



NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

HEAD OFFICE

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CIRCULAR NO. NBC/02/2018

Telephone Enquiries: Labour Affairs Department

6 September 2018

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 2018 ROUND OF INDUSTRY NEGOTIATIONS

The Parties to the National Bargaining Council have concluded a **two year** Collective Agreement in terms of which the total labour cost increase for both Non-Metro A & B areas amounts to 8% with effect from and backdated to 1 September 2018, for the 1st year of the Agreement. Of this 8%, 0.5% will go towards improving the Employer Contribution to the Provident Fund (refer to clause 3.1 below).

For the 2nd year of the Agreement a further total labour cost increase of CPI plus 1% shall become applicable with effect from 1 September 2019, provided that in the event of CPI plus 1% resulting in the total labour cost increase being less than the rand value increase for 2018, the adjustment shall be the rand equivalent of the 2018 total labour cost increase. Should the CPI plus 1% for the second year 2019, exceed this, the parties shall renegotiate the total labour cost quantum.

For the purpose of the immediate previous paragraph of this information circular, the CPI shall refer to the CPI figure to be the year on year values as at November 2019 as determined by Stats SA.

This circular summarises the outcome of the Industry negotiations.

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. to all Non-Parties.

Party companies are automatically covered by the terms of the 2018-2020 signed Agreement.

Details of the negotiated settlement in respect of the Non-Metro (Part I of the Council's National Main Collective Agreement) are set out below.

1. INCREASE TO TOTAL LABOUR COST

NON-METRO "A & B" AREAS

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 8%, for each of the job categories prescribed for these areas, with effect from 1 September 2018, rounded to the nearest 50 cents. The increase shall be back-dated to 1 September 2018 and back pay will be due. Of this 8%, 0.5% will go towards improving the Employer Contribution to the Provident Fund (refer to clause 3.1 below).

2. NEW CEILING WAGE RATES

The new ceiling rates are as follows:

Area	Period commencing 1 September 2018 to 31 August 2019		
	ANNUAL	MONTHLY	WEEKLY
Magisterial Districts of Camperdown, uMzinto, Paarl, Stellenbosch and Uitenhage	R136 344.00	R11 362.00	R2 622.00
All other Areas	R126 048.00	R10 504.00	R2 424.00

3. CONTRIBUTIONS

3.1 Provident Fund

Employer Contribution Rate:

The employer's contribution rate to the Provident Fund has **increased** by **0.5%** and the new contribution is **4.5%** of the weekly wage rate, with effect from 1 September 2018, which rate is based on an employee's actual basic wage.

Employee Contribution Rate:

The Employee's contribution rate has increased by **0.5%** and the new contribution is **5.0%** of the weekly wage rate, which rate is based on an employee's actual basic wage and **thereafter a further 0,5% improvement shall be implemented until a target of 6.5% is reached.**

3.2 Bargaining Council Levy

The percentage of the Bargaining Council Levy payable by the employer **remains unaltered at 0.47%** of a qualified machinist's rate of pay in "other areas", and this equates to **R4.56** per employee per week, with effect from 1 September 2018.

The percentage of the Bargaining Council Levy payable by the employee **remains unchanged at 0.37%** of a qualified machinist's rate of pay in "other areas", and this equates to **R3.59** per employee per week with effect from 1 September 2018.

3.3 SACTWU HIV/AIDS Project

The HIV/AIDS contribution **payable by the Employer increases to 58 cents** per employee per week.

4. TRADE UNION DEDUCTIONS

The **Trade Union Subscription (Closed Shop)** rate for its members changes to 1% of the member's basic wage rate with a **new minimum** of **R11.57** per week (i.e. the R9.77 plus the R1,80) and the **total new maximum** to **R19.70** per week (i.e. the R17.90 plus the R1,80). Companies are to ensure that the correct union fee deductions are implemented and transmitted to the Bargaining Council as part of your monthly returns.

5. FAMILY RESPONSIBILITY LEAVE

5.1 As per last year's information circular, all employers must grant an employee, during each Annual leave cycle, three (3) days paid Family responsibility leave, effective 1 September 2017. It is further clarified that this Family Responsibility Leave is to be granted in the event of the death or sickness of an employee's spouse or life partner, parent or adoptive parent, grandparent, child or adopted child, grandchild or sibling, effective from 1 September 2018.

5.2 You are reminded that this clause applies to an employee –

- a) Who has been in employment for a period of four months; and
- b) Who works for at least four days a week for that employer.

6. LEAVE PAY

One (1) day's pay shall be added to the leave pay for all employees effective in the second year of this Agreement, i.e. December 2019.

7. SHOP STEWARDS' LEAVE

Shop Stewards who are Office Bearers of the Trade Union shall be granted one (1) additional day's paid leave effective 1 September 2018 and a further additional one (1) effective 1 September 2019. Applications for leave by Shop Stewards who are Office Bearers of the Trade Union to attend Constitutional meetings of the Trade Union and the Federation to which the Trade Union is affiliated will not be unreasonably declined

8. SCHEDULE OF DEDUCTIONS

A revised schedule of weekly deductions and contributions is enclosed.

9. 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.

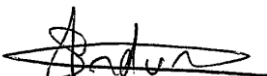
10. **NBC WEBSITE (www.nbc.org.za)**

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.

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 Cape Province.	Northern Chamber Labour Affairs Manager: Mapula Lulu Malatji MMalatji@cibc.co.za ----- PHUTHADITJHABA, QWA- QWA (Branch Office of the Northern Chamber) Designated Agent: Evodia Qokweni QwaQwa@cibc.co.za	2 nd Floor, Anchor House Building 100 Juta Street Braamfontein 2001 P O Box 5101 Johannesburg 2000 ----- Shop 32 Mandela Park Shopping Centre Mota Road PHUTHADITJHABA 9866	011 402 2737 ----- 058 713 3561	011 402 7375 ----- 058 713 3596
KwaZulu-Natal Province	KwaZulu-Natal Chamber Labour Affairs Manager: Michael Seocharan /Roshin Ramsumer michael.kzn@nbc.org.za roshin.kzn@nbc.org.za ----- Ladysmith Branch Office (branch of the KZN Chamber): Ladysmith.kzn@nbc.org.za Newcastle Branch Office (branch of the KZN Chamber): Newcastle.kzn@nbc.org.za	127/129 Magwaza Maphalala Street (Gale Street) Umbilo Durban 4001 P O Box 18354 Dalbridge 4014 ----- Shop 11, 26 King Street Ladysmith 3370 2 Murchison Street Newcastle	031 362 0700 ----- 036 635 3144 ----- 034 326 4912	031 307 6716 ----- 036 635 3145 ----- 034 326 4916
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 NDUNA
GENERAL SECRETARY