



*SAMWU box*

# South African Municipal Worker's Union

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08 May 2001

**TO:** **ALL PROVINCES**  
**NATIONAL OFFICE BEARERS**  
**NATIONAL OFFICIALS**

**FROM:** **GENERAL SECRETARY**

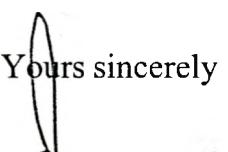
**RE** **NOTICE OF NEC MEETING – 17/18 MAY 2001**

Dear Comrades

Kindly be informed that the next ordinary NEC meeting will be held at the Tulbagh Hotel, Cape Town on 17 and 18 May 2001, commencing at 9h00.

Attached is the proposed agenda, minutes of the last ordinary NEC meeting and the Secretariat Report. Additional documentation will be circulated as and when these become available.

Yours sincerely

  
Roger Ronnie  
General Secretary

**SOUTH AFRICAN MUNICIPAL WORKERS' UNION**  
**NATIONAL EXECUTIVE COMMITTEE MEETING – 17/18 MAY 2001**

**PROPOSED AGENDA**

- 1. OPENING**
- 2. ATTENDANCE AND APOLOGIES**
- 3. CONFIRMATION OF AGENDA**
- 4. MINUTE OF MEETING HELD ON 20/21 FEBRUARY 2001 AND SPECIAL MEETINGS HELD ON 18 APRIL 2001 AND 10 MAY 2001**
- 5. MATTERS ARISING**
- 6. ORGANISATIONAL**

**6.1 Collective Bargaining**

- 6.1.1 Salary/Wage Negotiations – 2001/2002 ✓
- 6.1.2 Minimum Service Level Agreements
- 6.1.3 Conditions of Service ✓
- 6.1.4 Employee Benefits Dispute ✓

**6.2 Social Benefits**

- 6.2.1 National Medical Scheme ✓
- 6.2.2 SAMWU Savings and Credit Co-operative
- 6.2.3 National Funeral Scheme
- 6.2.4 National Loans Scheme
- 6.2.5 Accident Insurance

**6.3 Health and Safety**

- 6.3.1 HIV/AIDS Policy ✓

**6.4 National Office Restructuring**

**6.5 Presidential Commission**

**6.6 International**

**6.7 Fincom Workshop**

## **6.8 Education**

- 6.8.1 SAMWU Internal Education
- 6.8.2 COSATU Education Strategy

## **7. POLITICAL**

### **7.1 SACP Programme of Action**

### **7.2 Alliance Process/Allegations by Safety and Security Minister**

### **7.3 Assessment of Gender Struggles within COSATU**

## **8. SOCIO-ECONOMIC**

### **8.1 Local Government Restructuring**

- 8.1.1 Restructuring and Placement Disputes
- 8.1.2 Anti-Privatisation Campaign – COSATU
- 8.1.3 IGoli 2002

### **8.2 Labour Law Amendments**

### **8.3 Sector Job Summit Process**

### **8.4 Peoples Budget**

### **8.5 HIV/AIDS**

## **9. CLOSURE**

## **SOUTH AFRICAN MUNICIPAL WORKERS' UNION**

### **MINUTES OF NATIONAL EXECUTIVE COMMITTEE MEETING**

**20/21 FEBRUARY 2001**

#### **1. OPENING**

The meeting was opened at 9.30 am with the singing of Nkosi Sikelele. In his opening address, the President raised a number of challenges facing the union during this period. He raised the following issues:

- The ongoing placements exercise in the sector;
- The undermining of national bargaining council decisions by our own representatives at divisional level;
- The need to implement SAMWU and COSATU National Congress resolutions, especially those dealing with unity in the public sector;
- Servicing of members must get special attention and the NOBs intended visiting as many workplaces as possible as part of this process;
- Signs of corrupt activities are emerging in many spheres of the Union's activities; and
- Problems experienced with the lack of coherence within SALGA that was making it difficult for them to secure a binding mandate on matters negotiated nationally.

#### **2. ATTENDANCE AND APOLOGIES**

With the exception of Northern Province, all provinces were represented at the start of the meeting. Attendance as per the attached Attendance Register.

The following written apologies were adopted:

T Ngobeni – Duration of NEC due to ill health.

R Hlophe – For 21 February due to bargaining council engagement.

It was also agreed that in future, provinces not fully represented without an apology, shall, subsequent to the NEC, account in writing for the absence of delegates.

Moved: Gauteng

Seconded: North West

### **3. CONFIRMATION OF AGENDA**

The agenda as proposed was adopted with the following additions

- 6.1.6 SALGBC Exco Report
- 6.5 Media
- 7.1.7 SETA
- 7.4 Cholera
- 7.5 COSATU Commissions and Representation
- 7.6 HIV/AIDS Campaign

Moved: North West

Seconded: Eastern Cape

### **4. MINUTES OF NEC MEETING HELD ON 11/12 DECEMBER 2000**

The minutes of the NEC meeting held on 11/12 December 2000 were adopted with the following additions:

- 6.1.1 After the sentence dealing with the 6<sup>th</sup> Congress resolutions – ‘The resolutions committee to be convened if responses reveal the necessity for such a meeting.’
- 7.1.6 After the sentence in the second bullet – ‘.. and that Water Boards be included in the planned Sector Summit.’

Moved: Mpumalanga

Seconded: Eastern Cape

### **5. MATTERS ARISING**

#### **5.1 Assessment of increased subscriptions**

The report as tabled was noted and it was agreed that FINCOM would finalise the matter.

Moved: Mpumalanga  
Seconded: Eastern Cape

#### **5.2 Organograms**

It was agreed that all provinces who had not yet done so, would submit their proposed organograms by 23 February. Those experiencing problems in meeting this deadline would liaise with the Head Office.

Moved: Free State  
Seconded: Kwa Zulu Natal

### 5.3 Draft 6<sup>th</sup> Congress Resolutions

Noting that no comments had been received from Provinces, it was agreed that the deadline be extended to 28 February.

Moved: Mpumalanga  
Seconded: Eastern Cape

### 5.4 Tax Services Proposal

It was agreed that all Provinces would receive a copy of the agreement and that we need to ensure that members are consulted prior to any requests to management by the company for information.

Moved: Gauteng  
Seconded: Mpumalanga

### 5.5 SETA

On recommendation from the National Office Bearers, it was agreed that R Mabogaone would be NOB allocated to the SETA.

Moved: Gauteng  
Seconded: Western Cape

### 5.6 Demarcation and Staffing Issues

The NEC noted that a circular had been sent to all provinces requesting information needed in preparation for the workshop that would take place during March.

### 5.7 Staff Matters

The NEC noted the progress made in compiling a SDT programme and endorsed the appointment of LRS, at a cost of R20, 000, to conduct a salary survey on behalf of the Union.

Moved: Gauteng  
Seconded: Western Cape

## 5.8 Union Constitution

The NEC noted that all the proposed amendments had been incorporated into the Constitution. Further that once the discussion documents on a Code of Conduct and Union Liability were received from the designated drafters, the full package would be circulated to Provinces.

Moved: North West  
Seconded: Kwa Zulu Natal

## 5.9 Staff Housing Allowance

Arising from item 5.3 in the minutes, it was agreed that the Staffing Committee should develop a draft policy on deployment/transfers which shall include the issue of rental assistance.

Moved: Free State  
Seconded: Western Cape

## 5.10 Education

Arising from item 6.5 in the minutes, the NEC re-affirmed the basis on which provinces may exercise discretion in convening workshops outside of the agreed areas of priority, as set out in the minutes.

## 5.11 Sector Summits

It was noted that while it was never intended that SAMWU should be involved in the Public Service Job Summit, the COSATU affiliates have been holding discussions to convene a broader public sector gathering within the Alliance and then take that process in a broader public sector summit.

## 5.12 2001 Budget

It was agreed that the issue of increased rates for shop steward travel, as raised by the Western Cape, would be dealt with as part of the budget review process.

Moved: Gauteng  
Seconded: Free State

## 5.13 Cleaning Staff

It was agreed that this matter would be finalized by FINCOM as part of the policy dealing with temporary staff.

Moved: Free State  
Seconded: Gauteng

## 6. ORGANISATIONAL

### 6.1 Collective Bargaining

#### 6.1.1 Salary/Wage Negotiations

After considering reports from the provinces, the following was agreed:

- Flyers would be issued immediately after each round of negotiations and we should seek to delay media statements until reports have reached members.
- Provinces are to develop a clear reporting back programme, involving office bearers and organizers, in the period leading to the second round of negotiations. These programmes shall be submitted by 28 February.
- Additional time off for meetings, as provided for in the ORA, shall be requested.
- The bottom line was amended to the greater of R300 or 10% and a minimum wage of R2000.
- An amount equivalent to R35 000 per province had been allocated to the wage campaign. This amount excludes an allocation for two special NEC meetings.
- The CB unit to draft a discussion document on the duration of agreements for consideration at the next CEC. The document should include an assessment of progress made in realizing our vision for remuneration in the sector.
- We should also seek to extend the scope of any agreement to all entities/utilities. Provinces shall also table demands at all private companies and report on progress in this regard.
- Regarding IMATU, it was agreed that we need to have an independent programme, at least up to the second round. This would be re-assessed at the CEC.

Moved: Eastern Cape  
Seconded: Gauteng

### 6.1.2 Exemptions

After considering how best to involve structures/members in the exemptions process, the following was agreed:

- A programme must be developed to capacitate shop stewards to analyse and interpret information contained in the exemption application.
- Shop stewards from the applicant local authorities should be involved in the process at divisional level.
- The positions arrived at by the parties at divisional level can only be improved on nationally.
- Representatives serving on the different exemption committees represent the interests of the Union.
- Unresolved applications received from divisions are to be assessed by both national and the divisional representatives.
- The Union should do an analysis of the total number of workers affected by exemptions and the extent thereof. In addition, we should determine where adjustments are not affected even though no exemption has been granted.
- The forthcoming SALGBC workshop on exemptions should be preceded by a SAMWU session.

Moved: Eastern Cape  
Seconded: Mpumalanga

### 6.1.3 Minimum Service Level Agreements

The following was agreed:

- The Head Office would pro-actively secure information from provinces. This shall include copies of all agreements, negotiations schedules and the names of all organizers allocated to these negotiations.
- A discussion document, covering the issues raised in the Secretariat including the issue of the strike fund, would be prepared for discussion at the CEC.
- This document would be circulated at least two weeks prior to the CEC.

Moved: Western Cape  
Seconded: North West

#### 6.1.4 Conditions of Service

It was agreed that the report tabled by the technical committee would be referred back to provinces for discussion with a further debate to be held at the CEC on the issue of 'actuals versus minima' conditions. A document spelling out the pros and cons of these respective positions would be prepared and circulated to provinces.

Moved: Eastern Cape  
Seconded: Mpumalanga

#### 6.1.5 Employee Benefits Dispute

The proposals arising from the meeting with SALGA and IMATU relating to retirement fund contributions (including phasing out DB funds); retrenchment benefits; BOT composition and medical fund contributions were endorsed with the proviso that our position is one that supports a retrenchment benefit equivalent to 3 weeks for every completed year of service.

Moved: Mpumalanga  
Seconded: North West

#### 6.1.6 SALGBC Exco Report

After considering the verbal report as tabled by the CBO, it was agreed that a written report would be circulated to all provinces. The NEC also re-affirmed the TASK system as the preferred job evaluation system.

Moved: Eastern Cape  
Seconded: Kwa Zulu Natal

### 6.2 Social Benefits

#### 6.2.1 National Loans Scheme

The report on the conclusion of the agreement with FNB, was endorsed.

Moved: Mpumalanga  
Seconded: North West

### 6.2.2 SAMWU Savings Co-operative

Arising from the report, the following was agreed:

- The donation of R50 000 towards the purchase costs of the IT system for the SACCO was endorsed.
- The proposed BOT was endorsed, noting that the Servicing Department Co-ordinator would only act as an advisor to the Board.
- A leaflet, setting out the implementation and recruitment plan must be produced and provincial workshops convened to fully explain the concept to shop stewards.
- Further debates in the Union on investments should include an assessment of initiatives like the SACCO.

Moved: Kwa Zulu Natal  
Seconded: Free State

### 6.2.3 National Funeral Scheme

Arising from the report, the following was agreed:

- The existing arrangement in respect of paid-up certificates must be secured.
- The 48 hour turn around time is a bottom line for the processing of claims.
- An urgent meeting to be arranged with Safrican to deal with the above.
- Copies of all agreements related to the scheme to be circulated to all provinces.
- The SBSC should also re-look the scheme in its entirety.

Moved: Gauteng  
Seconded: Mpumalanga

#### 6.2.4 National Medical Scheme

Arising from the report, the following was agreed:

- Once operational, the scheme can immediately target non-SALGBC covered workplaces.
- Provincial workshops to be convened to inform workers about the scheme and its operations. This should form part of a broader workshop covering all social benefits. The SBSC must finalise the workshop program.
- The funding should be sourced from amongst others the commissions fund and service providers. The NOBs to finalise this area.

Moved: Eastern Cape  
Seconded: Kwa Zulu Natal

#### 6.3 Health and Safety

The H S & E Unit's workplan, as presented to the NEC was endorsed.

Moved: Eastern Cape  
Seconded: Kwa Zulu Natal

The finalisation of the HIV/AIDS policy was deferred to the CEC.

Moved: Eastern Cape  
Seconded: Gauteng

#### 6.4 Presidential Commission

The NEC endorsed the report as tabled by the National Office Bearers. A further report would be tabled at the CEC.

In addition, it was agreed that the NEC takes strong exception to and condemns the alleged threats/intimidation aimed at certain persons who had spoken to the Commission. The Commission was requested to investigate these allegations further and institute disciplinary action should this be required.

Moved: Free State  
Seconded: Kwa Zulu Natal

## **6.5 Media**

Arising from a concern raised by Gauteng on the manner in which press statements are released, the NEC resolved that any alleged deviations from the existing policy should be referred to the Head Office in the correct manner.

Moved: Free State  
Seconded: Western Cape

## **7. SOCIO-ECONOMIC**

### **7.1 Local Government Restructuring**

#### **7.1.1 SALGBC Dispute on the NFA**

Arising from the report, the following was agreed:

- The recommendation by the Secretariat that the dispute be framed as a refusal to bargain dispute is supported.
- Given the fact that the SALGBC is still unregistered, we should obtain legal advice on the benefits or otherwise of processing the dispute at this point in time.
- The NOBs to creatively determine how to take forward the dispute.
- The CEC must debate whether or not we abandon the Sectoral Forum. The discussion, which must include COSATU, must be based on an assessment of its effectiveness to date and must also incorporate the links between the NFA and the MSA.
- We should in the interim continue, at local and divisional level, to put forward our approach to dealing with restructuring/service delivery options and if necessary, declare disputes at these levels.

Moved: Mpumalanga  
Seconded: Kwa Zulu Natal

#### **7.1.2 Placement Policy**

After considering the draft policy and the areas of disagreement, the following was agreed:

- We should seek to get the IDP, EE and SDPs developed simultaneously. In this regard, clauses 1.5 and 2.4 need to be expanded.

- The LLF must be clearly defined to ensure that at metro and district level they are sub-divisions of the bargaining council. In turn, the Placement Committee should be a sub-committee of the LLF.
- The SAMWU delegation to the SALGBC be mandated to look at the finer details of the agreement including how capacity of persons serving in the LLFs can be built around areas of the IDP and organograms.
- Organograms to be concluded by negotiation.
- Length of service is not supported as a criteria when more than one candidate exists.
- A twelve month period, from date of agreement, to be applicable for finalizing the placement process.
- Where unilateral finalisation of organograms have taken place, we should raise this with the relevant local authorities and if necessary declare disputes. SALGA to be put to terms to conclude a collective agreement regarding the moratorium within ten days failing which we would be in dispute.

Moved: Gauteng  
 Seconded: Free State

It was also agreed that provinces would not engage at provincial level on matters covered in the Placement Policy negotiations, save to promote the positions adopted nationally.

Moved: Mpumalanga  
 Seconded: Gauteng

#### 7.1.3 LGR Co-ordination Plan

Noting that the meeting of the LGR Task Team had not yet taken place, the NEC endorsed the recommendation that the national service committee co-ordinators be included in the planned meeting.

Moved: Gauteng  
 Seconded: Mpumalanga

#### 7.1.4 Restructuring Initiatives and Anti-Privatisation Campaign

The NEC endorsed the recommendations on an approach to the iGoli 2002 plan as discussed at the meeting held on 10 February and as set out in the Secretariat Report. It was noted that the Gauteng Provincial Secretary would head up the team provided for, with Rob Rees taking responsibility for the day to day co-ordination of the team.

The NEC, noting the decision of the COSATU Wits region to withdraw from the APF, re-affirmed the Union position that it shall continue to participate in the APF and that we would seek to take up this matter with COSATU regionally and nationally.

Moved: Eastern Cape  
Seconded: Mpumalanga

#### 7.1.5 Dealt with under 7.1.4 above

#### 7.1.6 Sector Summit

The NEC endorsed the recommendation to convene a workshop, made up of NEC delegates plus national service committee co-ordinators, to develop a clear policy framework for our sector. Due consideration must also be given to ensure a gender balance in the composition.

The NEC expressed the view that the primary objective of the Sector Summit must be the protection and enhancement of existing jobs and the creation of new, quality jobs through agreements on appropriate service delivery options. The process should also draw on work already done in preparation for the Service Delivery Conference.

Moved: North West  
Seconded: Mpumalanga

### 7.1.7 SETA

After considering a report on the ongoing problems that prevent the effective functioning of the SETA, it was agreed that:

- We should convene a leadership meeting with SALGA to raise our concerns. These concerns, including those related to the Sector Skills Plan, should also be conveyed to the Minister.
- We should also continue to pursue with SALGA the issue of suitable placement for the current CEO, failing which the matter should proceed to arbitration.
- A workshop should be convened for all persons involved with SETA and related issues at national and provincial level.

Moved: Western Cape

Seconded: Gauteng

### 7.2 COSATU Campaigns

Labour Law Amendments:

After consideration of the proposed package that emerged from the MLC negotiations and noting the CEC decision recommending endorsement of the package, the NEC agreed resolved that:

- SAMWU should raise its concern with COSATU at the process and call for a much more thoroughgoing consultative process that involving workers.
- The joint vision as set out in the package cannot be endorsed as it would mean a formal acceptance of capitalist globalisation by the Federation. If a statement of intent is to be incorporated in the package then it should reflect that notwithstanding differences, the parties have concluded an agreement.
- COSATU be informed that we cannot endorse the proposed amendments at this stage as members would need more time to debate these and that a final decision should be deferred until the COSATU CEC in April.

Recruitment:

Noting that affiliates were required to draw up their respective recruitment programmes for the period between February and April, it was resolved that we inform COSATU that we fully endorse the campaign. Further that we inform them of our National Congress resolution on recruitment including and the planned organising meeting.

May Day:

Noting that there would be a number of localized events, it was resolved that we should seek to draw in all working class formations into the May Day activities and that we should seek to use the events to develop political consciousness.

Moved:                    Eastern Cape  
Seconded:                Gauteng

### **7.3 Budget Day**

The report as tabled was noted.

### **7.4 Cholera**

The report as tabled was noted.

### **7.5 COSATU Commissions and Representations**

It was agreed that provinces would examine the various COSATU Commissions and areas of representation and would identify comrades who could be considered for nomination to the various structures. This matter would be taken further at our CEC.

### **7.6 HIV/AIDS Campaign**

The NEC noted the forthcoming court case involving the pharmaceutical companies and the government and resolved that we should participate in any programmes of action focused on the court. Further that we should link with the TAC to determine what activities would be happening in other parts of the country.

**8. POLITICAL**

**8.1 Assessment of LG Elections**

The report as tabled was noted.

**9. CLOSURE**

The meeting was declared close at 15H30.

**SOUTH AFRICAN MUNICIPAL WORKERS' UNION**

**SECRETARIAT REPORT TO THE NATIONAL EXECUTIVE COMMITTEE**

**17/18 MAY 2001**

## **INTRODUCTION**

The period just prior to the NEC has thrown up a number of issues, many of which we have been grappling with over a long period of time, that require decisive and clear actions on behalf of the labour movement.

The recent allegations that emerged of a plot to topple the President of the ANC once again raises serious questions about the way in which the Alliance operates. It also brings to the fore the often blurred distinction between party and state. Linked to this is the announcement by government that it is to continue on its privatization way. COSATU has responded to both these issues at its CEC.

We are currently involved in two disputes at Central Council level. Both of these are pivotal to the advancement of our policy positions on local government restructuring. Conciliation meetings are to take place just prior to the NEC.

There appears to be no let up in the cholera epidemic. If anything, it appears to be spreading to more parts of the country. Government is no longer even saying that the issue is under control. It simply seems to have become part and parcel of normal life. The recent court victory on the manufacturing of generics and parallel imports opens a widow of opportunity to secure affordable treatment to people living with AIDS. The government is however silent on whether it will move in this direction. The TAC has already turned up the heat and the recent COSATU CEC endorsed a programme of action aimed at securing proper treatment for all.

### **1. MATTERS ARISING FROM LAST NEC**

- Staff Matters

The report from LRS on the salary survey will be tabled at the NEC. It is recommended that the finalisation of this matter be via the FINCOM in July and a special CEC to be September. This latter point is dealt with below.

- Union Constitution

The meeting of the Sub-Committee to finalise the Discussion Documents and work on proposed wording has not yet taken place. While the process of getting the previously agreed amendments registered is underway we need to consider how we should proceed with the establishment of the gender structures.

- 2001 Budget

The NOBs are recommending that the budget review be dealt with at the FINCOM at the end of July. This will allow us to assess income and expenditure patterns for a full six months. Any adjustments arising from this process would be fed to a Special CEC held during September. The NOBs are proposing that the September NEC be converted into a CEC to deal with the budget review and preparation for the COSATU Central Committee.

## **2. ORGANISATIONAL**

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### **2.1 Salary/Wage Negotiations**

By the time the NEC sits, we shall have received a clear indication as to the direction the current dispute is taking. It is quite clear from the reports received to date from provinces that there is a great deal of unhappiness amongst members regarding SALGA's offer. What is unclear at this point, is the response of members to the conciliator's offer.

The NEC will need to consider the outcome of the conciliation meeting to be held on 11 May.

### **2.2 Minimum Service Level Agreements**

The last CEC resolved that all agreements would have to be concluded by end April. In other words where we have been unable to conclude an agreement with the employer, we should be declaring a dispute. Provinces will need to indicate to what extent they have met this deadline. Provinces were also meant to consult workers on the issue of the strike fund. A pamphlet was produced to facilitate discussion amongst members.

The NEC must consider:

- The progress made in concluding the MSLAs.
- The details of the Strike Fund.

### 2.3 Conditions of Service

A document setting out the arguments in respect of 'actuals v minima' will be circulated prior to the NEC. In addition, Provinces were meant to consider the draft set of conditions as previously circulated.

The NEC must consider:

- Whether conditions of service set nationally should be actuals and simply provide a floor of rights that can be improved on at a lower level.
- Finalisation of a set of demands.

### 2.4 Employee Benefits Dispute

An informal meeting was held with Imatu and Salga apropos the Employee Benefits Disputes on 19 April 2001. In reporting back it became clear that there were some areas where parties were in accord and others where a huge distance separated the parties.

Further meetings have been held and arising from these, the basis for settlement is set out below:

#### CONTRIBUTION RATE TOWARDS RETIREMENT FUNDS

Salga proposed that we enter into an arrangement that develops a norm for retirement funding of 18%. This is to be achieved over a four-year period in the following way:

Year	Low Contribution Rate <15%	High Contribution Rate 22% >
0	15%	22%
1	16%	21%
2	17%	20%
3	18%	19%
4	18%	18%

➤ Samwu supports this proposal.

Imatu in the meeting of 4 May raised a further possibility of extending the period for those receiving contribution rates in excess of 22% for a 10-year period with a further phasing out period of 5 years.

- Samwu supports this proposal on the understanding that the longer phasing in period should in no way detract from uplifting those below 18%.
- Furthermore Samwu supports the norm to be set at 18%, given that this is the most common contribution rate in the sector.
- Defined benefit funds are to be closed to new members and existing members contributions are to be based on a business related actuarially determined projected investment return.

**Bringing the industry on board:**

If we do proceed along the above lines, it would be vital to bring the existing retirement funds in the sector on board. Their buy-in would facilitate the movement to a DC arrangement. The projections on the effect of closing the fund would have to be actuarially determined and the costs calculated for ongoing employer contributions to the fund. A process of engagement with the industry would thus have to take place in order to acquire their support.

**RETRENCHMENT BENEFIT**

Retrenchment provisions should be regulated by means of a collective agreement as part of the conditions of service. Salga proposed improving their original offer of 1 to 3 weeks' wages for each year's service.

In the discussions held on 3 May between Salga and Imatu, a new consideration was placed on the table. This proposal allowed for a 3-year retention of existing benefits whereafter 3 weeks' wages are to be paid for each year's service.

- Both of the above proposals are acceptable to Samwu.

**EMPLOYERS REPRESENTATION ON BOARDS OF TRUSTEES**

Salga raised the proposal that their demand for 50% representation on BOTs be reduced to just representation, stating that they believed that they had some value to add by being part of funds and particularly in the arena of investments.

Our position has been that the presence of Salga on the SNPF's BOT undermines the worker-controlled nature of the fund. Furthermore, it will hamper the SNPF operating as an extension of the union where the close inter-relationship between the union's strategies and that of the fund can be dovetailed. The nature of the BOT is such that many of the union's internal dynamics are discussed. This also will be compromised with the presence of Salga.

- We retain our view that says that it is the prerogative of each approved fund to determine whether to invite Salga to sit on their BOT, with the further understanding that in a Defined Benefit arrangement, the employer will be entitled to have 50% representation. We further concede that where a BOT intends to take a decision that will impact financially on the employer, this will be considered in the SALGBC.

#### CONTRIBUTION TO MEDICAL AID SCHEMES

An industry norm shall be determined. 60% of this would be determined and that becomes the maximum rate at which municipalities should contribute. The norm is to be based on a principal member + 4 dependants. The actual norm is to be determined by the weighted average of the 6 largest schemes in the sector. The General Secretary of the SALGBC will be requested to write to these funds to request them to provide information of membership under each benefit.

The benefit is to escalate annually by determining the weighted average premium of approved funds in the sector.

- Samwu supports the above approach.

The NEC must consider progress made in this regard and what further movement is possible on our part to facilitate a settlement.

#### **2.5 SAMWU National Medical Scheme**

The launch date has been set for the 07<sup>th</sup> June 2001 in Cape Town. A budget has been issued to the last FINCOM which was adopted, which makes provision for the inclusion of the NEC to attend the launch of SAMWUMED.

It has been agreed that the following speakers will be invited to address the launch – which will be chaired by the SAMWU National Treasurer and Vice Chair of SAMWUMED cde Reggie Mabogoane: -

- ✓ SAMWU President
- ✓ SAMWU General Secretary
- ✓ Minister of Health
- ✓ Registrar of Medical Schemes
- ✓ General Secretary ANC
- ✓ General Secretary COSATU
- ✓ General Secretary SACP

Issues for the NEC to consider: -

- i. In view of the fact that the union has agreed that option B of SAMWUMED must be seen as self-sufficient it is recommended that the union put up a guarantee of R2 million to ensure the financial security of this option. Due to the uncertain nature of the growth and development of the scheme it is difficult to predict an exact amount required for the initial phase of the scheme, the above amount could be over or below our estimates. It is agreed that any amount put up in this regard is paid back in full with interest, at such time that the option is fully self-sufficient. Please be advised that the NEC has previously resolved to provide R5 million as guarantee for the independent union option, which was subsequently set aside in favour of a joint venture with the SAMWU MBF;
- ii. That this amount is structured in such a way as to allow it to be paid back to the Union once the scheme is on sound grounding;
- iii. That the union cover all costs for its' delegates represented on the Board of SAMWUMED, until such time that the scheme is able to cover these costs, similar to the situation which prevailed with the SNPF;
- iv. From a recommendation at the SBSC and a SAMWUMED Board resolution (pending the NEC ratification) it is recommended to the NEC that the Deputy General Secretary serve as the Principal Officer of SAMWUMED, similar to the situation on the SNPF. It has been generally agreed that the fund will employ a Fund Officer to manage the day to day operations of the scheme.

The NEC must consider:

- The proposed monetary guarantee.
- The proposal that the Union meets the initial costs of representation on the BOT.
- The proposal regarding the PO of SAMWUMED.

## 2.6 SAMWU Savings ad Credit Co-Operative

### Marketing:

Meetings to promote the SACCO have been convened in many parts of the country. SACCO representatives have compiled a separate report on these meetings. These are included in the NEC documentation.

One of the issues arising from the reports that require the attention of the NEC is the position emerging in certain provinces that the SACCO concept would first have to be discussed at PEC level. This is clearly

### Staffing:

An interview panel consisting of trustees of the Samwu SACCO (Chair - Sam Maloka, Treas - Mildred Mlumbi and Neil Nair) and the SACCOL general manager, interviewed for the following three positions: Accountant, Development Officer and Administrator

The Samwu SACCO employs two of the staff. The development officer appointed is Vusa Vundla, who will be primarily responsible for education and interacting with the shop stewards and officials in the various regions. The administrator currently working for the SACCO is Nomawethu Wesi-Javu who is on secondment from the Cape Metropole SACCO. The administrator is responsible for the day-to-day capturing of members details and working in the office with members.

The accountant appointed is Mary – Anne Dougan, will be managed by SACCOL, but will be responsible for the Financials of the Samwu SACCO.

*Computerisation:*

SAMWU kindly donated R50,000 to the SAMWU SACCO for the purchase of hardware for the SACCO. This was received by SACCOL. SACCOL has sort 3 tenders from IT companies and is in the process of finalising the purchase of the hardware for the SAMWU SACCO.

The NEC must consider:

- Responses from members and local authorities to the introduction of the SACCO and how we can fast track the process.

## **2.7 SAMWU National Funeral Scheme**

The SBSC, as mandated by the NEC, considered this matter when they met during March. As part of the task of assessing the scheme in its totality, a number of issues were identified for discussion with IOTA and SAFRICAN. These included:

- The nature of the transfer agreement between IOTA and Safrican.
- The role that the Union played in this process.
- A performance report.
- Current benefits versus premiums.
- The claims policy and procedure.
- A service level agreement.
- Paid up certificates and the exposure of the scheme in this regard.
- Anti-selection criteria.
- Other legislative requirements eg a BOT.

A meeting was convened with IOTA and further meetings with IOTA and Safrican are planned for 7 and 8 May. A report from these meetings will be circulated.

A further problem regarding the scheme has emerged in Johannesburg where the company administering pay roll deductions has not made regular deductions with the result that Safrican is refuting claims. This matter will be taken up in a meeting with the Gauteng POBs on 10 May.

## 2.8 National Loans Scheme

The one major hold-up in concluding the scheme was FNB's insistence on the signing of local employer agreements so as to ensure effective stop order processing. Most employers rejected this agreement on the grounds that they had no formal relationship with FNB.

We have subsequently drafted an agreement between SAMWU and the employers – which in the short space of time is proving to be more successful. Durban Metro Council, amongst others has already signed the agreement. A schedule of workplaces visited and where agreements have been concluded will be tabled at the NEC.

Another problem encountered was that some employers were requesting for an administration fee to be charged for deductions. We have informed FNB that the Organisational Rights Agreement is clear that no levies may be imposed for union approved schemes. We have further tabled a resolution at the SALGBC to affect the acceptance of the SAMWU FNB scheme as the official union scheme.

Success of the scheme is premised on provincial co-operation. Employers will simply not engage directly with FNB on deductions negotiations. Provinces have a direct role in facilitating the scheme. FNB have also noted that some SAMWU comrades have been informing them that GEMS is the official union scheme, we need to correct this misinformation by way of a circular.

A number of union officials have already applied for loans and Loedt has already received a schedule of these applications from FNB. We cannot be seeing to be working hard to get loans for staff and not promoting the scheme at municipality level.

The NEC must consider how to speed up implementation and what must be done with those Provinces willfully sabotaging the scheme.

## **2.9 Union Attire – For Noting**

The union has agreed to set aside an amount of R500 000.00 for the initial order of union attire. Due the amount it was agreed that we begin the process of union attire with the order of 20 000 t-shirts; to be distributed proportionately to each province.

From the quotations receive we have selected a company called Asante Sana based in Gauteng, to procure the first consignment. An order was placed with the company and delivery is expected within one month.

Provinces will shortly be receiving the requisite administration processing instructions from the Finance Department in respect of the sale of the union attire.

## **2.10 Accident Insurance**

There was considerable debate in the SBSC on the various permutations this sort of union subsidised insurance could take, and the political implications of each. One principle was however echoed, that the union must seek to assist where our members are involved in accidents, whilst engaged in union activities.

The following proposal resulted from the above debates:

- a) That we launch a Solidarity Accident Fund;
- b) That the Union makes a once off contribution of R120 000.00 from our commissions account;
- c) That members make a monthly contribution of R1 to the fund;
- d) That the NOBs in their sole discretion arrive at an equitable formula in making disbursements arriving out of claims.

The NEC must consider the 'accident insurance' proposal.

## 2.11 Health and Safety

The programme as previously endorsed is being implemented. A full evaluation report of the workshops will be prepared once the process has been completed.

The HS&E Unit has reformulated the proposed staff policy document. This was previously circulated to Provinces but discussion on the matter was deferred at our last CEC.

The NEC must consider the draft HIV/AIDS policy.

## 2.12 National Office

### Information, technology and communication: (For information)

Late last year, a computer skills audit was conducted by head office and the results were quite revealing, particularly at the levels where interaction with our constituency and stakeholders is happening. 80% of current SAMWU workforce required intensive and advance computer training. Cape Town head office has highly computer literate officials through self-taught system. The audit also showed that only 5% of elected leaders are computer literate, although a strong willingness to attend training programmes was displayed.

Subsequent to the compilation of the audit, a meeting was convened with SANGONET to develop a training programme that will attempt to address both legs (intensive & advance.) We are currently studying a proposal from SANGONET and developing a global plan that will display financial resource needs and management of the process.

The head office is in a process of exploring development of internal web site to store policy information for internal consumption. This approach would be more cost effective than a highly sophisticated wide area network. It would be separate from our current website and would only be accessible to authorised users at various levels within the organisation. Currently our system of information management and dissemination is exorbitant both to our financial resources, space and environment (we are not saving any trees by using or storing lot of papers). The project will be managed at the head office. Once the project is off the ground province will be brought on board on accessibility of the site.

Computer needs continue to be addressed although not on the scale and at the pace anticipated. This process will include installing the local area networks in all the provincial and metro branch offices.

We would like to recognize the role of SANGONeT in assisting us during this process and their willingness to support and availability all the time. Our recent interaction with them has been learning curve for the union.

*National Office Restructuring:*

A report arising from the staff meeting on 19/20 March 2001 was circulated with the CEC documents. Discussion on the matter was deferred to this NEC. In the interim, the NOBs have continued to plan towards the full implementation of the organogram. We are of the view that the current Head Office pool should be assessed when filling some of the vacant posts. As per the report, these are:

- Legal
- Information and Technology
- Gender and Equity
- Benefits

Posts that cannot be filled from within the national office will then be advertised more broadly within the Union. If we are still unable to fill these posts, then we shall seek to advertise externally. It is however strongly felt that the posts of Legal Officer and Information and Technology Officer would have to be immediately advertised internally and externally.

We are also proposing that through a process of consultation with Head Office staff, we allocate the functions attached to the areas of staff development and training/human resources and resource center.

Regarding the two HOD posts, we are currently holding discussions with certain comrades in the national office and hopefully a more concrete report would be tabled at the NEC. At this stage however, it would appear that the post for the Finance and Administration Department would have to be advertised.

The process has been affected by the resignations of Refilwe Mosuwe and Sindi Msimang. We wish to place on record our thanks to the comrades for their contributions to the Union and wish them well in the future endeavours.

You will also note from the workshop report that a special focus has been placed on eliminating backlogs in certain areas. A meeting was held during the third week of April to address these and a work programme set out.

Units with backlog are:

- ◆ " Travel logistics
- ◆ " Membership
- ◆ " Reconciliation
- ◆ " Bookkeeping

Work programmes and teams have been set up to eliminate backlogs that are currently within the Administration and Finance department. It needs to be acknowledged that the programme is a short term one.

The following are the different teams

Unit requirements	Team	Period	Other
Membership	Fikiswa	3 weeks	Training
	Julia		Software installation
	Lulama		
Travel logistics	Elaine	Month	Training
	Grace		Database importation
	Desiree		
	Loedt?		
Bookkeeping	Brian	Two months	
	Sindi		
Reconciliation	Karen	Two months	
	Sindi		

An assessment of progress made in meeting the deadlines set must still be done although some problems have emerged with the day to day management of the process. The Secretariat will need to give their urgent attention to this situation.

The NEC must consider the report arising from the staff meeting and the approach adopted by the NOBs to date.

#### **2.13 Presidential Commission**

The Commission, as constituted by the National Office Bearers, have continued with their investigations into the activities of GEMS in the Union. This has included meetings with African Bank and GEMS.

As reported on two previous occasions, the company through the active involvement of persons within the Union have consistently been working to undermine democratic decisions of the Union.

The Commission has delayed instituting disciplinary action against persons where *prima facie* evidence exists of the flouting and undermining of union decisions and policy as more information has emerged. A more detailed report will be presented at the NEC.

#### **2.14 Finances**

The two main activities for the period were the Fincom held during March and the Fincom Workshop held on 3 and 4 May. The recommendations from the former were dealt with at the CEC.

The purpose of the workshop was to provide the new provincial office bearers with the necessary skills to manage the Union's finances at the Provincial and Branch level. The workshop was also intended to be a refresher course for the POB's and Provincial Financial Administrators (PFA's). Most of the recommendations from the workshop will be referred to the next Fincom. There are however a number of issues that need to be brought to the attention of this NEC.

These are:

- Non co-operation and no co-ordination amongst the POB's (i. t. o. consultation on expenses, communication on decisions of meetings etc.)
- Provincial Fincoms not meeting regularly and in some instances not at all. Disciplinary measure for non-compliance to be discussed.
- PFA's not informed of events and submission of budgets for funds.
- POB's abusing/victimising PFA's for wanting to implement Union policies.

A number of issues arising from the workshop will be put to the next FINCOM to address. These are:

- Using the Provincial Education account for education and special events (i.e. specific budget driven events that requires immediate accounting before further funds are disbursed)
- Feasibility (or need) on the Funeral Scheme accounts. (Do our members have their own bank accounts for funeral claims?). Where must this account be held, at branch or provincial level or both?
- Non existence of Branch 'Transmission' accounts. (BOB's not co-operative to the Province).
- Moving to computer accounting package for these accounts.

As mentioned above, the person in the National Office responsible for provincial accounts has resigned. Before simply filling the post, we need to assess the current functions of the post and how maximum benefit to the organisation can be extracted from the post. An exit interview is planned with the comrade to facilitate this process.

The NEC must consider the issues arising from the workshop.

## 2.15 International

### SAMWU International Unit:

A number of activities occurred during the period under review. These are briefly reported on below.

#### Botswana:

The SAMWU President, 1st Deputy President and IRO attended the May Day celebration in Botswana on 30 to 1 May 2001. This was at the invitation of the Manual Workers Union.

It is unfortunate that comrades in the North West could not be contacted. The preference was to have them as part of the delegation. NEHAWU had all the North West Office Bearers at the event, together with their 1st Deputy President and the International Relations Officer.

Besides SAMWU, there was a strong representation from South Africa:

- \* NEHAWU -- 1st Deputy President and International Officer
- \* POPCRU -- Deputy General Secretary
- \* SAPU -- President
- \* PSI -- Southern Africa co-ordinator

The Boipuso Hall where the event was held was full. The meeting was also addressed by the Minister of Home and Labour Affairs. This report cannot give a detailed presentation of all the speeches and other details.

This union is not affiliated to the trade union federation. It is not evident that other trade unions had similar events as well. Instead, the Railway Workers Union, the Teachers and the Miners had their leadership at this event of the Manual Workers Union. To this end we proposed that the Manual Workers consider the next May Day Rally to involve all workers in Botswana. This may be possible now that the Manual Workers Union have agreed to affiliate to the Botswana Federation of Trade Unions (BFTU).

Another possible problem is the Manual Workers Union represents the low scale workers. The professionals have now just formed their own union, BULGASA. The union has also been recently affiliated to the PSI. We need to consider whether we get involved in promoting a merger between these unions given our long standing relationship with the Manual Workers Union.

*Ghana:*

The NOB have agreed that comrade Lance and the IRO attend the National Water Privatisation Forum in Ghana. The meeting will be from 16 to 19 May. Comrade Lance has also been requested by the PSI to represent them at this meeting.

We also intend to use the opportunity to discuss with the Ghanaian trade unions on how we could develop and strengthen relations with them.

*COURAGE and KMU:*

The two Philippines organisations have regular contact with SAMWU. Invitations have previously been extended for SAMWU to come to the Philippines. However, we were not able to do that. Yet, it is essential for SAMWU to have standing and strong relations with COURAGE, and other organisations in South East Asia.

Through COURAGE, SAMWU has been invited to attend the International League of People's Struggle. The meeting will be held in Germany at the end of May. COURAGE and KMU are parts of the preparatory committee. The invitation is for SAMWU to speak on behalf of public sector unions on the struggles of working people against privatization.

The NOB have agreed that a SAMWU delegation attend. We are not familiar with the operations and politics of the League.

SAMWU's main aim in attending the meeting is to have bilateral discussions with COURAGE and the KMU. We should be able to discuss ways in which can strengthen and concretise our relations. This will include issues around which we could work together, exchange of information, and visits.

The comrades in the Philippines were phoned on Friday 4 May. They were not available. This should be obvious to all NEC delegates as there was an attempted coup the previous day. COURAGE returned the call on Saturday but the IRO was not available. It is possible that by the time of the NEC meeting, a progress report will be available.

*Proposed Southern Africa Meeting:*

Progress has been quite slow in finalizing the plans for this meeting. This included having discussions with possible funders. A more detailed report and the proposed budget for the meeting will be tabled at the NEC.

The NEC must consider the proposed activities as set out in the report.

*COSATU:*

Quite a number of issues are also currently under discussion within COSATU. A copy of the reports tabled at the recent COSATU CEC are included in the NEC documents.

The COSATU CEC specifically resolved that COSATU should condemn the ongoing repression and attacks against the General Secretary of the Swaziland Trade Union Federation.

In addition, the CEC voiced its support for the struggle of the people of Palestine and committed COSATU to actively participate in the forthcoming international day of action. A team from COSATU would also be visiting Palestine shortly.

## 2.16 Education

### **SAMWU Internal Education:**

#### **Education Programme:**

The Educator Forum met at the end of February. In terms of programmes it dealt with:

**LGR:** Initiating as soon as possible one set of Provincial workshops on immediate LGR issues facing each Province. This to be followed by the series of ILRIG workshops. The idea was that Provinces should first simply try to grapple with and “research” what was happening in their province so that when ILRIG delivered their workshop they could seek to deal with concrete problems – such as the more specific forms of Privatisation which might be threatened in that Province. With the exception of Western Cape most Provinces have been slow to get this underway.

There was discussion of national workshops, possibly linked to preparation for any Sector Summit, but nothing concrete was planned. It would be useful if the NEC could give direction on this.

**FSST:** Material is under preparation to cover 4 Modules on:

- Collective Bargaining
- Workplace Re-organisation
- The Economic and Political Context of Local Government
- Privatisation

An Educator Workshop to look at what may be ready by that time, and focused on content issues in particular is planned for the 1<sup>st</sup> week of June. It is intended to bring together sufficient educators from each Province so that thereafter they can go directly to work in delivering FFST.

The objective is that every shop steward should attend from 6 to 8 days of FSST run in two workshops before the end of the year. Even this does not ensure we use the rights we have fully. POBs are asked to facilitate planning and must assume direct responsibility for the delivery of the training.

**Political Education:** Discussion centred on using union structural meetings as does occur in some Provinces. The Internal Education Officer is also trying to get the Political School arranged through liaising with the SACP.

**Gender Issues:** A group is also working on trying to create a framework for this work.

**Administration:** It remains the case that some Provinces do not have a database of shop stewards. It remains the case that some Provinces still fail to administer funding requests in time. The NEC needs to give serious attention to how this situation can be improved.

**Legal Training:** The NEC sanctioned training in this area. Through correspondence with Gauteng it was agreed in principle that they can use Ilanga Labour Consultants to run a course for 14 key co-ordinators. It took time. The rule that Provinces need to digest is that they must first provide proper and full motivation about any use of Consultants. Secondly that there is a limited budget. At the time of writing this Gauteng initiative had not been officially sanctioned because of a failure to deal properly with the financial requisitioning requirements. The NOBs were to take this up in a meeting with the Province.

The NEC must consider:

- If we are to link some national LGR workshops to the Sector Summit process or whether these should run as a separate process.
- Improving the administration and reporting of education events and shop steward data.

**Workplace Education and Training:**

Following the last NEC's mandate we made substantial compromises so as to resolve the dispute over the placement of the CEO of the LGWSETA. He has been placed as Western Cape Manager. In all of this process of negotiations, and in the arising consequence that there is now no CEO we have become entirely frustrated by the petty and incompetent way matters are handled by SALGA. All in all the LGWSETA is unable to give direction, adopt policy, or promote anything. The water side is slightly better but dragged down by SALGA. At the time of writing a full Authority meeting was to be held on 10<sup>th</sup> May. We have sought to try and get policy on:

- Workplace Skills Planning
- Tight Recruitment of Staff procedures so that when we advertise the CEO post we deal competently with screening.
- Labour will take over the Chair

Also enclosed in the documents is a position we put to the SETA on skills planning.

We have attended COSATU Skills Committee meetings. We are trying to influence COSATU to review the SDA, and particularly the way it has isolated skills development from collective bargaining. Enclosed in the package is a memorandum we have prepared for COSATU. We might want to consider obtaining our on legal opinion on the matter.

The unions Skills Development Plan has to submitted by 31<sup>st</sup> May. Work will start on this shortly involving the team approved at the last CEC.

The NEC must consider the proposed position on workplace skills planning in the sector and whether or not we should be seeking n independent legal opinion on the SDA as set out in the memo to COSATU.

**COSATU Education Strategy**

The recent COSATU CEC considered and adopted a proposed strategy arising from the COSATU Nedcom. The strategy is contained in the NEC documents.

The plan is based on a five year programme with the following priorities:

- The struggle for socialism – mobilising and organising workers and the working class.
- Technical and specialized training for unionists.
- Socio-economic policy work.
- Workplace skills development for trade unions as employers.

The plan clearly sets out the areas where COSATU will directly provide education and where the affiliates will be drawn in to meet the stated objectives.

The strategy was considered in conjunction with a report of research conducted by DITSELA into current education programmes within affiliates. SAMWU is one of the few affiliates running a FSST programme and our allocation to education is amongst the highest in the Federation. We need to ensure that our own education programme is therefore developed in accordance with the COSATU strategy. The Educators Forum will need to give attention to this.

### **3. POLITICAL**

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#### **3.1 SACP Programme of Action**

As part of the process of building the SACP, COSATU has been engaged over time in a number of discussions with the Party aimed at developing a clear programme of action.

This process has reached the stage where the Party has now formulated a programme of activities. This has been discussed at the recent COSATU. The report to the CEC, including the programme of the Party is included in the NEC documents. The report also details current contributions by affiliates to the Party.

The key elements of the programme, built around the theme ‘Building Peoples Power for a Peoples Economy’ are:

- A campaign for the consolidation of the public sector;
- The ongoing campaign on the transformation of the financial sector;
- The building of co-operatives;
- The building of organs of peoples power centred on ward and village committees;
- The struggle against HIV/AIDS;
- Celebrating the SACP 80<sup>th</sup> Anniversary; and
- Achieving self-sufficiency through the debit order campaign.

The programme also includes the plans for the proposed Chris Hani Institute as discussed at the last COSATU Congress.

On the latter bullet, the CEC also considered a report on the immediate cash flow problems of the Party. It is currently running at a deficit of R250 000 per month. The CEC resolved as follows:

The COSATU NOBs should develop a concrete program of action to implement the proposed programme of action in conjunction with the SACP. This must include elements of regular contributions by affiliates, targets for the debit order campaign (affiliate leadership to take the lead in this regard), examining creative ways of raising funds and how the envisaged Chris Hani Institute should be established and run.

Our own delegates to the CEC warned against a centrally determined contribution as similar decisions in the past had not been honoured by all affiliates. We proposed bilaterals with the Party and with the intention of arriving at a mutually agreed co-operative arrangement. The SAMWU NOBs had also discussed what form of assistance could be given to the Party. We are recommending that a one-off contribution be made. This could be used to off-set any existing benefits or could be used to fund planned activities.

The NEC must consider the proposed SACP plan and how we can participate in the process, including what contributions the Union should make.

### 3.2 Alliance Process

The COSATU CEC received a fairly detailed report on the current state of affairs in the Alliance at national level. The bulk of the report is set out below to afford delegates a good understanding of the situation. The bulk of the debate in the CEC was however taken up the recent plot allegations released by the Minister of Safety and Security.

A COSATU/ANC National Office Bearers bilateral was held on the 26 February 2001. The ANC Deputy President, National Chairperson and Deputy General Secretary were not present at the meeting.

The agenda of the meeting were the following issues:

- Matters arising from the 11 September 2000 10 – a – side
  - Economic policy processes
  - Labour legislation amendments
- Local government
- Bilateral relations between ANC and COSATU
- Alliance programme and operations.

The meeting noted that the ANC Economic Transformation Committee (ETC) Lekgotla was attended by COSATU. It was noted that the ANC ETC has drafted a programme of discussions within the alliance as follows:

- Bilateral with COSATU in March to discuss economic policy differences and build a consensus
- Bilateral with the SACP in April 9, 2001
- Broad MDM meeting in May
- Hold a conference in June
- A discussion in the ANC provincial conferences scheduled for July – August 2001.

It was noted that the ETC Lekgotla did not emerge with an industrial strategy and that this remained a challenge. The macro economic differences discussion should still be driven by the Alliance Secretariat as decided in the September 2000 10 a side. The macro economic policy should be debated by the alliance as a whole and is not a matter for bilaterals.

It was agreed that the Alliance Secretariat should implement the decisions and lead the debates on economic policy differences. The ETC should still deliver an industrial policy. Pending on progress on the above issues, there will be another 10 a side meeting in April or May 2001. A report will then be made and these matters further discussed in the Alliance Summit planned for 22 – 23 June 2001.

The ANC will still debate the draft agreement from the MLC.

The ANC Secretary General must convene Alliance Secretariat with the participation of SAMWU, Johannesburg Metro Councilors and Minister Mufumadi to bring to the conclusion differences on iGoli 2002. The decision of the ANC extended NEC held on October 2000 regarding a need to hold a conference on local government restructuring should be implemented.

Regarding issues of bilateral relationships between the ANC and COSATU, the ANC Secretary General raised the following points:

- ANC and COSATU are having a political relationship
- The COSATU leaders are ANC leaders
- COSATU relates to non ANC members as well as international trade unions
- There is a need for a more dynamic relationship between COSATU and ANC leaders
- The public attacks on each other are not helpful as they confuse members
- There is a need to establish a good rapport between ANC and COSATU leaders
- ANC has a responsibility to strengthen COSATU
- Some COSATU members view ANC with suspicion mainly because it is not a socialist organisation
- Some of the COSATU leaders makes pronouncements to the fact that ANC is a sell-out organisation – this is a problem. The most vocal people in this line are SACP members in COSATU.
- Must discuss the role of each other as part of dealing with these matters
- These issues if not handled properly can lead to the isolation of COSATU

The COSATU General Secretary responded and raised the following points:

- Welcomed the opportunity for a frank discussions
- Also welcomed the opportunity for a dynamic relationship with ANC leaders. Also explained that, COSATU has been calling and working for this to no avail.
- COSATU understands its role as well as appreciate that it will pursue its mandate within the broad strategic objectives of the NDR
- COSATU leadership is walking wounded following leaking of information from the NEC held in October wherein COSATU leaders were brutally attacked including personal attacks
- In the context of the Alliance it is not possible to think that you can launch a huge attack on ANC leaders without ANC leaders knowing that, vice versa.
- As a result, COSATU is harbouring some ill feelings towards some in the ANC including the fact that ANC leaders made no attempt to stop this brutal attack including personal attacks when it happened in the said NEC
- This coupled with deliberate spreading of lies such as the spreading of the rumour mongering to the fact that COSATU provided the MDC with material support during the Zimbabwe election and or that COSATU had planned a revolt against ANC President during the NGC in 2000.
- The ANC NEC bulletin contained a number of extremely problematic statements. The initial COSATU response was handed to the meeting.
- COSATU is frustrated that there remain no dynamic relationship between COSATU and its leaders with the ANC President despite many attempts to develop this relationship.
- COSATU is already isolated as is not being consulted by government and ANC on many issues of national importance
- The distance that has been opened leads to perceptions and that there is no attempt to close this gap.

At this stage there was no more time left to conclude the discussion. In response the ANC President indicated that it was quite clear that there was an orchestrated attack on the ANC. And that there are some forces who operated in the past as spies who are bent on discrediting and eventually destroying the ANC. He further stated that it was the ANC that decided that the Deputy President should interact with the Alliance partners and that there is no decision on his part not to develop a relationship with COSATU. It was agreed that a further bilateral should be held as soon as possible. The date of the next Bilateral was set for the 12 March 2001. It was also agreed that it will serve the process better if the bilaterals between all the partners were to be held and finalised prior to the meeting of the 10 a side alliance meeting.

The alliance secretariat met on the 28 February 2001. Absent were ANC Deputy General Secretary and SACP Deputy General Secretary.

At this meeting, it was agreed that the next 10 a side be held on the 28 – 29 April 2001, the ANC and SACP were to meet in a bilateral on the 11 March 2001 and COSATU and ANC were to meet on the 12 March 2001 – the date originally scheduled for the 10 a side.

It was agreed that the ANC Secretary General would through his office coordinate a meeting of the Alliance Secretariat and the ANC ETC members listed in the September 2000 10 a side meeting. COSATU and SACP would also bring two more delegates to such a discussion.

It was agreed that the ANC Secretary General would convene a meeting of all involved parties on iGoli 2002. The ANC Secretary General was to circulate a paper on local government restructuring that may be used as the alliance framework document for the summit on local government.

It was agreed that the discussion on the role of each component of the Alliance should not be discussed until such a time that the bilateral discussion process has been concluded.

It was agreed that both COSATU and the ANC will consider sending delegation to Palestine for a hands on assessment of the situation in Palestine. It was noted that parliament decided to send a delegation to observe the situation in Palestine.

On the eve of the bilateral between the ANC and COSATU the ANC Deputy General Secretary phoned and indicated that since all the comrades who in the previous bilateral meeting were not going to be able to attend the meeting, the bilateral should not proceed.

No further communication between ANC and COSATU has taken place. Not a single of the issues agreed to in all meetings reported above has been implemented. A letter has been written to the ANC reminding them of these commitments.

From the above it is clear that the Alliance, at national level, is not functioning in a proper way. The recent developments and how these have unfolded has contributed to this view. Our own delegates to the CEC were equally surprised to see that there had been discussions on iGoli 2002 as we had never been informed of these.

The COSATU CEC resolved that an urgent meeting of the Alliance should be convened to discuss the latest developments on the 'internal struggle' within the ANC. This request was declined by the ANC who felt that the agreed programme of meetings should continue as a crisis situation did not exist. COSATU in a press statement released during the CEC also warned of the danger of the use of state apparatus to deal with party matters.

The NEC should consider the current state of affairs within the Alliance, what should be done to improve the situation and what the implications are for the Alliance of the latest developments.

### 3.3 Gender Issues

The recent COSATU CEC allocated one-half of a day to workshop the state of gender struggles within the affiliates. The NGC prepared a paper that assessed the theoretical basis of the gender within COSATU and practical steps undertaken in taking forward this struggle. This document is included in the NEC documentation.

Some heated discussions took place and it was agreed that elements of the debate would be incorporated into the broader political discussion document that had been debated at the last CEC. This will be circulated to affiliates in preparation for the next COSATU CEC.

Given the current situation in our own Union on the formation of gender structures and the ongoing development of an education programme in this area, the NEC needs to consider how we can facilitate debates within our Union.

## 4. SOCIO-ECONOMIC

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### 4.1 Local Government Restructuring

#### 4.1.1 Restructuring and Placement Disputes

The disputes have been lodged with the SALGBC and conciliation has been set down for 14 May. We have obtained a legal opinion on our chances of interdicting SALGA and its members from implementing placements while negotiations are underway. From the opinion, it would appear that we might be able to secure an interdict.

We have decided to allow the conciliation to take place prior to launching any court application. This is on the advice of our attorneys. At a consultation held on 8 May, our Counsel advised against seeking an interdict on the basis that the court would be reluctant to interdict if the matter was going to arbitration soon. We have asked Counsel to provide an opinion on whether this dispute would have to be referred to the Labour Court or arbitration if it is not resolved at conciliation. If it is the former then we might have grounds for an interdict given the length of the court roll. We also intend extending the scope of the dispute to include contravention of section 197 of the LRA.

A full report on the conciliation will be tabled at the NEC.

The NEC must consider what steps to take should the conciliation not resolve the disputes.

#### 4.1.2 Anti-Privatisation Campaign – COSATU

COSATU:

Provinces will by now have been informed that the COSATU CEC has decided to take up a campaign to compel government to change its plans on privatization.

Notwithstanding ongoing consultations with labour, the government has not given any tangible indication that it intends changing its approach to state restructuring at all levels.

COSATU has been calling for government adherence to the NFA. A meeting of the NFA six-a-side was held on 26 March. The meeting agreed in principle to the following:

- It was imperative that the management and boards of state-owned enterprise abide by the NFA.
- To achieve this end, by the middle of May, Government will conclude a legally binding agreement with the boards and/or management of the enterprises to abide by the letter, spirit, and dispute-settlement procedures of the NFA. This agreement will ultimately be included in the proposed shareholder compacts.
- Following agreement between Government and management, the enterprises will enter into collective agreements with recognised unions to ensure enforcement of the NFA.
- Government will send an urgent directive to all state-owned enterprises requiring them to abide by the NFA in restructuring exercises between now and the time the agreement is signed. Labour should report cases where enterprises do not abide by the NFA for discussion at the relevant sectoral NFA forum, which will be convened as required on an urgent basis.
- The parties will establish a task team to develop specific wording.
- The Six a Side will meet in early May to consider the task team's proposals.

COSATU has to consider, given the situation, whether the above constitutes sufficient grounds to justify remaining in the NFA. We are also supposed to deal with an assessment within SAMWU on our own participation in the Sectoral Forum and by implication our adherence to the local government NFA.

The COSATU CEC did however resolve that we table a section 77 notice to NEDLAC on this matter and that we consult with members on embarking on at least a two day action should the matter not be satisfactorily dealt with at NEDLAC. A meeting will be held at COSATU on 9 May to define the demands to NEDLAC. The CEC also resolved the clarity within the Alliance on this matter must be obtained as a matter of urgency.

What should be of equal importance to SAMWU and the Federation is whether or not this decision is taken up as a fully fledged campaign – along the lines that the SAMWU campaign unfolded – or whether it is simply aimed at a two day action sometime in the future. For example, for an anti-privatisation campaign to be successful we must rally and mobilize communities behind tangible demands. We shall seek to inform the meeting on 9 May on how we approached the campaign previously. This information was given to COSATU when we first kicked off the campaign many years ago.

The NEC must consider how we build the COSATU decision into our own campaign and how the COSATU campaign should unfold.

#### 4.1.3 Research

An important part of our campaign has rested on the research component. We have over time been able to back up demands, influence negotiations and raise the profile of negotiations through the various research initiatives eg ILRIG, PSI and the MSP. Naledi have now also indicated that they wish to become involved in a local government research project. They have given us a draft project proposal. It must be noted that this proposal was developed without any initial discussion with the union and at face value appears to have areas of overlap with current initiatives. A meeting has been set for 23 May to discuss the proposal with them.

Regarding the MSP, another meeting of the Steering Committee was convened on 6 May. Quite a bit of work has already emerged from the project although we have not always been able to directly link it to ongoing struggles and negotiations within the Union. Two papers – one dealing with the ODI project and another dealing with the privatization of water in Argentina have been released. These have been well received. We need to ensure that we familiarize ourselves with the contents of these reports as they constitute valuable tools in our ongoing struggles.

Research reports on the following issues will be released shortly:

- An assessment of the Johannesburg water contract;
- A report on the Nelspruit and Dolphin Coast water concessions;
- The planned water corporatisation in Cape Town
- The privatization of municipal services in Stutterheim, Fort Beaufort and Queenstown;
- Waste management outsourcing in Johannesburg(Pikitup) and Khayelitsha(Billy Hattingh);
- Electricity pricing, demand, use and the expectation of free lifeline services in Soweto;
- The environmental impact of privatization;
- The Constitutional rights of SA citizens to basic services, how well these are known by the public and how these rights have been taken up (eg the Grootboom case);
- The provision of primary healthcare services by municipal authorities;
- Water privatization in Maputo;
- Waste management privatization in Ghana;
- Writing up of the SAMWU service delivery workshops;
- Updates on the ODI project and a focus on the Harrismith Contract.

It was also agreed in the Steering Committee that all attempts would be made to draw in local SAMWU structures in the areas where the research was been done. Attempts would also be made to retain an element of flexibility in the plan to cater for emergency situations.

As previously raised nationally, the MSP is not the sole research vehicle of the Union. The SAMWU local government task team would need to look at research gaps and how these can be filled eg the Naledi process, other organisations like the RDSN who have done work on water in rural areas.

#### 4.1.4 iGoli 2002

The implementation of iGoli 2002 continues notwithstanding our decision to set up a dedicated task team tasked with halting the process and rolling back the plan. Reports from the Province have been very limited and it would appear as if the stated objectives of setting up the team are not being vigorously pursued. The NOBs are to meet with the Gauteng POBs on 9 May to discuss this matter.

A more comprehensive report on iGoli and other restructuring initiatives will be tabled at the NEC.

### 4.2 Labour Law Amendments

A final document from the MLC process was tabled at the CEC. This is included in the documentation. The CEC endorsed the package, including a slightly revised 'Vision' although the COSATU GS expressed concern with using the term vision. Some of the affiliates raised concerns. These mostly focused on the thresholds in respect of retrenchments and Sunday pay. It was agreed that these issues should be taken up during the NEDLAC process, if business endorses the package arising from the MLC. If business does not endorse the MLC package then the section 77 notice process would be reactivated.

Our own CEC resolved that further discussions should be held with workers in the run up to our NEC. Given the COSATU CEC decision, the outcome of these discussions take on an academic character. We do however need to assess to what extent workers have engaged on these matters and what the feeling on the ground is.

Regarding the correspondence between COSATU and ourselves on the SAMWU Discussion Document, this was taken up with the General Secretary of COSATU and it was agreed that a meeting would be held to resolve the matter. The matter was not raised at all during the COSATU CEC. This meeting is still outstanding.

The NEC must assess the feedback from provinces on discussions held with members and our response given the endorsement of the Vision.

#### 4.3 Sector Summit Process

This was another matter that received attention at the recent COSATU CEC. Essentially it was reported that in the first instance, progress toward sector job summits has been somewhat unequal. In sectors funded by the DTI, considerable progress has been made toward developing proposals and setting dates. In other sectors, it has proven harder to dedicate the necessary capacity and initiate the process.

COSATU is of the view that broad education work is important for the work on industrial strategy, as it provides a critical basis for mobilisation of members and mandating claims. To this end, COSATU will support this work in four main ways:

- By developing a course and supporting material on industrial strategy,
- By holding a two-day workshop for educators from affiliates and COSATU regions,
- Through regular articles in the Shopsteward, and
- By developing a course and supporting material on globalisation.

Partially in the context of work with the ANC ETC, a document on a new growth path which should help guide work on the sector summits, has been developed. This is included in the NEC documentation. This document takes forward the proposals adopted in the Framework on Employment Creation adopted at the COSATU Seventh National Congress. A shorter version has also been published in the Shopsteward and the SALB.

It was reported that agreement was reached with the SACP for a conference on the financial sector. COSATU has proposed that rather than a public conference, which the SACP initially favoured, we first get more research on the issue and then hold an in-depth workshop with NOBs. The workshop will be held in May. It should define our central claims and a campaign to take them forward.

Government has circulated a draft law on co-ops. COSATU has provided a detailed response. In this context, the ANC has proposed an Alliance workshop on co-ops.

Some affiliates did raise concerns about the over centralization of the process and the expressed the desire for affiliates to maintain some degree of autonomy in preparing for the summit given their familiarity with the conditions and the players in their sector.

We need to ensure that the COSATU process is accommodated in our own preparations for a sector summit, both internally and within the SALGBC. It must also be noted that the workshop, as previously agreed, must still take place.

The NEC must consider how the COSATU approach fits into the approach developed at our last NEC and how we should advance the process.

#### 4.4 The Peoples Budget

This matter was also considered by the COSATU CEC. It was reported that the People's Budget Coalition – consisting of COSATU, the SACC and SANGOCO, with considerable administrative support from NALEDI – has concentrated thus far on responding to the government's budget process. To that end, it has:

1. Provided a response to the Medium Term Budget Policy Statement in November 2000,
2. Published the People's Budget 2001-2,
3. Held a joint workshop and press releases in February 2001, during the government's budget week, and
4. Presented the People's Budget 2001-2 to the key ANC study groups in Parliament.

The People's Budget 2001-2 locates the budget in the context of the developmental state. It argues that the key roles of government in that context, in addition to the normal state functions of maintaining security and administration, are to drive an economic strategy that will create jobs and enhance equity; increase the social wage, which is in itself necessary to enhance economic growth; strengthen economic and political democracy; and increase the assets and skills of the majority.

Within this overall strategy, the People's Budget 2001-2 calls for, among other things:

- Increased overall government spending financed by higher taxes and borrowing, with evidence that this would be sustainable.
- Increased spending per person, after inflation, on the social wage functions – education, health, welfare, housing and public works.
- The introduction of a basic income grant.
- Reduced funding for the GEPF, to release resources for developmental needs.
- Reduced expenditure on military procurement.

In the event, government's 2001/2 budget provides for a real increase in spending per person both overall and in the social-wage functions, for the first time in four years. Unfortunately, government plans to achieve this end in part by using the proceeds from privatising state-owned enterprise, at least in part – mostly through the IPO for Telkom.

The coalition now proposes to focus on educational work as the basis for broader mobilisation, while continuing with some advocacy in Parliament. Organisations will be responsible for providing education for their members, but will work together where that proves appropriate and possible.

To support educational work, the coalition will develop a popular version of the People's Budget and a training manual on fiscal policy, budget process and the social wage, which will cover the main theoretical and practical debates.

In addition, NALEDI will administer a further research programme, which will focus on developing proposals for an integrated approach to HIV; a comprehensive social security system; improving productive capacities through infrastructure delivery; payment of reparations claims arising from the Truth and Reconciliation Commission; and reform; free basic levels of municipal services; and redirecting military spending.

The above approach was endorsed by the CEC noting that we should ensure that the mass character of this campaign is enhanced and that the development of proposals in areas like social security, municipal services, HIV/AIDS etc must be linked to the ongoing struggles of communities and workers on these issues.

The NEC needs to consider how we can popularize this campaign with SAMWU.