

PAINT INDUSTRY NOW NEED TO TAKE CHARGE OF THEIR OWN FUTURE

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If you are a paint manufacturer or supplier, and also a member of the Surface Coatings Association (SCA), then you will know that, from the 1st of July 2020, you needed to increase what you pay your employees by 6.5% as the minimum monthly wage was increased from R 7573.80 to R8066.10.

The Surface Coatings Association (SCA), was a founding employer association of the National Bargaining Council for the Chemical Industry (NBCCI). If your company is currently a member of the SCA, this means that you have agreed to abide by what was initially an annual agreement negotiated between the employer associations in the NBCCI and five trade unions every year. Since 2019, the agreement became a multi-year agreement lasting for two years and it is currently being renegotiated for July 2021.

If we therefore expect at least another 6.5% increase from 1 July 2021, that means you will have no choice but to pay your employees a minimum of R 8590.40 each per month.

Besides regulating Wages and Conditions of Employment, as a Sector, you collectively agreed to create the NBCCI to avoid being subjected to arbitrary mediation and arbitration decisions by the CCMA and because you wanted, together with the trade unions, to regulate and manage your own employment relationships on a sectoral basis. In this instance, we refer to the Industrial Chemical Sector, which is one of four allied sectors for which the NBCCI caters. A primary service of the NBCCI being used is that for dispute resolution – most of these come from the trade unions which are parties to the Council.

The Bargaining Council is now a VOLUNTARY structure and its agreement only applies to you if you are a member of the SCA. So, if you are a paint manufacturer or supplier, and not a member of the Surface Coatings Association, then any dispute which you are involved in with your employees or with trade unions would continue to be referred to the CCMA and not the Bargaining Council.

However, by 2023 it is likely that the parties to the NBCCI will have applied to the Minister of Employment and Labour, to extend the Bargaining Council Agreement to apply to non-parties in the Paint and Coatings Sector. This means that if you are a paint manufacturer or supplier who is not a Surface Coatings Association (SCA) member now, if the agreement is indeed extended to non-parties you will automatically be subject to the directives of the agreement in terms of “Pay Levels”, “Job Grades” and other “Conditions of Employment”.

Unfortunately, however, you will not have the benefit of being represented at the Bargaining Council and will not have any influence on wage/salary rates, or agreements on Conditions of Employment reached by that Bargaining Council.

This is why SAPMA is determined to receive a mandate from its members to register independently of the SCA as an employer association with the Department of Employment

and Labour (DE&L). Once that status is achieved, SAPMA will be able to apply to the NBCCI (strategically timed before the NBCCI applies to the DE&L to extend the agreement), to be a party representing small and medium manufacturers, suppliers and coatings retailers and requiring a special SMME dispensation by the NBCCI prior to the extension of any agreement to non-parties.

SAPMA, additionally, intends – in association with the SCA - to set up an Alternative Dispute Resolution Forum (both to the CCMA and to the NBCCI) for its members for both mediation and arbitration services to be offered by trained and certified mediators and arbitrators from within paint and coatings manufacturing, supply and applications. This is to ensure that where disputes occur, commissioners are seasoned not only in process but also in understanding both the competency and behavioural issues which regularly arise within the sector and which can then be addressed within such a forum.

If you are an SCA member, strategically, you need to decide as a paint manufacturer or supplier whether these levels of wages, salaries and increases are sustainable for you, and whether you have options available to you besides applying every year to the NBCCI for Exemptions from the Main Agreement?

Choices available to you include:

- Remaining as a member of the Surface Coating Association and thereby subjecting yourself to the Main Agreement for Industrial Chemicals;
- If you are currently an SCA Member, resigning from the SCA and therefore implementing a plant-level bargaining relationship with trade unions currently present at your workplace. Of the initial 17 SCA Members, two companies have in fact resigned and have reverted to plant-based bargaining and to the CCMA for dispute resolution.
- If you are not a member of the SCA, then waiting for the Minister of Employment and Labour to extend the NBCCI Agreement to non-parties and at that stage to implement the NBCCI's Industrial Chemical Main Agreement, or benefit from SAPMA Membership as your employer association represented at the NBCCI.

The matter of the SCA's continued involvement within the NBCCI and therefore on-behalf of coatings, paint manufacturers and suppliers generally will be discussed at the upcoming AGM of the Surface Coatings Association being held in November 2020. SCA Members have the responsibility of activating the SCA Constitution for 2020/21, electing an incoming Executive Committee (consisting of the Chairperson, Vice Chairperson, Labour Representative and Treasurer) and determining the relationship with the NBCCI going forward.

Of major concern to all stakeholders in the sector is the absence of sound and reliable research and therefore real-time and reliable trading information relating to legal and illegal imports, manufacturing and processing, supply chains and market activities. Importantly a rarely researched issue is the impact of the current legislative and regulatory frameworks on companies in our sector.

This is why SAPMA will next year embark on a significant set of research activities, to be conducted both on a provincial and national basis, to be able to satisfy the requirements of the Department of Trade and Industry, the Department of Labour and also Education and Training and, importantly, the Department of Finance. The NBCCI bases its membership assumptions about the Industrial Chemical Sector, and hence SCA and SAPMA membership on information available from Stats SA. But previous SAPMA research is massively out-of-date which makes the need to prioritise the reformulation of SAPMA's research agenda imperative.

A final observation: SAPMA members who willingly subject themselves to become the victims of a non-party extension decision by the Minister of Employment and Labour to extend the National Bargaining Council for the Chemical Industries Main Agreement to non-parties, cannot blame the associations and trade unions which are party to the NBCCI for this decision or its impact on their businesses.

Every CEO of every paint manufacturing and supply business in SA now needs to take responsibility for becoming informed and mandating the right set of representatives to fight for their interests and properly articulate their case, so that when new agreements are reached and when new laws and regulations are agreed to, they have a say at that negotiating table!

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