



NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

KWA-ZULU NATAL CHAMBER

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Telephone Enquiries : Labour Affairs Department

06 October 2011

TO : ALL PARTY & NON-PARTY EMPLOYERS SUBJECT TO PART C OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT **(CLOTHING, GARMENT KNITTING, HOSIERY & MILLINERY SECTORS)** FOR THE "METRO" AREAS ONLY OF THE KWAZULU-NATAL CHAMBER OF THE NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY)

Dear Sir/Madam

INFORMATION CIRCULAR TO THE INDUSTRY FOLLOWING THE 2011 ROUND OF NEGOTIATIONS

METRO AREAS ONLY

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

This circular summarises the outcome of the Industry negotiations. The Parties to the National Bargaining Council have concluded an agreement that becomes effective from 1 September 2011. The details of the negotiated settlement in respect of the Kwazulu-Natal Metro Region (Part C of the Councils National Main Collective Agreement) are as follows:-

1. Increase to Total Labour Cost

The increase to total labour cost for all current employees (inclusive of those previous employees who rejoin the industry after less than 3 years absence from the industry) shall be 6.5% for each of the job categories prescribed for these areas with effect from 1st September 2011. (The increase shall be back dated to 1st September 2011 and back pay will be due). The new wage schedules incorporating the new wage rates after the 2011/2012 agreed increases are attached. Please note that there are three sets of rates. One applicable to those companies that have registered a productivity agreement with the Bargaining Council, another applicable to those companies that have not registered a productivity agreement and a new set of rates applicable to new employees or those who re-enter after not having been employed in the industry for a period of three years.

2. New employees shall be paid a weekly wage of 70% of the normal rate of pay subject to the following provisions:

2.1 New employees shall be paid a weekly wage of 70% of the rate in metro areas.

2.2. New employees are those persons with no previous working experience in the industry and shall include those persons with previous work experience but who have not been employed in the industry for a period of 3 years.

2.3. The provision is only applicable to compliant companies.

2.4. The new entry-level wage provision will continue in force and effect as an industry-wide provision after the 31st August 2014 if there has been an increase in employee strength of compliant employers in the industry of at least 15% as at 31st March 2014, monitored on a bi-annual basis.

2.4.1 The bi-annual benchmark monitoring shall be measured against the following schedule of new employment growth :

1 March 2012:	3% increase
1 September 2012:	6% increase
1 March 2013:	9% increase
1 September 2013	12% increase
1 March 2014	15% increase

2.5. It is only applicable to those compliant companies that were in existence and operational as at 1 June 2011.

2.6. All other provisions of the main agreement shall be applicable to new employees.

2.7. The closed shop shall be applicable to all new employees.

2.8 The employee strength to determine whether or not there has been an increase in employee strength will be measured by comparing the employee strength of compliant employers whose businesses are registered with the bargaining council on the **1st June 2011, as per clause 2.4.1** and to that of the employee strength of compliant employers whose businesses are registered with the bargaining council on the **31st March 2014**, i.e. a period of 30 months following the implementation of this **Agreement**.

In the event that the employee strength does not increase as per the provisions of this **Agreement** and more specifically, the provisions of **Clause 2.4.** above, the provisions of the new entry wage provision will terminate.

Upon such termination of the application of the new entry level wage provision, the wages of all employees earning the new-entry wage shall be increased to the full applicable gazetted wage for all job categories from the first pay week following the 31st August 2014, unless the parties during the 2014/2015 round of annual or other negotiations agree otherwise or agree to an alternative to address any further job losses or the absence of job growth in the industry.

2.9. Employers shall not embark on retrenchment exercises where the intent of such retrenchment is to employ employees at the rates specified in sub-clause 2.1 above.

2.10. Employers will ensure that short time arrangements are at all times fairly and equitably distributed across a workplace's employees in all job categories affected by short time arrangements.

2.11. Qualified employees shall be employed at the qualified new entry rate, subject to clause 2.2.

2.12. Effective 1st September 2011, all retrenched employees will within a period of 12 months of having been retrenched, be given preferential employment in the same job category at the same wage rate which was applicable at the date of the employee's retrenchment or any higher wage rate which may have been gazetted and become applicable to the affected employee's job category after such date of retrenchment.

3. **DEVELOPMENTAL MATTERS**

With regard to the developmental matters set out in the 2011/2012 wage agreement, the parties agree to the following:

3.1. To establish a task team whose work will be conducted under the auspices of a Senior Commissioner appointed by the Commission for Conciliation, Mediation and Arbitration (CCMA) to consider and explore consensus between the parties on the following developmental matters:

3.1.1 The wage differential between metro and non-metro (wage model),

3.1.2 maternity payment benefits for non-metro areas,

3.1.3 modernisation of the collective agreement to achieve a national collective agreement this to include revision of job categories, review of the piece work provision as per the non-metro agreement;

3.1.4 family responsibility leave provisions,

3.1.5 roll out of primary health care facilities to non-metro areas,

3.1.6 terms (duration and proportion to permanent employees to contract employees) applicable to contract employees,

3.1.7 conversion of current sick pay provision where applicable to the BCEA provisions as per the provisions of the Western Cape collective agreement,

3.1.8. The terms of an extended (duration) wage agreement.

- 3.2. The parties endeavour to complete work on the developmental matters by 31st March 2012, provided that this time frame may be extended by mutual agreement or where the facilitator requires the parties to do so.
- 3.3. In the event that the parties are unable to reach agreement on any of the developmental matters, it is agreed that the facilitator will be required to make a written recommendation on such matters.
- 3.4. In the event that the facilitators' recommendations are not accepted by any party, the parties shall have the right to table such matters during the 2012/2013, or any future round of substantive negotiations.
- 3.5 All CCMA member companies shall implement the closed shop with effect from 1 September 2011, where it has not yet been implemented.

4. PRODUCTIVITY AND TRAINING INSTITUTE

The parties hereby agree to:

- 4.1 Establish a new training and productivity entity for the industry;
- 4.2. Establish a representative working group whose initial mandate is to meet sufficiently often enough in order to conclude an agreement on the role, structure, budget and source/s of funding for such an entity;
- 4.3. Jointly approach the relevant Sector Education and Training Authorities (SETA), the Department of Trade and Industry (DTI), the Government's newly established job fund,) and any other potential relevant national and international source of funding to seek financial and other support and assistance for the establishment and functioning of such an industry training and productivity entity.

5. OTHER CONDITIONS

- 5.1. All other previously agreed terms and conditions not specifically varied by the provisions of this Agreement shall remain in force and effect, unless agreed otherwise through collective bargaining between the parties, at NBC level.
- 5.2. The parties have accepted that the terms agreed to are hereby formalised in this final written agreement concluded and signed under the auspices of the NBC, subject to ratification by their respective members.

Yours sincerely,



Paul Wild
Regional Secretary

**NATIONAL BARGAINING COUNCIL
FOR THE
CLOTHING MANUFACTURING INDUSTRY
KWAZULU-NATAL CHAMBER**

127/129 MAGWAZA MAPHALALA STREET (FORMERLY GALE STREET), UMBILO, DURBAN

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DALBRIDGE, 4001

INFORMATION SCHEDULE

**DEDUCTIONS AND CONTRIBUTIONS DUE TO THE KZN CHAMBER OF THE
COUNCIL, ITS FUNDS AND THE TRADE UNION
(NOT applicable to employers & employees who are subject to the provisions of Part I
of the Council's National Main Collective Agreement
pertaining to the Non-Metro Areas)**

DEDUCTIONS EFFECTIVE FROM 1 SEP 2011 TO 31 AUG 2012

COUNCIL LEVIES		<u>PROVIDENT FUND</u> <i>Payable i.r.o employees earning up to R1 970.00 p.w. or R8 535.90 p.m. and not in respect of employees whose occupation is monthly paid and of a managerial, specialist technical or non-production related nature.</i>		SICK BENEFIT FUND		SACTWU SUBS. (For Sactwu members only)	<u>SACTWU BURSARY FUND</u>	<u>SACTWU HIV/AIDS PROJECT</u>
Employee	Employer	Employee	Employer	Employee	Employer			
Calculated at 0.2585% of a qualified machinist rate of pay (This equates to R2,04 per week payable by employees by means of a deduction from their wages)	Calculated at 0.35% of a qualified machinist rate of pay (This equates to R2.76 per week payable by employers in respect of each employee)	6,5% of each individual contributors actual basic weekly earnings	7,5% of each individual contributor's actual basic weekly earnings	1,5% of each employee's weekly wage	1,75% of each employee's weekly wage	1% of each individual Trade Union member's basic weekly wage plus an additional R1.80 per week towards the Sactwu funeral scheme with a minimum of R8.40 per week, and a maximum of R13.95 per week.	25 cents per week Payable by EMPLOYER ONLY	37 cents per week Payable by EMPLOYER ONLY
Payable i.r.o employees earnings up to R1 970.00 p.w or R8 535.90 pm	Payable i.r.o employees earnings up to R1 970.00 p.w or R8 535.90 pm					UNION AGENCY FEE (i.r.o NON-Sactwu members) 1% of each NON-Sactwu member's basic wage rate with a minimum of R6.60 per week and a maximum of R12.15 per week	Payable i.r.o each Sactwu member only	Payable i.r.o employees earning up to R1 970.00 pw. or R8 535.90 pm

PAYMENTS TO THE BARGAINING COUNCIL DUE BY 10TH DAY OF ENSUING MONTH:

	ADDRESSED TO:	PAYMENT METHOD :
Council/Chamber Levies	The Secretary National Bargaining Council for the Clothing Manufacturing Industry (KwaZulu-Natal Chamber) P.O.BOX 18354 Dalbridge 4014	Cheques payable to: NBC Clothing – KwaZulu-Natal OR direct deposit into bank account, as follows: Bank: Standard Bank Branch: Gale Place Branch Code: 042526
Sick Benefit Fund Contributions		
SACTWU Subscriptions, Bursary Fund & HIV/AIDS Project Contributions		
Provident Fund Contributions	The Principal Officer KwaZulu Natal Clothing Industry Provident Fund P.O.Box 18354 Dalbridge 4014	Acc No: 051171538 Cheques payable to: KwaZulu Natal Clothing Industry Provident Fund OR direct deposit into bank account, as follows: Bank: Standard Bank Branch: Gale Place Branch Code: 042526 Acc No: 250213753 ***Factories may use the short name KZN CLOTHING PF for their EFT's

NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY - (CLOTHING SECTOR) WAGE RATES FOR THE PERIOD 1 SEPTEMBER 2011 –31 AUGUST 2012							
				2011	2011	2011	2011
				*6.5%	6.5%	*6.5%	6.5%
						new entry level	new entry level
						wage rate	wage rate
GRADE 1						70%	70%
	(a)	Qualified		784.35	788.00	549.05	551.60
	(b)	Learner					
		0 - 6 months		517.70	520.15	362.40	364.10
		7 - 12 months		572.70	575.35	400.90	402.75
		13 - 18 months **		627.55	630.50	439.30	441.35
		Thereafter, the qualifying wage applies		784.35	788.00	549.05	551.60
GRADE 2							
	(a)	Qualified		681.75	684.90	477.25	479.45
	(b)	Learner					
		0 - 6 months		514.95	517.40	360.45	362.20
		Thereafter, the qualifying wage applies		681.70	684.90	477.25	479.45
GRADE A							
	(a)	Qualified		698.50	701.70	488.95	491.20
	(b)	Learner					
		0 - 6 months		542.55	545.10	379.80	381.55
		Thereafter, the qualifying wage applies		698.50	701.70	488.95	491.20
HEAD CUTTER				1251.40	1257.20	876.00	880.05
ASSISTANT HEAD CUTTER				1001.05	1005.70	700.75	704.00
CUTTER/TRIMMER							
	(a)	Qualified		786.30	789.90	550.40	552.95
	(b)	Learner					
		0 - 6 months		493.20	495.55	345.25	346.90
		7 - 12 months		551.05	553.50	385.75	387.45
		13 - 18 months		606.55	609.35	424.60	426.55
		19 - 22 months		672.55	675.60	470.80	472.90
		Thereafter, the qualifying wage applies		786.30	789.90	550.40	552.95
BAND KNIFE CUTTER							
	(a)	Qualified		827.45	831.30	579.20	581.90
	(b)	Learner					
		0 - 6 months		551.80	554.30	386.25	388.00
		7 - 12 months		612.75	615.60	428.95	430.90
		13 - 18 months		668.65	671.80	468.05	470.25
		19 - 22 months		732.25	735.65	512.60	514.95
		Thereafter, the qualifying wage applies		827.45	831.30	579.20	581.90
MECHANIC							
	(a)	Qualified		1344.85	1351.10	941.40	945.75
	(b)	Learner					
		0 - 6 months		620.50	623.35	434.35	436.35
		7 - 12 months		712.55	715.85	498.80	501.10
		13 - 18 months		817.75	821.65	572.45	575.15
		19 - 24 months		923.00	927.30	646.10	649.10
		25 - 30 months		1035.20	1040.05	724.65	728.05
		31 - 36 months		1138.35	1143.60	796.85	800.50
		37 - 40 months		1239.80	1245.60	867.85	871.90
		Thereafter, the qualifying wage applies		1344.85	1351.10	941.40	945.75

CLERK *							
	(a)	Qualified		840.55	844.45	588.40	591.10
	(b)	Learner					
		0 - 6 months		571.50	574.15	400.05	401.90
		7 - 12 months		645.30	648.25	451.70	453.75
		13 - 18 months		705.90	709.20	494.15	496.45
		Thereafter, the qualifying wage applies		840.55	844.45	588.40	591.10
WATCHMAN				704.50	707.75	493.15	495.45
DRIVER 1				661.70	664.85	463.20	465.40
DRIVER 2				723.10	726.45	506.15	508.50
DRIVER 3				843.10	847.05	590.15	592.95
DRIVER 4				1018.35	1023.10	712.85	716.15
FOREPERSON				964.10	968.55	674.85	678.00
*	Provided a registered productivity incentive scheme is in place.						
**	Provided that a sewing machinist (grade 1) should be paid the qualified rate of pay after 18 months of experience.						

		<u>NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY - WAGE RATES FOR THE GARMENT KNITTING SECTOR FOR THE PERIOD 1 SEPTEMBER 2011 - 31 AUGUST 2012</u>				
			2011	2011	2011	2011
			*6.5%	6.5%	*6.5%	6.5%
					new entry	new entry
		DESCRIPTION OF OCCUPATION			level wage	level wage
					rate	rate
					70%	70%
(i)	Foreman:		1472.35	1479.20	1030.65	1035.45
(ii)	Dyer: (See (iv) below)					
(iii)	Storeman:					
	(i) Qualified:		1417.25	1423.80	992.10	996.65
	(ii) Learners:					
	first six months of experience		512.05	514.40	358.45	360.10
	second six months of experience		738.30	741.70	516.80	519.20
	third six months of experience		964.75	969.20	675.35	678.45
	next four months of experience		1191.00	1196.45	833.70	837.50
	Thereafter, the wage specified in (iii)(i) i.e.		1417.25	1423.80	992.10	996.65
(iv)	Mechanic/Dyer:					
	(i) Qualified:		1472.35	1479.20	1030.65	1035.45
	(ii) Learners:					
	first six months of experience		512.05	514.40	358.45	360.10
	second six months of experience		607.90	610.80	425.55	427.55
	third six months of experience		704.00	707.30	492.80	495.10
	fourth six months of experience		800.15	803.80	560.10	562.65
	fifth six months of experience		896.25	900.40	627.40	630.30
	sixth six months of experience		991.95	996.60	694.35	697.60
	seventh six months of experience		1088.25	1093.35	761.80	765.35
	eighth six months of experience		1184.25	1189.75	829.00	832.85
	ninth six months of experience		1280.20	1286.15	896.15	900.30
	next four months of experience		1376.50	1382.85	963.55	968.00
	Thereafter, the wage specified in (iv)(i) i.e.		1472.35	1479.20	1030.65	1035.45
(v)	Mechanic's Assistant:					
	(i) Qualified:		964.45	968.95	675.10	678.25
	(ii) Learners:					
	first six months of experience		512.05	514.40	358.45	360.10
	second six months of experience		556.80	559.40	389.75	391.60
	third six months of experience		602.70	605.45	421.90	423.80
	fourth six months of experience		647.40	650.40	453.20	455.30
	fifth six months of experience		692.95	696.20	485.05	487.35
	sixth six months of experience		738.40	741.85	516.90	519.30
	seventh six months of experience		783.40	787.05	548.40	550.95
	eighth six months of experience		828.85	832.65	580.20	582.85
	ninth six months of experience		873.90	877.95	611.75	614.55
	next four months of experience		919.25	923.45	643.50	646.40
	Thereafter, the wage specified in (v)(i) i.e.		964.45	968.95	675.10	678.25
(vi)	Supervisor:		1019.60	1024.30	713.70	717.00
(vii)	Final Examiner of fully-fashioned garments:		946.85	951.20	662.80	665.85
(viii)	Factory Clerk, Despatch Clerk, Stores Clerk:					
	(i) Qualified:		933.70	931.35	653.60	651.95
	(ii) Learners:					
	first six months of experience		512.05	514.40	358.45	360.10
	second six months of experience		615.70	618.60	431.00	433.00
	third six months of experience		719.50	722.80	503.65	505.95
	next four months of experience		823.45	827.25	576.40	579.10
	Thereafter, the wage specified in (viii)(i) i.e.		933.70	931.35	653.60	651.95
(ix)	Knitting Machine Operator, Warp Knitting Machine Operator, Dyer's Assistant, Colouring Mass-Measurer and/or Cutter or Shaper (Knitting) of fully-fashioned garments, Handyman and Warper:					
	(i) Qualified:		927.10	931.35	648.95	651.95
	(ii) Learners:					
	first six months of experience		512.05	514.40	358.45	360.10
	second six months of experience		581.05	583.75	406.75	408.65
	Third six months of experience		650.10	653.10	455.05	457.15
	fourth six months of experience		719.50	722.90	503.65	506.05
	fifth six months of experience		788.65	792.25	552.05	554.60

		next four months of experience	858.00	861.95	600.60	603.40
		Thereafter, the wage specified in (ix)(i) i.e.				
(x)		Loader of magazine or comb, Linker, Overlocker other than an overlocker of seconds in socks, Sewing Machinist (Knitting) including a button, buttonhole and hemming machinist, Mender and Plain Sewer:				
	(i)	Qualified:	808.90	812.75	566.25	568.95
	(ii)	Learners:				
		first six months of experience	512.05	514.40	358.45	360.10
		second six months of experience	586.00	588.75	410.20	412.15
		third six months of experience	660.25	663.30	462.20	464.30
		next four months of experience	612.30	738.10	428.60	516.65
		Thereafter, the wage specified in (x)(i) i.e.				
		Thereafter the wage specified in (x)(i) i.e	808.90	812.75	566.25	568.95
(xi)		Driver of a Motor Vehicle, the unladen mass of which, together with the unladen mass of any trailer or trailers drawn by such vehicle—:				
		(a) does not exceed 453,5 kg	773.35	776.95	541.35	543.85
		(b) exceeds 453,5 kg but not 2 721 kg	913.10	917.30	639.15	642.10
		(c) exceeds 2 721 kg but not 4 535 kg	972.30	976.80	680.60	683.75
		(d) exceeds 4 535 kg	1055.10	1060.00	738.55	742.00
(xii)		Security Officer:	1181.10	1186.60	826.75	830.60
(xiii)		Watchman:	911.50	915.75	638.05	641.05
(xiv)		Employee not elsewhere specified:				
	(i)	Qualified:	948.95	953.35	664.25	667.35
	(ii)	Learners:				
		first six months of experience	512.05	514.40	358.45	360.10
		second six months of experience	621.05	624.00	434.75	436.80
		third six months of experience	730.60	734.00	511.40	513.80
		next four months of experience	839.65	843.55	587.75	590.50
		thereafter, the wage specified in (xiv)(i) i.e.	948.95	953.35	664.25	667.35
(xv)		Seamer, Mender of socks, Sorter, Cleaner (i.e. an employee engaged in cleaning garments and/or fabrics), Grader, Sampler (i.e. an employee engaged in the making up of sample cards), Winder, Overlocker for seconds in socks and/or Examiner of knitted fabric				
	(i)	Qualified:	665.00	668.15	465.50	467.70
	(ii)	Learners:				
		first six months of experience	512.05	514.40	358.45	360.10
		second six months of experience	562.85	565.50	394.00	395.85
		third six months of experience	614.30	617.10	430.00	431.95
		Thereafter, the wage specified in (xv) (i) i.e.	665.00	668.15	465.50	467.70
(xvi)		Traveller's Assistant, Cloakroom Supervisor and/or Attendant, Teamaker	665.00	668.15	465.50	467.70
(xvii)		General Worker (Knitting)	772.50	776.10	540.75	543.25
		* Provided a registered productivity incentive scheme is in place				