

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

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**CIRCULAR NO. WCC/11/2009**

**Telephone Enquiries : Labour Affairs Department**

19 October 2009

**TO : ALL EMPLOYERS SUBJECT TO PART G OF THE COUNCIL'S NATIONAL MAIN COLLECTIVE AGREEMENT (COUNTRY 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 2009 ROUND OF NEGOTIATIONS**

**MAGISTERIAL DISTRICTS OF GEORGE & WORCESTER ONLY**

The Parties to the National Bargaining Council have concluded a Collective Agreement in terms of which the increase for the Country Areas with effect from 1 September 2009 shall be R40.00 per week for 'machinists' (Grade B) and 'general workers' job categories, with a further R5.00 per week effective from 1 January 2010. All other job categories shall receive a 9% increase, with effect from 1 September 2009.

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

Details of the negotiated settlement in respect of the Western Cape Country Areas (Part G of the Council's National Main Collective Agreement) are set out below.

**1. New wage rates and across-the-board increases for the period 1 September 2009 to 31 August 2010**

There are **two** enclosed new wage rates schedules effective from 1 September 2009 which reflect an across-the-board increase of R40.00 for the machinists and general worker categories, with a further R5.00 per week effective from 1 January 2010, and 9% for all other job categories.

**Schedule A** reflects the wage rates to be paid by those companies which have registered a productivity agreement with the bargaining council.

**Schedules B** reflects the wage rates to be paid by those companies which have **NOT** registered a productivity agreement with the bargaining council.

**2. New Ceiling Wage Rate**

The scope of the Cape Country Areas part of the Main Agreement will be adjusted to raise the ceiling wage rate as follows :

Period : 1 September 2009 to 31 August 2010		
ANNUAL	MONTHLY PAID	WEEKLY PAID
<b>R50 752.00</b>	<b>R4 229.50</b>	<b>R976.00</b>

### 3. Contributions

#### 3.1 Provident Fund

##### Employer Contribution Rate:

The **Employer's** contribution rate **remains unaltered** at 6,25%.

##### Employee Contribution Rate:

The **Employees'** contribution rate to the Provident Fund also **remains unaltered** at 6,03%.

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 31 August 2009 who will earn in excess of the rates reflected in paragraph 2 above.

#### 3.2 Bargaining Council Levy

The Bargaining Council Levy payable by the **employer** has been increased from 0.3% to **0.4%**. These percentage contributions are capped at a maximum of **R2.45** of each employees' weekly wage for **employers**, and for **employees**, it is capped at a maximum of **R1.52** per week.

#### 3.3 Across-the-board Increases in Employer Contributions

The following levies and contributions payable by the Employer have been increased by the 9% total labour cost increase:

Category	Old Rate	New Rate (p.w. per employee)
Industry Protection Fund	15c	<b>16c</b>
SACTWU Capacity Building Fund	28c	<b>31c</b>
SACTWU HIV/AIDS Project	35c	<b>36c</b>
SACTWU Bursary Fund	22c	<b>24c</b>

### 4. Consequential changes for the period 1 September 2009 to 31 August 2010

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

- The **maximum** deduction for Provident Fund from the earnings of **contributors** will be **R78.69** per employee week. The **maximum** Provident Fund contribution rate payable by **employers** will be **R81.56** per employee per week.
- The Trade Union subscription rate for its members remains unchanged at 1% of the member's basic wage rate but with a new **minimum** of R5.85 per week and a new **maximum** of R10.80 per week, effective 1 September 2009. The contribution rate towards its funeral scheme has been increased to R1,80 per week, bringing the total new minimum to **R7.65** per week (i.e. the R5.85 plus the R1,80) and the total new maximum to **R12.60** per week (i.e. the R10.80 plus the R1,80). The Trade Union sent out a separate notice in this regard, in August 2009.

### FURTHER ISSUES ON WHICH AGREEMENT WAS REACHED

#### 5. 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:

- 5.1 the timeframes set out in the MOU shall be adjusted forward with effect from 1 November 2009 and further adjusted for context, as per Annexure A of this agreement;
- 5.2 The processes envisaged in Annexure A of this agreement 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;
- 5.3 For the duration of this agreement, the processes as envisaged in Annexure A of Annual Negotiated Agreement shall focus on all those companies where agreed absenteeism is more than 10%.

## **6. Back pay**

The agreement is backdated to 1 September 2009. This means that payment of the wage increase and levies is to be backdated to 1 September 2009.

## **7. 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 1<sup>st</sup> 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 29<sup>th</sup> September 2009.

## **8. 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.

## **9. Productivity**

- 9.1 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.
- 9.2 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.

## **10. NBC Employer Levy**

In addition to the total labour 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 increase has been accommodated in the accompanying deduction schedule.

## **11. Non-Compliance**

- 11.1 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.
- 11.2 Outsourcing to non-compliant companies shall not be permitted in the industry.

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11.3 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.

**12. Other Conditions**

12.1 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.

12.2 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.

**13. Schedule of Deductions**

A revised schedule of weekly deductions and contributions is enclosed.

**14. 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" and non-metro areas. 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

**S NDUNA**  
**General Secretary**  
**National Bargaining Council for the Clothing Manufacturing Industry**