

APRIL 2010

Dear SEESA Client

**IN THIS NEWSLETTER WE WILL BE DISCUSSING THE FOLLOWING ASPECTS:**

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## 1. BBBEE FINANCING OPTIONS

As BBBEE specialists, **SEESA BEE** often receives enquiries regarding financing options available for either starting new businesses or extending current business operations for the purpose of Broad-Based Black Economic Empowerment (BBBEE).

The Department of Trade and Industry (DTI) has various financing options which are listed on the DTI's website. The following is a concise overview of the more prominent options available:

a.) Khula Enterprise Finance Ltd

The aim of this state-owned finance institution is to facilitate access to finance for small enterprises and to bridge the gap in the market where the commercial financial institution is not willing to supply funding to these enterprises. Development impact is a key aspect of Khula in which BBBEE plays an important role. Khula offers mentorship programmes and financial services and can be contacted at **(012) 394 5560** or **0860 54852** or via email: [helpline@khula.org.za](mailto:helpline@khula.org.za); website [www.khula.org.za](http://www.khula.org.za).

b.) Industrial Development Corporation of South Africa

This is a self-financing, state-owned national development finance institution whose aim is to provide financing to entrepreneurs in competitive industries and enterprises. The institution supports BBBEE and new entrepreneurs entering the economy, creating sustainable employment opportunities and gaining sectoral diversity. It also supports SMEs and export-focused enterprises, ensuring environmentally sustainable growth. They can be contacted at **(011) 569 3000** and via email: [callcentre@idc.co.za](mailto:callcentre@idc.co.za); website [www.idc.co.za](http://www.idc.co.za).

c.) National Empowerment Fund (NEF)

This is the catalyst for BBBEE. It implements and promotes investment and transformation solutions to advance black economic participation. There are various funds available under the NEF, including the Entrepreneurship Fund, Procurement finance, Franchise finance, Project Equity finance, Rural and Community Development programmes, Acquisition finance and Capital Market for companies wanting to list on the JSE / ALTEX markets. Their contact details are as follows: **(011) 305 8000**; email [info@nefcorp.co.za](mailto:info@nefcorp.co.za); website [www.nefcorp.co.za](http://www.nefcorp.co.za).

d.) Black Business Supplier Development Programme

This is a 90:10 cost-sharing grant in support of black-owned South African enterprises. There are various requirements, guidelines and exclusions which can be viewed on the DTI's website. They can be contacted at **(012) 394 1115**.

BBBEE lies at the core of all these financing options.

In obtaining funding for your enterprise's BBBEE equity, you can grow your BBBEE scorecard.

## 2. WAGE INCREASES IN THE NATIONAL BARGAINING COUNCIL FOR THE ROAD FREIGHT INDUSTRY

2.1 Please be advised that from 1 March 2010 to 28 February 2011 the minimum weekly rate at which wages in respect of ordinary working hours shall be paid by an employer to his employees who are employed in the under-mentioned grades, shall be as follows:

Category Code	Class	Grade	Patterson grade	New minimum wage	Across-the-board increase per week
1	Generalworker.....	1.	A Band	R692-37	9,5%
42	General worker, repair shop.....		A Band		
3	Packer/loader, grade I.....		A Band		
27	Security guard.....		A Band		
5	Motorcycle/motor tricycle driver.....	2.	B1	R782-63	9,5%
6	Light motor vehicle driver.....		B1		
2	Checker, grade I.....		B1		
22	Loader operator, grade II.....		B1		
24	Mobile hoist operator, grade II.....		B1		
46	Packer/loader, grade II.....		B1		

Category Code	Class	Grade	Patterson grade	New minimum wage	Across-the-board increase per week
7	Medium motor vehicle driver (articulated).....	3.	B2	R964-60	9,5%
8	Medium motor vehicle driver (rigid)..		B2		
44	Artisan assistant.....		B2		
19	Gantry crane operator, grade I.....		B1		
23	Mobile hoist operator, grade I.....		B2		
47	Checker, grade II.....		B2		
21	Loader operator, grade I.....		B1		
20	Gantry crane operator, grade II.....		B2		
26	Storeman (workshop).....		B2		
15	Team leader.....		B2		
50	Vehicle guard.....	3.	B2	R1 510-73	9,1%
10	Heavy motor vehicle driver (articulated).....	4.	B3	R1 074-23	9,5%
11	Heavy motor vehicle driver (rigid)....		B3		
12	Extra-heavy motor vehicle driver (articulated).....		B3		
13	Extra-heavy motor vehicle driver (rigid).....		B3		
18	Dispatch clerk.....		B3		
14	Ultra-heavy motor vehicle driver.....	5.	B4	R1 233-72	9,5%
45	Semi-skilled artisan.....		B4		
49	Storeman (warehouse).....		B4		
51	Custodian.....	5.	B4	R1 762.52	9,1%
41	Security officer, III.....	6.	B3	R1 258-95	9,1%
40	Security officer, II.....		B3	R1 510-73	
39	Security officer, I.....		B3	R1 510-73	

2.2 (a) Employees engaged in the CIT sector shall be awarded an across-the-board increase of 9,1% as from 1 March 2010. Other grades of employees engaged in the Industry and for whom minimum wages are prescribed must be awarded an across-the-board increase of 9,5% as from 1 March 2010.

(b) If an employee, after having been awarded the across-the-board increases referred to in paragraph 2.2(a) above, receives a wage less than the minimum wage prescribed for his/her grade, such an employee's wage must be adjusted to the grade minimum wage referred to above.

2.3 The weekly minimum wages of grade 4 and 5 employees shall further be increased on the dates indicated in the under-mentioned table:

Category Code	Class	Grade	Patterson grade	New minimum wage	Across-the-board increase per week		
10	Heavy motor vehicle driver (articulated).....	4.	B3	31/12/2010	28/02/2011		
11	Heavy motor vehicle driver (rigid)....		B3				
12	Extra-heavy motor vehicle driver (articulated).....		B3			R1 106-48	R1 139-65
13	Extra-heavy motor vehicle driver (rigid).....		B3				
18	Dispatch clerk.....		B3				
14	Ultra-heavy motor vehicle driver.....	5.	B4	31/12/2010	28/02/2011		
45	Semi-skilled artisan.....		B4				
49	Storeman (warehouse).....		B4			R1 270-73	R1 308-85

(a) Grade 4 and 5 employees shall be awarded a 3% across-the-board increase on 31/12/2010 and a further across-the-board increase of 3% on 28/02/2011. The increases for grade 4 and 5 wages which will be negotiated for the period immediately following 28/02/2011, shall be offset against 3% paid on 28/02/2011.

2.4 Employers of HAZCHEM employees, as defined, are also reminded that a danger allowance shall be payable to HAZCHEM employees as from 1 March 2010. The allowance shall be 0,5% based on determined minimum wages for HAZCHEM employees, calculated either on the weekly minimum wage in respect of weekly paid employees or on the monthly minimum wage in respect of monthly paid employees.

### 3. INCREASE IN THE MEIBC ADMINISTRATION AND DISPUTE RESOLUTION LEVIES

The parties to the Metal and Engineering Industries Bargaining Council (MEIBC) have approved a levy increase of 8.1% with effect from 1 April 2010. The levy increase was necessary to ensure that increased demand by the industry for its services is adequately met.

NEW ADMINISTRATION LEVY		
Per Week <b>R1.62</b>	Per Month <b>R1.62</b>	Monthly Minimum <b>R162.00</b>
<ul style="list-style-type: none"> <li>The Administration Levy is payable by each scheduled employee, with a matching contribution by the employer per scheduled employee.</li> <li>The employer must make up any shortfall where contributions to the administration levy are less than R162.00 per month.</li> </ul>		

NEW DISPUTE RESOLUTION LEVY	
Per Week <b>57 cents</b>	Per Month <b>R2.47</b>
<ul style="list-style-type: none"> <li>The Dispute Resolution Levy is payable by each employee (including administrative employees), with a matching contribution by the employer per employee.</li> </ul>	

The new levies will be reflected in the April levy return, which will be dispatched mid April 2010.

Kindly take note that deductions of the new levies in respect of weekly paid employees must be effected as from the first week in April.

### 4. CONSUMER PROTECTION ACT IS NOW LAW – PRODUCERS, IMPORTERS, DISTRIBUTORS, AND RETAILERS ARE UNDER THE SPOTLIGHT

President Kgalema Motlanthe signed the new legislation into law on 24 April 2009. The Consumer Protection Act 68 of 2008 ("the Act"), is now officially law. The Act is two-phased which implies that the first part will come into effect in April 2010 and the latter part in October 2010, as per the transitional provisions. This transitional period allows business to align their practices and business activities in accordance with the stipulations of the new legislation. The Act replaces, in a new and simplified manner, existing provisions from a number of Acts, but most notably, the following five Acts: the Consumer Affairs (Unfair Business Practices) Act of 1988, Trade Practices Act of 1976, Sales and Service Matters Act of 1964, Price Control Act of 1964, and Merchandise Marks Act of 1941.

#### The significance of the Act for the consumer.

The Act introduces a new era in consumer protection legislation in South Africa by empowering consumers. Various fundamental rights are enacted to the benefit of consumers, such as the consumer's right of equality in the consumer market, the right to privacy, the right to choose, the right to disclosure and information, the right to fair and responsible marketing, the right to honest dealings and fair agreements, and the right to fair value, good quality and safety. The consumer will in the near future be able to lodge their complaints and unhappiness pertaining to goods and services with the Consumer Commission and/or Tribunal. This Tribunal will have the authority and power to issue consent orders, impose administrative penalties, issue interdicts, stopping prohibited conduct and enforcing redress on producers, importers, distributors and retailers, which failed to adhere to the provisions of the Act.

### What are some of the implications the Act has on producers, importers, distributors and retailers?

The Act will have far-reaching consequences in the area of product liability, especially on the right to fair value, good quality and safety. A producer, importer, distributor and retailer of goods and services will be held responsible for any loss or damage resulting as a consequence of a product failure, defect or inadequate instructions or warnings provided to the consumer. As a consequence all the stakeholders within the supply chain will now have to pay closer attention to their policies and procedures, warranties, terms and conditions of sale, registers and invoices. Some of the types of liability claims manufacturers, suppliers and retailers in terms of the legislation can expect are manufacturing defect, design defect, and failure to warn.

The Act places strict liability on producers, importers, distributors and retailers to be enforced by consumers, and in terms of the strict liability doctrine, the manufacturer or any other party in the supply chain is liable if the product is defective, even if the manufacturer was not negligent in manufacturing the product.

It is therefore important to note that the Consumer Protection Act will have a similar impact on suppliers of goods and services, as the National Credit Act had on Banks, and as the Labour Relations Act had on employers and employees.

Should you have any enquiries, please do not hesitate to contact Fritz Thirion at 012-810 2000.

### 5. PREMIUM INCREASE

Given rising costs, especially travel and communication costs, we are obliged to announce a 6 % premium increase with effect from 30 June 2010.

The fact that unlike other organisations, we visit our clients at their premises means that we have to travel millions of kilometres per year. Please be assured that we will continue to protect your business and provide you with only the best service!

**As South Africa's Leading Employer's Company, SEESA provides your business with professional legal support**



The image displays six logos for SEESA's legal support services, each featuring a stylized wave icon to the left of the text. The logos are: Labour SEESA, Skills SEESA, OHS SEESA, BEE SEESA, UIF SEESA, and Consumer Protection SEESA.