

Settlement Proposal: 12 April 2013

1. Implementation Date and Duration of the Agreement:

1.1. The agreement will be implemented on 1 April 2013 and expire on 31 March 2015 (two-year agreement).

1.2. (*Re-opener clause to be agreed.*)

2. Across the board (ATB):

An across the board increase to basic pay as follows:

2.1. Year 1 (2013/14): 7%

2.2. Year 2 (2014/15) 7.5%

3. No Retrenchments:

Transnet will not retrench during the currency of the two year agreement.

4. Standby Allowance:

The standby allowance will increase each year by the across the board increase.

5. Night Shift Allowance:

The night shift allowance will increase each year by the across the board increase.

6. Subsistence Allowance:

The subsistence allowance which is currently R65 (sixty five rand) will in Year 2 (from 1 April 2014) increase by the across the board increase.

7. Non Pensionable Allowances:

The status quo will continue to apply in respect of non-pensionable allowances (no increase).

8. Housing Allowance:

The current housing allowance of R720 per month will increase as follows:

8.1. Year 1 (2013/14): R820 per month (an increase of 13.9%)

8.2. Year 2 (2014/15) R920 per month (an increase of 12.2%)

9. Medical Subsidy: The medical subsidy will increase as follows

The current medical subsidy of R650 per month will increase as follows:

9.1. Year 1 (2013/14): R710 per month (an increase of 9.2%)

9.2. Year 2 (2014/15) R820 per month (an increase of 15.4%)

10. Service Bonus:

10.1. The status quo in respect of the service bonus calculation will continue to apply to permanent employees as per the 2012/13 wage agreement.

10.2. The service bonus and the December salary will be paid separately to permanent employees. The December salary will be paid on or about 15 December each year and the service bonus will be paid on or about 27 December each year.

11. Leave

11.1. The status quo will continue to apply in respect of all leave provisions.

12. BCEA and Overtime

12.1. Transnet will comply with the Ministerial Determination on the overtime threshold.

13. Minimum Wage.

13.1. In lieu of an increase to the minimum wage as previously proposed Transnet offers improvements for fixed term contract employees as detailed below. This variation of the earlier proposal is because of the significant cost implications of the proposal on fixed term contract employees.



14.Fixed Term Contract Employees:

- 14.1. In respect of fixed term contract employees:
- 14.1.1. The SLF Task Team will oversee and monitor fixed term contract employment and the use of labour brokers from each Operating Division.
- 14.1.2. The SLF Task Team will co-ordinate the establishment of sub committees under the auspices of the National Business Committee in each Operating Division, made up of full time shop stewards and management representatives (where there are no full time shop stewards, ordinary shop stewards will assist).
- 14.1.3. The engagement will focus on fixed term contractors and labour brokers providing ongoing, regular work (this excludes work of a capital project nature). These discussions will consider business sustainability, operational efficiency and the opportunities for moving fixed term contract employees into permanent employment.
- 14.1.4. The SLF Task Team will review, at six (6) monthly intervals, progress being made in each Operating Division, as follows:
- 31 October 2013;
 - 31 March 2014; and
 - 31 October 2014.
- 14.2. Year 1: 2013/14
- 14.2.1. Transnet will identify fixed term contract employees who:
- 14.2.1.1. have been in employment for the past twelve month continuously;
- 14.2.1.2. have contracts which have been rolled over for six (6) continuous years or more; and
- 14.2.1.3. who are in Transnet's employment on 31 March 2013.
- 14.2.2. Transnet will with effect from 1 April 2013 adjust the basic hourly rate of pay of these fixed term contract employees (those with six (6) years continuous employment) to align with the Transnet minimum basic hourly rate of pay.
- 14.3. Year 2: 2014/15
- 14.3.1. Transnet will identify fixed term contract employees who:
- 14.3.1.1. have been in employment for the past twelve month continuously;



- 14.3.1.2. have contracts which have been rolled over for six (6) continuous years or more; and
 - 14.3.1.3. who are in Transnet's employment on 31 March 2014.
- 14.3.2. On 1 April 2014, Transnet will adjust the basic hourly basic rate of pay of these fixed term contract employees (those with six (6) years continuous employment) to the Transnet minimum basic hourly rate of pay.