



# NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

## HEAD OFFICE

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## CIRCULAR NO. NBC/03/2015

**Telephone Enquiries: Labour Affairs Department**

13 August 2015

**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 2015 ROUND OF INDUSTRY NEGOTIATIONS***

#### **NON-METRO AREAS**

The industry will recall that the Parties to the National Bargaining Council concluded a two year Collective Agreement in 2014. This circular, therefore, outlines the total labour cost increase for 2015/2016 which is in line with the two-year agreement concluded last year.

The Amending Agreement which reflects the new conditions 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 2014-2016 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" 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 7.4%, for each of the job categories prescribed for these areas, with effect from 1 September 2015, rounded to the nearest 50 cents. The increase shall be back-dated to 1 September 2015 and back pay will be due.

##### **NON-METRO "B" AREAS**

The wage increase shall be R71.50 per week for a machinist-and-above job categories and R68.00 per week for all other job categories, with effect from 1 September 2015.

All other employer contributions shall increase by a total labour cost increase of 7.4%.

The increase shall be back-dated to 1 September 2015 and back pay will be due. The new wage schedule for the second year of the Agreement, incorporating the new wage rates after the 2015/2016 agreed increases, is attached.

## 2. NEW CEILING WAGE RATES

The new ceiling rates are as follows:

| Area  | Period commencing 1 September 2015 to 31 August 2016 |            |            |
|---|--|------------|------------|
|   | ANNUAL   | MONTHLY    | WEEKLY     |
| Magisterial Districts of Camperdown, uMzinto, Paarl, Stellenbosch and Uitenhage | R109, 146.00   | R9, 095.50 | R2, 099.00 |
| All other Areas   | R100, 957.00   | R8, 413.10 | R1, 941.50 |

## 3. CONTRIBUTIONS

### 3.1 Provident Fund

#### Employer Contribution Rate:

The **Employer's** contribution rate to the Provident Fund **remains unaltered at 4%** of the weekly wage rate, which rate is based on an employee's actual basic wage **LESS R1.21** per week

#### Employee Contribution Rate:

The **Employee's** contribution rate to the Provident Fund **remains unaltered at 4%**, which rate is based on an employee's actual basic wage (provided this has been confirmed in a plant level ballot in terms of clause 13 of the 2007/2008 substantive agreement).

### 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 **R3.65** per employee per week, with effect from 1 September 2015.

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 **R2.87** per employee per week with effect from 1 September 2015.

### 3.3 SACTWU HIV/AIDS Project

The HIV/AIDS contribution **payable by the Employer increases to 46 cents** per employee per week.

## 4. TRADE UNION DEDUCTIONS

The **Trade Union Subscription** rate for its members changes to 1% of the member's basic wage rate with a *new minimum* of **R8.05** per week and a *new maximum* of **R14.75** per week, effective 1 September 2015 together with the funeral scheme contribution of R1,80 per week which remains unchanged, bringing the **total new minimum to R9.85** per week (i.e. the R8.05 plus the R1,80) and the **total new maximum to R16.55** per week (i.e. the R14.75 plus the R1,80). The Trade Union has sent out a separate notice in this regard. Companies to ensure that the correct union fee deductions are implemented and transmitted to the Bargaining Council as part of your monthly returns.

**NB:** For all Non-Union Members, an Agency Fee deduction of 1% of the basic weekly wage with the minimum of **R8.05** per week and the maximum of **R14.75** per week is applicable.

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Companies are to ensure that the correct agency fee deductions are implemented and transmitted to the Bargaining Council as part of your monthly returns.

## 5. **STRENGTHENING THE NBC**

- 5.1 The parties commit to take such steps as may be necessary to strengthen the work, operations, services and structures of the NBC.
- 5.2 The employer parties to this agreement undertake to use their best endeavours to grow employer representivity within the NBC.

## 6. **BACKPAY**

- 6.1 The Parties agree that all employers in the industry should implement the terms of this agreement, backdated to its effective date, especially regarding (but not restricted to) the implementation of the wage increases consented to in this agreement.
- 6.2 The NBC is required, as soon as possible after the effective date of this agreement but no longer than 4 weeks after the gazettal date, to conduct an industry survey to determine the extent of implementation of the wage increases envisaged in this agreement.
- 6.3 The following provision shall be submitted for gazettal, unless a different mechanism is agreed to:

“all employers covered by the registered scope of the NBC shall implement the wage increases agreed to at NBC level” or

“all employers covered by the registered scope of the NBC who have not implemented the wage increases agreed to at NBC level shall implement a 10% wage increase for metro areas and the rand equivalent of the Durban qualified machinist’s rate, for non-metro areas with effect from 1 September each year”.

## 7. **OTHER CONDITIONS**

- 7.1 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.
- 7.2 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.
- 7.3 The Parties agree to support the establishment of a Fashion Council and undertake to progress discussions on the details of such a Fashion Council, with a view to conclude it prior to the expiry date of this agreement.

## 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.

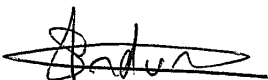
#### 10. **NBC WEBSITE ([www.nbc.org.za](http://www.nbc.org.za))**

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. | <b>Northern Chamber</b><br>Regional Secretary<br>Ashley Jackson<br><a href="mailto:ajackson@cibc.co.za">ajackson@cibc.co.za</a>  | 2 <sup>nd</sup> Floor, Anchor House Building<br>100 Juta Str. cnr Biccard Str.,<br>Braamfontein 2001<br>P O Box 5101<br>Johannesburg 2000 | 011 402 2737 | 011 402 7375 |
|  | Bloemfontein Branch Office<br>(branch of the Northern Chamber)<br>Labour Affairs Manager<br>(Bloemfontein)<br>Frans Lubbe<br><a href="mailto:FLubbe@cibc.co.za">FLubbe@cibc.co.za</a>  | Ground Floor, Tourism Centre,<br>Willows Park Road, WILLOWS,<br>Bloemfontein<br>P O Box 20272<br>WILLOWS<br>Bloemfontein 9320             | 051 447 0197 | 051 447 0059 |
|  | PHUTHADITJHABA, QWA-QWA<br>(Branch Office of the Northern Chamber)<br>Admin Assistant: Evodia Qokweni<br><a href="mailto:QwaQwa@cibc.co.za">QwaQwa@cibc.co.za</a>  | Office 112<br>New Naledi Mall<br>Mampoi Street<br>PHUTHADITJHABA<br>9866  | 058 713 3561 | 058 713 3596 |
| KwaZulu-Natal Province   | <b>KwaZulu-Natal Chamber</b><br>Labour Affairs Managers:<br>Michael Seocharan<br><a href="mailto:michael.kzn@nbc.org.za">michael.kzn@nbc.org.za</a><br>Roshin Ramsumer<br><a href="mailto:roshin.kzn@nbc.org.za">roshin.kzn@nbc.org.za</a> | 127/129 Magwaza Maphalala<br>Street (Gale Street)<br>Umbilo<br>Durban 4001<br><br>P O Box 18354<br>Dalbridge 4014                         | 031 362 0700 | 031 307 6716 |
|  | Ladysmith Branch Office<br>(branch of the KZN Chamber):<br><a href="mailto:Ladysmith.kzn@nbc.org.za">Ladysmith.kzn@nbc.org.za</a>  | Shop 11, 26 King Street<br>Ladysmith 3370   | 036 635 3144 | 036 635 3145 |
|  | Newcastle Branch Office<br>(branch of the KZN Chamber):<br><a href="mailto:Newcastle.kzn@nbc.org.za">Newcastle.kzn@nbc.org.za</a>  | 2 Murchison Street<br>Newcastle   | 034 326 4912 | 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.                    | <b>Cape Chamber</b><br>Labour Affairs Manager:<br>Carmen Jeftha<br><a href="mailto:CJeftha@cibc.co.za">CJeftha@cibc.co.za</a>  | Industria House<br>350 Victoria Road<br>Salt River 7925<br><br>P O Box 1142<br>Woodstock 7915   | 021 460 4000 | 021 447 0628 |

Yours faithfully



**S D NDUNA**  
**GENERAL SECRETARY**