



20 June 2016

Ref No. 06/16

## **NOTICE**

**TO: ALL EMPLOYERS & ALL EMPLOYEES**

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

# **WAGE NEGOTIATIONS**

### **WAGE NEGOTIATIONS AGREEMENT CONCLUDED – 2016/2018**

Duly mandated, the National Union of Furniture and Allied Workers of South Africa, (the "Trade Union") and the Cape Furniture Manufacturers Association, (the "Employers' Association") have concluded their annual wage negotiation for 2016 to 2018.

The Parties hereby agree to amend their Main Collective Agreement as follows: -

#### **1. PERIOD OF AGREEMENT**

- 1.1 The agreement is for a period of two (2) years.
- 1.2 The first year period is from the commencement of the first pay week in July 2016 to the commencement of the last pay week June 2017 and the second year period is from the commencement of the first pay week in July 2017 to the commencement of the last pay week June 2018.
- 1.3 The Main Collective Agreement of the Council is to be extended on a date decided by the Minister of Labour to non-parties until the 30<sup>th</sup> June 2018.

## **2. WAGE INCREASE: PART II OF MAIN AGREEMENT**

### **2.1 Wage Increase - Foreman, Supervisors, Charge-hands, Skilled, Semi-Skilled and Un-Skilled Categories**

2.1.1 For the above mentioned categories of Employees a seven point five percent (7.5%) across the board wage increase on actual wages is to be applied as follows:-

2.1.2 1<sup>st</sup> Year Period – Commencement of the First Pay Week in July 2016 to the commencement of the last pay week of June 2017.

The wage increase of seven point five (7.5%) percent to be applied to employees actual wages will be effective from the commencement of the first pay week in July 2016 for NUFAWSA and Party Employer members, and at a date decided by the Minister of Labour on extension and publication of the agreement to Non NUFAWSA members and Non Party Employers.

2.1.3 2<sup>nd</sup> Year Period – Commencement of the First Pay Week in July 2017 to the commencement of the last pay week in June 2018.

A wage increase of seven point five (7.5%) percent to be applied to employees actual wages with effect from the commencement of the first pay week in July 2017 for NUFAWSA and Party Employer members, and at a date decided by the Minister of Labour on extension and publication of the agreement to Non NUFAWSA members and Non Party Employers.

2.1.4 Should the Consumer Price Index (CPI) for April 2017, as published in May 2017 by Statistics South Africa, be below three point five percent (3.5%) or above nine point two nine percent (9.29%) the Parties will renegotiate wages only.

### **2.2 Prescribed Minimum – Unskilled Category**

2.2.1 The prescribed minimum wage rate for the unskilled category shall be increased by ten percent (10%) in year one and by a further ten percent (10%) in year two.

2.2.2 The Unskilled Category minimum weekly wage rate shall thus increase in year one from Five Hundred and Seventeen Rand and Eighty Eight Cents (R517.88) per forty four hour working week to Five Hundred and Sixty Nine Rand and Sixty Seven Cents (R569.67) which equates to an hourly rate of Twelve Rand and Ninety Five Cents (R12.95) per hour.

2.2.3 The Unskilled Category minimum weekly wage rate shall thus further increase in year two from to Five Hundred and Sixty Nine Rand and Sixty Seven Cents (R569.67) per forty four hour working week to Six Hundred and Twenty Six Rand and Sixty Four Cents (R626.64) which equates to an hourly rate of Fourteen Rand and Twenty Four Cents (R14.24) per hour.

2.3.4

Occupation Skills Level	Occupation Skills Level Code	Minimum weekly wage rate effective for New Entrant employees as from 1 <sup>st</sup> Pay Week of July 2016	Minimum weekly wage rate effective for New Entrant employees as from 1 <sup>st</sup> Pay Week of July 2017
Unskilled employees	05	R569.67pw	R626.64pw

2.3.5 The prescribed minimum rates apply to **New Industry Entrant Employees** as defined in the Main Collective Agreement of the Council, as follows: **“New Industry Entrant Employee”** means an employee who has never previously worked in the furniture manufacturing industry.

## 2.4 Prescribed Minimum Rates - Foreman, Supervisors, Charge-hands, Skilled and Semi-Skilled Categories

2.4.1 The prescribed minimum wage rate for the Foreman, Supervisors, Charge-hands, Skilled and Semi-Skilled Categories shall be increased by seven point five percent (7.5%%) in year one and by a further seven point five percent (7.5%%) in year two.

2.4.2

Occupation Skills Level	Occupation Skills Level Code	Minimum weekly wage rate effective for New Entrant employees as from 1 <sup>st</sup> Pay Week of July 2016	Minimum weekly wage rate effective for New Entrant employees as from 1 <sup>st</sup> Pay Week of July 2017
Semi-skilled employees	04	R797.34pw	R857.14pw
Skilled employees	03	R856.71pw	R920.96pw
Chargehands	02	R924.16pw	R993.47pw
Foremen & Supervisors	01	R924.16pw	R993.47pw

2.4.3 The prescribed minimum rates apply to **New Industry Entrant Employees** as defined in the Main Collective Agreement of the Council, as follows: **“New Industry Entrant Employee”** means an employee who has never previously worked in the furniture manufacturing industry.

### **3. COUNCIL LEVY**

- 3.1 For the duration of this agreement there shall be no increase in Council Levy, unless agreed to by the Parties that an increase is necessary during the period of this agreement.
- 3.2 Thereafter 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.

### **4. HOLIDAY PAY - SHORT TIME EQUATES TO DEEMED HOURS WORKED**

For the purpose of calculating an employee's Holiday and Bonus Fund benefit, any time not worked by an employee due to being placed on short time by their employer in terms of clause 33 of the Council's Collective Agreement, shall be deemed as hours worked and are thus to be included in the employee's weekly working hours as if the employee had worked such time.

### **5. SEVERANCE PAY**

- 5.1 For the purpose of calculating severance pay, service of ten months or more shall be deemed as a full year's service for the first year only.
- 5.2 Thereafter severance pay shall be calculated on the basis of one week's normal wage plus, one additional week's normal wage per completed year of service.
- 5.3 In recognition of long service the following is payable in addition to the above:-
- |       |                           |   |                                       |
|-------|---------------------------|---|---------------------------------------|
| 5.3.1 | 5 to 10 years service     | - | one additional week's normal wage.    |
| 5.3.2 | 10 to 15 years service    | - | two additional week's normal wages.   |
| 5.3.3 | 15 to 20 years service    | - | three week's additional normal wages. |
| 5.3.4 | 20 years service and more | - | four week's additional normal wages.  |

### **6. SHOPSTEWARDS LEAVE**

All Shop Stewards shall be entitled to 3 days paid leave per annum for the purposes of Trade Union related training and 3 days paid leave for attending Trade Union meetings.

All the other provisions of Clause 29 of the Council's Collective Agreement apply.

**7. AGENCY FEES**

To be increased by R2.00 per week in the first year and by a further R2.00 per week in the second year of this agreement.

Year 1           =       R22.00  
Year 2           =       R24.00

**8. BARGAINING LEVY**

To be increased by 7.5% per month in the first year and by a further 7.5% per month in the second year of this agreement.

Year 1           =       R161.25  
Year 2           =       R173.34

**9. ABSCONSION**

An employee shall be regarded as having absconded from his employer's service after a period of absence of five consecutive working days without notification to his employer of his whereabouts.

Provided that the employer attempts to contact the employee at his or her last known home address in writing and consults with the worker representative.

**10. ALL OTHER TERMS AND CONDITIONS**

The status quo to remain on all other clauses of the Council's Main Collective Agreement.

Yours sincerely



**TERRY MILES  
SECRETARY**

# SPECIFIED MINIMUM WEEKLY WAGE RATES FOR NEW EMPLOYEES

Specified minimum weekly wage rates: 2016 – 2018

Sectors	Occupation Skills Level	Occupation Skills Level Code	Minimum weekly wage rate effective for " <b>NEW ENTRANT</b> " employees as from 1 <sup>st</sup> Pay Week of July 2016	Minimum weekly wage rate effective for " <b>NEW ENTRANT</b> " employees as from 1 <sup>st</sup> Pay Week of July 2017
<b>Furniture, Bedding and Upholstery</b>	<b>Unskilled employees</b>	05	R569.67pw	R626.64pw
	<b>Semi-skilled employees</b>	04	R797.34pw	R857.14pw
	<b>Skilled employees</b>	03	R856.71pw	R920.96pw
	<b>Chargehands</b>	02	R924.16pw	R993.47pw
	<b>Foremen &amp; Supervisors</b>	01	R924.16pw	R993.47pw

“**New Industry Entrant Employee**” means an employee who has never previously worked in the furniture manufacturing industry.

## 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 and office staff e.g. storeman, despatch clerk, admin clerks, 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, clerical and admin clerks 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.