

**National
Bargaining Council
for the
Road Freight Industry**



NBCRFI

2005/ 2006 Annual Report

‘Your Road Freight Partner’

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1. Chairman's Report



June Dube

The stakeholders of the National Bargaining Council for the Road Freight Industry are proud of the achievements of the Council since the appointment of the new management and re-employment of the Industrial Administration employees.

During this period under review we have successfully restructured the Council by in sourcing the administration. The move yielded good results such as positively addressing the 2005 year-end payout which was vigilantly planned and backed-up by the modern technology. We are still encountering some transitional problems but I am confident that as time goes on we will overcome them being mindful that Rome was not built in a day. We are currently tweaking our office accommodation in order to create a safer and aesthetically improved working environment for employees.

The Bargaining Council started wage negotiations at the beginning of August 2005 and concluded an agreement at the beginning of February 2006 without any industrial action. The parties reached agreement on a minimum increase of 6% and an across the board increase of 6.5%. The amalgamation of areas A and B and the incorporation of various Chambers into the scope of the Bargaining Council were in addition also agreed to. I would like to congratulate all parties for the constructive roles they played during the process of negotiations.

The representativeness of the parties to the Bargaining Council remains a concern as the Minister of Labour declines to extend any collective agreements to non parties in all industries unless the parties to the Bargaining Council are representative of the industry. The parties have increased their membership to the Bargaining Council although we have not yet reached our target. A lot of hard work still needs to be done.

From a social responsibility point of view, the wellness campaign in the industry, which includes the initiative "Trucking against Aids", remains close to our hearts for as long as our industry has to contend with the HIV/Aids pandemic. We thank Sida for releasing the resources that enabled us to rollout 12 stationery and 4 mobile clinics this far. The success of the rollout marks the beginning of our fight against the affect the pandemic has on our industry.

Council has developed strategies and policies to ensure effective and efficient good governance and risk management to enhance effective and efficient operations and high quality service delivery to all stakeholders in the Road Freight Industry. The active contribution of members in addressing issues makes the Council a valuable sounding board for decision makers.

I would like to thank the members of the Council for their continuing commitment to the work of the Council. Moreover, I would like to particularly acknowledge the significant contributions of the new National Secretary, Mr. Joe Letswalo, who has produced tremendous results within the short period since he has joined us.



J. Dube



2. National Secretary's Report



Joe Letswalo

This report provides an overview of the operational activities of the NBCRFI for the period 01 March 2005 to 28 February 2006. It includes a financial report for the same period. The next annual general meeting is the sixtieth meeting of Council. It has since its inception performed beyond the expectations of stake holders in the road freight industry and labour relations arena in general.

The period under review is typified with significant achievements, demonstrating the commitment and co-operation of the parties to the NBCRFI. Council has, to this end, reached important resolutions.

Transformation of the bargaining relationship

The parties to the Council conducted the negotiations within the ambit of a bargaining protocol framework and adopted the joint mutual gains approach. The mutual gains approach ensured that a balance between the employers' priorities for sustainability and maximising profit margins and the needs of organised labour to secure jobs and improve conditions of employment for employees is achieved. The balance was achieved through constructive and collaborative engagement.

Parties committed themselves to improve the bargaining relationship and worked towards developing an amiable relationship of trust.

Challenges for the coming year

One of the key challenges facing Council is the representativeness of the parties. The Department of Labour advised that collective agreements will only be extended to non parties if the parties represents the majority of the industry.

Another challenge will be the implementation of the Chamber system of bargaining as agreed during the 2006/2007 annual negotiations and structuring the NBCRFI coordinating role through constitutional amendments.

Other challenges facing the NBCRFI include:

- Developing a five year strategy for Council including mission, vision and values;
- Developing the trust and improving the bargaining relationship between parties;
- Alignment of dispute resolution procedures with prevailing legislation and developing and implementing dispute prevention mechanisms; and
- Improving service delivery machinery focused on customer needs.

Governance

Good governance and excellent service delivery remain a priority of the NBCRFI. In this regard, we acknowledge the Executive Committee for their vigilant overseeing the NBCRFI's policies and procedures. The Executive Committee provided us with guidance and support during the past year and played a vital role in monitoring the financial management of Council.

Significant strides have been made in all areas of service delivery, namely funds administration, dispute resolution, agreements administration and other special projects such as the trucking against aids project.

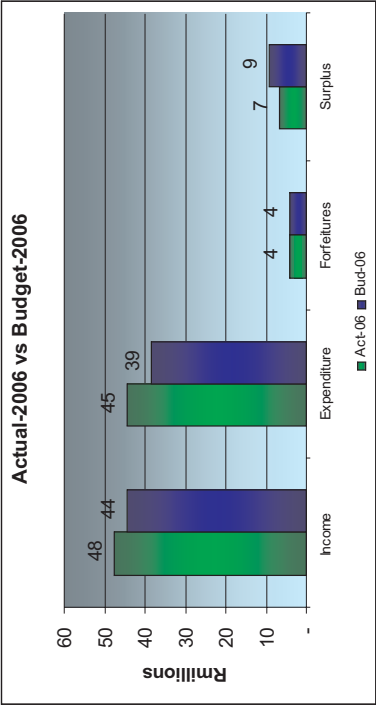


Council administration considers ethical conduct to be of paramount importance in delivering its services to the industry. To this end employees are expected to conduct themselves in a manner that protects Council's integrity and impartiality and with respect for human dignity, non-discrimination and diversity.

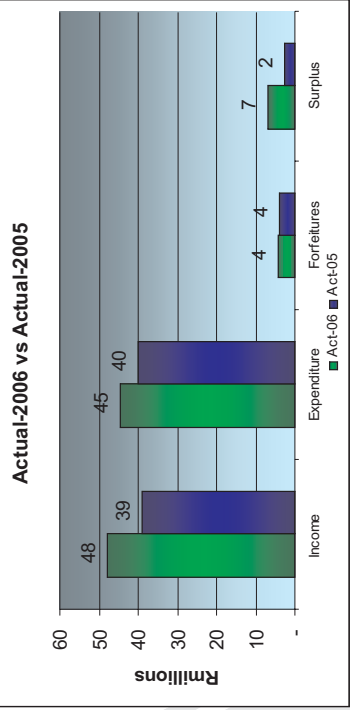
The Council is committed to develop and train employees to embrace and demonstrate these values and ethics to ensure that its culture and climate create a conducive environment for service delivery.

Financial Results

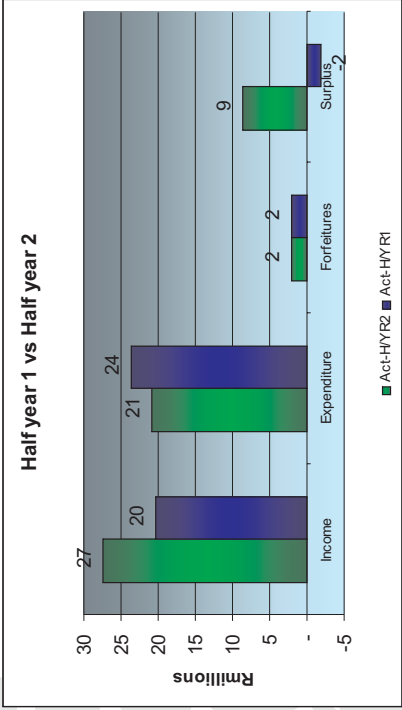
Income and expenditure exceeded budget however the positive variance on income compensated the negative variance on expenses leaving a shortfall of R2 million against budgeted surplus.



The financial performance year on year indicates an increase in surplus of R5million. This was mainly due to an increase in income.



The second half of the year reflects the financial results after the implementation of the new administration. The financial performance of the new administration reflects a surplus of R9million rand whilst a deficit of R2million was recorded for the first half of the year.



Personnel

The staff complement has remained relatively stable for the past year as reflected in the figures below:



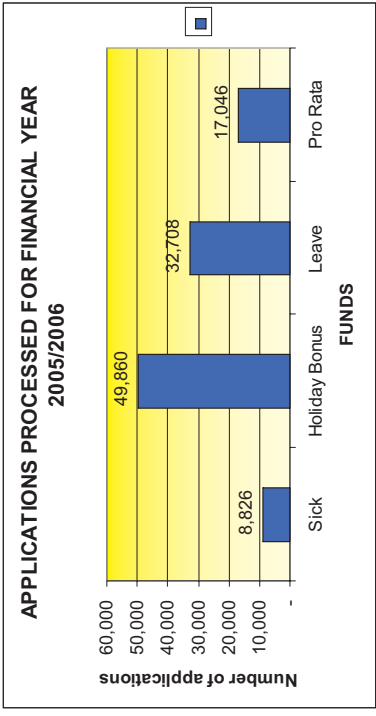
Permanent Staff

Department	Current	Appointments	Terminations
Management	5	5	0
Provident Fund	9	0	0
Operations Department	37	3	4
Legal Department	81	0	0
Finance Department	41	2	2
Wellness Department	22	0	1
Total	195	17	7

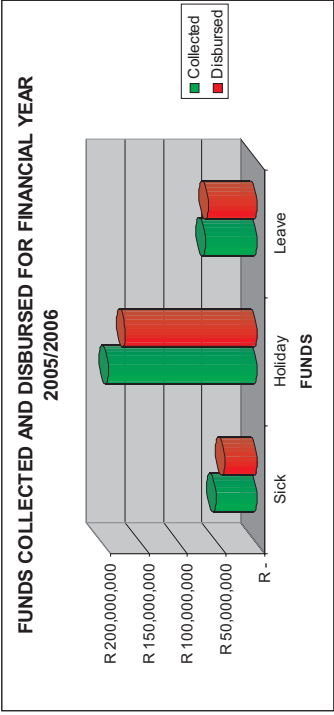
The statistics stated above is a fair and accurate reflection compiled by the Finance Department.

Funds administration

The total number of applications processed for the year ended was 108'440 and can be categorized as reflected in the graph below:

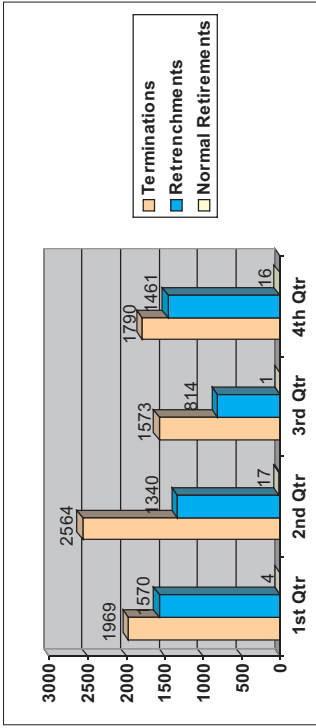


The total funds collected and disbursed for the year ending was R314, 4million & R276, 2million respectively and can be categorized as reflected in the graph below:

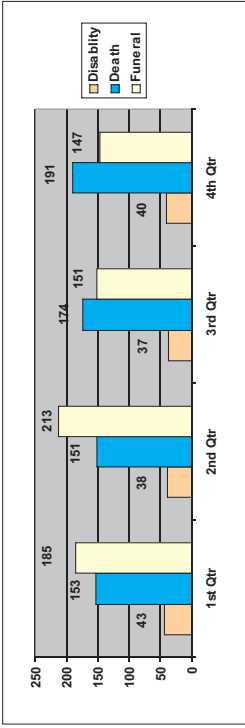


Provident Fund

The graph below depicts a pattern of terminations, retrenchments and normal retirement in the industry.



Insured Benefits



The statistics in respect of deaths is high. The high figures have an affect on the insurance risk rating and could have as a result that rates may be increased. Fund withdrawals is indicative of a high staff turnover in the industry.

Dispute Resolution

A total of 4056 unfair labour practice dispute were referred to council during the year under review of which 228 referred disputes were subsequently withdrawn. No shows/non attendance were recorded at 1086. A total of 324 applications for condonation were refused and 156 referrals were outside Council's jurisdiction. A total number of 1005 matters were resolved through conciliation and some 132 matters by agreement before the matter was heard. The average time taken to process a referral to conciliation is 30 days. The settlement rate has been recorded at 47 percent. Matters unresolved at conciliation and referred and heard at arbitration is 883.

Agreement Enforcement and Exemptions

A total of 2423 site inspections were conducted. Some 1346 non-compliance cases were successfully conciliated whilst 2342 cases were referred to the enforcement arbitration. A total of 1299 writs of execution were posted to the sheriff of the High Court.

Some 252 exemptions applications were heard by the Exemptions Body of which 73 percent were granted, 25 percent refused and 2 percent were withdrawn by the applicants. The exemptions body approved the usage of forms developed to assist applicants in providing relevant information in support of their cases.

A total number of 1530 employers were categorised as irregular payers for the period under review.

Institutional Development

Key projects were undertaken with the intention of improving service delivery and building strong administrative systems, processes and procedures. This included:

- Organisation development – developing job grading, job profiling, organisational structure geared towards delivering Council's mandate,
- Information technology system development and data integrity
- Recruit, develop and retain appropriately skilled employees
- Marketing and Communications

Trucking Against AIDS

Most are aware of the Trucking Against Aids project. This project forms part of the broader industry management strategy. The 12 stationary and 4 mobile clinics were visited by 34882 patients, 814803 condoms were distributed and approximately 66017 drivers and women at risk went through the education and awareness programme.

Conclusion

I believe we have managed to begin the efficiency improvement journey in the last six months in our operational functioning and for this my appreciation goes to my team for their hard work, dedication, professionalism and efficiency.

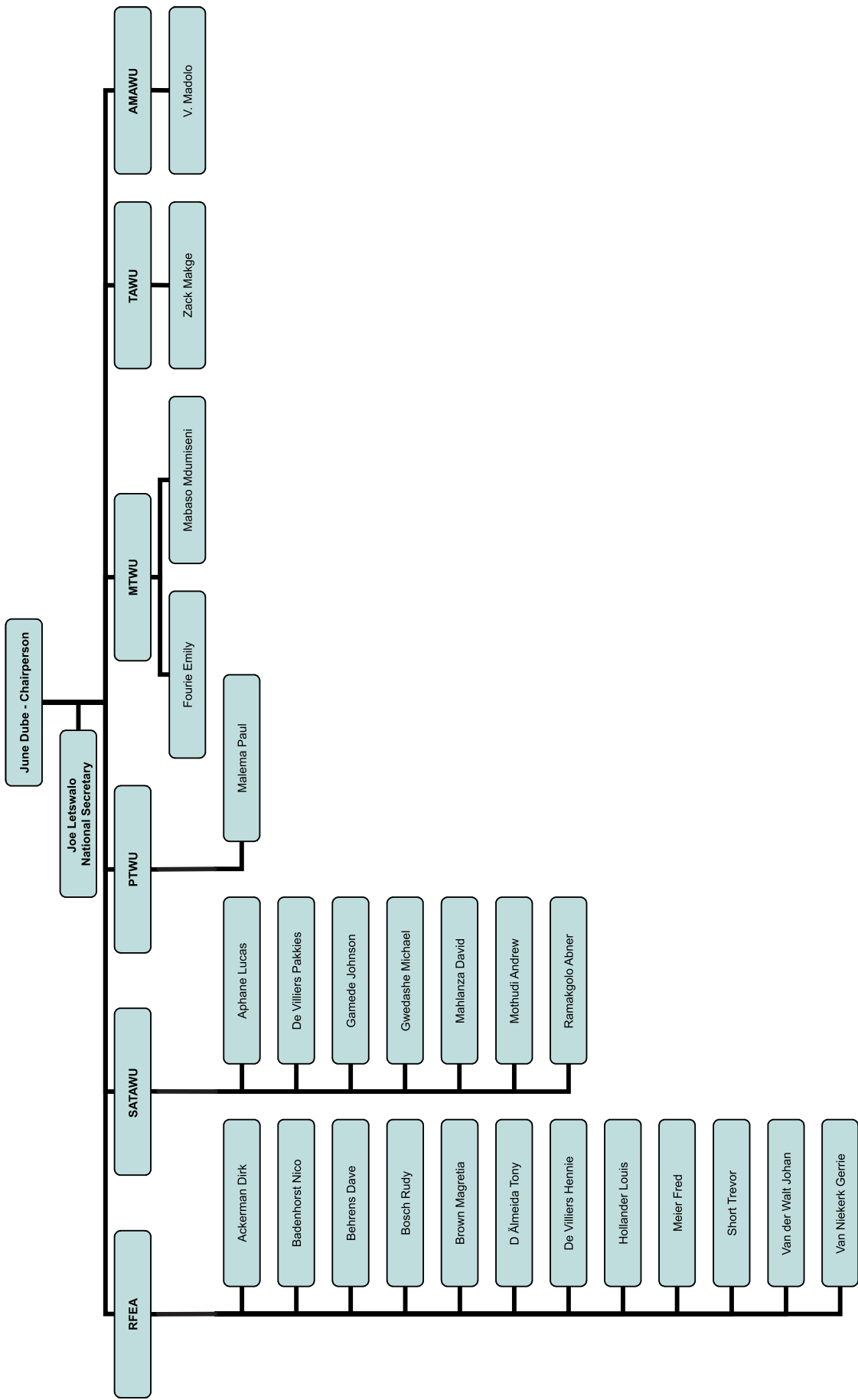
I would like to take this opportunity to thank the Chairman and the members of the Council whose term of office expires at the end of June 2006. I am confident that, once again, competent and committed new members will be appointed.



3. Administration Structure

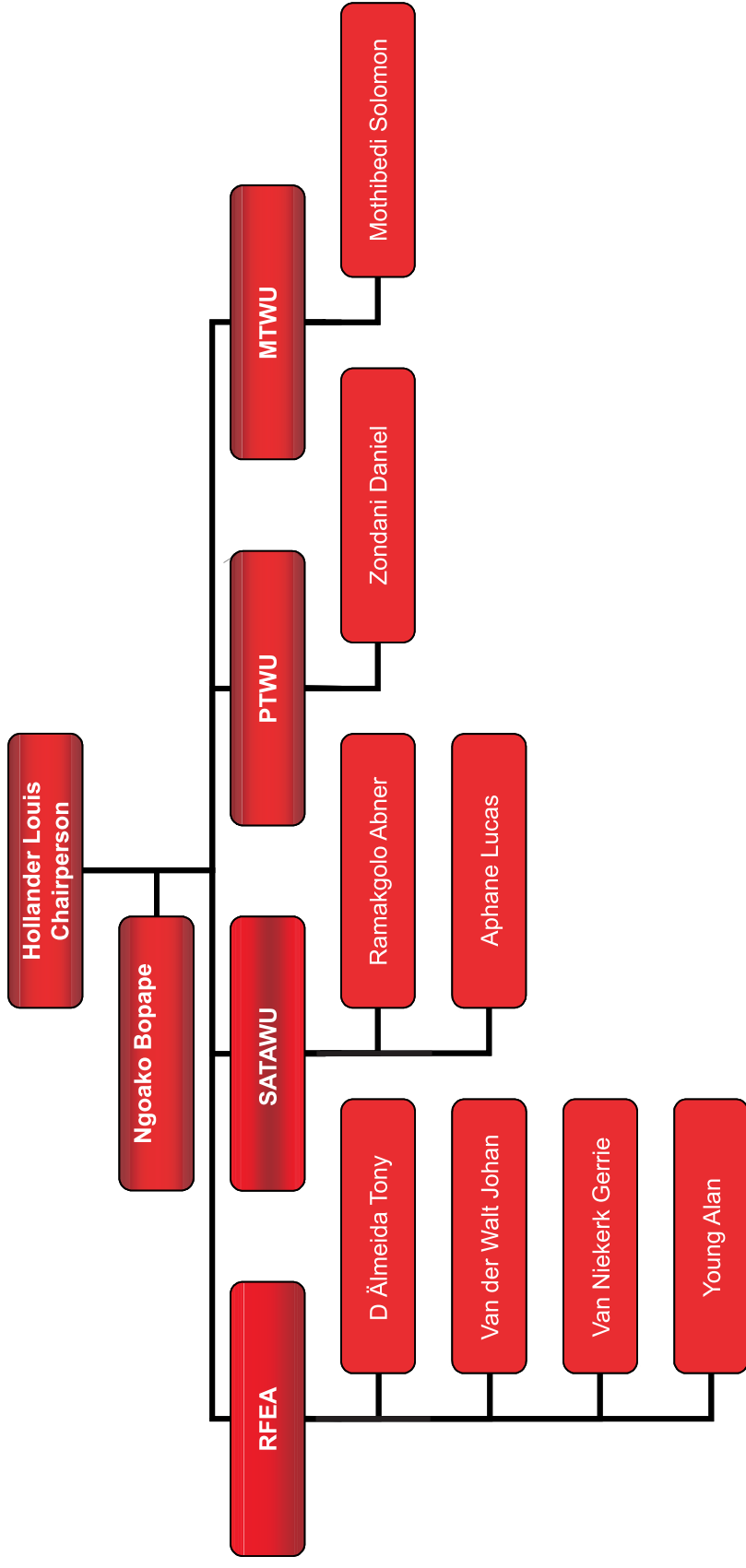


4. Council Members: 2005/6

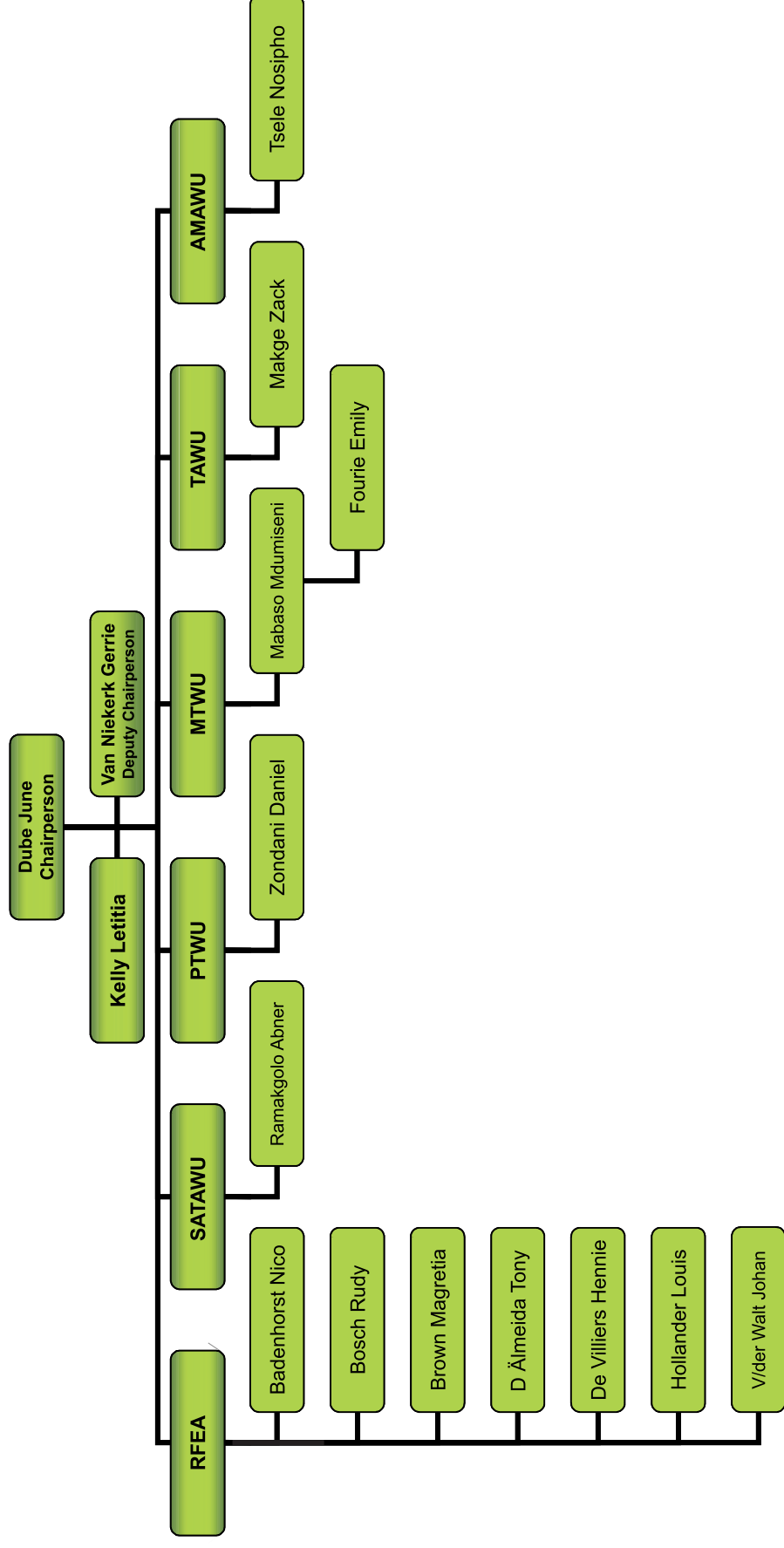


5. Committees

(i) Trucking Against HIV/AIDS Project



(ii) Technical Committee



(iii) Executive Committee

