



Organisation

'n Goedgekeurde lid van die AHI-Werkgewersorganisasie/An Approved member of the AHI Employers'

25 July 2012

To: The portfolio committee on the proposed amendments to the basic conditions of employment act and the labour relations act – 2012

Att: Luvo Nxelewa

-by E-mail

**RE: THE QUESTIONS THAT WERE RAISED BY THE MEMBERS OF THE COMMITTEE DURING THE --
DELIVERY OF COMMENTS ON THE 24TH OF JULY 2012.**

The questions that were asked by members of the committee are addressed as follows under their individual headings.

1. Clarity as relates to the source for the CCMA statistics that were quoted indicating that while labour brokers employ 7.9% of the workforce, only 0.9% of CCMA referrals are by the employees of labour brokers.

- Firstly I would like to apologize for the mistype; the actual percentage is 7.6% and not 7.9% as originally entered in the presentation.
- The numbers upon which we relied to proof this statement are sourced from the current number of employees that are employed by labour brokers as indicated by the National Association of Bargaining Councils which was published in 2010, placing that number at 979 539.
- When that number is compared to the employment figures which are available in Statistics SA's NQLF report for the third quarter of 2010 which indicates a total national labour force of approximately 12 975 000, it is clear that the number constitutes 7.6% of the total number of employed citizens of South Africa.
- The above findings were also confirmed by Loane Sharp from Adcorp in an article for general publication: <http://www.skillsportal.co.za/page/human-resource/labour-law/234672-Labour-broker-research-challenges-misperceptions#.UAFELSEti>
- The quoted CCMA statistic was released by the CCMA in 2010.

2. Labour brokers union participation figures which indicated that only 19% of labour brokers do not have unions in the workplace.

- Here it would seem that unions rely on this fact to defer their own responsibilities to their members or even potential members.
- There exists a very well established process for unions seeking to exercise organizational rights in the workplace, through Section 21 of the Current Labour Relations Act. If a company does not have a union in the workplace, this is most likely due to the fact that the union has not sought to exercise such rights through Section 21 where such failure by an employer may well result in a protected strike.



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- The figures relied upon to prove this were published in a report by Topline Research Solutions, a known role player in the corporate research field, using client databases provided by the Confederation of Associations in the Private Employment Sector (CAPES) and was repeatedly confirmed by Mr. Loane Sharp of Adcorp, another well respected name in industry.

3. As relates to the marked decline in employment during the periods when the labour law amendments were published.

- The statistics used were also from Statistics SA's NQLF reports. The graph shows a marked decline for the periods during which the proposed labour law amendments were published and this is self-evident.
- The exclusion of other factors were not done blindly, as indicated, HR City alone has suffered loss of employment in our own Labour Hire department directly for the reason of the proposed over-regulation of the segment.
- Furthermore, we based this extrapolation on the information we have received from our own clients in the mining sector, as well as related security provision in the mining sector.
- With that stated, it should also be borne in mind that no other factor related to the potential loss of employment is known to us as the only other possibilities would be the decline in demand for coal for electricity during that period, or global financial implications.
- As the Christmas period annually increases the economic growth of the country, one can exclude financial pressure, whereas the demand for electricity climbing over the December period would preclude reduced production.
- It should also be stated that the assumption of financial pressures due to the effects of the economic recession would fail due to the fact that there existed a substantial increase in employment directly prior to the downturn attributed to the 2012 announcements.

4. In Conclusion

We would like to re-iterate the fact that the proposed amendments constitute an overregulation of labour legislation in South Africa and that the result will be the loss of jobs and job opportunities should the proposed amendment bills be promulgated in their current form.

Kindest Regards

Eben van Deventer