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**ALL EXECUTIVE COUNCIL MEMBERS AND TRADE UNION REPRESENTATIVES
(TUR'S) TRANSNET**

CASCADING OF THE NEW REWARD MODEL

During a meeting facilitated by John Brand between Transnet Management and Organized Labour on 11 July 2011 concerning the above the following transpired.

1) Management informed:

- 1.1 That the document submitted by Labour gave a lot of room for thought
- 1.2 The document made provision that the Transnet Port Terminal job model and pay scales be adopted.
- 1.3 Made provision for a 10 grade structure.
- 1.4 Made provision for three (3) pay point structure.
- 1.5 Management needs to link the model with a multi Wage Agreement (agree for next three years)
- 1.6 Total implementation would increase the wage bill by 18%
- 1.7 They want to phase in the model over a three (3) starting with the minima in the 1st year and then addressing the next pay point (certified) the following year and then finally the top pay point (performance).
- 1.8 By just addressing the minima at Transnet Freight Rail the wage bill will increase by 5.5% as 70% of the "bubbles" (underpaid) are within TFR.
- 1.9 All Administrative Staff to be converted to "Total Cost to Company"
- 1.10 Personal to Holder (PTH) be applied where persons are overpaid
- 1.11 They need to go and do costing and obtain further mandates on the above

2) Labour informed:

- 2.1 The ten (10) grades are acceptable.
- 2.2 The three (3) pay points are acceptable
- 2.3 TPT job model and scales acceptable
- 2.4 Phasing in over two (2) years
- 2.5 1st phase at a midpoint(to be determined) with effect 1st October 2011
- 2.6 2nd phase to applicable salary scale 1 October 2012
- 2.7 Administrative Personnel must be part of the model.
- 2.8 No PTH
- 2.9 Cleaning of grades must continue and be completed as a matter of urgency.
- 2.10 Entry level to be pitched at the 25th percentile.
- 2.11 Certified level to be pitched at the 50th percentile
- 2.12 Performance level to be pitched at the 75th percentile
- 2.13 The scales of the different pay points have to be increased in accordance with annual salary increases.

- 2.14 No evaluations of jobs to be done – just conversion from Hay to JE evaluation points.
- 2.15 Salary scales of the different pay points in the different grade levels to be discussed at the next meeting.

3) The Way forward.

- 3.1 Follow-up meetings have been scheduled for the following dates:-
 - 25 and 26 July 2011
 - 1 and 2 August 2011
 - 15 and 16 August 2011
- 3.2 Labour will in the interim forward their proposal to Management in writing.
- 3.3 Management will do costing in the interim and provide Labour with a tangible response at the next meeting.

Although Labour and Management agree on the “Framework”, an absolute obstacle is the finance needed to implement the process.

Members will be kept abreast as the process further unfolds.

UTATU greetings,



LF BROCKETT
ACTING GENERAL SECRETARY