



SAEFA

SA ENGINEERS AND
FOUNDERS ASSOCIATION

30 July 2021

Wage Negotiation Advisory No. 39

Dear Members,

REPORT FOLLOWING BI-LATERAL WAGE NEGOTIATION MEETING HELD WITH NUMSA ON FRIDAY, 30 JULY 2021

The SAEFA Negotiating Team met this morning with NUMSA to discuss the current state of play in the industry wage negotiations. The meeting was held virtually with NUMSA's General Secretary, Mr Irvin Jim, acting as spokesperson for the labour delegation.

The meeting started with Mr Jim motivating the key points informing NUMSA position, namely:

- An agreement which may be extended to the entire industry;
- A wage increase of 8% in 2021; and
- Wage increases of CPI + 2% in 2022 and 2023 respectively.

Should inflation fall below 6% in years two and three of the deal, NUMSA are demanding a minimum of 6% to apply. However, they are prepared to offer a "safety valve" in this event, which is that employers will have the option of re-opening negotiations around wage increases if 6% is unaffordable at the applicable point in time.

The SAEFA team were able to secure NUMSA's commitment to reaching an agreement which was conducive to business recovery and growth and an acknowledgement that collective bargaining needs to evolve to suit the times for that objective to be achieved. This includes considering doing away with a "one-size-fits-all" approach.

The parties agreed that negotiations will continue next week, specifically to allow SAEFA to motivate the need to save the industry through implementing the New Entrant Wage Structure and awarding increases on minimum, and not actual wage rates.

Yours sincerely,

Gordon Angus
SAEFA Executive Director