NATIONAL BARGAINING COUNCIL
FOR THE
CLOTHING MANUFACTURING INDUSTRY

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CIRCULAR NO. NBC/03/2006

Telephone Enquiries : Labour Affairs Department

12 September 2006

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 2006 ROUND OF INDUSTRY NEGOTIATIONS

NON-METRO AREAS

Further to the Council's Circular NBC/2/2006 of 20 March 2006, this circular summarises the outcome of the Industry negotiations. The Parties to the National Bargaining Council, after protracted deliberations with third party facilitation, have concluded a Collective Agreement in terms of which the total labour cost increase for the Non-Metro Areas with effect from 1 September 2006, amounts to R25,00 on all wage categories. The labour cost increase is made up of a wage increase, a 20 cents per week increase in the HIV/AIDS levy and a 30 cents per week increase in the Bargaining Council levy.

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 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 06

The new wage rates from 1 September 2006 which reflect an across-the-board increase of R24,50 (R25,00 less the 50 cents (20c + 30c) increases in the HIV/AIDS and Bargaining Council levies, on all grades, are enclosed.

2. Schedule of Deductions

A revised schedule of weekly deductions and contributions accompanies this circular.

3. Further issues on which agreement was reached

3.1 A blanket exemption is hereby granted to all employers to reduce the statutory provident fund contribution rate of 4% as provided for in Clause 42 of Part I of the Council's National Main Collective Agreement by an amount of R1,21 per week being the amount by which a wage increment of R24,50 (point 1 of this circular) causes the agreed total labour cost increase of R25,00 to be exceeded. This exemption is also extended to those employers who currently, on behalf of their employees, contribute to a retirement fund in excess of a rate of 4%.

3.2 Extension of current gazetted agreements to non-parties

The Minister will be requested to extend the current gazetted agreements to non-parties for a further period from 1 September 2006 onwards, until the Parties to the Main Agreement agree otherwise.

3.3 Process to Establish a New Approach to Collective Bargaining

3.3.1 The parties recognise that it is imperative for the parties to the Council to review their collective bargaining practices and to develop an approach to collective bargaining that is appropriate to the changed circumstances of, and the new pressures on, the industry.

3.3.2 The parties commit themselves to develop a new approach to collective bargaining in the industry and to negotiate a national framework agreement.

3.3.3 The parties commit themselves to complete the review and negotiations before the commencement of next annual round of negotiations, namely by 31 March 2007.

3.3.4 The parties will appoint a working group of employer and trade union representatives to develop the approach and a national agreement. The working group will commence its work in October 2006 and will hold at least 4 meetings arranged by the Council before the end of January 2007 and such further meetings as may be necessary in 2007 to complete its task.

3.3.5 The parties will agree a facilitator by 30 September 2006. The facilitator will have the power to-

3.3.5.1 determine all process issues arising from the review and negotiations contemplated in this paragraph, and

3.3.5.2 terminate the process if, in the opinion of the facilitator, one or more of the parties is not participating in good faith.

3.3.6 The proposals concerning a new approach to collective bargaining and a national framework agreement made in the course of the annual negotiations for this substantive agreement shall constitute proposals for consideration under the process envisaged in this paragraph. The parties may amend and supplement those proposals or submit new proposals in accordance with any process determined by the facilitator.

4. 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.

5. 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
Eastern Cape Province	Cape Chamber **(Eastern Cape Sub-Chamber)** Regional Secretary: Thembie Heugh thembieheugh@telkomsa.net	Chamber House 22 Grahamstown Road North End 6001 P O Box 3220 North End, Port Elizabeth 6056	041 487 1874	041 487 1761
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 Cape Province.	**Northern Chamber** Labour Affairs Manager: Ezra Buloze ezra@bcouncil.co.za ------------------------------------ Bloemfontein Branch Office (branch of the Northern Chamber) Regional Inspector: Frans Lubbe frans4@mweb.co.za ------------------------------------ PHUTHADITJHABA, QWA-QWA (Branch Office of the Northern Chamber) Admin Assistant: Evodia Qokweni evodiaq@mweb.co.za	1st Floor, Garment Centre 148 Kerk Street Johannesburg 2001 P O Box 5101 Johannesburg 2000 -------------------------------------- Ground Floor, Tourism Centre, Willows Park Road, WILLOWS, Bloemfontein P O Box 20272 WILLOWS Bloemfontein 9320 -------------------------------------- Office 112 New Naledi Mall Mampoi Street PHUTHADITJHABA 9866	011 402 2737 ------------------- 051 447 0197 ------------------- 058 713 3561	011 402 7375 ------------------ 051 447 0059 ------------------ 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	031 301 2558 ------------------- 036 635 3144	031 307 6716 ------------------ 036 635 3145
Western Cape Province and the 13 x Magisterial Districts of Britstown, Calvinia, Carnarvon, Colesberg, De Aar, Fraserburg, Hanover, Namaqualand, Noupoort, Richmond, Sutherland, Victoria West and Williston, falling within the southern half of the Northern Cape Province.	Cape Chamber **(Western Cape Sub-Chamber)** Labour Affairs Manager: Joseph Williams jwilliams@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

W A ROBERTS
GENERAL SECRETARY

WAR/wp/Circulars 2006_NBC/NBC 03 2006 - NonMetro all ests wage increase