



SAEFA

SA ENGINEERS AND
FOUNDERS ASSOCIATION

1 July 2020

Dear members,

SAEFA'S PROPOSALS FOR THE 2020 MAIN AGREEMENT NEGOTIATIONS

SAEFA members will be aware that the 2017- 2020 Main Agreement between SEIFSA and the industry's trade unions expired on 30 June. SAEFA was of course not party to this agreement as it provided, inter alia, for an unaffordable minimum wage for new unskilled workers in the industry as well as a number of other costly employee benefits which have contributed to the loss of many hundreds of jobs in the industry in recent years.

SEIFSA – presumably with the agreement of the trade unions- has now proposed that, in the light of the current Covid-19 crisis, there be no formal negotiations in the industry this year and that their recently expired agreement be rolled over to June 2021. SAEFA confidently expects that they will once again attempt to have this agreement extended to non-party companies and we will again resist any attempts on their part to do so.

The current crisis is already of course having a devastating effect on companies and workers in our industry and such action would clearly result in even more job losses and company closures. On the contrary, SAEFA strongly believes that what the industry now very urgently needs is an agreement which is far more equitable and which will help to enable companies to survive the crisis and retain and even create jobs. In our view, this is something which is in the interests of both companies and unions alike and now is an ideal opportunity for employers to work together with the unions in order to achieve this.

In this regard, SAEFA proposes the following:

1. A new collective agreement be negotiated now, with no wage increases to be given in 2020.
2. To introduce a new entrant wage structure, starting at R30 per hour at Rate H, applicable to new employees not previously or currently employed at businesses registered with the Metal and Engineering Industries Bargaining Council.
3. To provide for any future wage increases agreed upon to be awarded on minimum rates of pay.
4. To agree to a three-year agreement.



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5. To provide for a new, revamped and effective exemptions policy.
6. To ensure that all substantive negotiations only happen at industry level and not at company level.
7. To provide that only shifts *actually worked* qualify for purposes of calculating Leave Enhancement Pay.
8. To provide for the first 45 hours per week to be paid at normal time rates of pay.
9. To limit the amount of annual leave to be taken by all new entrants to 3 weeks per year, irrespective of the length of service.

Since SAEFA successfully resisted the extension of the 2017 – 2020 Settlement Agreement on non-parties, many of our members have already applied the above proposals at their businesses for the last three years, with great success.

We believe that the recovery of the metal industry both during and post Covid-19 is dependent on the introduction of an agreement which is fair on employers. To sit back and do nothing at this critical juncture will cause irreparable harm to the industry and, by implication, to the county. That is why we will continue to push for the agreement on all of the above with immediate effect.

Yours sincerely,

Gordon Angus
SAEFA Executive Director