

NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

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CIRCULAR NO. NBC/04/2009

Telephone Enquiries: Labour Affairs Department

20 October 2009

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 **Non-Metro Areas**

Dear Sir/Madam

INFORMATION CIRCULAR TO THE INDUSTRY FOLLOWING THE 2009 ROUND OF INDUSTRY NEGOTIATIONS
NON-METRO AREAS

The Parties to the National Bargaining Council have concluded a Collective Agreement in terms of which the wage increase for the Non-Metro Areas with effect from 1 September 2009 shall be R40.00 per week for 'machinists' and 'general workers' job categories and all other job categories shall receive a 9% increase. The machinists' and general worker categories shall receive a further R5 per week increase with effect from 1 January 2010.

The Agreement will be submitted to the Minister of Labour with a request that it be extended to all employers and employees in the Industry, other than those who are party to the Agreement (i.e., to be extended to 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 2009

The new wage rates from 1 September 2009 which reflect an across-the-board weekly increase of R40.00 for the machinists and general worker categories and 9% wage increase effective from 1 September 2009 for all other job categories, are attached. It also contains the additional R5 weekly wage increase for the machinists' and general worker categories, effective from 1 January 2010.

The wage increases (other than the additional R5 for the machinists' and general worker categories due from 1 January 2010) and other levies are backdated to 1 September 2009.

2. New Ceiling Wage Rates

The new ceiling rates are as follows:

Area	Period commencing 1 September 2009		
	ANNUAL	MONTHLY	WEEKLY
Magisterial Districts of Camperdown, uMzinto, Paarl, Stellenbosch and Uitenhage	R62 868.00	R5 239.00	R1 209.00
All other Areas	R56 550.00	R4 712.50	R1 087.50

3. Bargaining Council Levy

The revised Bargaining Council Levy payable shall be as follows:

Payable by THE EMPLOYER:

Calculated at 0.47% of a qualified machinist's rate of pay in "other areas" as defined in the attached wage schedule (This equates to R2.06 with effect from 1st September 2009 and with effect from 1 January 2010, the rand value will equate to R2.09)

Payable by THE EMPLOYEE by means of a deduction from an employee's wages:

Calculated at 0.37% of a qualified machinist's rate of pay in "other areas" (This equates to R1.62 and with effect from 1 January 2010, the rand value will equate to R1.64)

4. SACTWU HIV/AIDS Project

The HIV/AIDS contribution **payable by the Employer only** remains unchanged at 33 cents per employee per week.

5. Schedule of Deductions

A revised schedule of weekly deductions and contributions is enclosed.

FURTHER ISSUES ON WHICH AGREEMENT WAS REACHED**6. Absenteeism**

The "Managing absenteeism: Memorandum of Understanding" (MOU) entered into between the CCA and SACTWU on 14 June 2007 shall become applicable nationally, with the following adjustments:

- 6.1 The timeframes set out in the MOU shall be adjusted forward with effect from 1 November 2009 and further adjusted for context.
- 6.2 The processes envisaged shall be facilitated by the CCMA and the parties shall use their best endeavours to secure resources from the bargaining council, the CTFL SETA and other sources to support this process.
- 6.3 For the duration of this agreement, the processes as envisaged shall focus on all those companies where agreed absenteeism is more than 10%.

7. Closed Shop

It is agreed that a trade union closed shop shall become applicable in the non-metro areas and in this regard, the following clause shall be inserted in the non-metro section of the gazetted main agreement:

"No employer shall continue to employ an employee:

- 7.1 who, while being eligible for membership of the union, is not a member of the trade union as at the date of coming into operation of this part of the agreement, or
- 7.2 who does not become a member of the trade union within a period of 90 days from such date.
- 7.3 The provisions of this clause shall apply to persons who are eligible for union membership in terms of the constitution of the trade union
- 7.4 For this section of the agreement, no union membership fees accruing from the closed shop provision may be
 - (a) paid to a political party as an affiliation fee;
 - (b) contributed in cash or kind to a political party or a person standing for election to any political office or
 - (c) used for any expenditure which does not advance or protect the socio-economic interests of employees.
- 7.5 The provisions of section 26(3)(c) and 26(4) of the Labour Relations Act shall be observed by the parties to the Council and to whom this clause is applicable."
- 7.6 The Trade Union is expected to approach non-metro companies in due course in order to conduct a closed shop ballot.

8. Unilateral Implementation

Those companies which have prior to 29 September 2009 (the date when the recommended settlement was

concluded) implemented a wage increase at plant level shall, in addition to the increase which they have implemented, increase their employer council levies by an amount equal to the rand equivalent of 2% of their wage cost with effect from 1st September 2009, unless they join an employers' association party to the bargaining council within two month's from the effective date of this agreement. This additional 2% levy increase for such companies shall be used to combat non-compliance in the industry. The provisions of this clause shall exclude those companies on the South Coast in KZN which have implemented an across the board wage increase of no less than R45 per week prior to the 29th September 2009.

9. Working-In Arrangements

Employees shall be permitted to work in the time lost due to strike action at normal rates of pay, provided that this is agreed to at plant level and further provided that where agreed, such employees shall be offered a loan equal to between one week and two weeks' wages, deductible from their wages in equal weekly amounts over a 10 week period.

10. Productivity

10.1 The bargaining council shall establish a dedicated productivity unit to promote productivity issues in the industry, as part of the NBC's value-added services.

10.2 The bargaining council shall commission a feasibility study for the establishment of a training institute similar to the previous Clothing Industry Training Board (CITB), to be operated under the auspices of the bargaining council as part of the NBC's value-added services.

11. NBC Employer Levy

In addition to the cost increase envisaged in this agreement, the employer levy shall be increased by a further 0,1%, the purpose of which shall be to fund employer association activities and capacity associated to NBC- and industry promotion related activities. This has been provided for in the accompanying deduction schedule, adjusted to standardise it for all non-metro areas.

12. Non-Compliance

12.1 The provisions of the gazetted Main Agreement shall be appropriately amended so as to clearly permit the trade union to institute non-compliance proceedings against any non-compliant company in the industry. Such trade union rights shall include but not be limited to the right to initiate and embark on protected industrial action against non-compliant employers.

12.2 Outsourcing to non-compliant companies shall not be permitted in the industry.

12.3 The parties shall enter into agreements with all Provincial and Local governments which shall have the effect that their sourcing from the industry shall include a requirement to only source from companies which hold a valid Certificate of Compliance from the bargaining council.

13. Other Conditions

13.1 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.

13.2 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.

14. NBC Website (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.

15. 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;”

- (vi) As far as the scope of application of the Main Collective Agreement for the Northern Region (Clothing) and Fund Collective Agreement for the Northern Region is concerned:

The Province of the Transvaal, as it existed prior to the coming into operation of the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993), but only in respect of clothing establishments which fall within the scope of application of the Main Collective Agreement for the Northern Region (Clothing) and the Fund Collective Agreement for the Northern Region;

- (vii) In the Province of the Western Cape -
The Magisterial Districts of Bellville, George, Goodwood, Malmesbury (including that portion from which the Magisterial District of Moorreesburg was constituted on 29 November 1985 by Government Notice 2649), Simon's Town, Somerset West, Strand, The Cape, Worcester and Wynberg, including those portions of the Magisterial Districts of Bellville, Goodwood, Simon's Town and Wynberg that were used to create the Magisterial District of Mitchell's Plain on 2 March 1992.

Any enquiries from employers who are members of any Parties to the Council should be directed to their Association. In the case of non-party establishments, enquiries should be directed to the relevant Labour Affairs Department as follows:

	Chamber Name	Street & Postal Address	Tel.	Fax
Provinces of the Free State, Gauteng, Limpopo, Mpumalanga, North West and the 13 x Magisterial Districts of Barkly West, Gordonia, Hartswater, Hay, Herbert, Hopetown, Kenhardt, Kimberley, Kuruman, Phillipstown, Postmasburg, Prieska and Warrenton, falling within the northern half of the	Northern Chamber	1 st Floor, Garment Centre 148 Kerk Street Johannesburg 2001	011 402 2737	011 402 7375
	Labour Affairs Manager: Ezra Buloze ezra@bcouncil.co.za ----- Bloemfontein Branch Office (branch of the Northern Chamber) Regional Inspector: Frans Lubbe	P O Box 5101 Johannesburg 2000 ----- Ground Floor, Tourism Centre, Willows Park Road, WILLOWS, Bloemfontein P O Box 20272 WILLOWS	----- 051 447 0197	----- 051 447 0059

	Chamber Name	Street & Postal Address	Tel.	Fax
Northern Cape Province.	frans4@mweb.co.za ----- PHUTHADITJHABA, QWA- QWA (Branch Office of the Northern Chamber) Admin Assistant: Evodia Qokweni evodiaq@mweb.co.za	Bloemfontein 9320 ----- Office 112 New Naledi Mall Mampoi Street PHUTHADITJHABA 9866	----- 058 713 3561	----- 058 713 3596
KwaZulu-Natal Province	KwaZulu-Natal Chamber Labour Affairs Manager: Brett Walker brett.kzn@nbc.org.za ----- Ladysmith Branch Office (branch of the KZN Chamber): Contact person: Colleen Mlambo nbc.lsmith@mweb.co.za	127/129 Gale Street Umbilo Durban 4001 P O Box 18354 Dalbridge 4014 Shop 11, 26 King Street Ladysmith 3370	031 362 0729 ----- 036 635 3144	031 307 6716 ----- 036 635 3145
Western Cape Province, Eastern 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.	Cape Chamber Labour Affairs Manager: Carmen Jeftha cjeftha@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