

27 October 2020

MEIBC LEVIES: ADMINISTRATION AND DISPUTE RESOLUTION LEVY

The Metal and Engineering Industries Bargaining Council (MEIBC) is registered in terms of section 29(15)(a) of the Labour Relations Act, 1995. The MEIBC is a statutory body created under the LRA to provide for the co-regulation of stable and productive employment relations in the metals and engineering industries.

The MEIBC provides the necessary administrative infrastructure and technical expertise to ensure effective collective bargaining, industry compliance, dispute resolution and social protection services.

Over the last few years, the MEIBC has faced a number of challenges. These include the extension of its collective agreements to non-parties to the Council, as well as the discharge of its dispute resolution functions under the LRA. These challenges pushed the Council to the edge of potentially being wound up under the LRA.

In order to arrest the state of disarray in which the Council found itself, the majority of the parties, supported by the Department of Labour, agreed to approach the Labour Court with a request to place the Council under Administration. The Court considered the unopposed relief sought by the Parties and concluded that there was a need for the appointment of an Administrator and that the MEIBC was, indeed, capable of being rescued.

The MEIBC came out of Administration at the end of February 2020, with the Court-appointed Administrator formally ending his tenure on 18 February 2020. There is no doubt that Business Rescue and Administration prevented the Bargaining Council from entering full-blown liquidation and closure.

During his term, the Administrator appointed a Council Secretary with strong accounting and corporate governance skills, presented a rehabilitation plan and budget and oversaw the gazettal and extension of the Bargaining Council's Administration and Dispute Resolution Levy Agreements to all employers and employees in the industry. These two levies account for over 95% of the Council's income. The Administrator was also effective in reducing overheads and stabilising the Council's finances.

The Administration and Dispute Resolution Levies, which were gazetted and extended to all in the industry, re-introduced a levy structure that was last reviewed in 2011. These levies became legally effective on 28 October 2019 and will expire on 28 October 2020.

ADMINISTRATION LEVY

Per week	Per Month
R1.72 (reduced from R2.05)	R7.45 (reduced from R8.88)

- The Administration Levy is payable by each **scheduled** employee, with a matching contribution paid by the employer.

DISPUTE RESOLUTION LEVY

Per week	Per Month
R0.62 (reduced from R0.77)	R2.68 (reduced from R3.37)

- The Dispute Resolution Levy is payable by **all employees**, with a matching contribution paid by the employer.

An application seeking the renewal of the gazette extending the above levies for a further 12-month period has been lodged with the Department of Employment and Labour, but the gazettal has been delayed owing to a number of factors. Unfortunately, this has resulted in a hiatus period or interruption of continuity.

In light of the fact that the majority of stakeholders represented on the MEIBC believe firmly that a properly-resourced and well-functioning Bargaining Council is in the best interests of employers and employees in the industry and is critical for the maintenance of labour market stability, the SEIFSA-affiliated Employer Associations on the Bargaining Council and all the Trade Unions have agreed to recommend and encourage their respective members to continue to make payments during this period in-between the expiry of the current agreement and gazettal of the next agreement.

All the trade unions on the MEIBC – namely NUMSA, Solidarity, MEWUSA, UASA and SAEWA – are favourably disposed to this interim arrangement. In order to ensure the continued viability of the MEIBC during this period, we ask that affiliated member companies do the same.

If your shop floor is not unionised, we advise that you raise this matter with your non-unionised employees and seek their agreement before continuing with the contributions to the MEIBC.

Thank you for your understanding. Should you have any questions, please do not hesitate to call the staff of the SEIFSA Industrial Relations and Legal Division on (011) 298-9400, who will gladly assist.

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