

# NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

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## CIRCULAR NO. NBC/03/2007

**Telephone Enquiries: Labour Affairs Department**

27 August 2007

**TO : ALL CLOTHING AND GARMENT KNITTING ESTABLISHMENTS (INCLUDING HOSIERY AND MILLINERY) IN THE REPUBLIC OF SOUTH AFRICA (other than those employers and employees who are subject to the scope of those Parts of the Council's National Main Collective Agreement covering the various "metro" areas) i.e. ALL Employers subject to Part I the Council's National Main Collective Agreement for the [REDACTED]**

Dear Sir/Madam

**INFORMATION CIRCULAR TO THE INDUSTRY FOLLOWING THE 2007 ROUND OF INDUSTRY NEGOTIATIONS**

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 the Non-Metro Areas with effect from 1 September 2007, amounts to R26,00 based on the machinist's wage rate and the percentage of that increase applied on all other wage 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.

Details of the negotiated settlement in respect of the Non-Metro Areas (Part I 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 2007**

The new wage rates from 1 September 2007 which reflect an across-the-board increase based on a R26,00 increase for the machinists and general worker categories and the percentage equivalent on a machinists rate for all other job categories, being:

1. 6.23% wage increase in the Magisterial Districts of Camperdown, Umzinto, Paarl, Stellenbosch and Uitenhage.
2. 7.93% wage increase in all Other Areas.

**2. New Ceiling Wage Rates**

The new ceiling rates are as follows:

Area	Period commencing 1 September 2007		
	ANNUAL	MONTHLY	WEEKLY
Magisterial Districts of Camperdown, uMzinto, Paarl, Stellenbosch and Uitenhage	R57 616.00	R4 801.50	R1 108.00
All other Areas	R46 020.00	R3 835.00	R885.00

**3. Schedule of Deductions**

A revised schedule of weekly deductions and contributions is enclosed.

**4. Further issues on which agreement was reached**

**4.1 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.

**4.2 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.

**4.3 Productivity**

The following additional clause is agreed:

- The parties commit themselves to prioritise the work of the Nupen report.
- 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.
- 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.
- 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.
- Nothing in this clause shall serve to over-ride any of the recommendations which are contained in the Nupen report.

**4.4 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.

**4.5 Payment of Wages**

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

**4.6 Leave Pay**

In all areas, no employee shall be paid less than three weeks' wages as annual leave pay.

**4.7 Provident Fund**

The employer contribution of 4% of the wage of each employee who has worked 9 ordinary hours or more during any pay week (less the blanket exemption of R1.21 per week) remains unchanged.

In addition, a **4% employee provident fund contribution** shall become payable by way of deduction from the employee's wage, provided this is confirmed in a plant level ballot.

**4.8 Contract Employees**

4.8.1 The parties strongly condemn the abuse of contract work.

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

**4.9 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.

**5. NBC Website ([www.nbc.org.za](http://www.nbc.org.za))**

The Council's website on the Internet is constantly being updated. Those who have access to the Internet can view and download the Main & Provident Fund Collective Agreements of the various "metro" areas and the Council's Non-Metro Agreement. 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.

**6. Scope of this Circular**

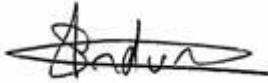
Part I of the Council's National Main Collective Agreement for the Non-Metro Areas covers **ALL** areas of the Republic of South Africa, excluding those areas or magisterial districts covered by the scope of the collective agreements for the Council's various "metro" areas, i.e. the **whole** of the Republic of South Africa **EX**cluding the following:

- (i) In the Province of the Eastern Cape -
  - (aa) Port Elizabeth, including that portion of Hankey which, prior to the publication of Government Notice No. 1515 of 4 October 1963, fell within the Magisterial District of Port Elizabeth, including that portion which was transferred by the publication of Government Notice No. 1687 of 5 September 1975 to Uitenhage and excluding that portion of Hankey which was transferred by Government Notice No. 1974 of 26 September 1980 to Port Elizabeth; and
  - (bb) East London, including that portion which was transferred to Mdantsane by Government Notice No. 1481 of 27 August 1971, excluding those portions of the Ciskei that were transferred to East London by Government Notice No. 1877 of 4 September 1981 and Government Notice No. 1079 of 10 June 1988 and including that portion that was transferred to Ciskei by Government Notice No. 2354 of 5 October 1990.
- (ii) In the Province of Kwazulu-Natal -  
The Magisterial Districts of Chatsworth, Durban, Inanda, Lower Tugela, Pietermaritzburg and Pinetown;
- (iii) In the Province of the Free State -  
The Magisterial Districts of Bloemfontein, Frankfort, Kroonstad, Parys and Vredefort;
- (iv) In the Province of the Northern Cape -  
The Magisterial District of Kimberley;
- (v) In the Province of Gauteng, but only in as much as in respect of garment knitting establishments which fall within the scope of application of the Main Collective Agreement for the Northern Region (Knitting) is concerned –  
The Magisterial Districts of Alberton, Benoni, Germiston, Johannesburg and Roodepoort as well as only those portions of the City of Tswane, including only those portions of the Southern Pretoria Metropolitan Substructure, the Central Pretoria Metropolitan Substructure and the Northern Pretoria Metropolitan Substructure established in terms of the Premier of the Province of PWV Proclamation No 38 of 1994 published in Provincial Gazette Extraordinary No 5064 of 8 December 1994 as amended by the Premier's Notice No 43 of 1995 published in Provincial Gazette Extraordinary No 66 of 1 September 1995, which previously made up the 'municipal area of Pretoria' as such existed immediately prior to the establishment of the Transitional Metropolitan Council with Transitional Metropolitan Substructures in respect of the Greater Pretoria Metropolitan Area published under aforementioned Proclamation No 38 of 1994;"



	<b>Chamber Name</b>	<b>Street &amp; Postal Address</b>	<b>Tel.</b>	<b>Fax</b>
	Ladysmith Branch Office (branch of the KZN Chamber): Contact person: Colleen Mlambo nbc.lsmith@mweb.co.za	Shop 11, 26 King Street Ladysmith 3370	036 635 3144	036 635 3145
Western Cape Province and the 13 x Magisterial Districts of Britstown, Calvinia, Carnarvon, Colesberg, De Aar, Fraserburg, Hanover, Namaqualand, Noupoot, Richmond, Sutherland, Victoria West and Williston, falling within the southern half of the Northern Cape Province.	<b>Cape Chamber (Western Cape Sub-Chamber)</b>  Labour Affairs Manager: Joseph Williams jwilliams@cibc.co.za	Industria House 350 Victoria Road Salt River 7925 P O Box 1142 Woodstock 7915	021 460 4000	021 447 0628

Yours faithfully



**S D NDUNA**  
**GENERAL SECRETARY**

SDN/wp/Circulars 2007\_NBC/NBC 03 2007 - NonMetro all ests wage increase