

# NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

## CAPE CHAMBER (WESTERN CAPE SUB-CHAMBER)

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CIRCULAR NO. WCC/03/2005

Telephone Enquiries : Labour Affairs Department

11 July 2005

TO : ALL EMPLOYERS SUBJECT TO THE **CLOTHING & GARMENT KNITTING MAIN COLLECTIVE AGREEMENTS** FOR THE "METRO" 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 2005 ROUND OF NEGOTIATIONS

#### **METRO AREAS ONLY**

**(i.e. those establishments situated within the Magisterial Districts of Bellville, Goodwood, Malmesbury, Mitchell's Plain (portion), Moorreesburg (portion), Simonstown, Somerset West, Strand, The Cape and Wynberg)**

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.

Details of the negotiated settlement in respect of the Western Cape collective agreements 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 50 cents, were provided to you with circular [NBC/2/2005](#).

The "2001 Allowance" negotiated in 2001 must still be paid to employees and be reflected **separately** on each employee's wage slip. Refer Bargaining Council Circular No BC/13/2001 dated 24 August 2001 for details of this allowance.

Employees who are not members of the Industry's Provident Fund do **not** receive the "2001 Allowance", but receive an additional 20 cents per week instead of the "2001 Allowance". Refer the wage schedule.

Neither the "2001 Allowance" nor the 20c is taken into consideration when calculating hourly rates, shift allowance, sick pay, annual leave pay, annual bonus, Trade Union subscriptions, etc.

2. **New Ceiling Wage Rate**

The scope of this Regional Council's Agreements will be adjusted to raise the ceiling wage rate as follows:

Period : 1 July 2005 to 31 August 2006		
ANNUAL	MONTHLY	WEEKLY
R52 832.00	R4 402.50	R1 016,00

### **3. Contributions to this Regional Chamber's Provident- & Health Care Funds**

#### **3.1 Health Care Fund**

The Employer and Employee contribution rates to the Health Care Fund remain unaltered.

#### **3.2 Provident Fund**

##### **Employer Contribution Rate:**

The Employer's contribution rate to the Provident Fund remains unaltered at **6,25%**, which **rate is based on employees' actual basic wage (exclusive of the "2001 Allowance")**.

##### **Employee Contribution Rate:**

**Employees'** contribution rate to the Provident Fund also remains unaltered at **6,03%**, which **rate is based on employees' actual basic wage (exclusive of the "2001 Allowance")**.

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 30 June 2005 who will earn in excess of the rates reflected in paragraph 2 above.

### **4. Consequential changes for the period 1 July 2005 to 31 August 2006**

Wage and salary departments are reminded of the following consequential changes flowing from higher wage rates as well as other changes :

- The negotiated agreement will be valid for a **fourteen month period**, viz. from **1 July 2005 to 31 August 2006**.
- The **maximum** deduction for Provident Fund from the earnings of **contributors** will be **R61.26** per week or **R265.47** per month. The **maximum** Provident Fund contribution rate payable by **employers** will be **R63.50** per week or **R275.17** per month.
- The Trade Union subscription rate for its members has been increased to "1% of the member's basic wage rate **plus R1.00/week**", with a **minimum** of R5.40 per week and a **maximum** of R9.00 per week.
- The cut-off point for the lower and higher **Health Care Fund contributions** increases from **R519.50 to R540.00** i.e. R3,00 above the Qualified Grade B Wage Rate.

### **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 shall make practical arrangements for transport home; this shall be permissible provided that the employer shall be responsible for the costs thereof.
  - Employers will only be permitted to employ new employees for such shift work.
  - No shift allowance shall be payable in respect of a twilight shift introduced from the effective date of this agreement (i.e. 1 July 2005). The currently applicable shift allowance will remain payable for all other shift workers.
  - 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 provisions of this clause will not apply to protected industrial/protest action, public holidays, short time and authorised shop stewards' time-off.
- The aggregation of overtime provisions will only apply, in respect of Compassionate Leave as specified in clause 26(13)(g)(vi) of the Council's Western Cape Main Agreements, from the 6<sup>th</sup> day onwards. For the purposes of this clause, compassionate leave will include illness of a dependant child and death of immediate family.
- 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 Agreement relating to plant level demands and consultations, will continue to apply in this regard.

- **Closed Shop**

The wording of Clause 14.2 of the Agreement, which is applicable to Party employers only, has been amended with certain substantive changes, which the Cape Clothing Association has already circulated to its members.

- **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 Council's Western Cape Agreements 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 employee'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 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. Amended Schedule of Deductions**

Whilst a schedule of weekly deductions and contributions was provided to you with Circular NBC/2/2005, it should be replaced by the attached schedule.

**7. Council's Website ([www.nbc.org.za](http://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 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

**P R CROSOER**  
**Regional Secretary**