



2 June 2010

Ref. No. 05/10

NOTICE

TO: ALL EMPLOYERS & ALL EMPLOYEES

AMENDMENT TO THE COLLECTIVE AGREEMENT OF THE BARGAINING COUNCIL FOR THE FURNITURE MANUFACTURING INDUSTRY OF THE WESTERN CAPE

WAGE NEGOTIATIONS

Duly mandated, the Trade Union (NUFAWSA) and the Employers' Association (CFMA) have concluded their annual wage negotiation for 2010/2012.

The Parties have agreed to amend their collective agreement as follows: -

1. PERIOD OF AGREEMENT

- i) The agreement is for a period of two (2) years.
- ii) The first year period is from the 1st July 2010 to 30th June 2011 and the second year period is from the 1st July 2011 to the 30th June 2012.
- iii) The Collective Agreement of the Council to be extended to non-parties until 30 June 2012.

2. WAGE INCREASE: PART II OF MAIN AGREEMENT

(a) Wage Increase

- i) A seven (7%) percent across the board wage increase on actual wages.

- ii) **1st Year Period – 1 July 2010 to 30 June 2011**
The wage increase will be effective from the 1st July 2010 for NUFAWSA and Party members, and at a date decided by the Minister of Labour on extension and publication of the agreement to non NUFAWSA members and non-parties.
- iii) **2nd Year Period – 1 July 2011 to 30 June 2012**
Should the Consumer Price Index (CPI) for April 2011 as published in May 2011 by Statistics South Africa to be between three and six per cent (3% to 6%) then the wage increase effective as at the 1st July 2011 will be the same as in point (i) here above, being seven per cent (7%) on actual wages.
- iv) Should the Consumer Price Index (CPI) for April 2011 be stated by Statistics South Africa to be less than three or more than six per cent (<3% or >6%) then the parties will enter negotiations on a wage increase effective from July 2011.

(b) **Prescribed Minimum – Unskilled Category**

- (i) The prescribed minimum wage rate for the unskilled category shall be increased by the same percentage as per point 2(a)(i), being seven percent (7%).
- (ii) The Unskilled Category minimum weekly wage rate shall thus increase from Four Hundred Rand (R400) per forty four hour working week to Four Hundred and Twenty Eight Rand (R428) which equates to an hourly rate of Nine Rand and Seventy Three Cents (R9.73) per hour.

3. NUFAWSA MEDICAL ILL-HEALTH BENEFIT FUND

- i) **1st July 2010 to 31st December 2010**
The current Nufawsa Ill-Health Benefit Fund contribution amount of Ten Rand (R10.00) per week per NUFAWSA member is to be increase by an additional Five Rand (R5.00) to a total of Fifteen Rand (R15.00) per week per NUFAWSA member with effect from the first pay week in July 2010; and
- ii) **1st January 2011 to 30 June 2011**
The Nufawsa Ill-Health Benefit Fund contribution is to be increased from Fifteen Rand (R15.00) by a further Five Rand (R5.00) per week to a total of Twenty Rand (R20.00) per week per Nufawsa member from the first pay week in January 2011; and
- iii) **1st July 2011 to 31st December 2011**
The Nufawsa Ill-Health Benefit Fund contribution is to be increased from Twenty Rand (R20.00) by a further Five Rand (R5.00) per week to a total of Twenty Five Rand (R25.00) per week per Nufawsa member from the first pay week in July 2011; and

- iv) **1st January 2012 onwards**
The Nufawsa Ill-Health Benefit Fund contribution is to be increased from Twenty Five Rand (R25.00) by a further Five Rand (R5.00) per week per week per Nufawsa member to a total of Thirty Rand (R30.00) from the first pay week in January 2012; and
- v) The payment of contributions for the Nufawsa Medical Ill Health Benefit is to be made on a monthly basis by the Employer to the Bargaining Council along with all other required contributions other than their employees NUFAWSA member contributions.
- vi) Nufawsa is to make available to the Cape Furniture Manufacturers Association the quarterly management accounts of the Nufawsa Medical Ill Health Benefit Fund and Nufawsa shall invite a representative of the Cape Furniture Manufacturers Association to attend such quarterly meetings of the Nufawsa Medical Ill Health Benefit Fund.

4. EMPLOYEE CONCESSION

To stimulate employment and to assist in alleviating the distress of the Industry the following phases will apply to any **newly engaged permanent employee** who commences employment with an employer for the first time after 1 July 2010.

NOTE:- This concession excludes Fixed Term or Contract Employees.

During the months of September to December which is the traditional busy season for the Industry an Employer may make application for an exemption.

- i) **PHASE 1 (Year One)**
 - a) 100% of the prescribed minimum weekly wage rate for the Unskilled category
 - b) 85% of the prescribed minimum weekly wage rate for other categories
 - c) 100% of Council Levies
 - d) 100% of Leave/ Holiday and Bonus Pay
 - e) 50% of an employee's Trade Union contributions payable by the Employer to the applicable Trade Union party to this agreement.
- ii) **PHASE 2. (Year Two)**
 - a) 100% of the prescribed minimum weekly wage rate for the Unskilled category
 - b) 90% of the prescribed minimum weekly wage rate for other categories
 - c) 100% of Council Levies
 - d) 100% of Leave/ Holiday and Bonus Pay
 - e) 50% of an employee's Trade Union contributions payable by the Employer to the applicable Trade Union party to this agreement.
- iii) **PHASE 3. (Year Three)**
 - a) 100% of the prescribed minimum weekly wage rate for the Unskilled category
 - b) 100% of the prescribed minimum weekly wage rate for other categories

- c) 100% of Council Levies
- d) 100% of Leave/ Holiday and Bonus Pay
- e) 50% of an employee's Trade Union contributions payable by the Employer to the applicable Trade Union party to this agreement.
- f) 100% of Nufawsa Medical III Health Benefit Fund contribution.

After the completion of Phase Three all prescribed wage rates and wage increases, Council Levies, Holiday and Bonus Fund, Provident Fund, Nufawsa Medical III-Health Benefit Fund and any other contributions will be immediately applicable.

6. COUNCIL LEVY

- i) **1st Pay week in July 2010**
With effect from the first pay week in July 2010 the Council levy is increased from Two Rand (R2.00) to Two Rand and Fifty Cents (R2.50) per week, payable by both the Employee and by the Employer per Employee.
- ii) **1st Pay week in July 2011**
With effect from the first pay week in July 2011 the Council Levy is to be increased by a further Fifty Cents to Three Rand (R3.00) per week, payable by both the Employee and by the Employer per Employee.
- iii) Here in after the Council Levy will increase every year at the same percentage as the wage increase agreed to between the Parties to the Council and at the same effective date.



T.O. MILES
SECRETARY

SPECIFIED MINIMUM WEEKLY WAGE RATES

Specified minimum weekly wage rates: 2010 – 2012

Sectors	Occupation Skills Level	Occupation Skills Level Code	Minimum weekly wage rates effective for parties as from 1st July 2010
Furniture, Bedding and Upholstery	Unskilled employees	05	R428-00
	Semi-skilled employees	04	R633-55
	Skilled employees	03	R680-72
	Chargehands	02	R734-32
	Foremen & Supervisors	01	R734-32

OCCUPATION SKILLS LEVELS

FURNITURE, BEDDING AND UPHOLSTERY SECTORS

1. Unskilled Employees (Skill Level Code - 05)

Nature of work performed

Work at this level is of a manual and/or repetitive nature. Minimum skill is required and limited discretion and limited judgement applies. The employee will work under direct supervision.

All types of manual labour of a repetitive nature.

Some job titles

Truck assistant, cleaner, machine feeder, packer, stacker, sand paperer, operating a filling machine, securing mattress panels to springs, tea persons, other non-production operations, etc.

2. Semi-Skilled Employees (Skill Level Code – 04)

Nature of work performed

Employees at this level will have limited skills training and are required to exercise limited discretion in performing tasks.

Employees work under direct supervision.

They will have a basic understanding of work flow and sectional output, meeting required quality standards.

* Setting up and/or operating continuous processing machines.

* Clerical staff e.g. storeman, despatch clerk, etc

Some job titles

Spray painting, silk screening, upholstering basic furniture e.g. occasional chairs, dining room/kitchen chairs, studio couches, repetitive welding in a jig, sandblasting, drivers, assemblers, etc.

3. Skilled Employees (Skill Level Code – 03)

Nature of work performed

Employees at this level either have a recognised tertiary qualification or have gained competence through experience.

The employee is required to exercise a considerable degree of discretion and will be able to read technical drawings where necessary.

The employee must accept responsibility for meeting production outputs at an acceptable quality level.

Nature of work performed

* All artisans who obtained a recognised artisan qualification

* Technical staff who obtained a recognised technical qualification equivalent to at least M + 3

* Using a computer to construct working drawings and production schedules.

4. Chargehand (Skill Level Code – 02)

Employees at this level will have a broad knowledge of the discipline that they supervise. They can either be working chargehands or supervisory chargehands.

They must be competent and trained in people management skills and will be responsible for outputs in the section within acceptable parameters.

They will be required to exercise analytical skills with a relevant high level of decision making.

5. Foreman/Supervisors (Skill Level Code – 01)

Employees at this level will have experience in more than one discipline with competency in people management skills (e.g. motivation, discipline, safety and security, etc.)

They will be able to work from complex drawings and will be able to interpret and apply technical skills. They will be versed in on the job training. Employees at this level will regularly meet output targets maintaining an acceptable quality standard.