

NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

CAPE CHAMBER (WESTERN CAPE SUB-CHAMBER)

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CIRCULAR NO. WCC/04/2007

Telephone Enquiries : Labour Affairs Department

16 August 2007

TO : ALL EMPLOYERS SUBJECT TO PART G OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT (COUNTRY AREAS WITHIN THE WESTERN 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
MAGISTERIAL DISTRICTS OF GEORGE & WORCESTER ONLY**

The Parties to the National Bargaining Council have concluded a Collective Agreement in terms of which the labour cost increase for Country Areas with effect from 1 September 2007, is based on R26,00 on the machinist's and general worker's wage rate and the equivalent percentage of that increase applied on all other categories.

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.

You have been informed that the Chamber will be conducting a Wage Clerk's course at its premises on implementing these increases during the first week of September and you will be notified of the date your wage clerk should attend.

Details of the negotiated settlement in respect of the Western Cape Country Areas (Part G of the Council's National Main Collective Agreement) are set out below.

1. **New wage rates and across-the-board increases for the period 1 September 2007 to 31 August 2008**

The new wage rates schedule from 1 September 2007 which reflects an across-the-board increase of 6.42% applied on all grades, based on R26 on the Machinist's wage, is enclosed.

2. **New Ceiling Wage Rate**

The scope of the Cape Country Areas part of the Main Agreement will be adjusted to raise the ceiling wage rate as follows :

Period : 1 September 2007 to 31 August 2008		
ANNUAL	MONTHLY PAID	WEEKLY PAID
R42 328,00	R3 527,50	R814,00

3. **Contributions**

3.1 **Provident Fund**

Employer Contribution Rate:

The Employer's contribution rate remains unaltered at 6,25%.

Employee Contribution Rate:

The Employees' contribution rate to the Provident Fund also remains unaltered at 6,03%.

Please note that in terms of clause 1(3) of the Provident Fund Agreement, contributions to the Fund must continue in respect of existing contributors as at 31 August 2006 who will earn in excess of the rates reflected in paragraph 2 above.

- 3.2 Bargaining Council Levy**
The Bargaining Council Levy for both the employer and the employee **increases by 12 cents** per week from **R1,18 to R1.30** per employee per week.
- 3.3 HIV/AIDS**
The HIV/AIDS contribution rate payable by the **employer remains unaltered at 30 cents** per employee per week.
- 4. Consequential changes for the period 1 September 2007 to 31 August 2008**
Wage and salary departments are reminded of the following consequential changes flowing from higher wage rates as well as other changes :
- The **maximum** deduction for Provident Fund from the earnings of **contributors** will be **R67.78** per employee week (or **R293.71** per month for monthly paid). The **maximum** Provident Fund contribution rate payable by **employers** will be **R70.25** per employee per week (or **R304.41** per month for monthly paid).
 - 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 2007, together with funeral scheme contribution of **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).**
- 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 5.4.3 and 5.4.5 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. **Collective Bargaining and Dispute Resolution Levy**

For employers who **are not members of the Cape Clothing Association (CCA)**, the Collective Bargaining/ Dispute Resolution Levy has been increased as follows:

Companies employing 40 workers or less:

R93.48 (incl VAT at the current rate) per employee per month for monthly paid employees; or

R21.59 (incl VAT at the current rate) per employee per week for weekly paid employees.

Companies employing more than 40 employees:

R2.18 (incl VAT at the current rate) per employee per month for monthly paid employees; or

R0.50 (incl VAT at the current rate) per employee per week for weekly paid employees.

7. **Schedule of Deductions**

A revised schedule of weekly deductions and contributions is enclosed.

8. **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 **Cape Clothing Association** 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 tel no (021) 460-4000.

Yours faithfully

A C DAVIDS

Regional Secretary

ACD/hc/Circulars 2007_Annual Increase Circular WCC/03/2007-CAA