

**NATIONAL BARGAINING COUNCIL
FOR THE
CLOTHING MANUFACTURING INDUSTRY
CAPE CHAMBER
(EASTERN CAPE SUB-CHAMBER)**

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1 September 2007

TO: ALL EMPLOYERS SUBJECT TO PART A OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT (CLOTHING, GARMENT KNITTING, HOSIERY AND MILLINERY SECTORS FOR THE "METRO" AREAS OF THE EASTERN CAPE SUB-CHAMBER OF THE NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY)

Dear Sir/Madam

INFORMATION CIRCULAR TO THE INDUSTRY FOLLOWING THE 2007 ROUND OF NEGOTIATIONS
METRO AREAS ONLY

(i.e. those establishments situated within the Magisterial Districts of East London, Hankey (portion), Mdantsane (portion), Port Elizabeth and Uitenhage (portion))

Further to the Council's Circular NBC/1/2007 of 11 May 2007, this circular summarises the outcome of the Industry negotiations. The Parties to the National Bargaining Council have concluded a Collective Agreement in terms of which the total labour cost increase for all "Metro" regions amounts to 5.5% with effect from 1 September 2007.

The Agreement will be submitted to the Minister of Labour with a request that it be extended to employers and employees in the Industry, other than those who are party to the Agreement, i.e. all Non-Parties.

Details of the negotiated settlement in respect of the Eastern Cape Metro Region (Part A of the Council's National Main Collective Agreement) are as follows:-

1. New wage rates and across-the-board increases for the period commencing 1 September 07

The new wage rates from 1 September 2007, which reflect an across-the-board increase of 5.5% on all grades, are enclosed.

Garment Knitting establishments will receive both a "clothing" and a "garment knitting" wage schedule.

2. Contributions

2.1 Provident Fund

The Provident Fund contribution rate for employers and employees remain unaltered, as follows:

Qualified Machinists' earnings and above:	Employer:	6,79%	Employee:	3,60%
Earnings below Qualified Machinists' rate:	Employer:	6,99%	Employee:	3,80%

2.2 Medical Aid (Prime Cure)

The Medical Aid contribution rates for employers increases as set out below and that of employees remain unaltered, as follows:

Employee	:	R22,89
Employer	:	from R11.40 to R12.03

2.3 Bargaining Council Levy

The Bargaining Council levy remains unaltered at **R1,30** per week for employees and **R1,37** for employers.

2.4 SACTWU HIV/AIDS Contribution

This increases from 30 cents to **32 cents** per employee per week, payable by the employer only.

2.5 SACTWU Bursary Fund

Contributions increase from 20 cents to **21 cents** per employee per week, payable by the employer only.

2.6 Supplementary Benefits Fund

Employer contributions increase from 60 cents to **63 cents** per employee per week.

3. Trade Union Deductions

The Trade Union subscription rate for its members remains unchanged at 1% of the member's basic wage rate with a new *minimum* of R5.00 per week and a new *maximum* of R9.20 per week, effective 1 September 2006. The contribution rate towards its funeral scheme remains at per week to R1,20 per week, bringing the **total new minimum** to **R6.20** per week (i.e. the R5.00 plus the R1,20) and the **total new maximum** to **R10.40** per week (i.e. the R9.20 plus the R1,20). The Trade Union has sent out a separate notice in this regard.

4. Schedule of Deductions

A revised schedule of weekly deductions and contributions is enclosed.

5. Further issues on which agreement was reached

5.1. Extension of current gazetted agreements to non-Parties

The Minister will be requested to extend the current gazetted agreements to non-parties for a further period from 1 September 2007 onwards, until the Parties to the Main Agreement agree otherwise.

5.2. Closed Shop

The Closed Shop Agreement shall be amended by removing the phrase "or employers' organisation" from sub-clause C thereof.

5.3. HIV/AIDS

The Code of Good Practice on key Aspects of HIV/AIDS and Employment as set out in the Employment Equity Act No 55 of 1998 (as amended from time to time) shall be policy in the industry. A sub-committee shall be established to word it in a manner that this policy is industry specific.

5.4. Productivity

The following additional clause is agreed:

5.4.1 The parties commit themselves to prioritise the work of the Nupen report.

5.4.2 Subject to clauses 8.3 and 8.5 below, the parties specifically declare their intention and good faith to find practical means whereby future wage increases can be linked to plant-level productivity improvement schemes for both metro and non-metro areas.

5.4.3 When the productivity-related work programme as set out in the Nupen report is finalised, the ratio between reward for productivity and the ATB annual wage increases for metro and non-metro areas shall be negotiated between the parties at national level, as would be the extent to which parties could determine productivity schemes and reward systems at enterprise level.

5.4.4 It is expressly agreed that the objective is to implement such arrangements within the timeframes as recommended in the Nupen report and the parties set themselves the objective to implement such arrangements, where agreed between the parties, with effect from the 2008 substantive agreement.

5.4.5 Nothing in this clause shall serve to over-ride any of the recommendations which are contained in the Nupen report.

5.5 NBC Levy

The NBC levy Contribution by employees shall be increased to the same rand amount as that applicable in other chambers of the NBC.

The parties shall further discuss whether or not to change the NBC levy contribution from a flat amount to a percentage – based one and, if agreed, what percentage would be applicable.

5.6 Payment of Wages

All payments of wages in the non-metro areas shall be no more than bi-weekly, unless otherwise agreed in writing between the parties at plant level.

5.7 Contract Employees

5.7.1 The parties strongly condemn the abuse of contract work.

5.7.2 The NBC shall conduct a survey on the extent and type of contract work in the clothing industry.

5.8 Shop Stewards Rights and Facilities

Shop stewards' paid time-off for trade activities shall be increased to 10 paid days per annum, in all areas where it is currently less than 10 days per annum. All other existing provisions on shop stewards rights and facilities shall remain in force and effect.

6. Non-Metro Areas (for the purposes of this circular, means all areas of the Eastern Cape Province other than the magisterial districts listed in the bolded heading of this circular)

A separate circular is being distributed to all establishments in the non-metro areas, nationally.

7. Council's Website (www.nbc.org.za)

The Council's website on the Internet is regularly being updated. Those who have access to the Internet can view and download the Main & Provident Fund Collective Agreements of the various "metro" and non-metro areas. These are in the form of consolidated agreements i.e. the original published agreements, updated for subsequent **published** amendments. This notice will also be added to the Council's website.

Any enquiries from employers who are members of the Eastern Province Clothing Manufacturers' Association (EPCMA) should be directed to their Association. In the case of non-party establishments, enquiries should be directed to the Council's **Regional Secretary** on **(041) 487 1874**.

Yours faithfully

T C HEUGH
REGIONAL SECRETARY