents per shift or part thereof plus a further 60 cents where working overtime on abnormally dirty work for four hours or more.

(3) ***Height allowance:*** Eight per cent of the employee's normal hourly rate when working aloft on ships and/or floating vessels.

## 3. WAGE TABLES

## (a) WAGE RATES APPLICABLE TO OPERATIONS SCHEDULED AT RATES A TO H, INCLUDING WATCHMAN'S WORK, THROUGHOUT THIS AGREEMENT

	GUARANTEED PERSONAL INCREASE (To be the greater of the amounts calculated in terms of Column A or reflected in Column B)		
	A	B	New
	Percentage Increase on actual hourly rate of pay, excluding allowances, of which the employee was in receipt on 30 June 2011	Amount per hour	Minimum hourly wage rates
Class of work	%	Rc	R
Rate A & A1	8.00	3.63	48.98
Rate AA	8.15	3.50	46.45
Rate AA(start)	8.30	3.38	44.11
Rate AB	8.46	3.26	41.84
Rate B	8.62	3.15	39.73
Rate C	8.78	3.07	38.00
Rate D	8.95	3.04	36.98
Rate DD	9.11	2.84	34.05
Rae DDD	9.29	2.75	32.34
Rae E	9.46	2.65	30.68
Rate F	9.64	2.57	29.19
Rate G	9.82	2.47	27.64
Rate H	10.00	2.39	26.24

- 'Rate AA – start' is the rate applicable to employees in the category AA who are in their first six months of continuous employment with the same employer, unless otherwise specified elsewhere in the Agreement.

(b)WAGE RATES APPLICABLE TO VEHICLE DRIVING – EXTERNAL TRANSPORT INCLUDING  
FORKLIFT DRIVING

	GUARANTEED PERSONAL INCREASE (To be the greater of the amounts calculated in terms of Column A or reflected in Column B)		
	A	B	New
	Percentage Increase on actual hourly rate of pay, excluding allowances, of which the employee was in receipt on 30 June 2011	Amount per hour	Minimum hourly wage rates
Class of Work	%	Rc	R
(Schedule G(a)(iv))			
(1) Forklift driving of power-operated forklift controlled from on board by the operator (job grade F) .....	9.64	2.57	29.19
(2) Driving of a load-carrying or hauling vehicle which requires a code 08 light motor vehicle licence to be held by the driver (job grade E) .....	9.46	2.65	30.68
(3) Driving of load-carrying or hauling vehicle which requires a code 10 heavy motor vehicle licence or a code 11 extra heavy motor vehicle licence to be held by the driver (job grade DD).	9.11	2.84	34.05
(4) Driving of a load-carrying or hauling vehicle which requires a code 13 or 14 heavy articulated motor vehicle licence to be held by the driver (job grade C) .....	8.78	3.07	38.00

## (c) WAGE RATES WITH SPECIFIC APPLICATION TO THE OPERATIONS LISTED HEREIN

	GUARANTEED PERSONAL INCREASE (To be the greater of the amounts calculated in terms of Column A or reflected in Column B)		
	A	B	New
	Percentage Increase on actual hourly rate of pay, excluding allowances, of which the employee was in receipt on 30 June 2011	Amount per hour	Minimum hourly wage rates
Class of Work	%	Rc	R
Schedule G			
<b>13. Learners</b>			
Rate D Operation 1			
First three months of experience (Rate D, less 10%) .....	8.95	1.73	33.28
Second three months of experience (Rate D, less 5%) .....	8.95	2.91	35.14
Thereafter Rate D .....	8.95	3.03	36.98
Provided that –			
14. No employee may be engaged upon incentive bonus work during the learnership period;			
15. An employer who wished to train an employee for any of the classes of work for which no learnership or probationary period is provided may do so only with the prior approval of the Council, which shall prescribe the conditions under which permission for such employment is granted.			
<b>Vitreous Enamelling</b>			
Operation 1(a)			
First duster (Rate B) .....	8.62	3.15	39.73
Operation 1(b)			
Second duster (Rate D) .....	8.95	3.04	36.98
<i>Section (d)</i>			
Structural Engineering Wage Categories			
Category 5 .....	8.00	3.63	48.98
Category 4 .....	8.36	3.44	44.59
Category 3 .....	8.75	3.08	38.28
Category 2 .....	9.15	2.63	31.35
Category 1 .....	9.56	2.28	26.13
Category 1(a) .....	10.00	1.97	21.64
<b>Note:</b>			
Special Provisions Limited to Construction Sites covered by Project Labour Agreements.			
The special provisions and wage rates as set out in Annexure H shall apply.			

	<b>GUARANTEED PERSONAL INCREASE</b> (To be the greater of the amounts calculated in terms of Column A or reflected in Column B)		
	A	B	New
	Percentage Increase on actual hourly rate of pay, excluding allowances, of which the employee was in receipt on 30 June 2011	Amount per hour	Minimum hourly wage rates
<b>Class of Work</b>	<b>%</b>	<b>Rc</b>	<b>R</b>
<b>16. DIVISION D/4</b>			
<i>Rate B Operation 1</i>			
First six months of experience (Rate F) .....	9.64	2.57	29.19
Second six months of experience (Rate DDD) .....	9.29	2.75	32.34
Third six months of experience (Rate D) .....	8.95	3.04	36.98
Fourth six months of experience (Rate C) .....	8.78	3.07	38.00
Thereafter Rate B .....	8.62	3.15	39.73
<b>17. DIVISION D/12</b>			
Learnership periods and rates of pay <input type="checkbox"/> herefore:			
<i>Rate B – Newcomers</i>			
First two months of experience (Rate DD) .....	9.11	2.84	34.05
Second two months of experience (Rate D) .....	8.95	3.04	36.98
Third two months of experience (Rate C) .....	8.78	3.07	38.00
Thereafter Rate B .....	8.62	3.15	39.73
<i>Rate C – Newcomers</i>			
First two months of experience (Rate DD) .....	9.11	2.84	34.05
Second two months of experience (Rate D) .....	8.95	3.04	36.98
Thereafter Rate C .....	8.78	3.07	38.00
<i>Rate D – Newcomers</i>			
First two months of experience (Rate DD) .....	9.11	2.84	34.05
Thereafter Rate D .....	8.95	3.04	36.98
<b>18. DIVISION D/19</b>			
<i>Section (f)</i>			
Rate A Operation No. 1			
First year of experience (Rate AA – start) .....	8.30	3.38	44.11
Second year of experience (Rate AA) .....	8.15	3.50	46.45
Thereafter Rate A1 .....	8.00	3.63	48.98

	GUARANTEED PERSONAL INCREASE (To be the greater of the amounts calculated in terms of Column A or reflected in Column B)		
	A	B	New
	Percentage Increase on actual hourly rate of pay, excluding allowances, of which the employee was in receipt on 30 June 2011	Amount per hour	Minimum hourly wage rates
Class of Work	%	Rc	R
19. DIVISION D/22			
<i>Section B</i>			
Operation No.1(Rate D) .....	8.95	3.04	36.98
<i>Section (c)</i>			
Operations No.1 to No.5 (Rate D) .....	8.95	3.04	36.98
Operations No.6 to No.8 (Rate DDD) .....	9.29	2.75	32.34
Operations No.9 to No.21 (Rate G) .....	9.82	2.47	27.64
Operations No.22 to No.33 (Rate H) .....	10.00	2.39	26.24
20. DIVISION D/23			
Training periods:			
Newcomers to Rate DDD			
First four months of experience (Rate F) .....	9.64	2.57	29.19
Thereafter Rate DDD .....	9.29	2.75	32.34
Newcomers to Rate E:			
First four months of experience (Rate H) .....	10.00	2.39	26.24
Thereafter Rate E .....	9.46	2.65	30.68
21. DIVISION D/24			
<i>Rate Operation No.1</i>			
First three months of experience (Rate D, less 5%) .....	8.95	2.91	35.14
Thereafter Rate D .....	8.95	3.04	36.98
22. DIVISION E/2			
<i>Section (b)</i>			
First twelve months of experience			
Rate AA – start .....	8.30	3.38	44.11
Second twelve months of experience (Rate AA) .....	8.15	3.50	46.45
Thereafter Rate A1 .....	8.00	3.63	48.98



**(d) WAGE RATES APPLICABLE TO OPERATIONS IN SCHEDULE F ONLY**

	GUARANTEED PERSONAL INCREASE (To be the greater of the amounts calculated in terms of Column A or reflected in Column B)		
	A	B	New
	Percentage Increase on actual hourly rate of pay, excluding allowances, of which the employee was in receipt on 30 June 2011	Amount per hour	Minimum weekly wage rates
Class of Work	%	Rc	R
Group Z	8.00	3.63	48.98
Group Y	8.18	2.90	38.36
Group IX	8.36	2.80	36.25
Group VIII	8.55	2.77	35.15
Group VII	8.75	2.73	33.92
Group VI	8.94	2.69	32.76
Group V	9.15	2.65	31.59
Group IV	9.35	2.60	30.42
Group III	9.56	2.59	29.66
Group II	9.78	2.55	28.64
Group I	10.00	2.53	27.83

**(e) WAGE RATES APPLICABLE TO APPRENTICES ONLY**

	GUARANTEED PERSONAL INCREASE (To be the greater of the amounts calculated in terms of Column A or reflected in Column B)		
	A	B	New
	Percentage Increase on actual weekly rate of pay, excluding allowances, of which the employee was in receipt on 30 June 2011	Amount per week	Minimum weekly wage rates
Class of Work	%	R	R
First Year	8.00	71.68	967.68
Second Year	8.00	79.12	1068.12
Third Year	8.00	94.24	1272.24
Fourth Year	8.00	139.60	1884.60
The hourly rate of all apprentices for the purposes of calculating overtime shall be the weekly wage paid, divided by 40.			

**(f) WAGE RATES APPLICABLE TO OPERATIONS IN DIVISION D/7 ONLY**

	GUARANTEED PERSONAL INCREASE (To be the greater of the amounts calculated in terms of Column A or reflected in Column B)		
	A	B	New
	Percentage Increase on actual hourly rate of pay, excluding allowances, of which the employee was in receipt on 30 June 2011	Amount per hour	Minimum hourly wage rates
Class of Work	%	Rc	R
B	8.62	2.05	25.82
C	8.78	2.01	24.90
D	8.95	2.01	24.46
DDD	9.45	2.11	24.42
E	9.46	2.11	24.38
F	9.64	2.05	23.34
G	9.82	1.98	22.14
H	10.00	1.79	19.69

**B. For the period 1 July 2012 to 30 June 2013**

Grade A – 7%

Grade H – 8%

This adjustment will be implemented on the proviso that if the CPI (April figure published in May) is 8% or above, then the actual wage adjustment will be based on CPI plus 2%.

**C. For the period 1 July 2013 to 30 June 2014**

Grade A – 7%

Grade H – 8%

This adjustment will be implemented on the proviso that if the CPI (April figure published in May) is 8% or above, then the actual wage adjustment will be based on CPI plus 2%.

**Note:**

The same percentage wage spread between the respective grades will be applied in respect of the following wage tables:

- All the wage tables set out at Clause 3(A)(a) to (f) above.
- The wage table set out at item 8 of Annexure B.
- The wage table set out at item 1.8 of Annexure H.

**ANNEXURE B: FIVE GRADE JOB AND WAGE STRUCTURE**

Substitute the following for item 8:

“8. For those establishments that have implemented or intend to implement the new job and wage system, the following minimum wage shall apply for the new five-grade structure. For those establishments that have implemented the five-grade job and wage structure, the following increases shall apply on the same terms as set out in clause 1 of Part II of this Agreement.

The actual wage structure, including the benchmark figure for artisans, shall be agreed at company level depending upon the nature of multi-skilling, multi-tasking broad banding and employee flexibility agreed between the affected employer and trade union(s).

Grade	Current Minimum Wage Rate	Increase on Actuals and Scheduled Wage Rates	Increase on Scheduled Wage Rate	New Minimum Wage Rates
5	42.34	8.00	3.63	48.98
4	36.47	8.00	3.12	42.18
3	31.40	8.00	2.69	36.32
2	27.04	8.00	2.32	31.28
1	23.29	8.00	2.00	26.94
Whichever is the greater personal increase				

**Note:**

These amounts will be increased in line with the increases to be agreed in the 2012/2013 and subsequent annual Main Agreement negotiations.

The new five-grade wage structure will be phased-in in equal increments, over a maximum period of five years.

**ANNEXURE A: SECURITY OF EMPLOYMENT AND SEVERANCE PAY**

Substitute the following for subclause 2.6

**“2.6 Re-employment of retrenched employees.**

2.6.1 If an employer who has previously retrenched employees engages new employees, that employer must, as far as is practicable, give preference to the re-engagement of those persons who were retrenched from the establishment and who are qualified and available to undertake the categories of work required by the employer.”

**ANNEXURE H: SPECIAL PROVISIONS RELATED TO CONSTRUCTION SITES COVERED BY A PROJECT LABOUR AGREEMENT (PLA)**

Substitute the following for item 1.8:

“1.8 Any person who is able to demonstrate that he/she has obtained previous knowledge and skills of working on a construction site, and is able to perform work in a higher grade, and subject to such work being available may not be employed in Grade (a), Grade 1 and Grade 2 and on the rates herein unless the employee elects otherwise. The period that an employee may be remunerated on Grade 1(a) and 2(a) rates will be the subject of a PLA, but shall not be longer than 4 months.

Grade	Current minimum wage rate	Increase on actual and scheduled wage rate	Increase on scheduled wage rate	Minimum wage rate R C
5	45.35	8.00	3.63	48.98
4	41.15	8.30	3.42	44.57
3	35.20	8.62	3.03	38.23
2	28.72	8.94	2.57	31.29
2(a)	23.61	9.28	2.19	25.80
1	14.59	9.64	1.41	16.00
1(a)	13.20	10.00	1.32	14.52

”

## ANNEXURE I: IN DUSTRY POLICY FORUM

### 1. Preamble

As signatories to the Industry Settlement Agreement reached on the 18<sup>th</sup> July 2011, the union and employer parties having noted the significant challenges facing the Metal and Engineering Industry in the context of the imperative of creating and sustaining decent jobs and competitive manufacturing capability in the domestic and global market, have agreed to establish an Industry Policy Forum (hereinafter referred to as the IPF) under the auspices of the MEIBC. The parties have further agreed that in referring the matters contained in this document to the IPF, each party reserves its right to negotiate on the said matter in the IPF.

### 2. Definition and objectives

The IPF will be tasked with having the mandate of securing agreement between the parties on changes required to promote the growth and viability of the industry as a key contributor to SA's growth, investment and employment objectives.

The purpose of the Forum shall be to provide leadership and to serve the common good of the Metal and Engineering Industry and all its stakeholders in the furtherance of the following key goals and objectives.

- Formulate an overall strategy aimed at securing the sustainability and growth of all industry stakeholders.
- Formulate an industry view on national industrial and trade strategy.
- Become a leading role-player in the national discourse on national economic policy.
- Promote international trade and provide assistance to neighbouring states as they develop their industrial policies.
- Develop employment retention and job creation programs.
- Facilitate the allocation of industry funds.
- Promote the well-being of all employees and employers in the industry

- Implement programmes and strategies aimed at reducing the cost of living for employees, improving their standard of living and reducing the costs of business in the industry.
- Formulate strategies to secure the increased allocation of Merseta funds for skills training and bursaries and mechanisms to secure access to funds from the National Skills Fund.
- Identify industry challenges and threats and devise appropriate strategies to positively address these.
- Any other jointly agreed objectives and strategies aimed at the common good of the industry and all its stakeholders.

### **3. Terms of reference**

Without limiting the scope of issues the parties will need to address in the IPF, the following matters as part of the mandate of the committee:

#### **➤ Strategies to promote job retention and employment creation**

To investigate and seek consensus on all those factors that contribute to the decline of the industry in terms of output, employment, contribution to the GDP etc. To design strategies and implementation plans to grow investment, skills jobs and markets.

#### **➤ Strategies to modernize and transform the MEIBC**

To develop strategies and implementation plans that secure the long term future of the council parties on a level playing field that is globally competitive.

- Legal compliance
- Grading and new entry level minimum rates
- Small business
- Regional dispensation
- Exemptions
- Clause 37
- House Agreements
- Demarcation
- Any other relevant policy

➤ **Industrial and Trade Policy**

To develop strategies and implementation plans and secure the consensus of the appropriate stakeholders on such matters as:

- Trade and Tariff policies
- Steel pricing policies
- Importation of steel products by parastatals
- Export opportunities and demand side measures
- National power and water challenges
- Transport logistics
- Any other relevant policy

➤ **Rationalization and optimization of industry institutions**

To develop strategies and implementation plan to optimize the use of industry funds to achieve improvements in:

- Employment housing
- Training and skills development
- Healthcare
- Bursaries
- Pensions
- Any other relevant institutions

**4. Composition, Meetings and timeframes**

Composition of the forum will be two representatives per party.

The forum will invite relevant government department representatives on matters requiring government support as the parties deem appropriate.

Meetings will be convened by the General Secretary of the MEIBC within a month of the finalization of the Main Agreement negotiation.

The parties will determine their own work program, schedule and timetable inclusive of:

- Determination of issues
- Alignment of issues with MEIBC forums and processes
- Prioritization of issues
- Time frames for delivery
- Resources required

- Meeting schedules
- Administrative support
- Reporting mechanisms
- Other

**5. Resourcing and research capacity**

To investigate the need and resource appropriately the MEIBC to create the capacity to deliver and informed and well researched set of strategies, policies and implementation plans to affect the work of the IPF.

**6. Dispute resolutions**

The parties will use MEIBC dispute resolution procedures.

Thus signed at Johannesburg for and on behalf of the parties, this 14 January 2013

L Trentini  
Member.

V Mabho  
Member

T. Mthiyane  
General Secretary of the Council