



WAGE SETTLEMENT

MADE IN THE MAIN CHAMBER OF THE TRANSNET BARGAINING COUNCIL

between

TRANSNET LIMITED  
("TRANSNET")

AND

SOUTH AFRICAN TRANSPORT AND  
ALLIED WORKERS' UNION  
("SATAWU")

AND

UNITED TRANSPORT AND  
ALLIED TRADE UNION  
("UTATU")

IN RESPECT OF TERMS AND CONDITIONS OF EMPLOYMENT FOR THE FINANCIAL YEAR  
2009/10

1 PURPOSE AND SCOPE

- 1.1 The purpose of this agreement is to record the wage agreement for bargaining unit employees in Transnet Limited reached for the financial year 1 April 2009 to 31 March 2010.
- 1.2 The parties agree to extend the conditions of this agreement to non-parties to this agreement.
- 1.3 This agreement amends the terms and conditions of employment of bargaining unit employees in Transnet and supersedes existing agreements on the issues covered in this agreement.
- 1.4 This agreement will be implemented on 1 April 2009.
- 1.5 Employees will receive the across the board increase on their basic pay for April, May and June as an advance payment by 30 June 2009. Retrospective calculations on all other salary related elements will be implemented with the July 2009 payroll run.



**2 PARTIES TO THE AGREEMENT**

The parties to this agreement are:

- 2.1 Transnet Limited ("Transnet") having its head office at the Carlton Centre, 150 Commissioner Street, Johannesburg, and including its Operating Divisions: the Corporate Centre (including Transnet Capital Projects, Transnet Properties); Transnet National Ports Authority; Transnet Pipelines; Transnet Port Terminals; Transnet Freight Rail and Transnet Rail Engineering;
- 2.2 South African Transport and Allied Workers Union ("SATAWU"); and
- 2.3 United Transport and Allied Trade Union ("UTATU").

**3 WAGES**

- 3.1 The basic pensionable salary of Transnet employees falling within the bargaining unit will be increased by an across the board increase of seven percent (7%).

**4 HOME OWNERSHIP ALLOWANCE (HOA)**

- 4.1 The HOA allowances will automatically increase by the across the board increase of seven percent (7%) subject to the following minima and maxima payable:

Operating Division	Minima	Maxima
Transnet Freight Rail	R 589	R 995
Transnet Rail Engineering	R 589	R 995
Transnet Port Terminals	R 650	R 995
Transnet National Ports Authority	R 598	R 995
Transnet Pipelines	R 730	R1 219
Transnet Capital Projects	R 589	R1 003
Transnet Corporate Centre, including Transnet Properties	R 589	R 995

- 4.2 The HOA is already part of the First Line Managers, Specialists and Technicians ("FST") package and there will accordingly be no separate increase payable.

**5 TRANSMED SUBSIDY**

- 5.1 The Transmed subsidy will automatically increase by the across the board increase of seven percent (7%) subject to the following minima and maxima payable:

Operating Division	Minima	Maxima
Transnet Freight Rail	R396	R1 251
Transnet Rail Engineering	R396	R1 251
Transnet Port Terminals	R435	R1 251
Transnet National Ports Authority	R424,63	R1 251
Transnet Pipelines	R655	R1 400
Transnet Capital Projects	R512,78	R1 251
Transnet Corporate Centre, including Transnet Properties	R396	R1 251



## 6 OTHER ALLOWANCES

- 6.1 In respect of FSTs, the agreed across the board increase of seven percent (7%) will apply to the allowances set out in clause 21.3. of the FST agreement dated 19 October 2008.
- 6.2 The base rate for overtime calculations for other bargaining unit employees will increase by the across the board seven percent (7%).
- 6.3 There will be no increase to any shift allowance (except for Transnet Pipelines) or standby allowance (except for Transnet Pipelines) for all bargaining unit employees.

## 7 GRADES REVIEW

- 7.1 Noting the demand to extend the grades review to the rest of the bargaining unit, the parties agree to commence negotiations on the cascading of the reward model to those employees not covered by the Artisan, Train Movement and First Line Manager, Specialist and Technician Agreements. Following the completion of wage negotiations, the following process will be followed:
- 7.2 Negotiate the:
- 7.2.1 Grade structure and cut-off points for levels J, K and L
- 7.2.2 Pay scales (minimum and maximum) for non-converted operational grades H - L
- 7.2.3 Pay scales (minimum and maximum) for administrative grades H - L
- 7.2.4 Model for outcomes based modular learning
- 7.3 Thereafter, and subject to agreement being reached and affordability:
- 7.3.1 Migrate employees into the new grade level based on current job evaluation results.
- 7.3.2 Move relevant employees to the new pay scale minima. The parties will endeavor to ensure that this movement takes place no later than 1 March 2010;
- 7.4 Develop an Outcomes Based Modular learning (OBML) system.

## 8 CONTRACT WORKERS IN TRANSNET CAPITAL PROJECTS

- 8.1 By 31 October 2009, Transnet Capital Projects will complete the detailed analysis that has commenced in respect of fixed term contracts of employment. The outcome of this analysis will inform Transnet Capital Project's approach to the future employment of fixed term contract employees.
- 8.2 Transnet Capital Projects will manage the use of fixed term contracts in accordance with the following principles:
- 8.2.1 All Transnet Capital Project fixed term contract bargaining unit employees, paid through the payroll system HR Focus who were in employment on 1 April 2009 and are still employed on date of signature of this agreement, will receive the across the board increase of seven percent (7%) and an additional two percent (2%) increase. This means these qualifying employees will receive a wage increase of



nine percent (9%) calculated on the rate of pay reflected on the HR Focus payroll system as at 1 April 2009.

8.2.2 Stop order deductions will be made in terms of the Transnet Recognition Agreement, commencing July 2009;

8.2.3 Where vacancies for bargaining unit positions are advertised internal candidates and suitably qualified fixed term contract employees may apply for consideration for the position in accordance with the criteria set out in the Transnet Recruitment and Selection Policy. If no candidates are suitable Transnet will then advertise externally.

8.2.4 Transnet management undertakes to conduct an analysis of fixed term and casual employment and thereafter consult the unions.

**9 MATERNITY**

9.1 The Basic Conditions of Employment Act provides that employees are entitled to four months maternity leave.

9.2 Female employees who qualify for paid maternity leave (i.e. those with at least twelve (12) months uninterrupted service) will be entitled to the equivalent of three (3) months maternity leave at full pay (90 calendar days which includes Saturdays, Sundays and public holidays), which payment:

9.2.1 must be structured according to the maternity leave policy in each Operating Division;

9.2.2 must be paid in accordance with the Unemployment Insurance Act; and

9.2.3 may be structured by agreement between the employee and the local HR office, to ensure proportional monthly payments to cover a percentage of the employees' salary for the full period of absence. The employee has the option to structure the payment for the maternity leave period, subject to operational requirement, as follows:

9.2.3.1 three (3) months at full pay;

9.2.3.2 four (4) months at 75% of full pay;

9.2.3.3 five (5) months at 60% of full pay; or

9.2.3.4 six (6) months at 50% of full pay.

9.3 The employee may utilise annual leave to extend the maternity leave period.

**10 DISABILITY**

10.1 The parties agree that the Employment Equity task team of the Strategic Leadership Forum will develop a disability policy that provides clear guidelines on the principles and processes to support the reasonable accommodation of employees with physical disabilities.

**11 FORCED RETRENCHMENTS**

11.1 Transnet will not, from date of signing of this agreement to 31 March 2010 forcefully



retrench.

12 DISPUTE RESOLUTION

12.1 This agreement settles all demands and counter demands, whether agreed to or not, made by the parties during the wage negotiations in respect of wages for the year 1 April 2009 to 31 March 2010 and constitutes the entire agreement between the parties. This agreement may only be altered or varied in writing.

12.2 Any dispute regarding the interpretation or application of this agreement will be referred to the Transnet Bargaining Council.

SIGNED AND DATED AT JOHANNESBURG on this 26<sup>th</sup> day of June 2009.

WITNESSES:

- 1. [Signature]
- 2. [Signature]

[Signature]  
For and on behalf of TRANSNET LIMITED

SIGNED AND DATED AT JOHANNESBURG on this \_\_\_ day of \_\_\_ 2009.

WITNESSES:

- 3. [Signature]
- 4. [Signature]

[Signature]  
For and on behalf of the SATAWU

SIGNED AND DATED AT JOHANNESBURG on this 26 day of June 2009.

WITNESSES:

- 5. [Signature]
- 6. [Signature]

[Signature]  
For and on behalf of the UTATU