



General Secretaries  
UNTU & SATAWU Labour Unions  
**JOHANNESBURG**  
2001

By E-mail

Dear Mr Van Vuuren and Mr Mazibuko

## **REVISED WAGE OFFER FROM TRANSNET**

- 1 I refer to the above and wish to hereby formally table the revised wage offer presented to you during the meeting that took place on 28 September 2022 at the Transnet Bargaining Council offices.
- 2 Transnet has on numerous occasions reiterated its critical financial situation and stressed that the demand tabled by Labour unfortunately cannot be met as it is unaffordable for the 2022/23 financial period. The latest forecast in respect of revenue remains significantly below the budget for this financial period, whilst operating costs are on a rise. In addition, the liquidity position of the company is under severe strain which has a direct impact on the breaching of its loan covenants. All of these have a dire impact on the sustainability of Transnet.
- 3 Given the above background, and taking the interest of our employees at heart, Transnet has worked hard to strike a win-win balance for all. The revised wage offer comprises four elements as set out below for your consideration:

### **A. Increase to Guaranteed Pay and related Remuneration Elements**

- 4 An increase of **1,5%**, effective 01 October 2022 on the following remuneration elements:
  - 4.1 Annual basic salary/Cost to Company package;
  - 4.2 13<sup>th</sup> cheque, based on October salary for employees on grade level H to L;
  - 4.3 Overtime;
  - 4.4 Employer contribution to retirement fund;
  - 4.5 Night shift allowance, where applicable;
  - 4.6 Standby allowance, where applicable;
  - 4.7 Acting allowance, where applicable; and
  - 4.8 Leave provision.

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Directors: Dr PS Molefe (Chairperson) PPJ Derby\* (Group Chief Executive) UN Fikelepi ME Letlape DC Matshoga Prof FS Mufamadi AP Ramabulana GT Ramphaka LL von Zeuner  
NS Dlamini\* (Group Chief Financial Officer)

\*Executive

Group Company Secretary: Ms S Bopape

[www.transnet.net](http://www.transnet.net)

**"This letterhead contains personal information as defined in the Protection of Personal Information Act, No. 4 of 2013 (the "Act"). The signatory consents to the processing of his/ her personal information and is obliged to handle other data subject's information in accordance with the requirements of the Act".**

**TRANSNET HAS A 'ZERO GIFTS' POLICY. NO EMPLOYEE IS ALLOWED TO ACCEPT GIFTS, FAVOURS OR BENEFITS**

## **B. Cash Payment in lieu of back-pay for the Period 01 April 2022 to 30 September 2022**

- 5 Bargaining unit employees will be eligible for cash payments in lieu of the salary increase for the period 01 April 2022 to 30 September 2022.
- 6 Bargaining unit employees will receive a cash payment equal to **1,5%** on the following remuneration elements.
  - 6.1 Annual basic salary/Cost to Company package;
  - 6.2 Night shift allowance, where earned;
  - 6.3 Standby allowance, where earned;
  - 6.4 Acting allowance, where earned; and
  - 6.5 Overtime, where earned
- 7 The cash payments will be made in three equal tranches at the end of January, February, and March 2023, respectively.
- 8 The lump-sum payments will only be made to bargaining unit employees who are in service on the date of payment.
- 9 The lump-sum payment will be pro-rated for those bargaining unit employees who commenced service after 01 April 2022.

## **C. Ex-Gratia Lump-sum Payment for Bargaining Unit Employees – April 2023**

- 10 Bargaining employees will receive a once-off lump-sum payment at the end of April 2023.
- 11 The value of this payment will amount to R10,000 per employee, before tax.
- 12 The lump-sum payment will only be made to bargaining unit employees who are in service on the date of payment.
- 13 The lump-sum payment will be pro-rated for those bargaining unit employees who commenced service after 01 April 2022.

## **Total Value of the Wage Offer**

- 14 It is important to note that the total value of this Transnet revised offer ranges between an average increase of **3,2% to 8,8%**, with those on higher levels receiving a lower percentage and those on the lower levels receiving the highest percentage. (Please refer to Annexure A of this letter for a breakdown of total percentage increase per grade level).

## **D. VARIABLE PAY ELEMENTS**

### **Unique and Tailored Productivity Incentive Schemes**

- 15 Transnet has designed and implemented unique and tailored productivity incentive schemes for the bargaining unit employees per Operating Division. These productivity schemes have a demonstrated potential additional earnings ranging between **2% up to 16% of earnings**. This is in addition to the negotiated salary increase.
- 16 The payment of these incentives is subject to exceeding specific Operating Division financial and productivity targets.

Transnet believes that, given the current challenges, the total offer presented is a fair and realistic one.

On behalf of the Transnet Group Executive Committee, I want to thank you for the transparent and constructive discussions that took place thus far and in particular, on 28 September 2022. We trust that you will appreciate the financial position that Transnet finds itself in and positively consider the offer as set out in this document. The future of Transnet is in our hands as a Leadership tasked with turning the organisation around.

You are kindly required to provide your formal written response to the offer as set out in this document to the undersigned, by no later than Friday, 07 October 2022. In the event you require an extension of time, please do let us know how much additional time you require.

Yours Sincerely,



**MR ITUMELENG MATSHEKA**

Chief of People Management and Learning

Date: 03 October 2022

## ANNEXURE A

### Breakdown of total wage offer per grade level

Grade Level	Guaranteed Pay increase Effective 1 October 2022	Cash payments for the backpay portion (Apr to Sept) Payable in 3 tranches (Jan, Feb, March 2023) Fixed % for all	Total Guaranteed	Once off lumpsum payment - April 2023 Fixed value for all		Total Offer
	% of annual salary	% of annual salary	% of annual salary	Fixed Rand Value	% of annual salary	% of annual salary
G	1,5%	1,5%	1,5%	10 000	1,6%	3,2%
H	1,5%	1,5%	1,5%	10 000	2,1%	3,6%
I	1,5%	1,5%	1,5%	10 000	2,5%	4,0%
J	1,5%	1,5%	1,5%	10 000	3,9%	5,4%
K	1,5%	1,5%	1,5%	10 000	5,5%	7,0%
L	1,5%	1,5%	1,5%	10 000	7,5%	8,8%