

**NATIONAL BARGAINING COUNCIL
FOR THE
CLOTHING MANUFACTURING INDUSTRY
NORTHERN CHAMBER**

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CIRCULAR NO. NBC/3/2005

Telephone Enquiries : Labour Affairs Department

11 July 2005

TO : ALL EMPLOYERS SUBJECT TO THE MAIN COLLECTIVE AGREEMENT FOR THE NORTHERN REGION (KNITTING) WITHIN THE NORTHERN CHAMBER OF THE NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

Dear Sir/Madam

INFORMATION CIRCULAR TO THE INDUSTRY FOLLOWING THE 2005 ROUND OF NEGOTIATIONS

METRO AREAS ONLY

(i.e. those Garment Knitting establishments situated within the Municipal Area of Pretoria and the Magisterial Districts of Alberton, Benoni, Germiston, Johannesburg and Roodepoort)

Further to the Council's Circular NBC/2/2005 of 27 June 2005, this circular summarises the outcome of 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. This Agreement is for a **fourteen month period**. **Please take note of the Trade Union Agency Fee clause.**

Details of the negotiated settlement in respect of the Northern Region (Knitting) Main collective agreement are as follows:-

1. New wage rates and across-the-board increases for the period 1 July 2005 to 31 August 2006

The new wage rates from 1 July 2005 to 31 August 2006, which reflect an across-the-board increase of 4% on all grades, **rounded** to the nearest 10 cents, were provided to you with circular NBC/2/2005.

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 to this Regional Chamber's Provident-, Sick Pay Funds & Medical Benefit Society

2.1 Sick Pay Fund

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

Employee	:	R1,50
Employer	:	R1,80

2.2 Medical Benefit Society

The employer and employee contribution rates to the Medical Benefit Society remain unaltered as:

Employee	:	R5,80
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Employer : R6,50

2.3 Provident Fund

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

Employee : 5.75%
Employer : 6,5%

3. Trade Union Deductions

The Trade Union subscription rate for its members has been increased to "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. Schedule of Deductions

A revised schedule of weekly deductions and contributions, which now includes the Trade Union Agency Shop deductions, accompanies this circular.

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 employee will make the practical arrangements for transport home; this will be permissible provided that the employer will 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**

All Metro Main Agreements will be appropriately amended to make provision for the aggregation of overtime, whereby employees will only qualify for overtime rates once they have worked their full normal weekly hours of work for the 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.
- The 3-day compassionate leave provisions of the Northern Areas and Free State Northern Cape agreements will not be defined as absenteeism for the purpose of aggregation of overtime.
- The provisions of this clause will not apply to protected industrial/protest action, public holidays, short time and authorised shop stewards' time-off.
- An employee may not be refused the opportunity to work overtime on the grounds of having been absent.

- **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 employees 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 Agreements 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 Northern Region (Knitting) Main Agreement and will be applicable to Party employers only.

- **Trade Union Agency Shop**

Those employees who are not bound by the closed shop, i.e. all employees who are covered by the scope of the Northern Region (Knitting) Main Agreement and who are not members of the Trade Union, will now pay an agency fee to the trade union of 1% of each non Trade Union member's basic wage rate with a minimum of R5.40 per week and a maximum of R9.00 per week.

Every employer will forward all deductions made from the remuneration of employees in respect of these agency fees to the respective Council Regional Chamber within fourteen days of the month-end in which the deductions fall due.

- **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.

6. **Non-Metro Areas (all areas in the Provinces of Gauteng, Limpopo, Mpumalanga and North West other than the six areas/districts listed in the bolded heading of this circular)**

For your information the negotiations regarding the non-metro areas in the Republic of South Africa have not yet been fully concluded.

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" 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.

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 tel no (011) 402-2737.

Yours faithfully

K PEDRICK

REGIONAL SECRETARY

WAR/wp/Annual Increase Circular2005-Northern knitting