

NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

KWAZULU-NATAL CHAMBER

Tel: 031 301 2558/9
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

13 July 2005

TO: ALL PARTY EMPLOYERS SUBJECT TO THE MAIN COLLECTIVE AGREEMENT FOR THE "METRO" AREAS ONLY OF THE KWAZULU-NATAL CHAMBER OF THE NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

CC: NON-PARTY EMPLOYERS

Dear Sir / Madam

INFORMATION CIRCULAR TO THE INDUSTRY FOLLOWING THE 2005 ROUND OF SUBSTANTIVE NEGOTIATIONS

METRO AREAS ONLY

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

Resulting from the Industry negotiations, the Parties to the National Bargaining Council concluded a Collective Agreement in terms of which the total labour cost increase for all "Metro" regions amounts to 4%, with effect from 1 July 2005. The total labour cost increase is being applied fully to wages. Details of the negotiated settlement in respect of the KwaZulu-Natal collective agreements are as follows:-

1. Wage Increase

The new "gazetted" wage rates from 1 July 2005 to 31 August 2006, which reflects an across-the-board increase of 4% on all grades, **rounded** to the nearest 5 cents have been agreed to.

As referred to in the Council's Circular No NBC/2/2005 dated 27 June 2005, a wage schedule for Garment Knitters is being introduced into the KZN Metro Main Agreement. The accompanying wage schedule, which mirrors that of the garment knitting wage schedule in Gauteng metro areas, applies to all Garment Knitting establishments in KZN with effect from 1 July 2005.

2. Contributions to this Regional Chamber's Provident- & Sick Benefit Funds

2.1 Sick Benefit Fund

Employees' and the Employers' contributions to the Sick Benefit Fund remain unaltered at 1,5% and 1,75% respectively.

2.2 Provident Fund

Employer Contribution Rate:

The Employers' contribution rate to the Provident Fund remains unaltered at 7,0%.

Employee Contribution Rate:

Employees' contribution rate to the Provident Fund remains unaltered at 6,0%.

3. Trade Union Deductions

The Trade Union subscription rate for its members remains at 1% of the member's basic wage rate plus R1.00 per week, with a *minimum* of R5,40 per week and a *maximum* of R9,00 per week.

4. Other Deductions

The deduction of 20 cents per week deducted per trade union member payable by the employer only in respect of the Sactwu Bursary Fund remains unchanged.

The 10 cents per week deduction payable in respect of employees earning up to R1352.00 per week or R5858.66 per week payable by the Employer only, in respect of the Sactwu HIV/Aids Project, remains unchanged.

5. Further issues on which agreement was reached

- **Job Creation and Shift Work:**

Provision will be made in Metro Main Agreements for "twilight" shifts to be worked. These shifts will be restricted to between 16h30 and 23h00, payable at an hourly rate and limited to newly recruited employees. Employers will be responsible for arrangements and expenses of transport to the homes of employees at the conclusion of twilight shifts. However, where an employer and employee agree, that the employees shall make the practical arrangements for transport home; this shall be permissible provided that the employer shall be responsible for the costs thereof.

- All other employment conditions as set out in the Council's agreements will be applicable to employees employed on such twilight shifts.
- Where twilight shifts currently exist, the terms and conditions applicable to such twilight shifts will continue to be implemented, including the labour cost increases envisaged elsewhere in this agreement.

- **Aggregation of Overtime (Aggregation of normal time before overtime is payable)**

Appropriate wording shall be incorporated into the main metro agreements which make provision for the aggregation of overtime. This shall only be applicable to unauthorised absenteeism and during the pay week when such unauthorised absenteeism has occurred.

- Employees shall only qualify for payment of overtime rates once they have worked their full normal weekly hours of work for an applicable pay week.
- All absenteeism, other than that which is specifically excluded, will be taken into account for the purpose of calculating the total normal weekly hours worked by an employee.
- Under no circumstances shall an employee be refused the opportunity to work overtime on the grounds of being absent.
- The provisions of this clause shall not apply to protected industrial / protest action, public holidays, short-time and authorised shop-stewards' time-off.

- **Productivity Clause**

A Productivity Clause will be incorporated into all Metro Main Agreements which will be of an enabling nature to allow employers to initiate productivity improvement consultations with the union at plant level.

It is specifically agreed that there will be a prohibition on dispute declaration and industrial (strike or lock-out) action in respect of the provisions of this clause, but this will not detract from the rights which the Union currently has, for example, to table productivity related demands and to negotiate concerning these in terms of the Council's normal negotiating procedure.

All current provisions in the Council's Main Agreement relating to plant level demands and consultations, will continue to apply in this regard.

- **Closed Shop**

A closed shop clause will be inserted into the Main Agreement and will be applicable to party employers' only.

- **Balloting**

To help promote orderly industrial relations, SACTWU will be entitled to on-site balloting facilities to conduct ballots in terms of the Labour Relations Act.

- **Proudly South African Campaign**

The Council will be the principal institution charged with the duty to advance the cause of and implement agreed programs relating to this campaign. The parties may supplement this through their own independent campaigns, and/or use their influence in other institutions where they participate to promote further the Proudly South African campaign.

Subject to availability and agreement within the Council, it is acknowledged that Council's funds be made available for this purpose.

The parties will, over the next period, prioritise the promotion and awareness of the label of origin regulations.

- **Short Time clause**

Sub-clause 7.5 of the current provision in the KZN metro agreement relating to short-time will be deleted from that part of the agreement.

5. **Non-Metro Areas (all areas of KZN other than the six Magisterial Districts listed in the bolded heading of this circular)**

For your information no agreement has yet been reached.

6. **NBC 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" 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.

A schedule indicating the contributions and deductions due with effect from 1 July 2005 has already been forwarded to you.

The attached schedule is for Garment Knitting establishments only.

Should you have any queries please contact the **Labour Affairs Department** on **(031) 301 2558**.

Yours faithfully



PAUL WILD
REGIONAL SECRETARY