

South Africa

Labour Relations Act, 1995

National Textile Bargaining Council: Extension to Non-parties of the COVID-19 Lockdown Collective Agreement

Government Notice R452 of 2020

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National Textile Bargaining Council: Extension to Non-parties of the COVID-19 Lockdown Collective Agreement
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Government Notice R452 of 2020

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Assented to on 3 April 2020

Commenced on 7 April 2020

[This is the version of this document from 7 April 2020.]

I, Thembelani Waltermade Nxesi, Minister of Employment and Labour, hereby in terms of section 32(2) of the Labour Relations Act, 1995, declare that the Collective Agreement which appears in the Schedule hereto, which was concluded in the National Textile Bargaining Council, and is binding in terms of section 31 of the Labour Relations Act, 1995, on the parties which concluded the Agreement, shall be binding on the other employers and employees in that Industry with effect from the date of publication until 28 February 2022.

Mr TW Nxesi, MP

Minister of Employment and Labour

National Textile Bargaining Council

COVID-19 Lockdown Collective Agreement

South African Cotton Textile Processing Employers' Association (SACTPEA)

South African Carpet Manufacturing Employers' Association (SACMEA)

National Manufactured Fibres Employers' Association (NMFEA)

National Association of Worsted Textile Manufacturers (NAWTM)

Narrow Fabric Manufacturers Association (NFMA)

South African Wool and Mohair Processors' Employers' Organisation (SAWAMPEO)

National Textile Manufacturers' Association (NTMA)

South African Home Textiles Manufacturers Employers' Organisation (HOMETEX)

South African Blankets Manufacturers Employers' Organisation (SABMEO)

Wool and Mohair Brokers Employers' Organisation of South Africa (WAMBEOSA)

and the

Southern African Clothing and Textile Workers' Union ('SACTWU' or 'the union')

(hereinafter referred to as "the parties")

1. Preamble

The parties

- 1.1 Record that the primary intention of this collective agreement is to ensure that workers are not left destitute with no income, during the lockdown period, as was announced by the President of South Africa on Monday 23 March 2020.
- 1.2 Record their deep concern about the escalating rate of COVID-19 infections in our country and globally, and the consequential devastating effect on our domestic economy, in particular its negative consequences for the labour market
- 1.3 Are of the firm belief that, in order to mitigate the anticipated and devastating negative implications of COVID-19, an urgent and decisive collective response is required to protect the interests of the stakeholders in our industry.
- 1.4 Wish to take pro-active steps to protect the interests of employees in our industry and country, their families and the future sustainability of all sectors in the textile manufacturing industry and its related pipeline operations, due to the national lockdown which has now been declared.
- 1.5 Are of the view that they cannot just rely on government to fight this battle alone, but that we have a patriotic duty to play a supportive role by first drawing on our own resources, meagre and difficult as it might be, as a constructive contributory effort to combat this threat to the well-being of employees in the textile- and related industry pipeline, and in our country at large.
- 1.6 Wish to encourage and strengthen the role of our country's centralised bargaining regime, by using the current COVID-19 pandemic as an opportunity to expand the role of the textile industry bargaining council beyond just that of mainly being a collective bargaining- and dispute resolution institution, by demonstrating that it can deliver additional value-added services to our industry and the country at large, in moments of national crises.
- 1.7 Wish to promote greater and mutually beneficial co-operation between the various labour market institutions in our country, by practically encouraging greater sharing of their respective resources, such as infrastructure, towards the goal of greater efficiency in the execution of their core mandates and common goals (such as greater and better compliance with our country's employment laws).
- 1.8 Are of the view that we need to do whatever we can to protect jobs in our industry and country, especially during crises periods like which COVID-19 is imposing on us.
- 1.9 This document constitutes a single agreement and shall be referred to as "the COVID-19 Lockdown Collective Agreement" and/or "this agreement".
- 1.10 The parties agree to be bound by the intentions of this preamble to this agreement, which forms a substantive part of this agreement.

2. Scope and effective date

- 2.1 This Agreement shall bind the parties and their members. It shall become effective as from the date adopted by Council (irrespective of date of signature) and shall remain effective until the parties agree otherwise.
- 2.2 The scope of this Agreement shall cover all employers and employees in the registered scope of the National Textile Bargaining Council.
- 2.3 Despite the provision of sub-clause 2.2 of this agreement, the Council authorises that the UIF payment and transmission service provisions of this agreement shall be offered as a value added solidarity service to all employees in our industry pipeline, or any members of the trade union, beyond the registered scope of the Council, provided that the Unemployment Insurance Fund (UIF) funds referred to later in this agreement are sufficient to cover such an expanded service.

- 2.4 The provisions contained in this agreement, once adopted by the National Textile Bargaining Council, will be submitted to the Department of Employment and Labour for extension to cover all non-parties and non-signatory party employer associations within the geographic scope of the areas covered by the National Textile Bargaining Council.
- 2.5 The effective date of implementation of this Agreement is 26 March 2020 and the duration of this Agreement will be for a 24 month period. From 26 March 2020 until 28 February 2022, but further subject to sub-clause 2.6 below.
- 2.6 The Main Agreement as amended by this collective agreement shall, subject to Ministerial approval, remain gazetted and extended to non-parties and shall remain in force until such time as the members amend this agreement.

3. Access to Unemployment Insurance Fund (UIF) finance

The following provisions shall be applicable:

- 3.1 The parties agree and appreciate that should funds be received from the UIF for the purposes of this agreement, such funds constitute worker funds, and hence workers' contribution towards funding the shortfall in their income during the lockdown period and during which no wage is receivable.
- 3.2 The parties authorise the Chairperson of the Council to sign a memorandum of understanding agreement with the UIF Commissioner and/or the Minister of Employment and Labour or their respective nominee, which sets out the terms on which UIF funds will be released to the Council for the sole purpose of executing the provisions of this agreement.
- 3.3 Should the provisions of 3.2 above not be possible, the Council authorises the Chairperson to sign a services sharing agreement with the National Bargaining Council for the Clothing Manufacturing Industry, in terms of which UIF funds due to the National Textile Bargaining Council for the purpose of distributing it to qualifying industry employees, are transmitted from the UIF to the National Bargaining for the Clothing Manufacturing Industry and there-after to the National Textile Bargaining Council.
- 3.4 The parties authorise the Secretary of the Council to open a dedicated bank account into which all UIF funds advanced to the council for the execution of the purpose of this agreement shall be deposited.
- 3.5 No funds shall be disbursed from the bank account referred to in sub-clause 3.4 above, other than that which is duly authorised and which is exclusively intended and ring-fenced for the purposes of this agreement.
- 3.6 The UIF funds are solely and exclusively intended to provide a wage subsidy for qualifying employees during a lockdown period declared by government and during which no wage payments from the execution of work is due and/or receivable.
- 3.7 The officials of the Council shall at all times ensure that proper records, including all supporting documents of all income and disbursements from the bank account referred to in sub-clause 3.4 of this agreement, are safely kept and secured.
- 3.8 The Secretary of the Council shall submit a weekly consolidated report to the UIF Commissioner of all income and disbursements pertaining to the bank account referred to in sub-clause 3.4 of this agreement.
- 3.9 The Council shall ensure that, post the lockdown period, if a lockdown period occurs, the bank account referred to in sub-clause 3.4 of this agreement is audited by no later than a 6 week period following the official termination of the lockdown period.
- 3.10 The UIF Commissioner or the Minister of Employment and Labour shall have the sole power to authorise a variation of the time period set out in sub-clause 3.9 of this agreement, on good cause.

- 3.11 The Secretary and/or Chairperson of the Council, or any other nominee of the Council, are instructed to immediately lay criminal charges against any person and/or entity who/which are suspected of abuse or corruption relating to the operations of the bank account referred to in sub-clause 3.4 of this agreement or in relation to any income or disbursements there-from.
- 3.12 The information and supporting records which companies would be required to submit for a drawdown of funds as envisaged in clause 4 of this agreement shall be immediately made available to the UIF, on request from the UIF.
- 3.13 Any UIF funds which remain after the completion of a post-COVID 2019 lockdown shall be fully refunded to the UIF within one week following the conclusion of the audit referred to in sub-clause 3.8 of this agreement.
- 3.14 The parties agree to appoint additional Council staff at its own cost to help manage the processes required to effectively and securely manage the bank account referred to in sub-clause 3.3 of this agreement.

4. Payments to employees

- 4.1 This agreement guarantees employees who qualify for wage subsidy support in terms of this agreement, an amount equal to full pay for a period of 3 weeks with effect from the start of the current lockdown period of 26 March 2020 to 16 April 2020, in weekly amounts as follows:
 - (a) Week 1 ending Sunday 29 March 2020:
 - (i) Deferred wages payable by the employer, for work already performed during the week of the lockdown, with;
 - (ii) the balance made up from worker funds received from the UIF, for that portion of the lockdown week for which no wage is due.
 - (b) Week 2 ending Sunday 5 April 2020:

A full week's wages, payable by the employer.
 - (c) Week 3 ending Sunday 12 April 2020:

A full week's wages, payable from worker funds received from the UIF.
 - (d) Week 4 ending Sunday 19 April 2020:
 - (i) Payable from worker funds received from the UIF for that part of this week when the lockdown is still in effect as declared by the President on 23 March 2020 plus;
 - (ii) payable by the employer for that part of the week for work performed and which does not form part of the lockdown period
 - (e) The employers agree to pay the public holiday payments due to workers for 10 April 2020 and 13 April 2020 respectively. Payment will be made during the applicable pay week.
- 4.2 Normal statutory deductions and deductions prescribed by the Council's main agreement shall continue to be effected, for all payment periods referred to in sub-clause 4.1 of this agreement.

Similarly, employer contributions to statutory obligations and those prescribed by the Council's Main Agreement shall continue to be executed.
- 4.3 The parties acknowledge that there is a possibility that the current lockdown period might be extended for a period of longer than 3 weeks, and commit to constructively continue to explore income support for employees, in the event of a longer than 3 weeks lockdown period being declared. This engagement will be conducted during the currency of the current lockdown period.
- 4.4 The parties acknowledge that the cost implications of the provisions of clause 4 of this agreement is unforeseen and unprecedented, and shall continue to explore means by which it could be mitigated.

- 4.5 The provisions of clause 4 of this agreement apply to companies and employees within the registered scope of the Council and who are registered with the Council, as well as those referred to in sub-clause 2.3 but provided that the latter shall not be required to register with the Council.
- 4.6 The parties agree that, post this lockdown period, employees shall be required to assist with the making up of lost production time, and where lost production requires overtime work, employees shall be paid normal hours of work provided that how this overtime work arrangement will be done is discussed at plant level.
- 4.7 The provisions of sub-clause 4.6 shall only apply to that week which the employer is required to pay wages which are not due for work already performed or from the UIF, as set in sub-clause 4.1 above.
- 4.8 The provisions of sub-clause 4.1 shall also be applicable to monthly paid employees in the bargaining unit, provided that payment shall be effected during the last week of April 2020.
- 4.9 The parties record that the provisions of clause 4 currently does not address the payments for salaried staff. It is agreed to refer this matter to the Rapid Response Team as the first priority to resolve.

5. COVID-19 lockdown period

- 5.1 The lockdown period referred to in this agreement is the period 26 March 2020 to 16 April 2020.
- 5.2 The employer parties to the Council agree to use the COVID-19 lockdown period to develop and execute a program to mitigate the negative consequences of this unexpected lockdown period on the business.
- 5.3 The parties agree to establish a Rapid Response Team, to consider and resolve any unforeseen or response matters emanating from the implementation this agreement and which may arise during the COVID-19 shutdown period, with the finalisation of exemption applications receiving first priority.
- 5.4 Employers shall take such steps as may be necessary to shut down workplaces for the purposes of this lockdown period in such a manner that assets are properly secured for the duration of this lockdown period, subject to the specific operational requirements of each company.

6. COVID-19 post-lockdown period

Employers undertake to ensure, post the COVID-19 lockdown period that employees are provided with the necessary and appropriate support to integrate them smoothly and safely back into production.

7. Dispute resolution

Any disputes which may arise from the interpretation and/or application of this agreement shall be resolved through expedited arbitration, unless otherwise decided by the disputing parties and using the current panel of Conciliators and Arbitrators of the Council (unless otherwise decided by the disputing parties).

8. Other conditions

- 8.1 All other previously agreed terms and conditions not specifically varied by the provisions of this agreement shall remain in force and effect, unless otherwise agreed between the parties.
- 8.2 All terms shall have the same meaning as those set out in the Council's Main Agreement.
- 8.3 The parties accept that the terms agreed to are hereby formalised In this final written agreement concluded and signed under the auspices of the National Textile Bargaining Council.

- 8.4 Where government announces support measures to mitigate the negative consequences of the lockdown, the content of this agreement is not intended to undermine the parties' ability to access such support measures.