



PRESENTATION TO
FUND MANAGERS &
FINANCIAL ANALYSTS

Labour environment

25 November 2013

Employee complement

- Number of employees have increased
- Union representation as a percentage of employees has decreased over the years

	F2013	F2012	F2011	F2010	F2009
Total employee headcount (all employees)	13 719	10 846	11 997	12 497	14 050
Number of unionised employees	2 120	2 039	2 285	2 416	1 752
Union membership as % of total workforce	15%	18%	19%	19%	12%

- Union representation decreased over the years, but number of unions has increased

% split	AMCU	AUBTWSA	BCAWU	BWAWUSA	GIWUSA	NUM	NUMSA	MEPHAWU	SACWU	SATAWU	TUZ	Total
2013	0.09	0.01	1.66	0.48	1.8	11.86	0.36	1.03	0.4	2.8	0.84	21.3
2012	0.25	0.1	2	0.5	2	13.5	0.5	0	0	2	0	21.6
2011	0	0.3	3	1	0	26	2	0	0	2	0	33
2010	0	0.5	5	0	0	22	2	0	0	1	0	30
2009	0	0.5	2	2	0	21	1	0	0	0	0	26

AMCU - Association of Mineworkers & Construction Union
 BWAWUSA - Building Wood and Allied Workers Union of SA
 NUM - National Union of Mineworkers
 MEPHAWU - Metal Plant Hire & Allied Workers Union
 SATAWU - South African Transport & Allied Workers Union

BCAWU - Building Contractors & Allied Union Workers
 GIWUSA - General Industries Workers Union of South Africa
 NUMSA - National Union of Metalworkers
 SACWU - SA Chemical Workers Union
 TUZ - Trade Union of Zimbabwe

Industrial action - overview

Number of strikes increased/increasing as demands to lift standard of living surge

- As with other sectors, industrial action in the construction sector has increased
- Workers, unions and communities demand an “adjustment” to lift their current standard of living
 - Strikes and demands are more visible due to the high profile nature of national priority projects
 - Public sector clients have been directly involved in trying to resolve labour disputes
- Increase in community involvement in worker/work place issues
 - This is expected as public sector projects focus on local community employment
 - Electioneering by various political parties
- Increase in “unreasonable demands” and disregard for current binding collective agreements (dealing with substantive conditions of service)

Industrial action at Group Five

- Strike activity has increased this calendar year, each has been managed effectively
- Many strikes have been conducted illegally and were not-procedural
- The employee “right to strike” was respected and so was the group’s “right to lock out” implemented

Segment	Union	Legal/ Illegal	Reason for Strike	Pax #	Man days lost
Civil	None	Illegal	Community unrest	260	780
Everite	GIWUSA	Legal	Substantive issues and misaligned unions	187	5 236
Civil	None	Illegal	Saturday Working Hours	318	159
Civil	NUM	Illegal	Wage Demands and Contract Completion Bonus	290	290
Projects	None	Illegal	End of Contract Benefits	520	2 080
Coastal	None	Illegal	Substantive issues	232	1 044
Civil	NUM	Illegal	Project Bonus	264	792
Civil	NUM and BCAWU	Illegal	Hostel services	265	2 120
Civil	NUM and BCAWU	Illegal	New Workers Forum Committee; new demands; project bonus and increases.	264	792
Civil	NUM	Illegal	Disciplinary Action taken by management - relating employee intimidation.	448	672
Civil	NUM and BCAWU	Illegal	Project Bonus and Wage Increases	265	1 060
Projects	NUM	Illegal	Wages/Allowances/Job Titles/Payment for Absence during strike Action	160	500
Coastal	NUM	Illegal	Procedural and substantive issues	560	2 520
National	NUM and BCAWU	Legal	National Civil Industry Wage Negotiations	2567	57 918
Oil&Gas	CEPWAWU	Illegal	Wage Demands and Local Content issues	97	230
Oil&Gas	None	Illegal	Payroll Issues - Hours of Work	790	2 271
Impact on the group of strikes for 2013				7 487	78 465

Wage escalations in the last year

Negotiated wage increases were concluded in line with expectations

Civil Engineering Industry *	BCAWU <ul style="list-style-type: none"> – Concluded through SAFCEC – Across board increase between 8% - 10%, grade dependent – 3 year agreement, same increases in Sep 2014 and 2015
Civil Engineering Industry *	NUM <ul style="list-style-type: none"> – Concluded through SAFCEC – Across board increase between 9% - 10%, grade dependent – 2 year agreement, same increases in Sep 2014
Building Industry *	Gauteng Building Voluntary Bargaining Forum <ul style="list-style-type: none"> – Across board increase of 10% – 3 year agreement, same increases in Oct 2014 and 2015
Infrastructure Concessions *	SATAWU <ul style="list-style-type: none"> – Across board increase of 10% – Effective from 1 March 2013 – Negotiations in the toll sector remain at a company level

* Refers to SA market

Other segment in which the group negotiates wage increases is manufacturing, on-going currently

Measures taken to manage & reduce work place industrial action

A proactive and risk-managed approach in dealing with industrial action

- Site management retrained on basic Industrial Relations – including strike handling
- Increased number of IR officers (workplace harmonizers) & community liaison officers
- Encouraged appointment of worker representatives where employees in bargain council bands have opted not join a union
- Regular meetings between management and worker representatives
- Training worker representatives on Industrial Relations especially where unionised
- Where required, deploying of specialists to address specific concerns
- Established work place forums
- Engaging with local communities
- Establishing and working with local Departments of Labour and their labour desks



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