



# **REPORT OF THE EXECUTIVE DIRECTOR 2010**

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## INTRODUCTION

The Steel and Engineering Industries Federation of South Africa (SEIFSA) is a national employer federation representing the metal and engineering industry. SEIFSA has, for the past 67 years, provided active support for its members and lobbied for policies that have improved the business environment in which its members operate.

SEIFSA's executive and management team represents employers on a number of organisations that are critical to the success of the industry, including Business Unity South Africa, the National Economic, Development and Labour Council and the National Skills Authority. They have, over the years, positively influenced legislation and national policy affecting labour relations, employment law, skills development and economic and trade matters.

SEIFSA has a dual purpose: to operate at national level as the recognised voice of the metal and engineering industry, and at member company level by providing a comprehensive range of services and products of direct benefit to employers in the industry.

At an industry level, SEIFSA negotiates collective agreements covering wages, conditions of employment and social security benefit arrangements with the trade unions. The federation also represents employers on the boards and management committees of the Metal and Engineering Industries' Bargaining Council, the Manufacturing, Engineering and Related Services Seta (Merseta), the Engineering Industries' Pension Fund, the Metal Industries' Provident Fund, the Metal and Engineering Industries' Permanent Disability Scheme and the industry's Sick Pay Fund.

Communication is an important aspect of the federation's relationship with its members. There are six main channels of communication:

- SEIFSA News;
- SEIFSA's website ([seifsa.co.za](http://seifsa.co.za));
- Electronic mails and membership messages;
- Association meetings;
- The Annual SEIFSA Conference; and
- The SEIFSA Roadshow.

SEIFSA is the umbrella body for the following 35 independent employer associations - representing the diverse sectors constituting the metal and engineering industry:

- Association of Electric Cable Manufacturers of South Africa
- Association of Metal Service Centres of South Africa
- Border Industrial Employers Association
- Bright Bar Association
- Cape Engineers and Founders Association
- Constructional Engineering Association (South Africa)
- Covered Conductor Manufacturers Association
- Electrical Engineering and Allied Industries Association
- Electrical Manufacturers Association of South Africa
- Electronics and Telecommunications Industries Association
- Ferro Alloy Producers Association
- Gate and Fence Association
- Hand Tool Manufacturers Association

- Hot-Dip Galvanisers Association Southern Africa
- Iron and Steel Producers Association of South Africa
- KwaZulu Natal Engineering Industries Association
- Lift Engineering Association of South Africa
- Light Engineering Industries Association of South Africa
- Machine Engravers Association
- Non-Ferrous Metal Industries Association of South Africa
- Plumbers and Engineers Brassware Manufacturers Association
- Port Elizabeth Engineers Association
- Pressure Equipment Manufacturers Association
- Radio, Appliance and Television Association of South Africa
- Refrigeration and Air Conditioning Manufacturers and Suppliers Association
- SA Fabric Reinforcement Association
- Sheet Metal Industries Association of South Africa
- South African Electro-Plating Industries Association
- South African Engineers and Founders Association
- South African Fasteners Manufacturers Association
- South African Post Tensioning Association
- South African Pump Manufacturers Association
- South African Refrigeration and Air Conditioning Contractors Association
- South African Reinforced Concrete Engineers Association
- South African Valve and Actuator Manufacturers Association

Four of these Associations are regionally based - located in Cape Town, Durban, Port Elizabeth and East London.

The Associations currently have a combined membership of 2,440 companies employing 237,004 hourly-paid workers – representing almost 60% of the industry's workforce. This makes SEIFSA one of the largest and most influential employer federations in South Africa. Member companies range from giant steelmaking corporations to micro-enterprises. Of these member companies, 62% employ fewer than 50 employees.

SEIFSA is a non-profit-making body. Its main source of income derives from annual per capita levies on member companies and a collective bargaining levy on non-member companies in the industry. The balance of the federation's income derives from payment for services rendered and products sold to companies in the industry.

SEIFSA has, since its inception in 1943, helped to promote a business environment in which its members can successfully run their businesses. SEIFSA's functional operations comprises of the following four specialist divisions:

- Industrial Relations
- Economics and Commercial
- Skills Development
- Health and Safety

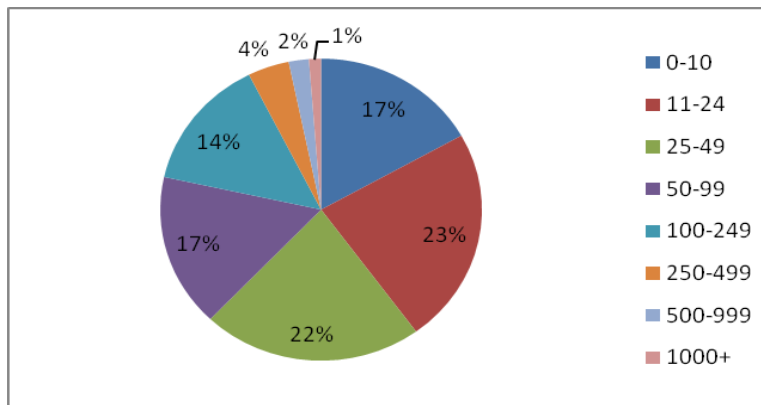
SEIFSA's range of services and products includes consultancy (covering labour legislation, employment conditions, health and safety, broad-based black economic empowerment, contract price adjustment and skills development), publications, training courses, seminars and conferences.

## Membership

At the end of SEIFSA's financial year on 30 June this year, the federation's membership was 2,440 individual companies throughout South Africa. Of these companies, 62% employ fewer than 50 employees and 75% are located in Gauteng.

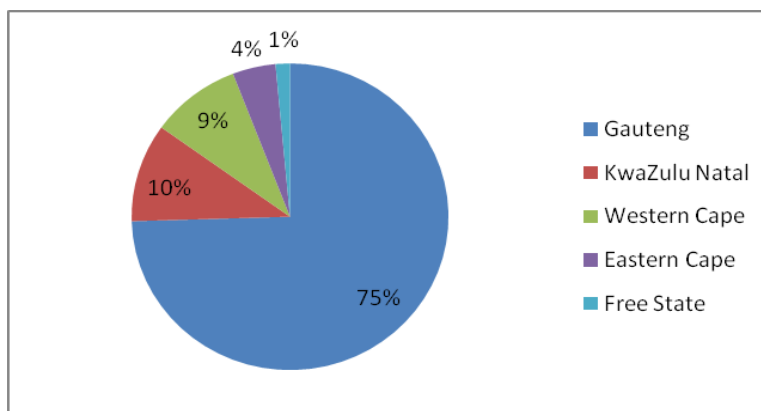
The composition of the SEIFSA membership according to the number of employees employed is illustrated below.

#### SEIFSA Membership by Size of Employment: June 2010



The regional location of the SEIFSA membership is illustrated below.

#### SEIFSA Membership by Regional Location: June 2010

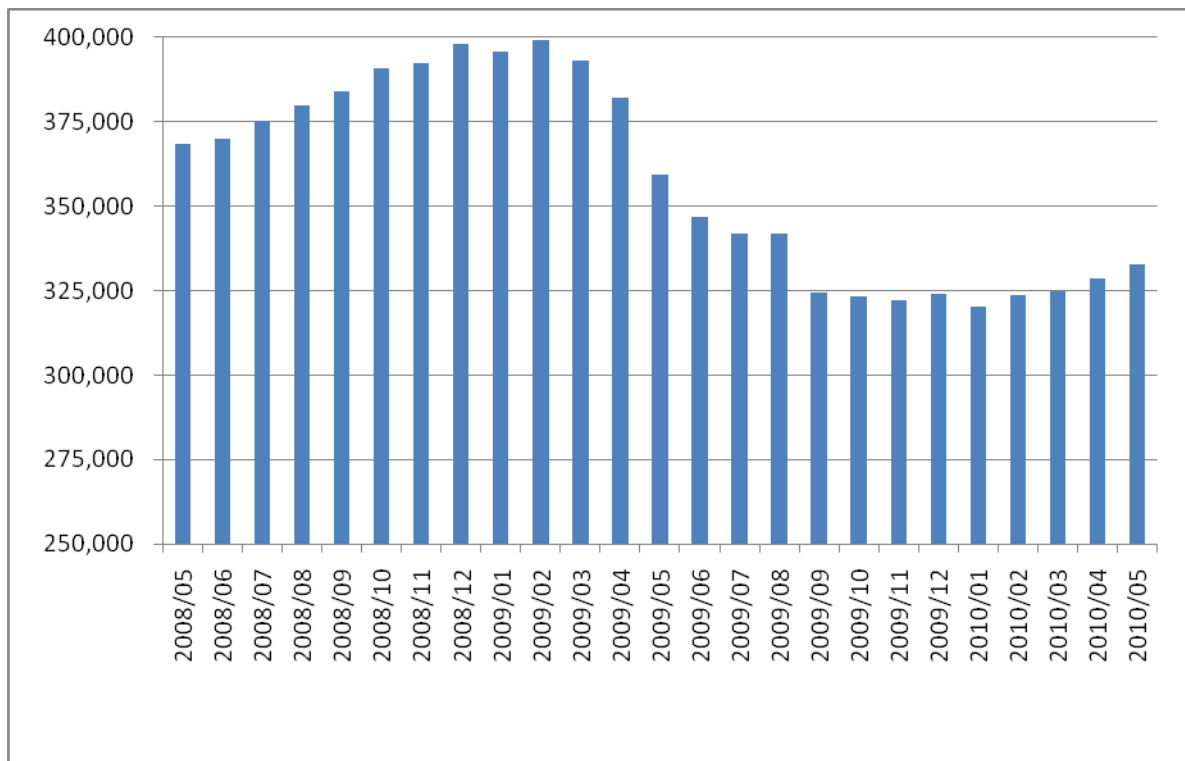


### Meetings

The federation experienced a very active year in terms of Association meetings, meetings of various interest groups within SEIFSA and joint meetings and conferences with other organisations.

The SEIFSA Council is the policy and decision-making body of the federation. It comprises elected representatives from each of the SEIFSA Associations, together with co-opted industrialists and industry leaders. The SEIFSA Council met on nine occasions during the year.

## Industry Employment



This chart illustrates the movement in industry employment over the period from May 2008 to May 2010. The devastating impact of the economic recession on employment is clearly evident. The federation is pleased to note that there has been a slow, but steady recovery of lost jobs since January this year – with 12,442 scheduled jobs having been created over this period.

The employment figures are derived from the monthly contributions submitted to the industry pension and provident funds.

## Retirement of the Economics Executive

SEIFSA's Economics Executive, Michael McDonald, who served the federation's trade, commercial and economic interests over the past 27 years, retired at the end of July 2010 and was replaced by Njabulo Mkhize.

SEIFSA would like to thank Michael McDonald for the important role he played in the affairs of the federation over many years and wish him well in his retirement.

## ADMINISTRATION AND FINANCIAL SERVICES

### Administration and Accounting Services

In addition to providing a secretarial service to the majority of the constituent employer associations, SEIFSA also administers the accounting function of the federation.

### Associations

The Cape Engineers and Founders Association, whose roots trace back to 1920, celebrated its 90<sup>th</sup> anniversary in September this year. This important milestone was celebrated with a gala dinner in Cape Town. The occasion was also used to raise a R100,000 donation to the Red Cross Childrens' War Memorial Hospital for the purchase of a bladderscan machine. Significantly, the Association's first chairman in 1920 was Mr. Harry Gearing of Gearing Foundries - a doyen of the Cape Town engineering industry. Mr. Gearing became SEIFSA's first President in 1943.

This year, two SEIFSA Associations, the Machine Engravers Association and the Radio, Appliance and Television Association of South Africa, applied to the Registrar of Labour Relations to wind up their operations and their members were transferred to the Electronic and Telecommunications Industries Association and the SA Engineers and Founders Association, respectively.

During the second quarter this year, the Pressure Vessel Manufacturers Association changed its name to Pressure Equipment Manufacturers Association. This was done in response to changing market conditions and to reflect the nature of the sector the Association represents more correctly.

In order to guide SEIFSA Associations in complying with the provisions of the competitions legislation, SEIFSA formulated meeting guidelines - highlighting the specific types of activities and behaviours that constitute fair and legitimate industrial association activities. SEIFSA also arranged a membership briefing session by the advocacy unit of the South African Competitions' Commission.

As part of SEIFSA's loyalty programme, SEIFSA reintroduced membership certificates for paid-up members this year.

## INDUSTRIAL RELATIONS SERVICES

### Main Agreement Wage Increases

Given the lingering negative impact of the economic recession on the manufacturing sector and the difficult trading conditions that many companies are continuing to face, member companies can take some comfort from the fact that there were no wage negotiations this year. This was of particular significance in view of the widespread industrial action and strikes experienced in many other sectors (including those organised by Numsa) and the associated high wage settlements which appeared to fly in the face of a significantly reduced inflation rate and employer attempts to retain employment under considerable financial distress.



In response to an appeal from the trade unions two years ago, SEIFSA agreed in 2008 to supplement the previously negotiated fixed wage increases, and the unions in return, agreed to extend the duration of the Main Agreement by a further year to end on 30 June 2011. This was a significant gain for the industry and effectively introduced a four-year wage agreement into the industry - a historical first for the federation.

In accordance with this extended wage agreement, a wage model was introduced into the agreement as a mechanism to calculate the wage increases for this year (effective from 1 July 2010) without having to resort to bargaining and the risk of power play and potential strike action – whilst retaining all other employment conditions on their current basis.

The application of the wage model resulted in wage increases for all grades and sectors ranging from 7.1% at Rate A to 8.1% at Rate H. These increases compared favourably with all other wage settlements at the time.

In view of the continuing difficult trading conditions, the federation embarked on a comprehensive campaign to provide assistance to those member companies requiring relief from the nationally applicable increases. This campaign and the industry wage increase exemption process appears to have functioned well and affected employers were authorised by the bargaining council to implement lesser increases than those prescribed in the Main Agreement.

### **Labour Brokers and Atypical Employment Practices**

Last year the Minister of Labour renewed his focus on the continued use by business of the services provided by labour brokers and limited or fixed term contracts of employment.

The Minister presented a report to Nedlac of research commissioned on this topic, together with a series of critical proposed amendments to the law, including the introduction of a Ministerial right to prohibit labour broking in any particular sector of the economy.

It was apparent that the proposed amendments, if promulgated, would introduce a number of unacceptable presumptions, powers and new employer liabilities into labour law and would make the South African labour market even more inflexible. Consequently, the federation became directly involved in very difficult negotiations at Nedlac on these proposed legislative amendments, arguing that these would have a seriously detrimental effect on industry employment and on foreign investment in the country.

With organised business resisting the proposed changes in employment law, the Nedlac negotiations stalled and became deadlocked. The Minister then announced, earlier this year, that the Department of Labour had formulated draft amending legislation and that this was currently under consideration by a Cabinet Committee.

From the alleged contents of the amending Bills recently leaked to the press, it appears that the challenge to the right of our members to continue to employ workers on fixed term contracts and to use the services offered by labour brokers remains high on the Minister's agenda.

The draft Bills, once finalised and presented to Cabinet and Parliament, will then be tabled at Nedlac for negotiation by the social partners.

## Proposed Social Security and Retirement Reform

The Minister of Finance released a position paper three years ago announcing a series of proposed fundamental reforms to current social security and retirement arrangements in the country. The proposed reforms encompassed the introduction of a multi-pillar system comprising improvements to social assistance grants, unemployment insurance and death and disability benefits. They also included compulsory participation by all employees in a national social security fund; additional mandatory participation in private occupational or individual retirement funds by employees earning in excess of an earnings threshold to a prescribed level (yet to be determined), and the introduction of a wage subsidy to alleviate the impact of the proposed new social security tax on lower paid employees.

This position paper was followed by the release of separate and conceptually different papers by the National Treasury and the Department of Social Development – both aimed at clarifying the proposed new retirement regime. An interdepartmental task team was appointed to formulate a unified government perspective on social security and retirement reform.

A Busa task team, on which SEIFSA is directly represented, has developed the key principles which will underpin the organised business approach in engaging with government and organised labour on the envisaged reforms, as soon as they have been finalised by government.

## Medical Aid Cover for Industry Workers

Research into the introduction of medical aid cover for industry workers has continued this year. A number of key issues have already been highlighted by a bargaining council task team appointed to determine the feasibility of establishing a medical aid scheme for the industry.

This task team has commissioned NMG Consultants and Actuaries to undertake research into appropriate benefits and contributions for such a scheme for further consideration by the employers and trade unions. It is anticipated that this issue will feature strongly in the trade unions' demands in next year's industry wage negotiation process.

## New Industry Job Grading System

The investigation into the proposed introduction of a new job grading system for the industry, including the proposed collapsing of Rates G and H into Rate F, continued during the year.

The parties have continued to deal with the matter in a constructive manner and are attempting to reach consensus on a number of key principle issues. The federation recognises that there are many challenges in implementing a new industry grading system and it has been agreed that a number of critical issues require further investigation, including the likely impact on employment levels, skills development and affordability for small businesses.

Further investigation, research and engagement between the parties at the bargaining council will continue later in the year. It is anticipated that this issue will also be at the forefront of the trade unions' demands next year.

## Industrial Relations Services

The federation continues to provide a comprehensive and professional range of services to member companies. These include:

### Industry Job Grading Service

SEIFSA's Main Agreement job grading service continues to provide valuable assistance to member companies in addressing pressure from employees and their representatives to have their jobs graded in accordance with the Main Agreement technical schedules.

### Arbitration Representation Service

The SEIFSA member company arbitration representation service continues to provide a professional and cost-effective benefit to member companies. This service includes evaluating and preparing management's case prior to arbitration, interviewing and preparing witnesses for the hearing, presenting management's case, cross-examining witnesses and preparing the opening and closing statements for presentation at the formal arbitration hearing at the industry's Centre for Dispute Resolution and at the CCMA.

### Chairing Disciplinary Enquiries and Appeals

SEIFSA continues to provide qualified and experienced persons to chair, manage and conduct in-company disciplinary enquiries and disciplinary appeal proceedings.

### Assistance in Dealing with the Bargaining Council

SEIFSA provided advice and assistance to member companies on a range of issues related to the bargaining council, including the following:

- Interpretation, application and implementation of the bargaining council's collective agreements; and
- Formulation and processing of wage and other exemption applications.

### General Industrial Relations Service

SEIFSA's staff continue to provide advice and assistance to member companies on a comprehensive range of industrial relations issues, including:

- Dispute resolution processes;
- Application of employment conditions;
- Job grading;
- Formulation of employment equity plans and reports;
- Dealing with strike action;
- Advising on the legitimacy of medical certificates; and
- The interpretation and application of all labour legislation.

### Industrial Relations Publications

A range of industrial relations publications is available to the SEIFSA membership. These publications include:

- *A Summary of the Key Elements of the Labour Relations Act 66 of 1995.*

- *A Practical Guide to Implementing Retrenchment Law at the Workplace.*
- *HIV and Aids in the Metal and Engineering Industry.*
- *Main Agreement Handbook for the Metal Industry, 2010.*
- *Main Agreement Wall Chart.*
- *Reduce and Manage Absenteeism in your Workplace.*
- *Disciplinary Policy and Code.*
- *Dealing with E-mail and Internet Abuse at the Workplace.*
- *Employment Contracts and Labour Broking Arrangements.*
- *Dealing with Sick Leave and Sick Leave Abuse at the Workplace.*
- *Dealing Effectively with Theft, Unauthorised Possession and Searching Employees.*

## Main Agreement Publications

SEIFSA published the *Main Agreement Handbook for the Metal Industry, 2010* in July. This annual publication is an easy-to-read summary of the industry's Main Agreement. This latest edition incorporated the wage increases that came into effect on 1 July.

The 2010 edition of the Main Agreement wall chart was also published in July. It summarises the key sections of the Main Agreement in a poster format.

## Main Agreement Portal

The Main Agreement portal hosted on the SEIFSA website continues to offer a unique service to member companies. The portal's key features are:

- The incorporation of a word search facility.
- Downloadable pro-forma and model letters and employment contracts.
- An online leave enhancement pay calculator.
- Updates on industrial relations and labour law developments.
- A facility where members can pose questions and receive answers from SEIFSA and view questions and answers from other subscribers.
- Access to SEIFSA's industrial relations case study library and database.
- The availability of links to various relevant websites.

## Industrial Relations Training

SEIFSA continues to present a comprehensive range of practical industrial relations training courses, seminars and workshops, including:

- Implementing the Employment Equity Act.
- Effective industrial relations on the shopfloor.
- The A-Z of the Main Agreement.
- Managing sick leave at the workplace.
- Current labour law.
- Conducting fair and effective discipline at the workplace.
- Employment contract law: Alternatives to costly and inflexible working arrangements.
- How to prepare and conduct a disciplinary hearing.
- Understanding the law of evidence.

## SEIFSA Representation on other Industrial Relations Related Bodies

SEIFSA is represented on the following bodies dealing with industrial relations related issues:

- Business Unity South Africa (Busa);
- Metal and Engineering Industries' Bargaining Council (MEIBC);
- Metal Industries' Benefit Funds' Administrators (Mibfa);
- National Economic, Development and Labour Council (Nedlac);
  - Nedlac Labour Market Chamber;
  - Nedlac National Demarcation Committee;
  - Nedlac Task Team on Atypical Employment Practices; and
  - The CCMA Governing Body.

### BUSINESS UNITY SOUTH AFRICA (BUSA)

- **Standing Committee on Social Policy**

SEIFSA's executive director and operations director represent the federation's interests on this Busa standing committee. Regular meetings were held during the course of the year and matters discussed included the following:

- The ongoing labour law review process;
- The Nedlac negotiations on the proposed regulation of the changing nature of work and atypical forms of employment practices in South Africa;
- The proposed social security and retirement reform review;
- The formulation of business representations on the draft amendments to the Medical Schemes Act;
- The business submissions on the proposed business rescue model, draft amendments to the Insolvency Act and proposed changes to the Companies Act; and
- The Nedlac deliberations on the contents of the proposed Superior Courts Bill.

### National Economic, Development and Labour Council (Nedlac)

- **Labour Market Chamber**

SEIFSA's executive and operations directors serve as business representatives on Nedlac's Labour Market Chamber (LMC). The LMC provides a forum where appointed representatives from government, labour and organised business are able to engage in meaningful debate around proposed amendments to labour legislation and planned changes to the country's labour market policy.

This year, the Chamber's work programme included the following focus areas:

- The proposed regulation of atypical forms of employment practices in South Africa;
- Draft amendments to the Medical Schemes Act;
- Draft amendments to the Insolvency Act and proposed changes to the Companies Act;
- The proposed Superior Courts Bill;
- A review of the proposed social plan; and
- Jobs impact monitoring in terms of the Growth and Development Summit recommendations.

- **National Demarcation Committee**

The SEIFSA executive director is a business representative on Nedlac's National Demarcation Committee. This committee is a national forum where applications for registration of bargaining and statutory councils are considered and determined.

## **HEALTH AND SAFETY SERVICES**

### **Health and Safety Legal Compliance Programme**

The SEIFSA Legal Compliance Programme was developed to assist companies in meeting their health and safety obligations in terms of the Occupational Health and Safety and the Compensation for Occupational Injuries and Diseases Acts – whilst also protecting themselves from vicarious liability and criminal prosecution.

The twelve-month legal compliance programme covers the following elements:

- An annual baseline audit;
- The provision of the requisite documentation to ensure that the mandatory administrative requirements are observed;
- A written report for participating companies, identifying specific areas of non-compliance and recommendations for addressing each of these; and
- The formulation, in conjunction with the company, of an implementation plan aimed at achieving and maintaining full legal compliance.

### **Health and Safety Consultancy**

SEIFSA provides a comprehensive range of health and safety services, including:

- Advice and assistance on occupational health and safety;
- Interpretation of occupational health and safety legislation;
- Formulation and assistance in the implementation of company level health and safety management policies, systems and procedures;
- The identification of occupational health and safety hazards and the conducting of risk assessments; and
- Incident investigations and reporting.

### **Health and Safety Training**

SEIFSA continues to present a comprehensive range of practical health and safety training courses, seminars and workshops, including:

- Compensation for Occupational Injuries and Diseases Act (COIDA).
- Incident investigation.
- Health and safety representative training.
- Basic health and safety induction for employees.
- HIV/AIDS awareness.
- Introduction to the Occupational Health and Safety Act for management.
- Hazard identification and risk assessment.

## Health and Safety Publications

SEIFSA publishes the following health and safety guide and wall chart:

- Recording and Investigating Incidents – A Management Guideline and Register.
- COID Act Basics – A wall chart summarising the legal requirements of the Compensation for Occupational Injuries and Diseases Act.

## SEIFSA HIV/AIDS Management Programme

SEIFSA, in conjunction with an alliance partner, offers member companies a comprehensive *Wellness Programme*. The purpose of the programme is to:

- Empower employees to make better life decisions;
- Reduce the stigma and discrimination around HIV/AIDS and to focus on the person with the disease;
- Provide individuals with an opportunity to find out their HIV status through onsite voluntary counselling and testing;
- Develop a partnership between employers, employees and trade unions to fight the pandemic in a cohesive manner; and
- Empower companies to manage HIV/AIDS effectively.

SEIFSA's alliance partner continues to assist companies in developing and revising their respective HIV/AIDS workplace policy and programmes to ensure support for employees who are either infected or affected by the disease, and to minimise the impact of the disease on the company's productivity and profitability.

It is encouraging to note that the government is making HIV/AIDS a top priority. Companies are encouraged to do the same because HIV/AIDS is a health issue that has a direct impact on safety in the workplace. By including an educational element in their HIV/AIDS programmes, companies could save the lives of their workers and their families.

## The Redpeg Programme

Redpeg has, since 2008, been providing a free *Strategic HIV/AIDS Workplace Programme* to assist SEIFSA member companies generate the capability to address HIV/AIDS in their workplaces. The programme includes the conducting of a knowledge and perceptions survey and the development of an HIV/AIDS policy and strategy for each participating company. There is no charge for this important service.

## Health and Safety Legislation Review

Following the South African government's endorsement of the International Labour Organisation Convention No.155, a draft health and safety policy has been formulated. This integrates all existing health and safety legislation into a single Act - to be called the National Occupational Health and Safety Act. A task team is currently reviewing the draft Act and its regulations.



SEIFSA is directly represented on the task team and encourages management to ensure that they are fully aware of their potential new health and safety obligations in terms of the draft Act.

### **National Health and Safety Blitz**

Recent ILO reports estimate that approximately two million occupational fatalities occur across the world annually.

In South Africa, hundreds of lives are lost in all sectors due to employers' non-compliance with legislation and also because of both employer and employee complacency and negligence.

The highest rates of occupational accidents in South Africa occur in a number of key sectors, including in the iron and steel industry. Accordingly, the Department of Labour conducted a national health and safety blitz in the metal industry over the period 13 to 21 July this year - auditing companies' compliance with the Occupational Health and Safety Act and other relevant legislation.

### **SEIFSA Representation at ACOHS**

SEIFSA has requested, and is awaiting, direct representation on the Advisory Council for Occupational Health and Safety. The council's primary function is to advise the Minister of Labour on matters of policy arising out of or in connection with the application of provisions of the Occupational Health and Safety Act or any other matter relating to health and safety.

## **SKILLS DEVELOPMENT SERVICES**

### **Changes to Legislation and Skills Development Policy**

All the skills development related activities of the Department of Labour, including the Setas, were formally transferred to the Department of Higher Education and Training in November last year.

There have been far reaching changes to skills development approaches and strategies over the past year.

The first of these was the extension of the current five year National Skills Development Strategy (NSDS 2) for a further year until 31 March next year and the extension of the current Seta landscape.

Earlier this year, the Department of Higher Education and Training published a document for public comment reflecting its proposals for a significantly new national skills development strategy and Seta landscape. SEIFSA engaged actively in analysing these proposals and the strategic and financial implications for metal industry employers.

The National Skills Authority conducted public hearings on the proposed new landscape and the NSA's recommendations have been submitted to the Minister for



consideration. It is anticipated that the Minister will make a public announcement on the new NSDS and the new Seta landscape very shortly.

The long awaited Quality Council for Trades and Occupations (QCTO) was launched in April this year as the body which will take overall responsibility for all workplace learning, including the process of developing unit standards and registration of qualifications to meet the needs of industry. The new body, once fully operational, will make a significant contribution to improving and streamlining workplace learning driven by employer demands.

The Human Resource Development Council was launched by the Deputy President in April this year. This is a key strategic body with oversight of all training and skills development related matters. One of the key goals of this council is to continue the work of Joint Initiative on Priority Skills Acquisition (JIPSA) with regard to *binding constraints* in terms of the artisan pipeline. SEIFSA is directly represented on the council.

### Education and Training Advisory Committee (ETAC)

The SEIFSA Education and Training Advisory Committee continued to meet during the year and discussed policy matters relating to the new National Skills Development Strategy, the proposed new Seta landscape, skills shortages, apprentice training, technician training and higher education matters.

A substantial number of skills development facilitators from member companies attend these meetings and report that participation in this forum has made a significant contribution to their understanding of skills development policy development as well as implementation issues within their organisations.

### Initiatives to Address the Artisan Shortage

SEIFSA participated actively in a number of initiatives to address artisan skills shortages.

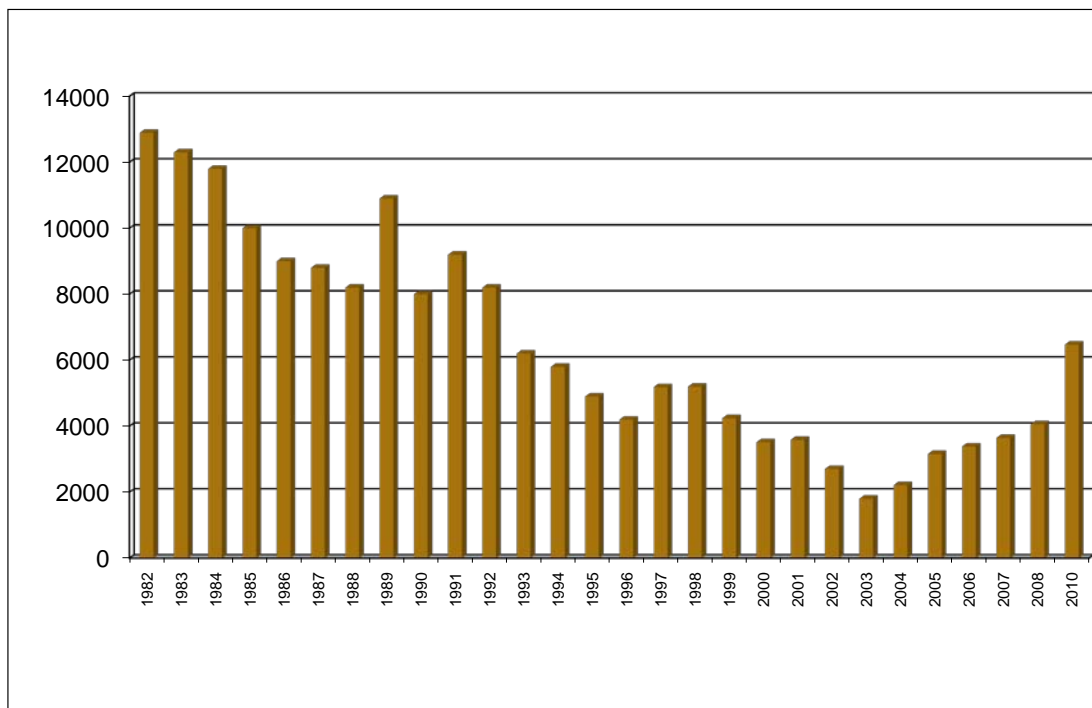
Key among these was the further education and training round table process set up by the Director-General: Department of Higher Education and Training, where five task teams were appointed to investigate and formulate recommendations on the enhancement of the Further Education and Training (FET) college sector to support artisan training. The task teams' recommendations were presented at a FET Summit held in September.

A further initiative was SEIFSA's participation in the Business Leadership South Africa / National Business Initiative process aimed at identifying and addressing constraints to artisan training and the formulation of recommendations on a new college sector, in conjunction with the Department of Higher Education and Training.

Following SEIFSA's engagement with the Director-General and Minister of Higher Education and Training on the consequences for the industry of government's decision to replace the N courses at FET colleges with the new three year National Certificate Vocational (NCV) programmes, the Minister agreed to re-introduce the N courses for engineering studies on a transitional basis until the new QCTO becomes fully operational. This is of significant benefit to artisan training and development in the metal industry.

Total apprentice intake in the Metal Chamber in September 2010 reached 6,475 – the highest figure since 1999.

**Merseta Metal Chamber Apprentice Intake: 1982 – 2010**



## Skills Development Training

### Public workshops

SEIFSA continues to present a comprehensive range of skills development training courses, seminars and workshops, including:

- Introduction to skills development;
- Discretionary grants;
- A skills development update;
- Organising Framework for Occupations (OFO) - How to complete the new Merseta mandatory grant application;
- Skills development facilitator training (qualification programme);
- Assessor training programme (qualification programme); and
- Overview of skills development for training committees.

### Skills Development Consultancy

SEIFSA's skills development team offers a consultancy service on a range of skills development issues, including:

- Introduction to skills development;
- Maximising discretionary grants;
- Preparing workplace skills plans and annual training reports to claim mandatory grants;
- Technical advice on skills development matters;

- Linking skills development initiatives to the company's employment equity and strategic objectives;
- Registering apprentices and learners;
- Identifying available industry learning interventions;
- Accessing the Merseta SME voucher project; and
- Identifying relevant training in terms of the Merseta Retrenchment Assistance Plan (RAP).

## **Skills Development Wall Chart**

The skills development wall chart provides a quick and easy reference guide and includes the following key skills development and Merseta information:

- Discretionary grant project funding window;
- Learning programme categories;
- Eligibility criteria;
- Grant structure;
- Merseta mandatory grant application deadline for submission of applications;
- Toolbox pilot project;
- Voucher implementation project for SMEs: and
- The Merseta Accelerated Artisan Training Programme (AATP).

## **Matters Relating to the Manufacturing, Engineering and Related Services SETA (Merseta)**

### **• SEIFSA's Role**

SEIFSA continued to play an important role in the strategic management and oversight of the Merseta – mainly through representation on the Governing Board, Executive Committee, Education Training and Quality Assurance Functional Standing Committee, the Metal Chamber, the Accelerated Artisan Training Programme Steering Committee, the Discretionary Grant Technical Sub-committee, Gauteng Regional Committee and various ad hoc committees.

The Merseta is widely recognised as one of the best performing Setas in South Africa with commendable levels of corporate governance.

### **• Levies and grant payments**

Notwithstanding the adverse economic climate, the national skills development levy income exceeded budget by 6.9% and grew by 2.6% in the 2009/10 financial year to reach R715 million. The number of levy paying companies in the five Merseta chambers decreased to 10,792 from 11,913 in 2008/9.

The mandatory grant ratio improved to 73% from 70% in the previous financial year as the Merseta expended R334 million on mandatory grants.

### **• Management and Key Developments**

The Merseta Accelerated Artisan Training Programme (AATP) model entered its fourth year of operation and secured R136 million in funding from the National Skills Fund.

In July 2010 there were 2,304 apprentices on the accelerated training programme. Good progress was recorded in terms of trade test passes - with more than 15 apprentices in training indentured by the following companies: Macsteel, Columbus, ArcelorMittal, Alstom, Duys Engineering, Rotek and Genrec.

- **Merseta SME Voucher System**

The Merseta expanded the new web-based voucher system to fund the training of workers in small companies (employing fewer than 50 employees) whether paying the skills levy or exempted by SARS. Funding is available for courses ranging from ABET to technical and industry-specific courses.

- **Retrenchment Assistance Programme**

Building on the strengths of the Voucher System, the Merseta launched a number of new and innovative projects to assist the five sub-sectors manage the current economic difficulties facing many companies. Key among these was the Retrenchment Assistance Programme aimed at retraining retrenched workers or those in the process of being retrenched.

The Merseta also supported the national training layoff scheme with training and funding interventions - although the uptake was relatively limited.

## **Scholarships and Bursaries**

### **Technician training**

SEIFSA awarded two bursaries this year to students taking courses leading to national diplomas in engineering at universities of technology (technikons).

### **Undergraduate study**

SEIFSA awarded eight scholarships this year to students registered for approved undergraduate engineering courses at South African universities.

The value of the undergraduate scholarship for the academic year was R30 000.

## **ATRAMI**

The industry's Artisan Training and Recognition Agreement (Atrami) was first introduced in 1982. The scheme provides for the training, testing and recognition of employees as artisans.

It however, has failed to reach its full potential to produce skilled artisans for the industry. Renewed attempts have been made to promote the scheme and to encourage employers to access the substantial grants available from the Merseta for offering training to their workforce in terms of the scheme. The number of Atrami trainees this year was 280.

The agreement was recently renewed for five years until May 2015.

## FUNDI TRAINING CENTRE

The SEIFSA Fundi training centre in Benoni had an intake of 169 apprentices for the January intake and 165 apprentices for the July 2010 intake. A R7.3 million expansion of the centre was completed during August 2008.

The training centre continues to attract favourable publicity arising from a number of funded projects secured by SEIFSA including projects from the Department of Labour (Gauteng South) and the Swiss-South African Co-operation Initiative, as well as training for companies participating in the Merseta Accelerated Artisan Training Programme.

The Centre regularly makes high calibre young trainees available to industry – trainees who have completed their institutional training to be indentured as apprentices for the balance of their training up to trade test i.e. 80 weeks in total.

### Benefits

The Centre provides high quality competency and unit standard based training, preparing employees to meet the demands of industry.

Fundi's strategy of long-term partnerships with clients allows it to address scarce technical skills and deal with industry on issues like employability of learners and customising training to company needs, including the following training, assessment and testing facilities:

- Apprenticeships
- Learnerships
- Trade testing (Section 13 and Section 28)
- Trade proficiency assessments
- Section 28 assessments
- ATRAMI training
- Upskilling of artisans
- Support and consultation on the implementation of apprenticeships and learnerships
- Training and placement of unemployed learners and apprentices
- Recruitment and selection of unemployed learners.

### FUNDI Training

The SEIFSA training centre offers training in the following disciplines (at basic, intermediate or advanced level):

- **Apprenticeships:**
  - Electrician
  - Fitter
  - Fitter and Turner
  - Turner
  - Millwright
  - Tool, Jig and Diemaker
  - Instrument Mechanician
  - Boilermaker

- Welder
- Learnerships (NQF 2 - 4):
  - Machining
  - Fitting
  - Fabrication

### Advanced and Specialised Courses

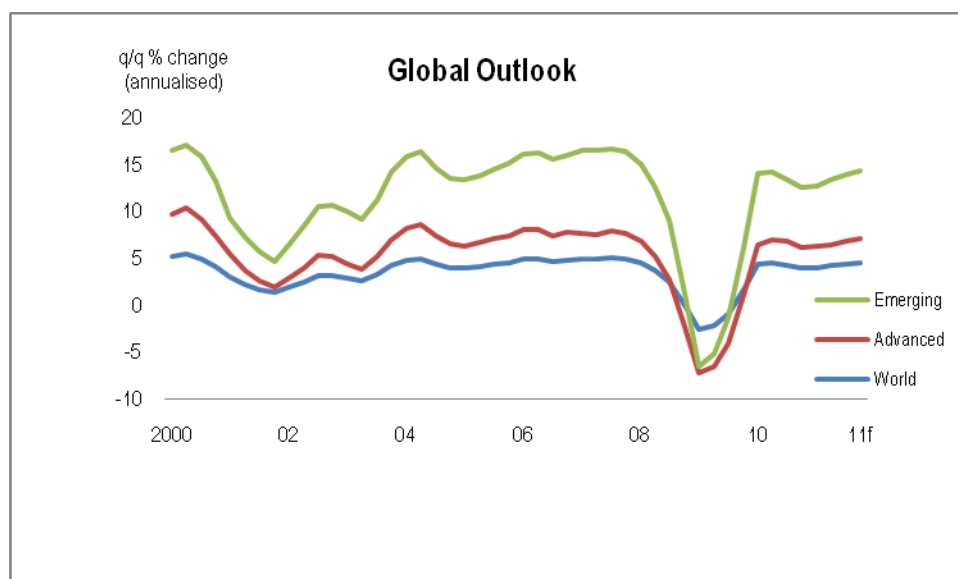
- Trade test preparation
- Electrical fault diagnostics
- Control and instrumentation
- High speed machining
- Advanced fitting and turning
- Hydraulics
- Pneumatics
- MIG and TIG welding and industrial safety
- Industrial safety.

## ECONOMIC AND COMMERCIAL SERVICES

### Global Recovery

The global recovery has progressed rapidly since late last year, and has been sustained by expansionary monetary and fiscal policy instruments. The initial signs of global recovery in most economies began to appear in the third quarter of last year, with emerging economies leading the recovery and with advanced economies lagging behind.

According to the International Monetary Fund, advanced economies are expected to grow by 2% in 2010 and by 2.5% in the following year. However, growth in the emerging economies is projected to be over 6% in the period 2010 - 2011. Most of these economies have started on a relatively strong base and are likely to lead the recovery.

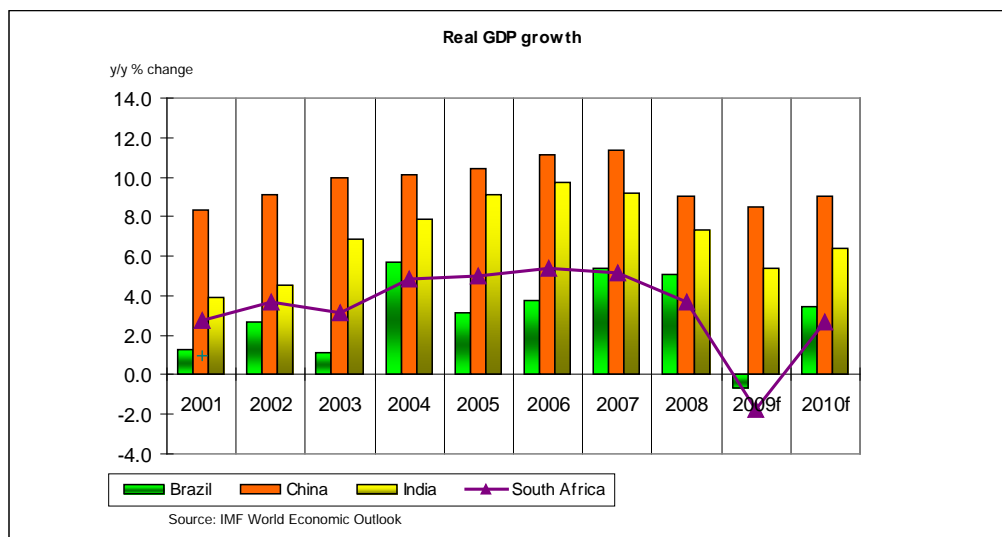


Source: IMF

In Europe, the concerns about liquidity and sovereign debt (particularly in Greece) fuelled the deterioration in investor confidence. The concerted efforts, through large financial support packages put together by the European governments and the International Monetary Fund (IMF), had some positive effect in calming down the markets.

The strong growth in China and India continued to drive the global economic activity, trade and commodity prices. With the recovery coming from a low base, global inflation remained subdued against a background of large output gaps.

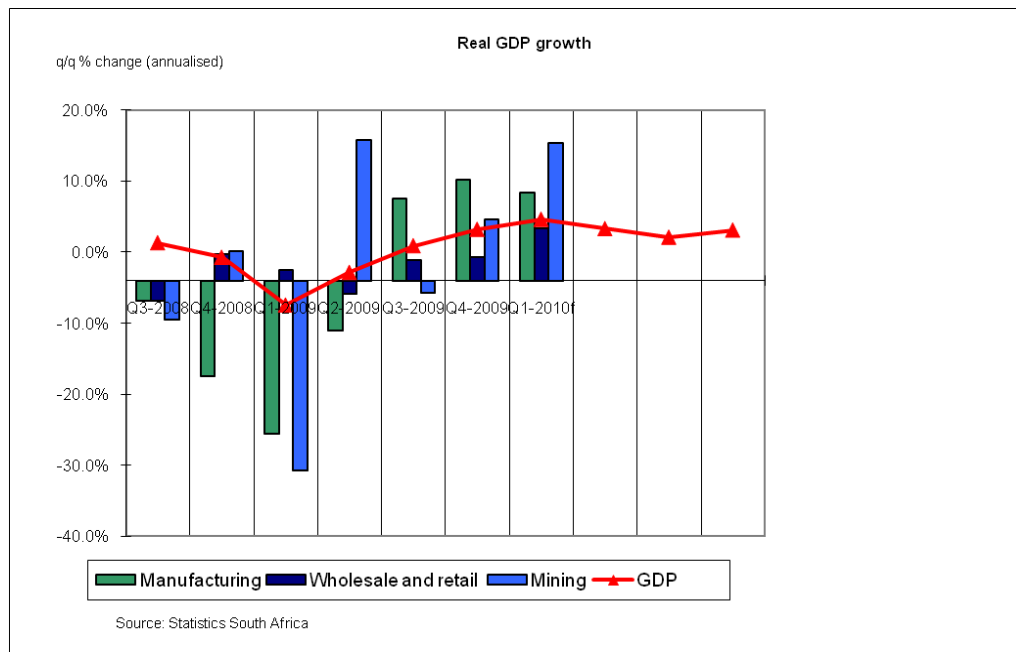
Inflation, however, has begun to intensify in certain parts of the world and a number of countries have begun to raise interest rates - with Canada leading central banks in advanced economies by increasing its policy rates since the onset of the global recession.



In South Africa, the prospects for growth appear to have improved and are expected to sustain a strong performance in the medium term. Growth in the fourth quarter of last year grew by an annualised 3.2% from 0.9% in the third quarter.

Economic growth was experienced across various sectors of the economy in the fourth quarter of last year. The main contributors to growth in this quarter were manufacturing (+1.5 percentage points), general government (+1.0 of a percentage point), mining and quarrying (+0.2 of a percentage point) and construction (+0.1 of a percentage point).

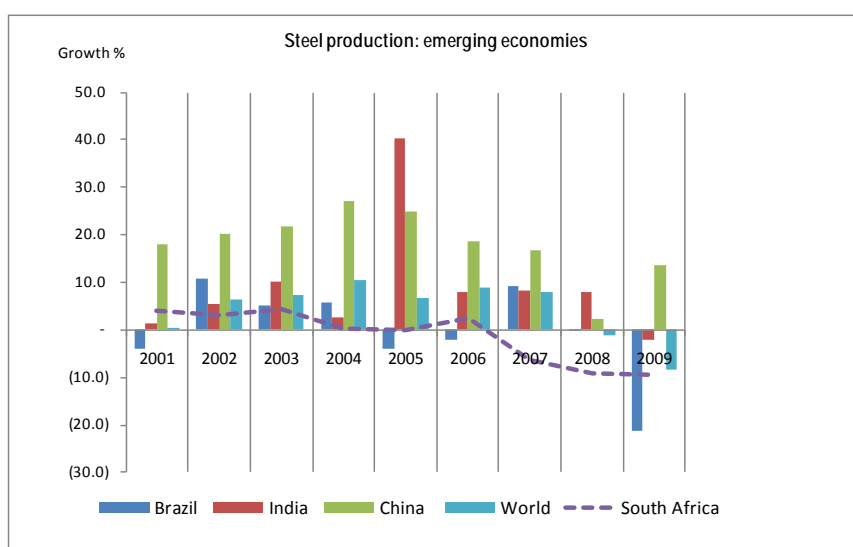
In the first quarter this year, the economy grew by a reasonable 4.6%. The main drivers were manufacturing alongside the mining and financial sectors.



## Steel Production

The global steel output by members of the World Steel Association grew by 28% to 706 million tonnes in the first half of the year. In January, China's crude steel production increased by 18.2% to 48 million tonnes, compared to 14.8% increase (to 5.4 million tonnes) by India. The Japanese production rose by 37% to 8.7 million tonnes while South Korea's production rose by 32% to 4.5 million tonnes.

However, the comparison of South African and world crude steel production growth rates shows marked differences in the trend of performance. South African crude steel production slumped slightly in 2006 while the output in other emerging economies was still on a positive path. By 2007, steel production in South Africa was already in negative territory as a result of the decline of a broad manufacturing base as global competition intensified.



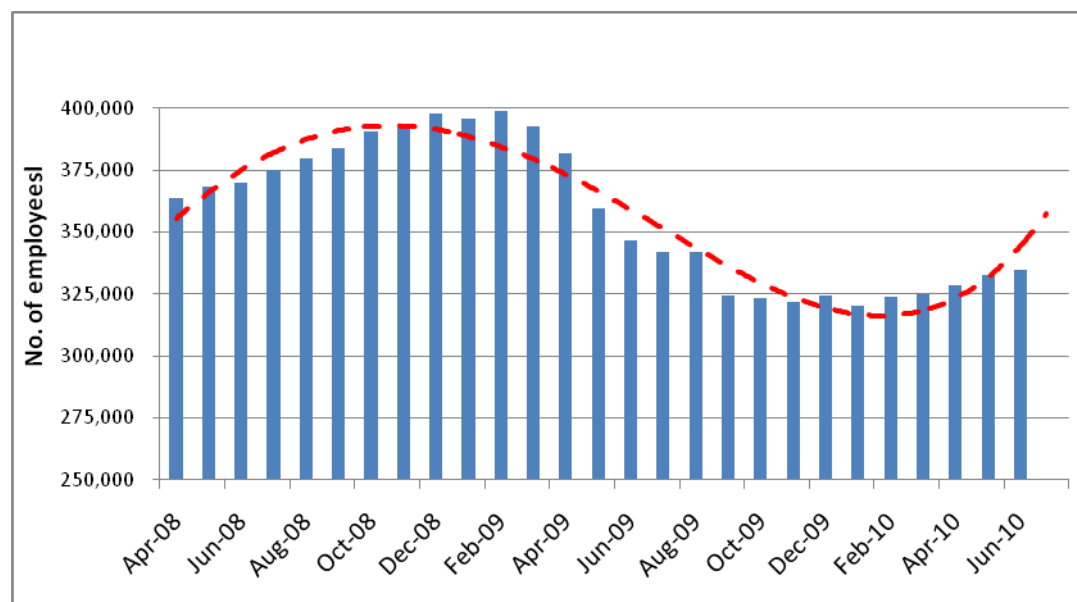
Source: World Steel Association



## Industry Employment

According to the contribution data of the Engineering Industries' Pension Fund (EIPF) and the Metal Industries' Provident Fund (MIPF), employment in the industry recovered to 334,636 jobs by June this year - from 332,727 jobs recorded in May (equivalent to approximately 2,000 new jobs created in June alone).

The gradual, but steady, improvement in employment came after the industry bottomed out at 320,000 jobs in January this year - reflecting the sustained impact of the 2008/09 global recession on the metal and engineering industry.



Source: EIPF and MIPF

According to Statistics South Africa, the country's labour force decreased slightly by 25,000 between the fourth quarter last year and the first quarter this year. During this period, employment declined by 171,000 with formal employment recording the biggest loss of 140,000 jobs compared to 100,000 jobs lost in the informal sector.

By contrast, the metal industry achieved employment gains of about 1,000 jobs over the same period. The industry accounted for 2.54% of South Africa's total employment in the first quarter this year (up from 2.50% in the fourth quarter last year, and 2.88% in the first quarter 2009).

### Key employment indicators

'000	2009		2010	% change	
	Jan-Mar	Oct-Dec	Jan-Mar	Quarter on quarter	Year on year
Population 15-64 yrs	30,987	31,261	31,350	0.3	1.2
Labour force	17,820	17,138	17,113	-0.1	-4.0
Unemployed	4,184	4,165	4,310	3.5	3.0
Employed	13,636	12,974	12,803	-1.3	-6.1
of which:					
Metal and engineering industry <sup>1</sup>	393	324	325	0.3	-3.5

Percentage contribution to total employment

Net contribution	2.88	2.50	2.54	
	Rates (%)			
Unemployment rate	23.5	24.3	25.2	
Employed / population ratio (absorption)	44.0	41.5	40.8	
Labour force participation rate	57.5	54.8	54.6	

<sup>1</sup> EIPF and MIPF membership

Source: Statistics South Africa; SEIFSA

## Electricity Price Increases

In February, the National Electricity Regulator of South Africa (Nersa) approved Eskom's Multi-Year Price Determination - with increases in Eskom's nominal tariffs of 24.8% for 2010/11; 25.8% for 2011/12, and 25.9% for the 2012/13 year. This effectively doubles the average rate over the three year period.

Nersa also issued guidelines to prevent municipalities from passing on the full nominal amount of these increases, and municipal increases of 15.3% effective from 1 July this year, 16.03% from 1 July next year and 16.16% in 2012 were approved. This is intended to level out what end-users pay for their electricity, as many municipality tariffs are significantly higher than Eskom's direct-to-customer tariffs.

SEIFSA participates in a number of forums, including Business Unity South Africa (BUSA) and Nedlac, in an attempt to try to find ways of limiting these extremely high tariff increases - which have serious implications for the ongoing viability of many sectors of the South African manufacturing industry.

## SEIFSA's Economic Forum

Earlier this year SEIFSA identified the urgent need to implement the following actions with regard to the federation's current approach to matters of an economics nature:

- To enhance SEIFSA's economics profile; and
- To revise the current approach to the manner in which SEIFSA deals with and mandates critical economics issues of relevance to the industry.

A SEIFSA Economics Forum was therefore created a few months ago to enable SEIFSA's recently appointed economics executive, industry representatives from the Associations and economics specialists to meet on a quarterly basis to engage on topical economic issues and formulate appropriate recommendations and provide input to the SEIFSA Executive Committee and the SEIFSA Council.

## Half-Yearly Economic Focus

SEIFSA published its new *Economic Focus* research publication in June this year, with the focus of this paper being: *An Analysis of the Steel and other Metals Sector*.

This important SEIFSA publication will be released on a half-yearly basis.

## SEIFSA Economics Breakfast Seminar

In July, SEIFSA hosted its first Economics Breakfast Seminar. The topic for the seminar was *Post-Recession Landscape: Where is the industry positioned?* Among the panel of speakers was an international speaker, John Anton of IHS Global Insight's Steel Service based in Washington, DC. The panel and member delegates engaged in an interactive and productive session on a number of economic and industrial issues directly affecting metal and engineering businesses in South Africa.

## Broad Based Black Economic Empowerment Strategy

SEIFSA has, since 2003, been directly involved, through the National Economic Development and Labour Council (Nedlac) Trade and Industry Chamber, on the Department of Trade and Industry's Broad Based Black Economic Empowerment (BBBEE) strategy, the BBBEE scorecard and the respective codes of good practice.

SEIFSA has worked hard in attempting to champion the interests of local manufacturers and expects government to support local industry - and with it, job creation and employment retention by ensuring that, wherever possible, government departments and parastatals favour local content in fulfilling their procurement requirements.

## Contract Price Adjustment (Escalation) Assistance

In addition to publishing the monthly Price and Index Pages, which monitors changes in the cost of labour, materials and services used in the metal and engineering industry, SEIFSA also advises and assists member companies on contract price adjustment (CPA) provisions and the relevance of indices used for price adjustment purposes.

The federation regularly reviews the composition and structure of the various SEIFSA indices to ensure that they remain relevant and as accurate as possible.

The development of a number of additional indices is currently under review.

## Economic and Commercial Training

SEIFSA continues to present a comprehensive range of practical economics and commercial training courses, seminars and workshops, including:

- Employment equity and your BBBEE strategy.
- Understanding the end-to-end process of measuring, verifying and managing BBBEE compliance.
- The theory and calculation of Contract Price Adjustment.

## COMMUNICATION SERVICES

SEIFSA's marketing and communications function is responsible for developing, implementing and monitoring the federation's marketing strategies and maintaining effective channels of communication between SEIFSA and its member companies.

### SEIFSA Membership Survey

The SEIFSA membership was invited, during April, to participate in a survey aimed at gaining a better insight into member companies' perceptions of SEIFSA and the portfolio of services and products that the federation offers; the current use of services; membership satisfaction levels, and to identify future service needs.

A research report has been compiled detailing the survey findings and strategy recommendations. The SEIFSA directorate is currently reviewing the survey results and intends to implement the key recommendations arising from the survey.

### Electronic Communication

- **Electronic Newsletters**

SEIFSA sent out regular electronic newsletters to member companies during the course of the year. These covered up to date information on breaking news, latest industry developments and upcoming events and workshops.

- **SEIFSA News Online**

*SEIFSA News*, the federation's official publication and main channel of communication to the membership, can now also be viewed online. This electronic version affords easy accessibility to the latest industry news.

- **Website ([www.seifsa.co.za](http://www.seifsa.co.za))**

SEIFSA's website continues to perform an important communications role for the federation's membership. Many industry relevant articles, latest developments and news in the industry, have been posted on the website, and covered a range of topics including:

- Details of the industry wage increase arrangements and exemption applications procedure;
- The Merseta mandatory and discretionary grant application process;
- Employment equity requirements;
- Busa, the bargaining council and Merseta related announcements;
- Industrial policy developments;
- The ongoing developments in the industry funds' surplus apportionment and data verification exercise; and
- Developments regarding SEIFSA's stance on the Eskom and municipalities' application to Nersa for electricity price increases.

The website also hosts 35 Association web pages. These provide a brief overview on the activities of the respective Associations, their chairpersons, contact details and a list of upcoming meetings and events. A link has also been provided to the *SEIFSA Buyers' Guide* to enable visitors to view companies belonging to the Associations and their respective range of products and service offerings.

An online shopping cart with credit card payment options is under development. This will facilitate the direct and easy purchase and payment of SEIFSA publications and the booking of SEIFSA workshops and training courses.

- **Website portals**

The following portals are housed within the SEIFSA website:

- An electronic subscription to SEIFSA's Price and Index Pages (PIPS). This includes direct access to the indices - essential for the immediate completion of contracts, tenders and escalation claims.
- An electronic buyers' guide, comprising a detailed list of all the products and services available from SEIFSA's member companies. It also enables companies to update their details and data online.
- A Main Agreement online subscription service – providing a number of additional benefits over the published version.

## **Publications**

- ***About SEIFSA***

The publication *About SEIFSA* is in its second year of production. It provides a comprehensive overview of SEIFSA and the products and services offered to the membership.

- ***SEIFSA News***

*SEIFSA News* is published on a monthly basis from January to November each year and is now in its twenty-eighth year of publication. It is regarded as the authoritative voice on industrial relations, skills development, trade, BBBEE and health and safety issues in the metal and engineering industry. It has a distribution of 3,000 copies.

## **Events**

### **Presidential Breakfast and Annual General Meeting: 2009**

SEIFSA's 66<sup>th</sup> Annual General Meeting was held on 9 October 2009 at the Country Club Johannesburg. Norbert Claussen, CEO of Powertech was elected SEIFSA President.

The Annual General Meeting was followed by the federation's annual Presidential Breakfast, with Bobby Godsell (then Chairman of Eskom) as guest speaker. He addressed guests on the power supply challenges experienced by all South Africans and urged that the country start looking at alternative sources of power - especially nuclear and solar, with the private sector taking ownership in this regard.

### **Golf Day**

SEIFSA hosted a successful Golf Day at Randpark Golf Club on Friday, 28 May this year.

### **Annual Conference**

The SEIFSA Annual Conference took place in May. The focus of the conference was on key strategic changes of impact to business, investors and stakeholders falling within the metal industry. The conference speakers included the Minister of

Higher Education and Training, the Director-General: Department of Labour, Harald Pakendorf (a political analyst) and the Merseta CEO.

### 11<sup>th</sup> National Roadshow

The theme for the 11<sup>th</sup> National Roadshow was *Industry on a Tightrope*. Over 300 delegates attended the sessions held around the country. The Roadshow provides an opportunity for SEIFSA's management team to meet with and address member companies on topical industry issues.

The presentations at this past year's Roadshow included:

- Key challenges facing the metal industry;
- The impact of the recession on the manufacturing sector and prospects for recovery;
- Effective health and safety management in periods of economic crisis; and
- New developments in the skills development arena.

## SEIFSA REPRESENTATION ON OTHER BODIES

### SEIFSA Representation

SEIFSA is represented on the following industry, sectoral and national structures and bodies:

- The Council of European Employers of the Metal, Engineering and Technology-Based Industries (CEEMET).
- Business Unity South Africa (Busa).
- Commission for Conciliation, Mediation and Arbitration.
- Manufacturing, Engineering and Related Services Seta (Merseta).
- Metal and Engineering Industries' Bargaining Council (MEIBC).
- Metal Industries Benefit Funds' Administrators (Mibfa).
- National Economic, Development and Labour Council (Nedlac).
- National Skills Authority (NSA).
- Customs and VAT Enforcement Caucus.
- Electricity Intensive Users' Forum.
- Eskom Task Group on Electricity.
- The Fund for Research into Industrial Development, Growth and Equity Committee of Nedlac.
- The Fundi Training Centre Governing Body.
- Institute of Safety Management.
- International Trade Administration Commission.
- South African Institute of Iron and Steel Downstream Development Committee.
- Technical Sectoral Liaison Committee on Trade Agreements of Nedlac.

SEIFSA, through its direct participation in these national bodies, is able to influence business and policy makers at the highest level and to represent the interests of members. This is aligned to the federation's vision: *To add value to our members as the recognised voice of the metal and engineering industry.*

### Business Unity South Africa (BUS A)

SEIFSA is a founder member of Business Unity South Africa (Busa) and, as such, participates fully in a wide range of forums and structures that shape the nature of the South African regulatory environment. SEIFSA plays an active role in the following Busa activities and initiatives:

- **Standing Committee on Economic Policy**

SEIFSA is represented on the Busa Standing Committee on Economic Policy by Njabulo Mkhize, SEIFSA's economics executive. The committee serves mainly as the employer caucus for Nedlac's Trade and Industry Chamber, Public Finance and Monetary Policy Chamber and the Development Chamber.

- **Sub-Committee on Education and Training**

SEIFSA is represented on this committee by Janet Lopes, SEIFSA's skills development executive. The committee acts as a joint employer body to examine and make recommendations on policy matters in the field of skills development.

- **Standing Committee on Social Policy**

David Carson, SEIFSA's executive director, and Lucio Trentini, SEIFSA's operations director, serve as members of this committee. The committee examines and makes recommendations on policy matters in the field of industrial relations and serves as the employer caucus for Nedlac's Labour Market Chamber.

### **Commission for Conciliation, Mediation and Arbitration (CCMA)**

David Carson, SEIFSA's executive director, serves as a governing body member of the CCMA.

### **Manufacturing, Engineering and Related Services Seta (MERSETA)**

- **Governing Board**

SEIFSA is represented on the Merseta Governing Board by the federation's skills development executive, Janet Lopes, and industry representatives, Guy Harris and William Nsele.

- **Executive Committee**

SEIFSA's skills development executive, Janet Lopes, and industry representative, Guy Harris, represent the federation on the Merseta Executive Committee.

- **Audit Committee**

Industry representative, Chris Murray, serves on the Merseta Audit Committee.

### **Metal and Engineering Industries' Bargaining Council (MEIBC)**

The Metal and Engineering Industries' Bargaining Council (MEIBC) is the forum created by SEIFSA and the industry trade unions to facilitate the industry wage and employment conditions negotiations and to administer and enforce the various collective agreements arising from this process.

SEIFSA serves the employer interests on the following MEIBC structures and committees:

- **The Management Committee**

This committee controls the activities of the bargaining council and determines its strategic direction and focus.

- **The National Finance and Administration Committee**

This committee controls the council's administrative and financial functions and responsibilities.

- **The National Standing Committee**

This committee is responsible for negotiating various issues arising from the industry's Settlement Agreement and other technical issues which arise relating to the industry's Main Agreement.

- **The Regional Councils**

SEIFSA's regional managers and appointed employer representatives serve on the council's regional structures. These regional councils are responsible for the administration of the MEIBC's functions in the regions falling under the scope of jurisdiction of the bargaining council.

### **Metal Industries Benefit Funds Administrators (MIBFA)**

SEIFSA is represented on MIBFA's Board of Directors and on the Boards of Management of the four industry benefit funds, namely:

- Engineering Industries' Pension Fund (EIPF).
- Metal Industries' Provident Fund (MIPF).
- Metal and Engineering Industries' Permanent Disability Scheme (PDS).
- The Sick Pay Fund.

SEIFSA represents 50% of the membership of each of these bodies, with the industry's trade unions making up the balance.

### **National Economic, Development and Labour Council (NEDLAC)**

Nedlac provides a national forum for government, organised business, labour and community groups to meet and engage on issues of social and economic policy.

Nedlac's aim is to make economic decision-making more inclusive and to promote the goals of economic growth and social equity. Organised business is represented on Nedlac by representatives appointed by Business Unity South Africa (Busa) - of which SEIFSA is a member.



SEIFSA serves the organised business and federation's interests on the following Nedlac committees:

- **National Demarcation Committee**

SEIFSA's executive director is a business representative on Nedlac's National Demarcation Committee. This committee provides a forum where all formal applications for registration, variation of registration and demarcation applications between bargaining councils and statutory councils are considered. In addition, all CCMA demarcation awards are considered.

- **Labour Market Chamber**

SEIFSA's executive and operations directors serve the organised business and federation's interests on Nedlac's Labour Market Chamber. The chamber provides a forum where the social partners are able to engage in meaningful debate around proposed amendments to labour legislation and planned changes to the country's labour market policy.

- **Trade and Industry Chamber**

SEIFSA's economics executive is a business representative on the Trade and Industry Chamber of Nedlac. The chamber provides a forum where the social partners are able to engage in meaningful debate around various industrial policy options and alternatives.

### **National Skills Authority (NSA)**

SEIFSA's skills development executive represents business on the National Skills Authority, which is the strategic policy body on skills development matters in South Africa.

## **THANKS**

SEIFSA would like to thank the numerous senior executives of member companies who contribute to its work by representing the federation on various forums and bodies. In particular, the office would like to thank the SEIFSA president, Mr. Norbert Claussen, the members of SEIFSA's Executive Committee, the SEIFSA Council members and each of the Association representatives for their positive contribution to the work and success of the federation over the past year.