

NATIONAL BARGAINING COUNCIL FOR THE CLOTHING MANUFACTURING INDUSTRY

CAPE CHAMBER
(WESTERN CAPE SUB-CHAMBER)

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CIRCULAR NO. WCC/09/2008

Telephone Enquiries : Labour Affairs Department

01 July 2008

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 2008 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 total labour cost increase for Country Areas with effect from 1 September 2008 is 10.5%, of which 0.5% shall be applied towards a plant level productivity incentive scheme. (Refer point 7 below)

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 2008 to 31 August 2009**

The new wage rates schedule from 1 September 2008 which reflects an across-the-board increase of 10% applied on all grades, is enclosed.

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 2008 to 31 August 2009		
ANNUAL	MONTHLY PAID	WEEKLY PAID
R46 566.00	R3 880.50	R895.50

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 2008 who will earn in excess of the rates reflected in paragraph 2 above.

3.2 Bargaining Council Levy

The Bargaining Council Levy payable by both the employer and employee per week has been converted to a percentage based contribution, viz 0.3% calculated on each employee's wage rate. The maximum levy payable by both employer and employee per week is R1.42.

3.3 Across the board Increases in Employer Contributions

The following levies and contributions payable by the Employer have been increased by the 10.5% total labour cost increase:

Category	Old Rate	New Rate (p.w. per employee)
Industry Protection Fund	13c	15c
SACTWU Capacity Building Fund	25c	28c
SACTWU HIV/AIDS Project	30c	33c
SACTWU Bursary Fund	20c	22c

4. Consequential changes for the period 1 September 2008 to 31 August 2009

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 **R73.54** per employee week. The *maximum* Provident Fund contribution rate payable by *employers* will be **R76.22** per employee per week.
- The Trade Union subscription rate for its members changes to 1% of the member's basic wage rate with a *new minimum* of R5.30 per week and a *new maximum* of R9.80 per week, effective 1 September 2008, together with funeral scheme contribution of R1,20 per week, bringing the *total new minimum* to **R6.50** per week (i.e. the R5.30 plus the R1,20) and the *total new maximum* to **R11.00** per week (i.e. the R9.80 plus the R1,20).

FURTHER ISSUES ON WHICH AGREEMENT WAS REACHED

5. Extension of current gazetted agreements to non-Parties

The Minister will be requested to extend the current gazetted agreements and the amendments which flow from this year's round of substantive negotiations to non-parties.

6. HIV/AIDS

A Code of Good Practice on Key Aspects of HIV/AIDS and Employment has been adopted and shall be policy in the industry. A copy of the document shall be provided to all establishments in due course and is available on the bargaining council's website.

7. Productivity Incentive

The following provisions shall be applicable to the 0.5% productive incentive allocation referred to in paragraph 1 of this:

- 7.1 Employers shall pay an amount of 0.5% of the weekly wage into a dedicated productivity incentive bank account. This must be done on a weekly basis or on the date that wages is normally paid, if it is paid at a time other than weekly.
- 7.2 The money in this productivity incentive bank account is ringfenced for the introduction of plant level productivity incentive schemes only.
- 7.3 This productivity incentive scheme bank account shall be opened and authorised on the basis of co-signatures, as follows: a person nominated by management plus a SACTWU shop steward (where there are no shop stewards at a workplace, a representative nominated by the workers shall be the second signatory).
- 7.4 With effect from 1 September 2008, each workplace shall have a period of 2 months within which they must reach agreement between management and the union about how the productivity incentive scheme at that workplace will function and how the incentives are to be paid.
- 7.5 If there is no productivity incentive scheme agreement reached by 1 November 2008, all the monies in the productivity bank account must be paid out to the workers as part of their wages, until an agreement on an appropriate productivity incentive scheme is reached.
- 7.6 The productivity incentive scheme agreements reached must ensure that all workers covered by the terms of this agreement, not just some, shall benefit from the incentive scheme.
- 7.7 All productivity scheme agreements reached must be registered with the National Bargaining Council for the Clothing Manufacturing Industry, within 1 month after agreement has been reached.
- 7.8 Productivity incentive scheme agreements shall not contain any provisions which have the effect of downward variation of any term or condition of employment.
- 7.9 The productivity incentive scheme envisaged in this agreement shall be in addition to and not in place of any existing productivity incentive scheme which may currently exist.
- 7.10 If the workplace closes or is liquidated, all the money left in the productivity incentive bank account must be paid out to the employees at that workplace and who are covered by the terms of this agreement.

8. Aggregation of Overtime

The aggregation of overtime of wording in the Country Areas part of the Main Agreement shall be deleted and replaced with the aggregation of overtime wording currently enshrined in the KZN metro part of the Main Agreement, viz:

"For the purposes of determining the number of hours, or part thereof, which an employee should be paid at overtime rates, the hours worked outside the employee's normal working hours in terms of clause 9(1) of this part of the Agreement may be reduced by the number of hours or part thereof, in that pay week that the employee was absent.

Provided that no reduction of the overtime worked by an employee shall be made should the absence result from any of the following:

- (i) *time not worked as a result of protected industrial/protest action;*
- (ii) *time not worked as a result of a public holiday as declared in terms of the Public Holidays Act;*

- (iii) *time not worked as a result of the employer having declared short time;*
- (iv) *time not worked as a result of the employee being on authorised shop steward stewards time off; and*
- (v) *time not worked as a result of any authorised absenteeism.”*

9. Qualifying Periods

The qualifying period for the machinist job category will be reduced to 18 months, for those areas where it is currently more than 18 months. This does not affect the Western Cape Chamber of the bargaining council. It affects the Council's KZN- and Northern Areas Chambers, since their qualifying period was longer than 18 months.

For those other job categories where the qualifying period is 24 months or more, the qualifying period shall be reduced to by 2 months.

10. Contract Employees

- 10.1 Those contract employees with 12 months' or more employment with the same employer shall be converted into permanent employees.
- 10.2 All contract employees shall be entitled to receive a pro-rata share of all statutory payments due to permanent employees.
- 10.3 All contract employees who are in employ as at the end of November each year shall be entitled to full payment for all public holidays which fall during the annual shutdown period.
- 10.4 Employees who have completed a learnership shall not be placed on a further contract period after the completion of such a learnership, but shall be employed as a permanent fulltime employee.
- 10.5 Where there are more beneficial arrangements (other than those set out in sub-clauses 10.1 to 10.4 above) governing the employment of contract workers, such provisions shall remain effective.

11. Shop Stewards Rights And Facilities

Access to email and internet facilities for shop stewards will be encouraged, provided that such access is during shop stewards' own time and dealt with in a manner that is not disruptive to production.

All other existing provisions on shop stewards rights and facilities shall remain in force and effect.

12. Shift Allowance

Should the union so opt, the shift allowance for garment knitting- and embroidery sector employees shall be increased, provided that such an increase shall form part of the total labour cost increase agreed to in this agreement. The union has not opted to do so, and there will accordingly be no change to the shift allowances.

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.

14. Schedule of Deductions

A revised schedule of weekly deductions and contributions is enclosed.

15. **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



A & DAVIDS
Regional Secretary