

NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

NORTHERN CHAMBER

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Telephone Enquiries : Labour Affairs Department

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TO : ALL EMPLOYERS SUBJECT TO PART D OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT (NORTHERN REGION CLOTHING & MILLINERY SECTORS WITHIN THE "METRO" AREAS ONLY OF THE NORTHERN CHAMBER OF THE NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY)

Dear Sir/Madam

INFORMATION CIRCULAR TO THE INDUSTRY FOLLOWING THE 2009 ROUND OF NEGOTIATIONS

Province of the Transvaal as it existed prior to the coming into operation of the Constitution of the Republic of South Africa

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 **7% with effect from 1 September 2009**. Because of the increase period of employer Provident Fund contribution from 48 to 52 weeks this results in an **Effective Wage Increase of 6.75%**. **This takes effect from 1 September 2009**. The increase in total labour cost also has other consequential contribution increases as reflected hereunder.

It is therefore important to use the New Wage Rates as reflected in the enclosed schedules as these are calculated accordingly.

Back pay can be paid in equal instalments over a period no longer than six weeks from the date of receipt of the circular.

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 Northern Metro Region (Clothing) (Part D 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 09

The new wage rates from 1 September 2009, reflect an across-the-board increase of 6.75% on all grades, **rounded** to the nearest 10 cents, are enclosed.

Please note the following:

- (i) Employees who earn in excess of the prescribed wage should receive the increase equivalent to the increase of an employee in the same category. (See attached schedule).
- (ii) Learners in employment for 16 weeks or more in any half-year are deemed to be in employment for the full half-year except in the case of the first half-year where more than 13 weeks' experience is deemed to be employment for the full half-year.

2. Contributions

2.1 Sick Pay Fund

The employee contribution rate to the Sick Pay Fund increases by 19 cents from R2,88 to R3,07 per week, whilst the employer contribution rate increases by 31 cents from R4,65 to R4,96 per week. These now are:

Employee	:	R3,07
Employer	:	R4,96

2.2 Medical Benefit Society

The employee contribution rate to the Medical Benefit Society increases by 60 cents from R8,85 to R9,45 per week, whilst the employer contribution rate increases by 62 cents from R9,18 to R9,80 per week. These now are:

Employee	:	R9,45
Employer	:	R9,80

2.3 Provident Fund

The employer and employee contribution rates to the Provident Fund remain unaltered as:

Employee	:	5.75%
Employer	:	6,5%

Please note that the Provident Fund contributions are payable for the full 52 weeks of the year.

2.4. NBC Employer levy

The employer levy shall be increased by a further 0,1% the purpose of which shall be to fund employer association activities and capacity associated to NBC and industry promotion related activities.

The employer rate to the Council levy increases by R0,10 cents from R1,53 to R1,63 per week.

Employee	:	R1,51
Employer	:	R1,63

3. Schedule of Deductions

A revised schedule of weekly deductions and contributions accompanies this circular.

4. 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 R5,85 per week and a new *maximum* of R10.80 per week, effective 1 September 2009. The contribution rate towards its funeral scheme increased to R1.80 per week bringing the **total new minimum** to R7,65 per week (i.e. the R5,85 plus the R1,80) and the **total new maximum** to R12,60 per week (i.e. the R10,80 plus the R1,80). The Trade Union has sent out a separate notice in this regard.

5. Working in Arrangements

Employees shall be permitted to work in the time lost due to strike action at normal rates of pay, provided that this is agreed to at plant level and further provided that where agreed to such employees shall be offered a loan equal to between one week and two weeks' wages, deductible from their wages in equal weekly amounts over a 10 week period.

6. **Absenteeism**

The "Managing Absenteeism: Memorandum of Understanding" (MOU) entered into between the CCA and SACTWU on 14 June 2007 shall become applicable nationally, with the following adjustments:

- 6.1. The timeframes set out in the MOU shall be adjusted forward with effect from 1 November 2009 and further adjusted for context.
- 6.2. The processes envisaged shall be facilitated by the CCMA and the parties shall use their best endeavours to secure resources from the bargaining council, the CTFL SETA and other sources to support this process.
- 6.3. For the duration of this agreement, the processes as envisaged shall focus on all those companies where agreed absenteeism is more than 10%.

7. **Productivity**

- 7.1 The Bargaining council shall establish a dedicated productivity unit to promote productivity issues in the Industry, as part of the NBC's value-added services.
- 7.2 The Bargaining Council shall commission a feasibility study for the establishment of a training institute, similar to the previous Clothing Industry Training Board (CITB), operated under the auspices of the Bargaining Council as part of the NBC's value-added services.

8. **Non Compliance**

- 8.1. The provisions of the gazetted Main Agreement shall be appropriately amended so as to clearly permit the trade union to institute non-compliance proceedings against any non-complaint company in the industry. Such trade union rights shall include but not be limited to the right to initiate and embark on protected industrial action against non-compliant employers.
- 8.2. Outsourcing to non-compliant companies shall not be permitted in the industry.
- 8.3. The parties shall enter into agreements with all Provincial and Local governments which shall have the effect that their sourcing from the industry shall include a requirement to only source from companies which hold a valid Certificate of Compliance from the Bargaining Council.

9. **Non-Metro Areas (for the purposes of this circular, means all areas of the old Province of the Transvaal not covered by Parts D (Clothing) and E (Knitting) of the Council's National Main Collective Agreement for the Northern Region)**

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

10. **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 any of the Employers' Associations should be directed to their Association. In the case of non-party establishments, enquiries should be directed to this Chamber's **Labour Affairs Department** on telephone no 011 402-2737.

Yours faithfully

E BULOSE
REGIONAL SECRETARY