



8 July 2021

JOINT EMPLOYER REPORT // PNF NEGOTIATIONS // 7 & 8 JULY 2021

Day 1:

The negotiations within the PNF resumed on 7 July 2021. The Employer parties responded to the 117 page consolidated counter demand tabled by Numsa, UASA, SAEWA and MEWUSA (henceforth referred to as 'Numsa & 3 Others') as well as the demands tabled by Solidarity.

Although we responded to all the demands submitted by the trade unions verbally, the comprehensive Joint Employer response was also submitted in writing to the MEIBC and distributed in the late afternoon of 7 July 2021. This Joint Employer response is available from your employers' organisation on request.

Please find below, the highlights from the joint response:

1. **Areas of commonality:**

The consolidated counter demand by Numsa & 3 Others has incorporated the vast majority of the current Clauses contained in the PIMCA.

The approach was welcomed by Employers as it reduces the items to be resolved significantly.

2. **Trade union demands impacting on prevailing legislation:**

The consolidated counter demand included proposals to adopt amendments to prevailing legislation.

The Employer position was simply informed by law. The only piece of employment legislation which contains an express provision permitting alterations, amendments and/or exclusions of an Act (i.e. variation by agreement) is the Basic Conditions of Employment Act. We are more than willing to engage on any matter regulated by the BCEA to give effect to the provision.

We are however not prepared to engage in respect of the proposed alterations, amendments and exclusions of provisions contained in the Labour Relations Act, Employment Equity Act and Broad Based Black Economic Empowerment Act, to list a few that have been included in the counter demand. The reason being that these sets of legislation make no provision for any alteration, amendment and/or replacement as provided for in the BCEA.

3. **Trade Union demands seeking to reduce conditions of employment:**

We were obliged to point out that the consolidated counter demand by Numsa & 3 Others wish to introduce provisions which reduce the conditions of employment of employees employed in the Plastic Industry.

It is not our intention to burden this report with the detail, we will however include some examples of what we refer to as unintended consequences for purpose of context: reduction of leave pay, leave enhancement pay, qualification criteria to earn overtime, apprentice wage rates etc.

Employers made it clear that reducing existing conditions of employment, as provided for in the PIMCA, will not be considered favourably unless trade unions insist on such reduction. And even with their insistence we will still be reluctant to consider such demand favourably as we have the best interests of the Employees, employed in the Plastic Industry, at heart.

Day 2:

On 8 July 2021, Numsa & 3 Others thanked the Employers for the comprehensive response and requested two weeks to consider it, and to respond. Employers agreed and the date for the resumption of PNF negotiations was set for 26 & 27 July 2021.

Conclusion:

We are alive to the fact that this report does not address the most pressing issue that Members are confronted with; i.e. Wage increases.

Please be mindful of the fact that this is the first time, since the formation of the PNF, that all party trade unions are participating in negotiations and it is in the interest of good faith bargaining that it was agreed to grant them the opportunity to digest our joint response.

Finally we wish to draw Members attention to the provisions of the Code of Good Practice – Collective Bargaining contained in the Labour Relations Act regulating the engagement process – “*An employer should not unilaterally alter terms and conditions of employment during the course of negotiations prior to deadlock being reached in terms of any collectively agreed dispute procedure, failing which, when a period of 30 (thirty) days has lapsed after the referral of the dispute to the CCMA or Bargaining Council, or a certificate of non -resolution has been issued.*” This includes, but is not limited to, engagement outside the designated forum to conclude plant level agreements as all parties to the MEIBC are bound to observe same – “*However, once having established a collective bargaining relationship in the form of a bargaining council constitution or a recognition agreement, the parties have thus by agreement implicitly committed themselves to a duty to bargain and the duty to bargain under such circumstances does not arise statutorily but contractually.*”

Best regards,

Negotiating Team