

# NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

KWAZULU-NATAL CHAMBER

Tel: 031 362 0700  
Fax: 031 301 6716  
www.nbc.org.za

127/129 GALE STREET, UMBILO, DURBAN 4001

P O Box 18354  
Dalbridge  
4014

Telephone Enquiries : Labour Affairs Department

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TO: ALL PARTY & NON-PARTY EMPLOYERS SUBJECT TO PARTS C OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT **(CLOTHING, GARMENT KNITTING, HOSIERY & MILLINERY SECTORS)** FOR THE "METRO" AREAS ONLY OF THE KWAZULU-NATAL CHAMBER OF THE NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY)

Dear Sir/Madam

## ***INFORMATION CIRCULAR TO THE INDUSTRY FOLLOWING THE 2008 ROUND OF NEGOTIATIONS***

### **METRO AREAS ONLY**

**(i.e. those establishments situated within the Magisterial Districts of Chatsworth, Durban, Inanda, Lower Tugela, Pietermaritzburg and Pinetown)**

This circular summarises the outcome of the Industry negotiations. The Parties to the National Bargaining Council have concluded an agreement that becomes effective from 1 September 2008. The details of the negotiated settlement in respect of the Kwazulu-Natal Metro Region( Part C of the Councils National Main Collective Agreement) are as follows:-

#### **1. Wage increases for the period commencing 1 September 2008**

The increase to total labour cost shall be 9% for each of the job categories with effect from 1<sup>st</sup> September 2008. Of this increase in total labour cost, 8.5% is allocated as a wage increase and 0.5% may be allocated for plant level productivity incentive schemes subject to the following conditions:-

- 1.1 Employers should pay an amount of 0.5% of the weekly wage into a dedicated productivity incentive bank account. This must be done on a weekly basis or on the date that wages are normally paid if paid at a time other than weekly.
- 1.2 The money in this productivity incentive bank account is ringfenced for the introduction of plant level productivity incentive schemes only.
- 1.3 This productivity incentive scheme bank account should be opened and authorised on the basis of co-signatures as follows: a person named by management plus a SACTWU shop steward.(Where there are no shop stewards at a workplace, a representative named by the workers should be the second signatory).
- 1.4 With effect from 1 September 2008, each workplace should have a period of two months within which they must reach agreement between management and the union about how the new productivity incentive scheme at the workplace will function and how the incentives are to be paid.
- 1.5 If there is no productivity incentive scheme agreement reached by 1 November 2008, all the monies in the productivity bank account must be paid out to the workers as part of their wages, until an agreement on an appropriate productivity incentive scheme is reached.
- 1.6 The productivity incentive scheme agreement reached must ensure that all workers covered by the terms of this agreement, not just some, should benefit from the incentive scheme.
- 1.7 All productivity scheme agreements reached must be registered with the National Bargaining Council for the Clothing Manufacturing Industry within one month after agreement has been reached.

- 1.8 Productivity scheme agreements should not contain provisions which have the effect of downward variation of any term or condition of employment.
- 1.9 The productivity incentive scheme envisaged in the agreement should be in addition to and not in place of any existing productivity incentive scheme which may currently exist.
- 1.10 If the workplace closes or is liquidated, all the money left in the productivity incentive bank account must be paid out to all the employees at the workplace and who are covered by the terms of the agreement.

## 2. Agency Shop

An agency fee should be deducted from the wages of these employees who are not members of SACTWU and paid over to the bargaining council's KZN chamber who should pay these funds over to SACTWU. Agency shop agreements are provided for in Section 25 of the Labour Relations Act as well as by the Bill of Rights in our country's constitution. The rationale for it is that non-union members benefit from the agreements concluded by the Union. These non union members get the higher wages and the other improvements in the conditions of service. The union incurs significant costs in participating in the collective bargaining process.

It is therefore only fair that non-union members also contribute towards this process.

Please ensure that you brief your employees well in advance of making the first agency fee deduction. Should you require assistance in this regard the Council will gladly send an agent to your factory in order to explain the need for and the legality of the agency fee deduction. Please liaise with **Brett Walker on 031-3620729** should you require Council's assistance.

## 3. HIV/ AIDS

A code of good practice on key aspects of HIV/AIDS and employment has been agreed. The code is available on the Council's website [www.nbc.org.za](http://www.nbc.org.za). The bargaining council will also, in due course, supply each company with a professionally printed copy of this Code.

## 4. NBC Levy

The employers and employee NBC levy contribution has been converted to a percentage-based contribution. In future this levy will be based on 0.25% of a qualified machinists' weekly rate of pay. This levy continues to be paid on a weekly basis.

## 5. Qualifying Periods

For those job categories where the qualifying period is 24 months or more, the qualifying period has been reduced by 2 months. For the machinists' category, it has been reduced to 18 months.

## 6. Contract Employees

- 6.1 Those contract employees with 12 months or more employment with the same employer shall be converted into permanent employees.
- 6.2 All contract employees shall be entitled to receive a pro-rata share of all statutory payments due to permanent employees.
- 6.3 All contract employees who are in employment as at the end of November each year shall be entitled to full payment for all public holidays which fall during the annual shutdown period.
- 6.4 Employees who have completed a learnership shall not be placed on a further contract period after completion of such a learnership, but shall be employed as a permanent fulltime employee.
- 6.5 Where there are more beneficial arrangements (other than those set out in clauses 6.1-6.4 above) governing the employment of contract workers, such provisions shall remain effective.

**7. Access to email and internet facilities for shop stewards.**

Access to email and internet facilities for shop stewards will be encouraged, provided that such access is during shop stewards own time and dealt with in a manner that is not disruptive to production.

**8. Night Shift Allowance**

Should the Union so opt, the night shift allowance for garment knitting and embroidery sector employees shall be increased, provided that such an increase shall form part of the total labour cost increase agreed to in this agreement. The union has not so opted, so there will be no increase to the night shift allowances.

**9. Other Conditions**

All other previously agreed terms and conditions not specifically varied by the agreement shall remain in force and effect unless agreed otherwise through collective bargaining between the parties at NBC level.

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Paul Wild  
Regional Secretary