

Steel and Engineering Industries Federation of South Africa

ANNUAL REVIEW 2013



CELEBRATING 70 YEARS OF SERVICE EXCELLENCE

The Steel and Engineering Industries Federation of South Africa (SEIFSA) is a national employer federation representing the metal and engineering industry. Since 1943, SEIFSA has provided active support for Employer Associations and lobbied for policies that have improved the business environment in which its members operate.

This year, we proudly celebrate our 70 year anniversary. Looking back with pride, SEIFSA has certainly become the recognised voice of the metal and engineering industry.

SEIFSA's management team represents employers' associations on a number of organisations that are critical to the success of the industry. At industry level, SEIFSA negotiates collective agreements covering wages and conditions of employment with the trade unions.

SEIFSA provides a comprehensive range of products and services of direct benefit to Associations and their members. The SEIFSA divisions specialise in industrial relations, skills development, economic and commercial and health and safety. SEIFSA's range of services and products includes advice, assistance, consultancy (covering labour legislation, dispute resolution, employment conditions, health and safety, broad-based black economic empowerment, contract price adjustment and skills development), publications, training courses, seminars and conferences.

SEIFSA is the umbrella body for 27 independent employer associations - representing the diverse sectors constituting the metal and engineering industry.

Over the years, SEIFSA has helped to promote a business environment in which Associations can successfully operate. The past year has been no exception and SEIFSA has demonstrated that it plays a vital role in promoting and protecting the interests of employers in the industry.

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SEIFSA THROUGH THE DECADES

1940s

In 1941, a national umbrella organisation called the South African Federation of Engineering and Metallurgical Associations (SAFEMA) was formed, representing 440 employers. The name was later changed to the Steel and Engineering Industries Federation of South Africa (SEIFSA). In 1944 the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industry was formed and the first national wage agreement for the industry was forged.

1950s

In 1949-50, the two influential developments were the introduction of import restrictions and the opening of a second Iscor steel works at Vanderbijlpark. In the mid-1950s, the industry's Sick Pay Fund and Group Life and Provident Fund were established, mainly for skilled workers. These two laws entrenched racial division in the conduct of labour relationships. Before the end of the decade, the Industrial Conciliation Act was amended to introduce job reservation, calculated to protect white workers. SEIFSA objected to this legislation.

1960s

SEIFSA's growth mirrored the industry's advances. By 1966 it comprised 41 autonomous employer associations representing more than 1 600 firms. The associations were charged with negotiating wages and employment conditions with the trade unions - which SEIFSA conducted on their behalf. In 1965 the Metal Industries Medical Aid Fund was launched mainly for skilled employees. In the following year the Metal Industries Group Pension Fund was established as a non-contributory scheme mainly for unskilled employees. By the end of 1966 some 28 000 artisans were at work in the industry and 6 000 apprentices were being trained.

1970s

The Physical Planning and Utilisation of Resources Act prevented the progress of black workers into more skilled job categories in an industry which had long been inhibited by a shortage of skilled white workers. SEIFSA continued working within the limitations of the law to try to overcome the skills shortage and screened immigrants applying for skilled jobs in the industry. In 1972, SEIFSA was successful in securing an agreement with the industry's trade unions to enable black workers to advance into higher skilled (previously white) operative jobs. The Federation became a signatory to the Urban Foundation Code of Employment Practice in 1978 and consequently negotiated the removal of all job discrimination and racially based provisions from the industry's Main Agreement.

1980s

The Federation kept securing small victories over the apartheid system by continuously re-evaluating and redefining jobs and the skills components these required. SEIFSA warned that barriers such as inadequate maths and science and inequalities in training facilities had to be addressed. It also pressed government to expand and expedite the building of housing for black people. According to former SEIFSA president Graham Boustred, we were the first major industry to eliminate completely the concept of race from our agreements and the SEIFSA minimum wage has been a target of achievement for many other industries. Thanks to a Main Agreement on employment conditions, the time lost to the industry through work stoppages was minimal. The wage gap between unskilled and skilled workers was narrowed from a ratio of 5:1 in 1961 to 2.8:1 in the early eighties.

1990s

The rules of the Metal Industries Group Pension Fund were amended to allow members to pledge pension contributions as security for home loans. SEIFSA and Numsa agreed to investigate a long-term strategy to promote stability, skills and productivity in the industry. Through David Carson, then director of SEIFSA's industrial relations division, the Federation submitted a report to the Truth and Reconciliation Commission, covering events and developments affecting the industry and the Federation from 1960 to 1994. A new national employer confederation, Business South Africa (now Busa Unity South Africa), was formed with SEIFSA as a founder member. An industrial relations so-called New Deal between employers and unions gave the new century a bright beginning.

2000s

SEIFSA, together with the industry's trade unions, was instrumental in introducing a radical restructuring of both the bargaining council and the approach to wage negotiations. This resulted in a landmark two-year wage deal, a programme to introduce a 40 hour work week and flexible working time arrangements for voluntary implementation at company level. Aside from committed support for artisan training at national strategic level and at sector level on the MerSETA, SEIFSA became an active participant by outsourcing the management of its apprentice training centre in Benoni to Gijima in 2003. The centre was renamed the Fundi Training Centre and quickly established a reputation as a centre of excellence. SEIFSA played a leading role in the establishment and management of the newly established MerSETA and the introduction of the new levy/grant system.

The past remembered is a good guide for the future.



PRESIDENTIAL ADDRESS



Mr Henk Duys, SEIFSA President

Extract of the Presidential Address

Address of the 2012/13 President, Mr Henk Duys, delivered at SEIFSA's annual Presidential Breakfast in Johannesburg on 11 October 2013.

It is a pleasure for me to present this address at SEIFSA's annual Presidential Breakfast in the year that SEIFSA celebrates its 70th anniversary. A comprehensive resumé of this year's activities is documented in the Annual Review which I urge you to read. I am briefly going to highlight certain of the Federation's key activities over the past year, identify some of the immediate challenges facing our businesses and then move on to some personal comments.

This year the Steel and Engineering Industries Federation of South Africa proudly celebrates 70 years of service excellence as a national employer federation representing the metal and engineering industry since 1943. For 70 years, SEIFSA has provided active support for Employer Associations and lobbied for policies that have improved the business environment in which its members operate. SEIFSA's key focus has always been on building strong employer associations reflecting the views of their respective memberships and in supporting the needs, interests and transformation objectives of responsible employers in the industry.

ECONOMIC OVERVIEW

This past year has seen SEIFSA's economics department becoming increasingly recognised as an important contributor to the economic debate in our country. Amongst many others, the department has focused its attention on:

- Assembling more relevant and accurate data: who we are, what we do, where we are, the critical issues and suggestions on the way forward;
- Participating in Busa initiatives as well as with many other private sector institutions;
- Contributing to the Trade and Industry Chamber of NEDLAC where significant economic debates take place and;
- Reporting to and interacting with the South African Reserve Bank in discussions on monetary policy and the economy in general.

SEIFSA has also provided valuable input on the National Development Plan and contributed meaningfully to policy development, the Industrial Policy Action Plan (IPAP), the Manufacturing Competitiveness

Enhancement Programme (MCEP), the 'designated products' programme of the Dti and the restriction on scrap exports. It is participating in the resources beneficiation debate and the impact of global warming as well as on vital issues affecting the ship building and repair and the emerging oil and gas support - sectors so obviously employment creators.

INDUSTRIAL RELATIONS

Moving onto industrial relations and given the lingering negative impact of the recession on our sector and the difficult trading conditions still facing our members, we can take comfort in the fact that there were no wage negotiations this year. On reflection, the agreement employers reached with the unions in 2011 delivered peace and stability in our industry and, considering the settlements in other industrial sectors, at a relatively lower cost, albeit that we have consistently awarded higher than inflation wage increases which today gives cause for concern as we lose ground in the global competition ratings.

This was of particular significance in view of the widespread industrial action and strikes experienced in many other sectors and the associated high wage settlements which appeared to fly in the face of low levels of inflation and the need to retain employment in the country.

INDUSTRY POLICY FORUM

There is an expectation that the Industry Policy Forum established in terms of the 2011/2013 Settlement Agreement will bring about major change and improvement to our industry. Having been delayed two years as a result of the Neasa challenges to the MEIBC's legitimacy, the IPF has yet to begin serious work. Clearly the key goals of the IPF are to stabilise our industry (i.e. stop the decline), make us more competitive and stimulate growth. These objectives encompass job retention and creation goals, skills creation goals, productivity improvement goals and business investment and growth goals and will bring advantage to all stakeholders – our members, our workers, the State and the community at large. The common goals are obvious, but how to achieve these is the big question.

The IPF is a mini industry Codessa, a realisation that we cannot continue on the self destruction path of the past. An all-inclusive, multi-participant realisation that change has to happen and the best way to effect change is through multi-level all inclusive stakeholder interaction and participation in, and agreement on, a formula which builds and grows the metals and engineering sector in our country and brings consequent material benefits for all sides in win-win solutions.

BARGAINING COUNCIL AND INDUSTRY MATTERS

Extension of the Main Agreement to Non-Parties

The Minister of Labour's gazettal and extension of the 2011 / 2013 Main Agreement settlement agreement - entered into between SEIFSA on behalf of the 27 federated employer associations and the industries six trade unions - vindicates a long held view that agreements entered into between the majority of contesting parties, at considerable cost and power-play must, through statute, become the basis on which employers throughout industry conduct their businesses.

Current SEIFSA policy supports centralised collective bargaining and the long established practice of extending collective agreements to non-parties and as such welcomes the Minister's decision and interprets this action not only as a vote of confidence in our collective bargaining processes and practices but as an important signal that government will continue to support the extension of collective agreements to minority parties who have exercised their right not to participate in the process.

Collective bargaining is not a perfect model and challenges will continue both against its supposed appropriateness and, more importantly, on the constitutional question surrounding the custom and practice of extending agreements to non-parties.

Collective Bargaining Levy Agreement

In 2003, a collective bargaining levy agreement was introduced into the metal and engineering industry, a five year agreement which was renewed for a further five year period and expired on 31 December 2012. Since then, as a result of the Neasa dispute as to who should represent the employer view on the bargaining council, the industry has been without a current collective bargaining levy agreement and, as a result, had serious negative funds flow consequences for both organised employer and labour parties on the Bargaining Council.

A new agreement lies on the Minister of Labour's desk and is waiting for her signature which we hope to be imminent. It is likely that the Minister will stipulate that the proportionate levy payments should be made directly to the individual employer associations who are parties on the bargaining council. This will mean that revised service level agreements and the fee arrangements between the associations and the Federation will need to be re-negotiated and amended.

Bargaining Council Seat Allocation Dispute

The dispute as to how employer seats at the MEIBC should be allocated has now culminated in protracted arbitration proceedings between the SEIFSA affiliated Associations and Neasa.

Part of Neasa's challenge is the allegation that the Associations members of SEIFSA are nothing more than empty shells and that SEIFSA itself, as a Federation and not a registered employer organisation, has no right to represent the SEIFSA member associations on the MEIBC as their mandated agent. Neasa claims to be the largest 'legitimate' employer association and is therefore entitled to a majority seat allocation.

The facts are that, whichever way one looks at it, by number of employer members or by number of employees employed by employer members, when compared with Neasa, SEIFSA associations collectively have more employer members and three times more the number of employees employed by these members.

The arguments from both sides are lengthy and complicated. Suffice to say, as I prepare this address, the arbitration process continues and we remain reasonably confident of a satisfactory outcome.

One thing for certain that has to happen once this is all over, is to review and amend the constitution of the MEIBC to, on the one hand, more equitably reflect the current economic state of the metal and engineering industry in South Africa. This needs to take into account regional economic activity, including provision for emerging and/or developing new economic nodes whilst, at the same time ensuring that all distinct sectors of the metal and engineering industry are adequately represented on the Council, including small business and other sufficiently representative employer bodies.

SKILLS DEVELOPMENT

Skills development matters, this year is marked by significant changes which have taken place across the skills development environment, driven, in particular, by the extensive amendments to the levy grant funding system, which up until now had remained relatively unchanged since the introduction of the Seta system in 2000.

The full effect and negative impact of the changed grant regulations on training and skills development is cause for serious concern. With a much reduced mandatory grant and a financially strapped MerSETA which is unable to make any firm predictions as to the level of discretionary grant to be paid to those who train, firms are unable to budget fully and so their commitment

to training will be less – the exact opposite of what we want and a contradiction of the government's stated aims of supporting and encouraging firms to train more artisans to meet the needs of all the Strategic Integrated Projects (SIPS).

Clearly the root of many of our problems lies in the weakness of the basic education system. It has deteriorated so far, the backlog is so great, and the urgency so imperative that government on its own cannot solve the problems and all stakeholders through employer and labour collaboration with government must assist with and support all initiatives to improve all levels of education in South Africa – and of course for us, a fast track to the advancement of mathematics and science qualifications in our schools must be a priority.

ON A PERSONAL NOTE

Now allow me to make a few observations and comments about SEIFSA and what lies ahead. All my own un-mandated views, let me hasten to add.

In the 70 year history of SEIFSA there cannot be too many periods when the organisation has been faced with so many challenges all at the same time!

The times that we are going through are probably the most challenging in our history. Our new country has yet to find its feet and direction. The global economy has been in a slump for many years now. Our own industry has not grown and as a result we have not trained more people. We have seen more restrictive legislation impacting on our ability to run and stay in business. Our relative competitiveness as a nation has declined. Our State and its ability to implement the essential strategic projects needed to build the infrastructure so necessary for our survival have yet to see the light of day.

Ahead of us lie many challenges, the critical IPF and the anticipated successes thereof, our forthcoming 2014 wage negotiations and the bargaining approach next year, the special dispensations needed by many of our smaller associations, the shortage of important skills, our country's power shortages, constraints on growth, the continuing unrest at grass roots levels in our communities, next year's political elections, inflation, the global economy – all will have a major impact on how we go forward.

For this we need leadership, in which I believe we are rather thin. Why? I am not entirely sure but I think it has to do with the perception of SEIFSA's relevance or lack thereof in today's times. This is the end of my second term as President of SEIFSA, and I am not the first to serve more than one term. The message is that there is no succession plan in place for this

vital position. Those industry leaders who should be participating in the affairs and policy development of SEIFSA are not coming forward and volunteering their service and input.

In the first 55 - 60 years of its existence, SEIFSA was led by the captains of industry - the chairmen and chief executive officers of large corporations which were instrumental in building our country. It was expected, almost as part of their respective career paths, that, in addition to their role as leaders of their own companies they should also go through the ranks of SEIFSA and serve a term as its president; a position largely titular and well supported by the strong and effective full time executive team employed by SEIFSA under a strong executive director.

The president's job was simple, he chaired the meetings and occasionally made public comment, but the real spokesman and leader was the executive director who operated within clear mandates and policy frameworks set for him by the SEIFSA Council and Executive Committee. Since May, SEIFSA has been without an executive director. The acting team, under deputy CEO Elsa Venter, is motivated and committed and has done and is doing a fantastic job but we need new blood and new thinking to lead our organisation in the new and different challenges facing us today.

Not only will the new executive director have to take the lead in all the issues raised earlier, but he or she will also have to attract the leaders of our associations to get them to become active in our affairs and participate in the critical policy formulation and interactions that are due to take place. Much of this input must come from the leadership of the associations federated to SEIFSA. The new democracy which is emerging within the organisation and which is encapsulated in our recently adopted Memorandum of Incorporation is reliant on quality input and leadership rising to the top leadership ranks of SEIFSA – its Council and its Executive Committee.

SEIFSA associations' diversity in size of member, location and activity is a fact of history which very largely mirrors the state of the metal and engineering industry in South Africa – also diverse and complex – we arrived at this point through the historical evolution of the industrialisation of our country since the early 1940s.

What was good for us over many years is not necessarily good for us now. One size does not fit all anymore. If we don't accommodate the broad spectrum of businesses in our industry, we will fail.

Changed circumstances means changed approaches to the old problems are needed. We will split our organisation if large business dictates to small business and yet each has legitimate cases for their points of view. The pressures for more regional or sector autonomy, for greater flexibility and freedom of action at company level, for wage and cost relief to allow business survival - not just growth - are growing by the day. All this speaks as to how we bargain, what bargaining model should be adopted – fully central as in the past, partial central and partial regional / sector or fully regional / sector. Centralised bargaining with special dispensations for motivated regional / sector needs would seem to be the answer, but individual associations need to make up their own minds and develop appropriate mandates for the negotiating teams to implement.

Without far greater flexibility in the overall SEIFSA mandate and in the resultant terms and conditions of an agreement to be considered for acceptance by the associations, I fear that we will have great difficulty in keeping our associations in the fold next year and that some of them may well stand out and not be party to the final agreement and take their chances as a result.

The way we bargain has to change. The old way was self-destructive. We will kill our businesses and there will be less employment if we continue on the old path. It cannot be business as usual. We simply don't have the money to satisfy the much needed and justified demands of our workers, the solutions lie in a joint commitment to sacrifice short-term gains in favour of jointly tackling increased productivity, enhanced global competitiveness and expansion of our economy in the medium to long terms - not in continuously attacking the soft and sympathetic underbelly of the employers! This means that we can no longer have one sided bargaining – bargain is a bargain – compromise and benefits for both sides.

Employers are seeking real benefits – they can only justify increased wage costs if that is offset through productivity gains. They are prepared to take the initiative to train and enhance the productive levels of their workforces so as to retain or improve their market competitiveness but they cannot do this AND give unrealistic wage awards at the same time! Improved wages follows improved productivity not the other way around.

But before we even start talking about wages and conditions of employment we must talk about how we are going to deal with the violence and intimidation question, the strike and picket rules and how these are to be enforced. I am encouraged that the recent strikes

in other sectors seem to have been less violent, but an accord reached well in advance between the parties will go a long way to ensuring that our forthcoming negotiations, robust as usual, will not degenerate and our rights to continue operations are not violated and the physical assets making up the very means for our workers to earn a living are protected.

Apart from the hard wage related issues, both next year's negotiations and possibly also the IPF should be looking at how we can get increased flexibility and manage the peaks and valleys in our respective demand cycles better. There are many examples of how this is done in other countries.

Let me now reflect on the IPF. Can we really get it off the ground and working for us? Is it possible to calmly and maturely discuss and debate the road forward as envisaged in the mandate of the IPF whilst at the same time we are in tension filled negotiations around the next Main Agreement? One must surely give way to the other? Can we have them both, wage and terms negotiations and the IPF at the same time? If we think that the outcomes of the IPF will be the savior of our industry then surely we should waste no time and get on with it, putting aside or delaying the wage negotiations – perhaps just extending the formula and models of the current agreement – until the IPF has produced some concrete, meaningful outcomes? If we don't agree with this approach then I foresee the IPF being put on hold during the negotiations with dire consequences for the time frames and the IPF's credibility itself as a medium to effect the necessary changes to our industry and our economic futures.

As a concluding remark, I wish to comment on the contradictions of government. There are far too many instances where government gives on the one hand and takes away on the other. We see it all the time. There is a wide call to create jobs and yet more restrictive labour legislation is introduced. Already stretched MerSETA funds are now to be used to assist with funding university fees. The proposed carbon tax and emissions control places a heavy burden on the metal and engineering sector and will increase the cost of doing business including more administrative burden and red tape when we need exactly the opposite. Government must decide on how it is going to stimulate employment and focus all its resources on that single objective – all the other 'nice to haves' must wait, we just cannot afford to be first world in this regard, at this stage of our industrial development.

A huge thank you to all the SEIFSA staff for their dedicated, efficient service and passion for the Federation and the wonderful support which I received

from them during my period in office. To the members of the SEIFSA Council and to the many employer representatives on the various bodies in which SEIFSA interacts, I say a big thank you for giving your time and input so readily and I thank all my Executive Committee colleagues for their ongoing support this past year.

I thank you.



SEIFSA PAST PRESIDENTS

• 1943-1944	HC Gearing	• 1979	CD Ellis
• 1945	MNW Napier	• 1980	RT Shaw
• 1946	JM Osborne	• 1981	L Boyd
• 1947	HJ van der Bijl	• 1982	JED Bramwell
• 1948	BG Twycross	• 1983	PE Streicher
• 1949	LHL Badham	• 1984	JW Nelson
• 1950	JM Russell	• 1985	FP Kotzee
• 1951	JS Sinton	• 1986	R Mason
• 1952	AG Williams	• 1987	KN Jenkins
• 1953	D Lion-Cachet	• 1988	RB Savage
• 1954	JM Osborne	• 1989	W van Wyk
• 1955	CM Kruger	• 1990	DB Mostert
• 1956	WF Boustred	• 1991	RA Barbour
• 1957	JS Sinton	• 1992	DC Brink
• 1958	AG Williams	• 1993	CJM Prinsloo
• 1959	JA Black	• 1994	PA Watt
• 1960	JM Russell	• 1995	TE Jones
• 1961	HK Roseveare	• 1996	J Trotskie
• 1962	WE Kirkwood	• 1997	DCG Murray
• 1963	CM Kruger	• 1998	CV Campbell
• 1964	JED Greenhorn	• 1999	WW Cooper
• 1965	JM Russell	• 2000	LL van Niekerk
• 1966	LB Knoll	• 2001	C Grim
• 1967	WL Morrison	• 2002	A Harris
• 1968	AB Anderson	• 2003	D Keet
• 1969	WE Kirkwood	• 2004	HW Duys
• 1970	WG Boustred	• 2005	HH Fischer
• 1971	GA MacWhirter	• 2006	M Pimstein
• 1972	RC Throssell	• 2007	M Pimstein
• 1973	LB Knoll	• 2008	J Fourie
• 1974	JP Coetzee	• 2009	J Fourie
• 1975	TM King	• 2010	N Claussen
• 1976	AL Charles	• 2011	N Claussen
• 1977	JP Kearney	• 2012	HW Duys
• 1978	WN Randell	• 2013	HW Duys

ANNUAL REVIEW

The Steel and Engineering Industries Federation of South Africa (SEIFSA) - 70 years of service excellence

The Steel and Engineering Industries Federation of South Africa (SEIFSA) is a national employer federation which has represented the metal and engineering industry since 1943. This year, we proudly celebrate our 70 year anniversary.

For 70 years, SEIFSA has provided active support for Employer Associations and lobbied for policies that have improved the business environment in which its members operate. SEIFSA's key focus has always been on building strong employer associations reflecting the views of their respective membership and in supporting the needs, interests and transformation objectives of responsible employers in the industry.

SEIFSA represents the views and interests of its 27 independent registered employer associations on the various structures and committees of the Metal and Engineering Industries Bargaining Council (MEIBC) and other institutions and bodies, currently including Business Unity South Africa (Busa), the Manufacturing, Engineering and Related Services Seta (MerSETA), Metal Industries Benefit Funds' Administrators (Mibfa) and the National Economic, Development and Labour Council (Nedlac), and has been doing so for many years.

The 27 associations have chosen to seek membership of the Federation in order to ensure that SEIFSA and its appointed officials represent them directly in promoting the needs, interests and transformation objectives of responsible employers in the industry.

Since 1943, SEIFSA has delivered service to the affiliated employer associations (and indirectly to their respective membership), participated in the affairs of the bargaining council, established very successful industry wide pension and provident funds. It has also established a very extensive range of other social security benefit fund arrangements, including a sick pay fund, a disability fund, funeral benefit schemes and a bursary scheme; concluded terms and conditions of employment agreements; introduced agreements permitting the introduction of short-time working arrangements, as well as the development, negotiation and introduction of small business wage exemptions and multi-year wage deals.

It has also been at the forefront of artisan training and skills development promotion in the industry and in South Africa today. SEIFSA, for example, devised and introduced the very first innovative industry-wide levy/grant scheme to promote artisan training over 40 years ago which resulted in substantial growth in artisan numbers to the benefit of the industry and the wider economy.

SEIFSA's executive and management team represents employers on a number of organisations that are critical to the success of the industry, including Busa and Nedlac. 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 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 bargaining council, the MerSETA, Mibfa, 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 seven main channels of communication:

- Association meetings;
- SEIFSA's website (www.seifsa.co.za);
- Electronic mails and membership messages;
- SEIFSA News;
- The Annual SEIFSA Conference;
- The SEIFSA Roadshow which is held in the main centres across the country; and
- Direct personal contact with the SEIFSA staff.

SEIFSA is a non-profit-making body. Its main source of income derives from annual per capita levies on members. The balance of the Federation's income derives from payment for services rendered and products sold to companies in the industry. Since its inception in 1943, SEIFSA has helped to promote a business environment in which its members can successfully run their businesses.

SEIFSA's functional operations comprise the following five specialist divisions:

- Industrial relations services
- Economics and commercial services
- Skills development services
- Health and safety services
- Legal services

SEIFSA's range of products and services 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.

SEIFSA has left a noteworthy legacy over the past 70 years and will continue to play a leadership role in the industry in the years ahead.

MEMBERSHIP

SEIFSA is the umbrella body for the following 27 independent employer associations, each representing one or more of the diverse sectors constituting today's metal and engineering industry:

- Association of Electric Cable Manufacturers of South Africa
- Association of Metal Service Centres of South Africa
- Cape Engineers and Founders Association (**CEFA**)
- Constructional Engineering Association (South Africa)
- Electrical Engineering and Allied Industries Association
- Electrical Manufacturers' Association of South Africa (**EMASA**)
- Ferro Alloy Producers' Association
- Gate and Fence Association
- Hand Tool Manufacturers' Association (**HATMA**)
- Hot Dip Galvanizers Association Southern Africa
- Iron and Steel Producers' Association of South Africa (**ISPA**)
- Lift Engineering Association of South Africa
- Light Engineering Industries Association of SA
- KwaZulu-Natal Engineering Industries Association
- Non-Ferrous Metal Industries Association of South Africa
- Plumbers and Engineers Brassware Manufacturers' Association
- Port Elizabeth Engineers' Association
- Pressure Equipment Manufacturers' Association of SA
- Refrigeration and Air-Conditioning Manufacturers' and Suppliers' Association (**RAMSA**)
- SA Electro-Plating Industries Association
- South African Engineers and Founders' Association
- South African Fasteners Manufacturers' Association (**SAFMA**)
- South African Post Tensioning Association (**SAPTA**)
- South African Pump Manufacturers' Association (**SAPMA**)
- SA Reinforced Concrete Engineers' Association (**SARCEA**)
- SA Valve and Actuators Manufacturers' Association (**SAVAMA**)
- South African Refrigeration and Air-Conditioning Contractors' Association (**SARACCA**)

Three of these associations are regionally based - located in Cape Town, Durban and Port Elizabeth.

The associations currently have a combined membership of 2,190 companies employing 221,942 hourly-paid workers. The SEIFSA membership employs 51% of the industry's workforce and over 78% of all scheduled employees represented by the employer organisations party to the Metal and Engineering Industries Bargaining Council. This makes SEIFSA one of the largest and most influential employer federations in South Africa.

Member companies of the federated Associations, range from giant steelmaking corporations to micro-enterprises. Of these member companies, 62% employ fewer than 50 employees.

At the end of June this year, 75% of the companies engaged in the metal and engineering industry throughout South Africa under the membership of the 27 Associations federated to SEIFSA were located in Gauteng. The regional location of the SEIFSA membership is illustrated in Fig 1.2.

Fig 1.1 SEIFSA Membership by Size of Workforce: June 2013

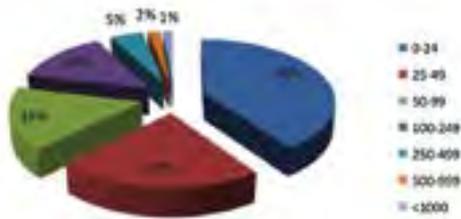
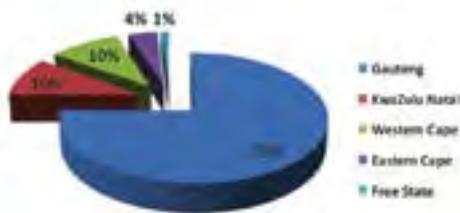


Fig 1.2 SEIFSA Membership by Regional Location: June 2013



To date the Funds have made good progress in paying out the surplus to pensioners and past members of the Funds as well as apportioning the surplus to current Fund members.

Highlights of this process:

- Over 30 000 pensioners have received a 17% increase in pensions and have been paid over R1.5 billion in lump sum bonuses.
- Over R1.5 billion has been allocated to pensioners for future increases.
- 102 000 former members have been paid R5.6 billion of surplus.
- 160 000 active members have been allocated over R4.2 billion in surplus enhancements to their Fund Credits, which will be paid out to them when they leave the industry .
- Over R10 billion has been allocated to the Contribution Increase Programme Reserve Account, which serves to top up Pension and Provident Fund current contribution rates to 18%.
- Over R2 billion has been allocated to EIPF members for conversion purposes.
- In summary, R24.8 billion of the R28 billion of surplus has been paid or allocated to members.

The amount that now remains in surplus will be paid to former members as and when they come forward with full and complete documentation.

There are over 25 000 former members who still need to supply documents for payment of their surplus monies or who have supplied applications during 2013 for Surplus statements. It is envisaged that the majority of these members will be paid in 2013.

RETIREMENT OF THE EXECUTIVE DIRECTOR

SEIFSA's Executive Director, David Carson, who served the Federation's interests with dedication and distinction over the past 37 years, retired at the end of April 2013.

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



Mr David Carson

METAL INDUSTRY FUNDS' SURPLUS APPORTIONMENT

PROGRESS WITH SURPLUS PAYMENTS IN THE INDUSTRY FUNDS

The Surplus Apportionment Schemes of the Engineering Industries Pension Fund (EIPF) and Metal Industries Provident Fund (MIPF) were approved by the Financial Services Board (FSB) on 30 November 2011.

ADMINISTRATION SERVICES

ASSOCIATIONS

Key strategic objectives identified during the course of the comprehensive consultative process with federated associations last year were incorporated into SEIFSA's three-year strategic plan. One of these objectives was to strengthen the SEIFSA associations and to improve channels of communication between SEIFSA, the associations and their respective member companies. This process was a focus for SEIFSA during the course of this financial year.

Strategic sessions were held with the following Associations:

- Electrical Engineering and Allied Industries Association – facilitated by SEIFSA;
- South African Engineers and Founders' Association – facilitated by SEIFSA
- Light Engineering Industries Association of SA – facilitated by SEIFSA
- Pressure Equipment Manufacturers' Association – facilitated by the Association;
- Constructional Engineering Association (South Africa) – facilitated by the Association;
- Cape Engineers and Founders Association (CEFA) – follow up session.

The following key actions, which were common to these Associations, were identified:

- The core business and specific fields of interest of each Association;
- Specialist structures or committees have been

established and interested members have been appointed to serve on these new structures;

- A matrix identifying the Associations' common interests and/or activities;
- The establishment of a Small Business Forum.

During the course of this strategic planning process, the following associations were identified as being inactive, and, following extensive consultation with the affected membership (have subsequently been transferred to other relevant active associations), the Office has taken the necessary action to seek the cancellation of their registration by the Registrar of Labour Relations:

- Covered Conductors Manufacturers' Association;
- Radio, Appliance and Television Association of South Africa;
- Machine Engravers;
- Sheet Metal Industries' Association; and
- Electronic and Telecommunications Industries' Association.

In order to further strengthen the Associations, a Chairpersons' Strategic Forum was established whereby the Associations would be able to participate and play an active role in and make a meaningful contribution to the formulation of strategy on a variety of important challenges facing the industry. SEIFSA recognised that the respective Associations played an important role in shaping the strategic direction of the sector and the constructive engagement that would unfold between industry's stakeholders. An inaugural meeting of the forum was held on 15 May 2013 and thereafter monthly meetings have occurred.

As acknowledgement of the loyalty of individual

member companies to the federated associations, the following membership recognition structure has been introduced:

- Gold member companies - 50 to 69 years' membership
- Silver member companies - 25 to 40 years' membership
- Bronze member companies - 10 to 24 years' membership
- Standard member companies - 1 to 9 years' membership

For the 2012/2013 financial year the number of companies in the above loyalty structure were as follows:

- Gold member - 14 companies
- Silver member - 415 companies
- Bronze member - 663 companies

A total of 1092 companies have been members for more than 10 years.

ADMINISTRATION AND ACCOUNTING SERVICES

SEIFSA provides an extensive secretarial and accounting service to the majority of the Federated associations. SEIFSA's goals include the implementation of service level agreements, regulating the relationship between SEIFSA and each association, and to serve and promote the best interests of the associations and the industry at large.

MEETINGS

The SEIFSA Council is the policy and decision-making body of the Federation. It comprises elected representatives from each of the affiliated associations, together with co-opted industrialists and industry leaders. A key focus is on strengthening the participation by the associations on the SEIFSA Council and by ensuring that the appointed association representatives attend Council meetings on a regular basis and report back to their respective associations.



ECONOMIC AND COMMERCIAL SERVICES

DEEPENING THE UNDERSTANDING OF ISSUES IN THE METAL AND ENGINEERING SECTOR

During the 2012/2013 financial year, much effort went into finding and understanding data available on the metal and engineering sector, refining the formats of reporting to members and using it to influence the environment to the benefit of members. This process is on-going. Four reports have materialised thus far:

- The core report is presented to SEIFSA Council on a monthly basis, consisting of general feedback about research undertaken, subjects addressed and interaction that took place in the process of marketing SEIFSA's views. The second part covers recent statistics and reports on trends in the different sub industries.
- The second monthly report introduced since the beginning of 2013, comprises analyses of price escalation trends with the aim of raising awareness and to provide comparable information on the PPI and CPI.
- A set of fact sheets has been made available and discussed at the Economics Forum. It comprises graphical overviews of confidence and quantitative data for each of the four groups of industries that make up the metal and engineering sector. It covers production, employment, investment and trade data.
- The Economic and Commercial division produced a prototype report for metal products, mainly to test

whether sufficient data sources are available to compile quarterly reports.

Apart from regular training sessions, the Economic and Commercial division have started to consult on individual company needs regarding Price Escalation trends. Fundamental changes and improvements have been made to the escalation indices.

A successful audit was done on the methodology and sources of data used to compile the SEIFSA indices. This exercise will be repeated bi-annually. The layout of the published indices has been standardised and new indices added. All the indices were rebased to fall in line with the production price indices (PPI) base year of December 2012 = 100. The base years will be revised every five years in future.

The division has undergone changes with Charl Cilliers resigning in March 2013 and Christelle Badenhorst taking over his duties. Taffie Chibanguza was appointed as a junior economist in January 2013 and Eleen van Rooyen joined the team in May 2013.

INTERACTION WITH MEMBERS, ASSOCIATIONS AND THE POLICY ENVIRONMENT

- Empowering SEIFSA membership with data and trends about their own industries has been paramount.

- Attending Association meetings throughout the year to keep members abreast of trends in the economic environment.

Advocating SEIFSA's views outside of the fraternity has been a focus:

- Participation in Busa initiatives increased, as well as cooperation with other private sector institutions (AFSA, SAISC, SASSDA and Downstream Development Committee) covering a wide range of subjects.
- SEIFSA has a permanent seat (as part of the Busa team) at the Trade and Industry Chamber of Nedlac where significant economic debates take place.
- SEIFSA is also represented at the South African Reserve Bank in discussions on monetary policy and the economy.
- Direct interaction with National Treasury (at Busa) and the Department of Trade and Industry started during the year under review.
- Improving and strengthening the relationship with the department of Trade and Industry (as the lead department for the metal and engineering sector) has been a major objective.
- Interaction at Nedlac.

The formula for better contact comprises of three elements:

- Regular communication of sector trends from SEIFSA to Dti and conversely the latest policy developments from Dti to SEIFSA.
- Specific issues/studies require direct contact with individual officials, as was the case with discussions on scrap metals and designation of transformers.
- The third mode of interaction is collectively called the cluster approach (popularised by Michael Porter, 1998, 2003) and seems to be the preferred method by the Dti. Several industry groupings (NFTN, AFSA/NFMIA, SAVAMA, SAFMA, tool makers and others) have achieved success and in many cases received financial support directed to them from government. The studies done in preparation for designation of products for public sector procurement (transformers, cables, power pylons) all followed this approach. The export councils are another example. The success of the automotive industry with their incentives is probably the best example of what could be achieved. This approach will have to be explored further and may suggest a new approach for SEIFSA to work with its associations. This may change the whole dynamic of member involvement and synergies amongst small, medium and large sized companies.

ECONOMIC AND INDUSTRIAL POLICY

SEIFSA gave input on the following topics:

- E-tolling became a contentious issue and OUTA tried to persuade Busa members to support their legal battle. This was resisted by Busa members due to opposing interests and the potential damage to the principles of user pay, private public partnerships and foreign investment and investor confidence. SEIFSA supported this view.
- Busa approached the Ports Regulator resisting the application for exorbitant price increases and was successful. The Department of Trade and Industry agreed and came out in strong opposition to the skewed port charges against manufactured exports. SEIFSA supported this view in a presentation at the Minister of Trade and Industry's strategic session with Nedlac. Transnet addressed this issue recently.
- SEIFSA was in agreement with business that interest rates should be lowered in July 2012, which was successful when the Monetary Policy Committee lowered the prime overdraft rate in August.
- Regular interaction takes place between Busa and the senior advisors to Minister Gordhan of National Treasury. SEIFSA is part of this group and gave detailed input on the health of the metal and engineering sector on several occasions.
- SEIFSA commented on government's budget for 2013/14 concentrating on the major Strategic Infrastructure Projects (SIPs) and their potential impact on our sector. The perceived lack of impact has been monitored in monthly statistical reports. SEIFSA was asked to participate in several of the studies as well as the preparatory work taking place for some of the SIPs. The main focus areas to enhance the impact for members are to support localisation of procurement and the human resource development aspect of the projects.
- Energy prices are rising substantially and are an important input cost in the sector. SEIFSA made a submission to NERSA on Eskom's multi-year price determination application arguing against the 16% electricity tariff increases, which NERSA headed and only allowed 8%. The plight of members was also taken up regarding administered prices and specifically the discrepancies between local/metro authority tariffs (and increases) and those charged by Eskom directly. The office learnt recently that the Dti has launched an investigation into this issue. Gas price increases will also be determined by

NERSA from next year and a new formula has been introduced. In the past, gas price increases have followed electricity tariff increases closely, but the new process may allow gas price movements to deviate (upwards) from electricity prices.

- As a member of the economists' group at Busa, SEIFSA has been asked to assist with the compilation of a template/framework as a tool to aid with the evaluation of implementation policies of the National Development Plan and to structure business comments as a contribution to policy development.
- The governor of the South African Reserve Bank holds economic round table discussions every second month which SEIFSA attends. One particular meeting (June 2013) provided an excellent opportunity to put the case of the metal and engineering sector in terms its contribution to the economy, recent trends and the contribution to the country's trade balance. At similar meetings, the CEOs of Transnet and Eskom presented their plans and provided similar opportunities to give their sector's perspective.
- The Industrial Policy Action Plan (IPAP) (2012/13 – 2014/15) was published during the year. SEIFSA attended the launch and studied the document itself in relation to the National Development Plan.
- Two policy instruments contained in IPAP were actively pursued. With regard to the Manufacturing Competitiveness Enhancement Programme (MCEP), awareness was raised through a workshop for members and several articles were published. Awareness was also raised around the option of designation of products for procurement by state institutions. Such a process was facilitated for the transformer manufacturers. The application was however unfortunately turned down by the Dti.
- A longstanding project (12 years) to improve the availability of ferrous and non-ferrous scrap metal to local manufacturers has culminated in the announcement by the Minister of Economic Development of restrictions on exports and price preferences for the available scrap in South Africa. This entailed the unlocking of the impasse in Nedlac, commissioning of another study on the matter and lobbying Dti and EDD in conjunction with the NFMIA, AFSA and other bodies.
- Beneficiation of mineral resources within South African borders instead of exporting raw commodities has been on the agenda of government since 2005, with a policy document (from the Department of Mineral Resources) in June 2011. Upon enquiry, the Dti confirmed that a study was in progress on the matter and would be brought to Nedlac for discussion. Much confusion and lack of coordination exists on the matter, yet

SEIFSA members who could potentially benefit have not, until recently, been involved in the debate. Interaction with the Industrial Development Corporation (IDC) has started.

- Ship building and repair has been, and could potentially again be, a substantial source of business for SEIFSA members. To understand the current status (essentially with Transnet and the Ports Authority) an overview report was commissioned from consultants for members' information and made available. The Dti is also busy with a study on the matter which will also be brought to Nedlac.

INTERNATIONAL TRADE POLICY

International trade and policies are crucial for the metal and engineering sector as almost 60% of production is exported and the sector competes for 60% of the domestic market with imports. A highly complex regime of policies, laws and international interest groups become apparent when entering this arena and, the trends and outcomes of these processes influence the metal and engineering companies directly on a daily basis.

SEIFSA serves on the Busa Trade Policy Committee (TradePol) and takes part in the TESELICO meetings. TESELICO is a subcommittee of the Trade and Industry Chamber of Nedlac. Direct links have been established with Dti on matters such as designation, with SARS's Customs and Excise and with the Council for Compulsory Registration regarding substandard products coming into the country. Busa proposed a SEIFSA staff member to represent it on the International Trade Advisory Commission of the Dti. This nomination was unsuccessful. ITAC is the institution that evaluates and oversees all tariffs and other trade measures.

The capacity to effectively manage this area of SEIFSA's responsibility will have to be strengthened into a proper trade response group(s). The expert knowledge of members and associations is needed to utilise and complement the detailed trade data that SEIFSA already has. The vision is to empower SEIFSA members/associations to use trade information to respond appropriately to harmful import penetration and export opportunities. The division started with reports on trade statistics to promote interest, which will be extended substantially next year. However, the working groups will have to be created to have an impact.

To remain abreast of developments in the international trade policy arena on behalf of members, SEIFSA subscribes to an international trade expert's newsletter and takes part in discussions of the manufacturing and trade forum. Detailed analysis of the customs and excise import/export data per product line has commenced which will be included in regular reports to SEIFSA Council and the associations.

Some of the important issues that occupied SEIFSA's attention were:

- A process of revision of South Africa's overall trade policy has commenced at the Dti and will culminate in a Trade Policy Strategic Framework. Only some elements of the content has been shared with Busa/ Nedlac members and the recent announcement of the non-renewal of investment agreements with major European countries was apparently in line with the new thinking.
- India made an offensive offer to have a preferential trade agreement with South Africa, which meant that tariffs would have to be lowered or scrapped on almost 2000 different product lines. This was rejected by the labour constituency in Nedlac and strongly resisted by business. Initially government seemed to be enthusiastic about the idea and pressure was put on the other two constituencies to agree. As negotiations dragged on, and the poultry anti-dumping case against Brazil heated up, government's position softened based on decisions in favour of jobs. The matter has not been concluded but the outcome is expected to have minimal negative impact on South African companies.
- During the year, the Dti demonstrated that they are starting to monitor imports more closely in conjunction with SARS and would be seeking industry help to sharpen their ability to understand the situation better. SARS has gone live with a single electronic system, monitoring all incoming trade through all ports of entry, with four operation centres. SARS has developed a risk assessment tool (in conjunction with the clothing and textile industries) that warns of suspect imports which is then followed up (with remarkable success according to industry experts).

The possibility of legal support for companies planning to operate in African markets was investigated. LEX Africa is a network of legal firms in most African countries supplying basic information which is regularly updated, with the added advantage of being a gateway to reputable legal experts that can assist companies. This has been made available on the SEIFSA website.

NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL

The National Economic Development and Labour Council (Nedlac) is a vehicle for multilateral engagement amongst government, business and labour representatives. Its primary objective is to scrutinise bills before they go to Parliament and not to act as a monitoring agency. A large part of the work revolves around trade policy and all the treaties with other countries and trade blocks, as well as participation in world trade institutions. The list includes WTO Trade Negotiations, SACU - USA – TIDCA, SACU – INDIA, Trade in Services, COMESA - EAC - SADC Free Trade Agreement, SADC - EC/EPA and SACU – EFTA. The second important component of the work entails industrial policy and bills. These include deliberations on the Industrial Policy Action Plan (IPAP), National Water Amendment Bill, Customs Fraud and Illegal Imports, Protection of Personal Information Bill, Standards Quality Accreditation Metrology, Preferential Procurement Regulations, Climate Change, Carbon taxes, Water Quality Risks and the Cooperatives Amendment Bill.

TRANSFORMATION (BROAD-BASED BLACK ECONOMIC EMPOWERMENT) POLICY

SEIFSA is represented on the Transformation Policy Committee (TransPol) at Busa. Components of transformation policy are discussed at Nedlac in three chambers: the Development, Trade and Industry and Labour Chambers.

Much uncertainty exists in this area of policy, yet the impact on the business environment is wide, from the structure of company ownership and control to eligibility for policy incentives from government. Changes have been proposed to the BBB-EE Act and have been under discussion for some time. Proposed changes to the Codes of Conduct have been published for comment and government is still in the process of finalising the codes. Meanwhile, changes are also proposed to the



public procurement regime, so as to incorporate more variables and preferences in the system, but no finality has been reached yet.

In practice, the implementation of policies seemed to be adjusted, with protracted debates involving Transnet's interpretations, for example, resulting in delays in tender processes.

SEMINARS AND ENGAGEMENTS

Henk Langenhoven spoke at an international conference organised under the auspices of SAISC, titled The future of South Africa, Africa and the world and the challenges for steel construction. SEIFSA also participated at a session of the German-SA Chamber of Commerce covering the latest trends in the South African metal and engineering sector and had discussions with MacQuarie First South Capital and ABSA Capital on the same topic.

INDUSTRIAL RELATIONS SERVICES

EXTENSION OF THE MAIN AGREEMENT

Given the difficult trading conditions that most companies are facing, member companies can take some comfort from the fact that there were no wage negotiations this year.

After a difficult round of negotiations in 2011, agreement was reached with the industry's trade unions on the terms and conditions of employment for a three-year period ending 30 June 2014.

In terms of the amended agreement, the industry's annual wage increases effective 1 July 2013 were finalised in accordance with the wage model agreed with the trade unions in 2011.

The increases range from 7% at Rate A to 8% at Rate H.

- Rate A: 7% and Rate H: 8%
- However, if the CPI (April figure published in May) is 8% or above, then the actual wage adjustment will be based on CPI (April figure published in May) plus 2% respectively
- Because the CPI figure for April 2013 was 5.9%, the agreed minimum increases of 7% to 8% for Rates A to H have been applied.

There were no further changes to employment conditions for the second year of the three year agreement and all other terms and conditions of employment remain unchanged.

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.

WAGE INCREASES FOR 2013

The agreed increases for all grades and sectors have been calculated by reference to the following wage model:

INDUSTRY POLICY FORUM

The 2011/2013 Settlement Agreement was successful in initiating a high-level commitment by the industry's employer and trade union leadership to start engaging one another on the critical challenges facing the metal and engineering industry.

The establishment of the Industry Policy Forum creates a vitally important strategic forum on which the SEIFSA leadership, the unions' presidents and general secretaries and government ministers will commence engagement on a range of national challenges, including the following:

- The identification of the specific factors that have contributed to the decline of the metal industry (in terms of output, employment, contribution to GDP and the like) and then design strategies and implementation plans to grow investment, promote business, develop skills and create a competitive manufacturing capability in the domestic and global market.
- The promotion of the growth and viability of the industry as a key contributor to South Africa's growth, investment and employment objectives.
- The formulation of an industry view on the national industrial and trade strategies.
- The development of strategies directed at promoting effective job retention and employment creation mechanisms in the industry.

It is unfortunate that the launch of the Industry Policy Forum was delayed by the challenge to the constitutionality of the bargaining council by Neasa (an employer organisation that was not a signatory to the creation of the Industrial Policy Forum). However, with the resolution of this issue, the processes are now finally under way bringing this SEIFSA-initiated forum into existence.

A strategic and operational planning process is currently under way between employers, trade unions, the bargaining council and StratAlign (the independent body appointed by the parties to facilitate and co-ordinate the IPF project) with a view to giving proper definition and enable buy-in to the objectives and plans of the IPF.

Discussions are aimed at the signing-off on a strategic plan for the IPF which seeks to clarify the identity, vision and values of the IPF; its strategic objectives and enablers; its structure and modus operandi and, finally, the relationship between the IPF and the Bargaining Council.

The parties have furthermore agreed to splitting the agreed terms of reference of the forum into the following broad categories (each driven through a simple, but effective, mission statement). This will allow the IPF to deal with all the issues concurrently and will expedite the process.

In accordance with this proposal, the suggested

composition and grouping of the two parallel structures is illustrated on page 24.

NATIONAL TRADE AND POLICY CHALLENGES:

National trade and policy issues requiring attention by the industry leadership and relevant government departments.

MAIN AGREEMENT CHALLENGES:

Industry issues capable of resolution by the trade union and employer negotiators working under the auspices of the bargaining council.

The work of the IPF has for all intents and purposes now begun. While the challenges are formidable, the achievement of its objectives would provide a platform for the re-engineering of the industry to meet the key challenges of the retention and creation of jobs as well as the enhanced competitiveness of the industry to the immense benefit of all the stakeholders.



RELATIONSHIP BETWEEN THE MEIBC AND THE IPF PROCESS



THE STRUCTURING OF THE IPF



BARGAINING COUNCIL AND INDUSTRY MATTERS

EXTENSION OF THE MAIN AGREEMENT TO NON- PARTIES

The decision by the Minister of Labour to gazette and extend the 2011 / 2013 Main Agreement to all parties and non-parties in industry amounts to a vote of confidence for centralised collective bargaining in the metal industry. The decision by the Minister of Labour finally lays to rest the question whether or not parties who represent the majority of employers and employees in industry have the right to extend their agreements to non-parties.

The challenge by Neasa and the PCA (SA) was founded on the principle that, whilst the majority are at liberty to determine their own terms and conditions of employment, they have no right to extend their agreements to minority non-parties.

The gazettal and extension of the 2011 / 2013 Main Agreement settlement agreement by the Minister of Labour - entered into between SEIFSA on behalf of the 27 federated employer associations and the six trade unions in the industry, vindicates a long held view that agreements entered into between the majority of contesting parties, at considerable cost and power-play must, through statute, become the basis on which employers throughout industry conduct their businesses.

The 2011 / 2013 three-year wage deal could arguably be viewed as being an agreement that was not to everyone's liking, but it has delivered on its promise of maintaining industrial peace and stability over the last three years - a period that could quite easily be characterised as the most unstable and volatile period of industrial relations experienced in a very long time in our country.

Collective bargaining is not a perfect model and challenges will continue both against its supposed appropriateness and more, importantly, on the constitutional question surrounding the custom and practice of extending agreements to non-parties.

SEIFSA supports centralised collective bargaining and the long established practice of extending collective agreements to non-parties. As the voice of individual employers employing in excess of 200 000 employees, SEIFSA has already commenced preparation for

the forthcoming round of annual wage negotiations scheduled to kick-off early in 2014.

SEIFSA welcomes the decision by the Minister of Labour and interprets this action not only as a vote of confidence in our collective bargaining processes and practices but an important signal that the Government will continue to support the extension of collective agreements to minority parties who have exercised their right not to participate in the process.

COLLECTIVE BARGAINING LEVY AGREEMENT

A collective bargaining levy agreement was introduced into the metal and engineering industry during 2003. The agreement was enacted for five years, renewed for a further five year period in 2008 and expired on 31 December 2012. A new collective bargaining levy agreement has been forwarded to the Department of Labour but at this stage the actual date of implementation is unknown as it depends on the decision of the Minister of Labour.

In terms of an agreement reached between the employer parties and the industry trade unions, all companies which are not members of an employer organisation which is a party to the bargaining council and all scheduled employees who are not members of one of the six industry trade unions who are likewise members of the bargaining council will be obliged to pay a collective bargaining levy to the bargaining council.

The term "scheduled employees" refers to those employees whose jobs and minimum rates of pay are covered in the Main Agreement. These levy contributions are collected by the bargaining council and distributed to the employer organisations and the trade unions on a proportional basis, according to the size of their respective membership in the industry.

The respective collective bargaining levies are as follows:

Every company falling under the jurisdiction of the bargaining council which is not a member of one of the constituent Employer Associations affiliated to SEIFSA, Neasa, Feosa and/or the Border Industrial Employers' Association is obliged to pay a monthly levy of R198.00 to the bargaining council.

Management is obliged to make a compulsory deduction of one per cent from the basic weekly or monthly earnings of all scheduled employees who are not members of one of the following trade unions:

- Chemical, Energy, Paper, Printing, Wood and Allied Workers' Union (CEPPWAWU)
- Metal and Electrical Workers' Union of South Africa (MEWUSA)
- Solidarity
- United Association of S.A. (UASA)
- National Union of Metalworkers of South Africa (NUMSA)
- SA Equity Workers' Association (SAEWA).

With few exceptions over the past 70 years, the collective agreements negotiated between employers and the industry trade unions, have been extended to cover all companies and employees engaged in the industry, irrespective of whether they were members of the organisations referred to above that concluded the various agreements or not.

Prior to the introduction of the levy, the considerable costs incurred by the bargaining council, the respective employer bodies and the trade unions in negotiating these industry agreements were borne exclusively by the respective employer organisations' membership and the unionised workforce respectively. The collective bargaining levy is aimed at addressing this anomalous position by obliging all non-members to contribute financially towards the parties' negotiating costs.

Some examples of the types of negotiations undertaken by the respective employer organisations and the party trade unions and extended to the benefit of all companies in the industry are set out below:

- The negotiation of two-year and three-year wage and conditions of employment agreements since 1999. These agreements introduced certainty for industry employers and employees regarding the level of wage increases and conditions of employment – allowing for better planning and budgeting for all employers and employees in industry. It also guaranteed protection against any form of legal strike action for the duration of these agreements with industrial action only being experienced in 2007 and 2011 over the last decade.
- The industry has enjoyed an enviable record of industrial peace and stability over the past 70 years. This is a direct consequence of the involvement of the various employer associations and trade unions in industry negotiations. Only four national strikes have occurred in the industry's history over this period (in 1988, 1992, 2007 and 2011).
- Comprehensive conditions of employment have been negotiated at industry level - this has removed pressure for the negotiation of these types of employment-related issues at individual companies.
- A framework agreement was negotiated between

the parties and introduced into the Main Agreement permitting the voluntary implementation of a variety of flexible working time arrangements at individual companies in the industry. This agreement allows management and their employees to reach agreement on the annualisation of working hours; the averaging of working time; the introduction of compressed working weeks and the implementation of any other mutually acceptable working time arrangements at company level.

- A comprehensive and favourable social security benefit fund structure has been created by the employer and trade union parties for the industry. This includes a pension fund, a provident fund, a sick pay fund and an employee disability fund. This has enabled employers to provide a full range of favourable benefits and social security plans for employees without having to create or administer these schemes at company level.
- Negotiations at industry level between the employer and trade union parties have resulted in a metal industry funds' surplus apportionment agreement with benefits to the entire industry. This agreement follows an extensive period of litigation, discussion and highly technical negotiations (over at least the past seven years) by the employer and employee trustees serving on the boards of the industry's pension and provident funds.
- The surplus apportionment scheme concluded by the trustees will have far reaching positive financial and retirement security implications for all former industry fund members, active members (current members of the funds), pensioners, paid-up members and all industry employers.
- The employer and trade union parties were extensively involved in the negotiations around the creation, structure, role and function of the MerSETA. This includes the negotiation of a comprehensive range of training grants and the implementation of various training initiatives available to all companies in the industry.

At this stage the collective bargaining levy agreement is lodged with the Department of Labour awaiting the Minister of Labour's consent to its introduction.

BARGAINING COUNCIL SEAT ALLOCATION DISPUTE

The four days set aside for the arbitration proceedings between the SEIFSA affiliated Associations versus Neasa on 20 to 23 May 2013 commenced with the arbitrator taking the parties through a process of facilitated mediation in an attempt to find a mutually acceptable solution to the dispute or, at the very least, attempt to reach an agreement on the narrowing of the issues that would be arbitrated.



The process of facilitated mediation lasted three days. By close of business on 22 May, it became apparent that, not only had the parties failed to arrive at a solution to the dispute, but it seemed as if Neasa was adamant that it was not prepared either to abandon or set-aside for another day their allegation that all the Associations are nothing more than empty shells and that each and every Association be put to the test under cross examination to disprove this assertion. Likewise, it was clear that the Association team was not prepared to budge on a number of key principles in relation to the seat allocation formula and the allocation thereof and that, if it meant that it would take a long, drawn out and costly process to disprove the empty shell assertion, so be it.

The Associations' key principles included:

- That the formula for the allocation of seats be based on employee strength (i.e. number of employees employed by individual member companies),
- That the allocation of seats on the bargaining council be populated in accordance with the current bargaining council constitution, and
- That the current voting arrangement would not be amended to require a majority vote amongst the combined employer vote before any motion could be tabled for adoption (a key Neasa demand, resulting in a veto vote) whereas the current constitution requires a simple majority vote of all the management committee representatives on the bargaining council to adopt a resolution.

At the commencement of the arbitration proceedings on 23 May, the Association position was tabled confirming that the arbitrator deal with the question of a formula and the application of the formula, based on employee numbers, to the population of the Council and that the challenge to the Associations' alleged authority and jurisdiction be dealt with outside this process.

Neasa countered that they were legally entitled to pursue their no member claim and that in any event (and on this point both sides were in agreement) even if the MEIBC report on verification of the respective parties' representivity were adopted, the MEIBC audit report did not address the regional distribution of employer and employee representivity in the respective six regions of the Council (i.e. Cape, Border, KZN, Midlands, Gauteng and FS & Northern Cape) needed in order to apply a formula to populate the regional seats on the bargaining council.

The MEIBC industry membership verification report illustrates a global or national representation of the collective employer and employee strength of all the Associations versus that of Neasa.

The arbitrator alluded to the possibility that it would be well within his rights to adjourn the proceedings to allow for the regional distribution of employer and employee representivity in the respective six regions to be addressed between the Associations federated to SEIFSA and Neasa and, once a report was tabled, he could then apply his mind to the matter of the formula and application thereof.

After careful consideration of the merits of pushing ahead on an arbitration with a critical element of the argument not being readily available, the risk of inviting a long and costly process of placing each of the 27 Associations on the stand to answer questions on their legal status and the opportunity once and for all, to have access to, examine and scrutinise the Neasa claimed membership levels - it was agreed that the arbitration adjourn, pending:

- The establishment of a task team comprising legal representatives from SEIFSA and Neasa, accountable to the same arbitrator, tasked with addressing the question of establishing the regional distribution of employer and employee representivity in the respective six regions;

Further:

- That authority be afforded to the arbitrator to hear and deal with any and all points of disagreement immediately through legal rulings as the process unfolds;
- That the process also deal with the no member point, as well as establishing the actual regional data;
- That the process has nothing to do with the examination of any mandating processes; and
- Finally, that the exercise be completed well in advance of the resumption of formal arbitration proceedings scheduled for 23 - 27 September 2013 and 7 - 10 October 2013.

In the interim, the status quo remains and the work of the Bargaining Council, Industry Policy Forum and related Bargaining Council structures continues unhindered.

LABOUR LAW AMENDMENT BILLS

In December 2010, the Department of Labour published the following labour law amendment Bills and presented these to the National Economic Development and Labour Council (Nedlac) for negotiation by representatives from organised business, labour and government:

- The Labour Relations Amendment Bill;
- The Basic Conditions of Employment Amendment Bill;
- The Employment Equity Amendment Bill; and
- An Employment Services Bill.

Despite the countless hours spent during protracted negotiations in Nedlac, many key and principle areas of disagreement still remained by the end of the process.

Business was particularly concerned that not enough notice had been taken of the Regulatory Impact Assessment done on the proposed Bills. It argued, for example, that the amendments relating to fixed-term contracts would have enormous cost implications for employers. In addition, the amendments which extend organisational rights to minority unions and the attempt to create parity between permanent employees and those in an atypical relationship with employers would simply increase the administrative and cost burden on employers.

Labour, on the other hand, argued that the amendments relating to violence during strike action and essential services severely limit the workers' constitutional right to strike. Labour was also determined to extend the protection currently afforded to permanent employees to atypical employment relationships such as fixed-term contracts and part-time employees - a move which business argued would again add to the cost of employment.

Cosatu, as the largest trade union federation, simply refused to compromise on any of the areas conducive to job creation and remained steadfast in their demand for a total ban of labour brokers.

During 2012, negotiations on the Labour Relations Amendment Bill and Basic Conditions of Employment Amendment Bill were concluded. The Minister of Labour submitted the amendment Bills for the Labour Relations Act and the Basic Conditions of Employment Act to the Cabinet and Cabinet approved the submissions of



these Bills to Parliament. Parliamentary hearings were conducted on both Bills by the Portfolio Committee on Labour and it is now anticipated that the Bills will be submitted to the National Assembly and the National Council of Provinces respectively for adoption.

The Nedlac negotiations on the Employment Services Bill and the Employment Equity Amendment Bill were also concluded during 2012. On the Employment Equity Amendment Bill, the social partners reached consensus on amendments dealing with discriminatory matters, however, no consensus was reached on amendments dealing with compliance and enforcement. Business raised concerns regarding the competency of the labour inspectorate which has resulted in poor enforcement and indicated that there was no evidence that the proposed amendments would improve either enforcement or compliance.

In addition, business rejected government's proposal to link fines to a percentage of turnover, arguing strongly that turnover has no relationship to the offence. Business proposed that a better approach would be to adjust the fines upwards in line with the movements in the CPI increases since the Act was last amended and to thereafter provide for annual CPI increases. This proposal was rejected by both labour and government.

On the Employment Services Bill, some consensus has been achieved by the social partners with regard to the contents of the proposed Employment Services Bill, including in-principle agreement on:

- The establishment, role and function of the proposed public employment services agencies;
- The registration and licensing of private employment agencies (i.e. labour brokers); and
- The establishment of an Employment Services Board to advise the Minister of Labour on employment services developments and proposed regulations.

There is little doubt that the proposed legislative changes contemplated in the Bills are complex and fundamental in nature. SEIFSA, together with other business interest groups, will be doing everything possible to ensure that the business view is heard, and equally important, is properly recorded in anticipation of the Parliamentary process being concluded.

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 provides a comprehensive job grading service - in terms of which a grading specialist is available to observe all the operations and jobs performed at individual member companies and then grade these in accordance with the Main Agreement technical schedules.

This has proved to be a valuable service to members in countering the pressure exerted by shop stewards and employees to have workers' jobs graded.

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, preparing legal arguments, and formulating and presenting the opening and closing statements at the formal arbitration hearings 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 provides advice and assistance to member companies on a range of issues related to the bargaining council, including the following:

- The interpretation, application and implementation of the bargaining council's collective agreements; and

- The formulation and processing of wage and other exemption applications.

GENERAL INDUSTRIAL RELATIONS SERVICES

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

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

INDUSTRIAL RELATIONS PUBLICATIONS

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

- A Summary of the Key Elements of the Labour Relations Act.
- A Practical Guide to Implementing Retrenchment Law at the Workplace.
- HIV and Aids in the Metal and Engineering Industry.
- 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 the Searching of Employees.

MAIN AGREEMENT PUBLICATIONS

SEIFSA released the latest version of the publication: The Main Agreement Handbook for the Metal Industry, 2013/14 in July. This annual publication is an easy-to-read summary of the industry's Main Agreement.

The latest edition of the associated Main Agreement Wall Chart was also published in July. It summarises the key sections of the Main Agreement in a poster format.

- Implementing the Employment Equity Act,
- Effective Industrial Relations on the Shopfloor,
- Understanding the New Main Agreement,
- The A-Z of the Main Agreement,
- Managing Sick Leave at the Workplace,
- Current Labour Law,
- Amendments to Labour Law,
- Conducting Fair and Effective Discipline at the Workplace,
- Understanding Employment Contract Law,
- How to Prepare for and Conduct a Disciplinary Hearing,
- Understanding the Law of Evidence,
- The Companies Act,
- Quarterly Labour Law Review.

MAIN AGREEMENT PORTAL

The Main Agreement portal, hosted on the SEIFSA website (www.seifsa.co.za), provides a unique on-line service for member companies. The portal facility is available to guide management on the detailed terms and conditions of employment in the industry. The key features of this portal include:

- A word search facility which enables members to access specific information in a simple and expedited manner,
- Downloadable pro-forma letters, employment contracts and other documentation related to the Main Agreement and employment provisions,
- Downloadable updates on industrial relations and labour law developments,
- An interactive forum where members can pose questions directly to the SEIFSA industrial relations staff and view questions and answers from other subscribers,
- Direct access to SEIFSA's industrial relations case study library and database,
- 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:

BUSA STANDING COMMITTEE ON SOCIAL POLICY

SEIFSA is represented on the Busa Standing Committee on Social Policy. Regular meetings of the committee were held during the course of the year and matters discussed included the following:

- The on-going Nedlac labour market policy review programme;
- The proposed social security and retirement reform review; and
- The formulation of a proposed business engagement strategy on National Health Insurance.

NEDLAC LABOUR MARKET CHAMBER

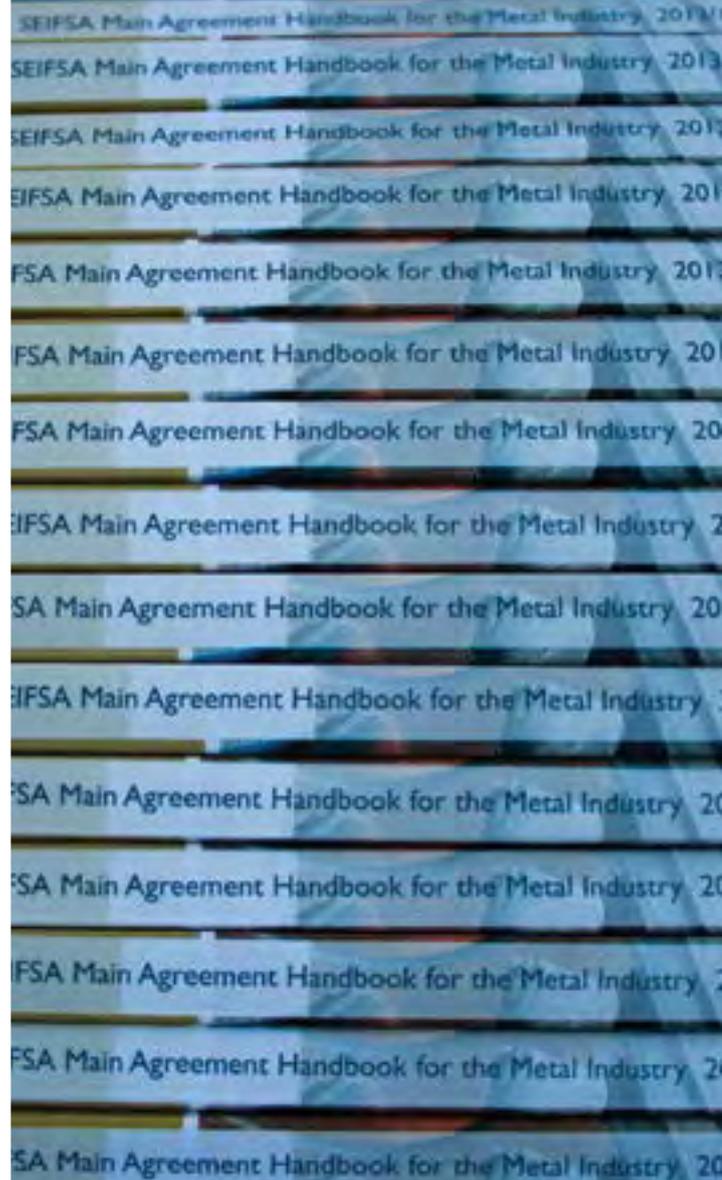
SEIFSA's operations director serves as a business representative on Nedlac's Labour Market Chamber (LMC). The LMC provides a forum where senior government representatives (from the Department of Labour), organised labour (from Cosatu and Fedusa) and organised business (from Busa) are able to engage on proposed amendments to labour legislation and planned changes to the country's labour market policy.

This year the Chamber's work programme included debate and discussion on the following key focus areas:

- The labour market policy review programme;
- Proposed policy on appointment of insolvency practitioners by the master of the High Court;
- Proposed introduction of a national disability policy;
- Proposed amendments to the COIDA Act; and
- The proposed introduction of a women empowerment and gender equality bill.

NEDLAC NATIONAL DEMARICATION COMMITTEE

The SEIFSA operations director serves as a business representative on Nedlac's National Demarcation Committee. This committee is a national forum where applications for the registration and variation of scope of bargaining and statutory councils are considered and determined, and draft arbitration awards related to demarcation disputes are reviewed. The SEIFSA operations director serves as a business representative on Nedlac's National Demarcation Committee. This committee is a national forum where applications for the registration and variation of scope of bargaining and statutory councils are considered and determined, and draft arbitration awards related to demarcation disputes are reviewed.



HEALTH AND SAFETY SERVICES

LEGISLATION

OCCUPATIONAL HEALTH AND SAFETY BILL

The new Bill addresses issues such as Administrative Fines, more severe penalties, clear references to safety management systems and AIA structure and format, to mention but a few. The Bill has been submitted several times to the State Law Advisors and it is anticipated that they will give the Advisory Council for Occupational Health and Safety (ACOHS) a letter (certificate) stating they accept the document as it is and that it can now move to the next step.

Once the document is received back from the State Law Advisors, where it currently is, it is anticipated that it will take the following path in the next phase:

- Economic and social cluster simultaneously
- Cabinet
- Nedlac
- Public comment

DRAFT CONSTRUCTION REGULATIONS

The draft Construction Regulations were published for comment in 2010 with the following major changes:

- Introduction of the permit system for certain construction work
- Additional responsibility of clients
- Obligations of designers
- Requirements for management of construction work

- Construction technical team
The office of the chief inspector is currently making final changes to the draft in line with its structures:
- Capacity building has already begun with regard to the permit system to be administered.
- Necessary training on enforcement of the regulations is also currently being provided to key personnel.

Alignment of the draft Construction Regulations with other regulations is also being verified.

DRAFT DRIVEN MACHINERY REGULATIONS

The draft regulations were submitted to Legal Services in November 2012 for comments. The draft regulations were then submitted to the State Law Advisor for comments.

DRAFT MAJOR HAZARDOUS INSTALLATION REGULATIONS

The draft attempts to address several shortcomings in the current Major Hazardous Installation Regulation (MHI) which is very basic and out of date and uses the United Kingdom legislation, amongst other legislation in Europe, as a benchmark.

DRAFT HAZARDOUS CHEMICAL SUBSTANCES REGULATIONS

The purpose of the review is to produce a current, useable and accurate piece of legislation. The designated Task Team held its first meeting in 12 July 2013.

NATIONAL HEALTH AND SAFETY BLITZ

The annual Iron and Steel Sector Health and Safety Blitz was conducted in November 2012 and February 2013. The campaign serves to evaluate compliance and enforce occupational health and safety legislation on employers operating in the iron and steel sector.

RISK ASSESSMENT GUIDELINES FOR THE IRON AND STEEL SECTOR

The purpose of the new guidelines is to enable employers to meet minimum requirements for conducting risk assessment as stipulated in Section 8.2(d) of the Occupational Health and Safety Act. These are now available on the Department of Labour website.

AUDITS

AUDITS

a. Health and Safety Audit Programme

The SEIFSA health and safety Audit Programme (AP) was developed to provide direct assistance to member companies in complying with 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 them from vicarious liability, criminal liability and prosecution charges.

The twelve-month compliance programme encompasses the following key services and elements:

- An annual health and safety baseline audit;
- The supply of the necessary documentation and policy instruments required in order to properly observe the various mandatory administrative requirements of the Acts;
- The provision of a written report for participating companies, identifying any specific areas of non-compliance and recommendations for addressing each of these; and
- The formulation, in conjunction with the member company, of an implementation plan aimed at achieving and maintaining full compliance with the applicable health and safety legislation.

b. Legal Compliance Support Programme

The new health and safety Legal Compliance Support Programme (LCSP) has been designed to assist small businesses to comply with the occupational health and safety legal compliance. The LCSP aligns

with SEIFSA's strategic objective to support small businesses. It consists of an initial audit, followed by administrative support and technical advice. It is offered exclusively to organisations with 20 or fewer employees who are not legally required to establish internal self-regulatory systems.

HEALTH AND SAFETY CONSULTANCY

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

- Advice and assistance on occupational health and safety policies, provisions and employer obligations.
- Interpretation of occupational health and safety legislation.
- The formulation and customisation of company level health and safety management policies, systems and procedures.
- The identification of occupational health and safety hazards.
- The conducting of risk assessments.
- 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 the following:

- The 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 programmes.
- HIV/AIDS peer educators training.
- Introduction to the Occupational Health and Safety Act for management.
- Hazard identification and risk assessment.



HEALTH AND SAFETY PUBLICATIONS

SEIFSA publishes a range of health and safety publications, including the following:

- Recording and Investigating Incidents - A Management Guideline and Register.
- COIDA Act Basics - A wall chart summarising the key provisions of the Compensation for Occupational Injuries and Diseases Act.
- COIDA Awareness Posters - A set of three posters addressing the most common myths held by employees regarding COIDA.

OCCUPATIONAL HEALTH SUPPORT

SEIFSA recognises employee health as an important factor in promoting sustainable growth in the iron and steel sector. In order to promote employee health, the following services are offered:

A. SEIFSA HIV/AIDS WELLNESS PROGRAMME

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

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

SEIFSA's appointed alliance partner continues to assist member companies in developing and revising their 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.

B. MEDICAL SURVEILLANCE

Employers are obliged to ensure that the working environment has no detrimental effects on the health of employees. The Health and Safety division, through an alliance partner, assists organisations with identifying and controlling health risks arising out of their activities. The medical surveillance services include:

- Health Risk Assessment
- Medical examinations including baseline and exit medicals
- Special tests such as audiometric tests, vision screening and spirometry.

NATIONAL REPRESENTATION

A. ADVISORY COUNCIL FOR OCCUPATIONAL HEALTH AND SAFETY (ACOHS)

The Federation is represented on the Advisory Council for Occupational Health and Safety (ACOHS) by the health and safety manager. 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 matters relating to health and safety in South Africa.

B. ADVISORY COMMITTEE FOR COMPENSATION COMMISSIONER FOR OCCUPATIONAL DISEASES

SEIFSA is also represented in the Advisory Council for Compensation for Occupational Diseases. The committee was established in accordance with the Occupational Diseases in Mines and Works Act 78 of 1973, administered by the Department of Health. The committee advises the Commissioner on matters related to compensation for occupational diseases in mines and works and carries out duties assigned to it by the Minister of Health.



SKILLS DEVELOPMENT SERVICES



CHANGES TO LEGISLATION AND SKILLS DEVELOPMENT POLICY

The period 2012 to 2013 has been one of consistent legislation and policy change within the skills development environment. The intention of the legislation which has been introduced or proposed by the Department of Higher Education and Training (DHET) demonstrates an intention to address inefficiencies and issues of ineffectiveness across the system. A consistent theme from the DHET is to combat the challenges of youth employability, issues of skills shortages and well as the need for alignment to labour market needs.

Perhaps the most significant policy change over the year has been the introduction of the new Seta Grant Regulations, Regulation Gazette No: 9867, published on 3 December 2012 for implementation on 1 April 2013. The new regulations introduced a major shift in the manner in which the grant allocations will be distributed.

The full effect and impact of the 2012 grant regulations on training and skills development remains to be seen, however initial feedback and statistics point to a possible slowing down in training and development across the sector.

The Human Resource Development Council (HRDC) remains active and continues to meet regularly. It is chaired by the Deputy President and the objective is to provide strategic guidance on all education, training and skills development matters. Nine task teams have been

established to conduct work in specific areas including a review of the skills sector, foundational learning and further education and training amongst other topics. The Artisan and Technician Development Technical Task Team (ATD-TTT) has served as the primary forum on artisan development in South Africa and remains the only task team to have concluded its mandate. The task team has since evolved into the Artisan and Technician Development Monitoring and Evaluation Team (ATD-MET) and is tasked with monitoring implementation of the agreed objectives.

A key output of the ATD-TTT has been the approval of a single artisan funding model across all trades and Setas. The policy was approved by the Minister of Higher Education and Training, Minister Blade Nzimande in June 2013. It is anticipated that the funding model will come into effect on 1 April 2014.

SEIFSA continues to participate on the HRDC structures through representation on the ADT-MET as well as the Further Education and Training (FET) Task Team. Input into the National Skills Authority (NSA) takes place through the Business Unity South Africa (Busa) Sub-committee on Education and Training (Sub-CET).

The Quality Council for Trades and Occupations (QCTO) has overall responsibility for all workplace learning, including the process of developing unit standards and registration of qualifications to meet the needs of industry. The QCTO continues to make progress with at least 50% of their staff complement in place and funding secured via the 0.5% allocation from Seta administration budgets. A number of qualifications, many of which are relevant to the metal and engineering sector have been approved by the QCTO over the last year.

1% skills development levy		
Category	Up to 31 March 2011	From 1 April 2012 onwards
National Skills Fund	20%	20%
SETA Administration	10%	10,5% 10% of the amount to be allocated for Setas administrative costs and 0,5% to be allocated to the QCTO
Mandatory Grants (Workplace Skills Plan (WSP), Annual Training Reports (ATR) and PIVOTAL (Professional, Vocational, Occupational, Technical, Academic Learning) Plans)	50%	20% - WSPs must reflect training spend in excess of 20% in order to qualify for the full 20% grant amount - Sign-off from labour and proof of consultation process to be submitted
Discretionary Grants	20%	49,5% - 80% of the 49,5% to be allocated to PIVOTAL programmes and the remaining 20% to Sector Skills Projects (SSP) initiatives

The approval of the National Development Plan (NDP) in 2012 as the primary policy for growth and development in the country has offered industry an opportunity to engage in the alignment and focus of skills development matters as a cornerstone of the strategy.

The NDP incorporates the New Growth Path (NGP) and also builds on the employment creation focus of the Industrial Policy Action Plan (IPAP) with a goal of five million jobs to be created by 2030. It is intended that the employment creation focus will be achieved through the promotion of labour absorption across all industries as well as collaboration across all sectors to support the vision. In particular, the NDP highlights the fact that labour intensive manufacturing is good for both economic growth and employment creation. Furthermore, economic growth must be supported by improving the national skills base through improving education and vocational training.

The National Skills Accord, which was signed in July 2011 through multi-stakeholder agreement remains in place.

MerSETA is one of the few Setas to have achieved the targets set out in the National Skills Accord and the

participation of the MerSETA Metal Chamber employers in contributing to the achievement of the targets must be noted and commended.

The following regulations still remain in draft form, awaiting finalisation and promulgation:

- Recognition of Prior Learning (RPL)
- Draft Trade Test regulations
- Draft Learning Programme regulations

EDUCATION AND TRAINING ADVISORY COMMITTEE (ETAC)

The SEIFSA Education and Training Advisory Committee continued to meet regularly during the year where both strategic and operational matters relating to policy issues, the changing skills development landscape and the impact on the business environment are addressed. Key issues remain the implementation

of the National Skills Development Strategy (NSDS III), the National Skills Accord, impact of the new grant regulations as well as matters relating to the skills supply, apprentice training, technician training and higher education matters.

Industry participation remains high and the ETAC forum is regarded as a valuable platform in terms of building understanding, sharing experiences and improving implementation of skills development matters within the respective companies involved.

ACCREDITATION BY MERSETA

SEIFSA underwent a stringent evaluation process and is now offering accredited high quality health and safety training.

SEIFSA has always realised the importance of quality training in this increasingly important sector, accreditation gives us the official standing required. SEIFSA's extensive experience and continuous involvement in the industry ensured that accreditation was a natural step easily attained. This step gives our members the assurance that the quality of our health and safety training is above reproach.

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;
- Skills Development Update;
- Skills Planning and Reporting;
- Creating an Effective Training Committee;
- Organising Framework for Occupations (OFO);
- Supervisory training (unit standard based);
- Supervisory training II – Problem Solving (unit standard based);
- Skills Development Facilitator training (unit standard based);

- Training Needs Analysis and Skills Audit programme;
- Overview of Skills Development for Training Committees;
- Claiming your Discretionary Grant.

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 (including PIVOTAL plans) to claim mandatory grants;
- Technical advice on skills development matters;
- Linking skills development initiatives to the company's employment equity and strategic objectives;
- Assistance and guidance on registering apprentices and learners;
- Identifying available industry learning interventions.

MATTERS RELATING TO MERSETA

MerSETA continues to achieve progress against the skills development imperatives for the manufacturing sector. Nazrene Mannie replaced Janet Lopes as the sector representative on the MerSETA Accounting Authority (Governing Board) with effect from November 2012.

The vision, mission and related objectives of the MerSETA are guided by the National Skills Development Strategy (NSDSIII) and a regular review of the programme areas by the Accounting Authority takes place in order to ensure responsiveness and effectiveness of initiatives in the sector. The eight key programme areas which the MerSETA will focus on for the period April 2011 to March 2016 are as follows:

MerSETA and NSDS III Strategic programmes

Administration
Skills Planning
Increase access to occupationally directed programs
Promoting the responsiveness of FETs to the intermediate skills needs of the sector
Addressing the low level of youth and adult literacy and numeracy skills to enable additional training
Promote workplace skills development within sector
Encouraging and supporting cooperatives, small enterprises, worker initiated, NGO and community training initiatives

The financial performance of MerSETA was satisfactory since the levy income exceeded the forecast as it grew by 11.1% over the prior year to reach R1, 021 billion. The demand for discretionary grants however, exceeded available funds. The discretionary grant reserves were fully committed at the end of the financial year – 31 March 2013. The sector also saw an increase in the number of contributing employers from 12,532 to 12,670.

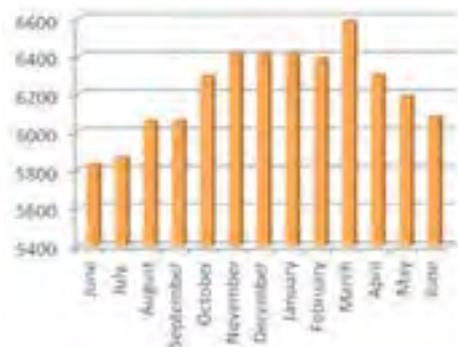
The release of the Discretionary Grant five (DG5) window saw a limited pool of funds (R90 million) being made available for discretionary grant applications. The limited funding pool resulted in a number of metal chamber companies either having their application amounts reduced significantly or no allocation being made at all. The impact on training, as a result of this process, is being monitored closely.

In response to the target set for new apprentice intake in the National Skills Accord of 25 000 new apprentices indentured across all sectors in the country over the financial year, the MerSETA exceeded its target of apprentices to achieve an intake of 4 549 against a target of 4 000 apprentices.

The Metal Chamber of the MerSETA remains the largest chamber in terms of the number of companies as well as levy contribution. Both employer and labour stakeholders remain actively engaged in a range of important initiatives including the review of the chamber in order to ensure more cooperation and participation within the MerSETA structures and skills development matters in general.

Apprentice intake in the Metal Chamber for the period July 2012 to June 2013 remains the highest across the MerSETA chambers and is highlighted in the graph below. SEIFSA is monitoring the apparent downward trend in apprentice statistics since April 2013 in order to understand the reasons for the decline.

Metal Apprentices June 2012 - June 2013



SEIFSA has actively project managed the Metal Chamber research project focusing on supply and demand of skills in the metal and engineering sector during the year. The project was funded by a research grant from the MerSETA. These funds were made available to all five Chambers in the MerSETA in order to ensure that research is able to respond to the needs of individual sectors.

The MerSETA flagship Accelerated Artisan Training Programme (AATP) which was originally piloted by SEIFSA continued to attract local and international attention. The metal sector recorded 657 new apprentice registrations in the period 1 April 2012 to 31 March 2013. The post AATP tracer study was completed in late 2012 and demonstrated the following key findings across the Chambers:

- A total of 80% of learners who completed the AATP secured employment.
- Limpopo, Eastern Cape and Mpumalanga demonstrated the highest levels of employment.
- Riggers, fitters, millwrights, fitters and turners and mechanics were more likely to be employed.

SCHOLARSHIPS AND BURSARIES

SEIFSA has awarded a number of new and renewed bursaries this year to students taking courses leading to qualifications in engineering fields at universities and universities of technology (UoTs) nationwide.

A total of 22 awards to the value of R642 478 have been made across the following engineering related qualifications:

ATRAMI

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

It has failed to reach its full potential to produce skilled artisans for the industry. Renewed attempts have been made to promote the scheme. The number of trainees for the current year up to June 2013 was 232.

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

RENEWAL BURSARIES

Institution	Field
North West University	Mechanical Engineering
University of Pretoria	Mechanical Engineering
University of Pretoria	Mechanical Engineering
University of Stellenbosch	Industrial Engineering
University of the Witwatersrand	Electrical Engineering
University of the Witwatersrand	Chemical Engineering
Vaal University of Technology	Civil Engineering (S3)

NEW BURSARY AWARDS

Institution	Field
Cape Peninsula UoT	Civil Engineering
Cape Peninsula UoT	Mechanical Engineering
Cape Peninsula UoT	Mechanical Engineering
North West University	Mechanical Engineering
North West University	Electronic Engineering
Pretoria University	Civil Engineering
Tshwane UoT	Civil Engineering
University of Free State	B.Tech Electrical Engineering
University of Johannesburg	Civil Engineering
University of Johannesburg	Metallurgical Engineering
University of Johannesburg	Metallurgical Engineering
University of Johannesburg	Mechanical Engineering
University of KwaZulu-Natal	Agricultural Engineering
University of Pretoria	Chemical Engineering
Vaal University of Technology	B.Tech Electrical Engineering

LEGAL SERVICES

A NEW ADDITION TO SEIFSA'S PORTFOLIO

Due to a growing demand for a legal service, demonstrated by the many requests received from members, SEIFSA introduced SEIFSA Legal to complement the existing portfolio of products and services available to members.

SEIFSA Legal offers a wide range of labour law, commercial law and environmental law. It's objective is to resolve legal problems as quickly and cost effectively as possible, minimising legal risks and achieving practical outcomes which make the best financial and commercial sense for the client.

A niche that is being developed within this portfolio is the introduction of commercial legal services addressing small and medium-sized businesses and their specific legal needs.



FUNDI TRAINING CENTRE

The SEIFSA Fundi Training Centre in Benoni celebrates its 30th anniversary this year. Looking back over 30 years, the centre is a source of pride that is uniquely positioned to meet the needs of the sector. Fundi has grown from strength to strength to become an integral part of the apprentice training architecture in the metal and engineering industry.

In 2013, the Fundi Training Centre had an intake of 34 apprentices in January, excluding 78 trainees from a fixed contract based intake which is linked to the Kusile Power Station development project. An intake of 72 was recorded in April and a further 40 in June 2013.

The training centre's overall trade test pass rate was reported to be; MerSETA at 62% and CHIETA at 75%. The average trade test pass rate for Fundi trained trainees (MerSETA) for January 2013 to May 2013 was reported as 63%. The Section 28 pass rate (MerSETA) for the same period was 58%.

The training centre continued to attract favourable publicity arising from a number of funded projects secured by SEIFSA. Fundi also hosted round one of the CHEITA's National Artisans Skills Competition and also entered 61 trainees to participate. Three of the trainees participated in the final.

In April, SEIFSA again sponsored 10 high calibre young trainees who, on completion of their 24 week training, will be made available to the industry. These trainees will complete their institutional training in September 2013 and are available to be indentured as apprentices for the balance of their training up to trade test. The trainees were recruited with an average age of 28 years and a minimum of an N4 qualification.

The group consists of four electricians, four fitter and turners and two boilermakers. Three are female and seven are males. All of the fitters and turners have already been indentured by companies.

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.

FUNDITRAINING CENTRE OFFERINGS

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

APPRENTICESHIPS:

- Boilermaker
- Electrician
- Fitter
- Fitter and Turner
- Instrument Mechanician
- Millwright
- Tool, Jig and Diemaker
- Turner
- 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.



MARKETING AND 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 membership.

ELECTRONIC COMMUNICATIONS

ELECTRONIC NEWSLETTERS

SEIFSA issued regular electronic newsletters to members 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 also be viewed online. This electronic version affords easy accessibility to the latest industry news.

WEBSITE (WWW.SEIFSA.CO.ZA)

SEIFSA's website continues to perform an important communications role for membership. Many industry relevant articles, including the 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;

- Developments pertaining to the Industry Policy Forum
- The MerSETA mandatory and discretionary grant application process;
- Employment equity requirements;
- Busa, the bargaining council, industry funds and MerSETA related announcements;
- Industrial policy developments; and
- The ongoing developments in the industry funds' surplus apportionment scheme.

WEBSITE PORTALS

The following portals are housed within the SEIFSA website:

- An electronic subscription to SEIFSA's Price and Index Pages (PIPS) and the SEIFSA ETSA Indices. 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 members. It also enables members to update their details and data online; and
- A Main Agreement online subscription service – providing a number of additional benefits over the published version.



PUBLICATIONS

SEIFSA PRODUCTS AND SERVICES

This publication provides a comprehensive overview of SEIFSA and the products and services offered to members.

SEE WHAT'S HAPPENING AT SEIFSA

A quarterly publication providing a comprehensive overview of scheduled workshops and seminars at SEIFSA.

SEIFSA NEWS

SEIFSA News is published on a monthly basis from February to December each year and is now in its thirty first 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.

and the country. One of the key areas identified in the NDP is to encourage economic growth and job creation areas where the metal and engineering industry has a vital role and contribution to make. Top calibre speakers included: NDP Commissioner Trueman Goba, Professor Raymond Parsons, Bonang Mohale, Dr Raymond Patel, Professor JP Landman and Charles Nupen.

13TH NATIONAL ROADSHOW

The 13th National Roadshow took place in November 2012. Over 200 delegates attended the sessions held around the country. The Roadshow provided an opportunity for SEIFSA's management team to meet with and address member companies on topical industry issues.

The presentations at the Roadshow included:

- Shaping the artisan of the future: 7 steps to an artisan qualification
- The new LRA: Do my labour broker and fixed term contract employees become permanent after six months?
- Economics: Becoming the reference point for the metal and engineering sector in South Africa
- The new LRA: New rules of the game

This year's Roadshow will take place over the period 2 to 22 November 2013.

EVENTS

PRESIDENTIAL BREAKFAST AND ANNUAL GENERAL MEETING

SEIFSA's 69th Annual General Meeting was held last year on 12 October 2012 at the Country Club Johannesburg. The Annual General Meeting was followed by the Federation's annual Presidential Breakfast.

This year's Annual General Meeting and Presidential Breakfast will take place on 11 October 2013.

GOLF DAY

One hundred and sixty eight golfers and eleven sponsors participated in SEIFSA's 62nd Golf Day at Randpark Golf Club on 31 August 2012. The winning team, from Nigel Armature Winders, was awarded the SL Hodgson Memorial Floating Trophy.

ANNUAL CONFERENCE

The SEIFSA Annual Conference took place in May 2013. The focus this year was on the National Development Plan and its implications for business



SEIFSA REPRESENTATION ON EXTERNAL BODIES

SEIFSA REPRESENTATION

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

- Business Unity South Africa (Busa)
- Commission for Conciliation, Mediation and Arbitration (CCMA)
- 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)
- Electricity Intensive Users' Forum
- Eskom Task Group on Electricity
- Nedlac's Fund for Research into Industrial Development, Growth and Equity Committee
- Institute of Safety Management
- 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 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 (BUSU)

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. 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 the Busa Sub-committee on Education and Training. The committee acts as a joint employer body to examine and make recommendations on policy matters to the Standing Committee on Social Policy (Socpol) in the field of skills development.

STANDING COMMITTEE ON SOCIAL POLICY

SEIFSA serves on the Busa Standing Committee on Social Policy. 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.

MANUFACTURING, ENGINEERING AND RELATED SERVICES SETA (MERSETA)

SEIFSA is represented on the MerSETA Accounting Authority and the Artisan and Technical Development Monitoring and Evaluation Task Team (ATD-MET).

A SEIFSA representative currently chairs the Metal Chamber of the MerSETA, the largest chamber in the organisation as well as the Innovation, Research and Development Committee.

METAL AND ENGINEERING INDUSTRIES BARGAINING COUNCIL (MEIBC)

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

SEIFSA serves the employer interests on the following bargaining council structures and committees:

MANAGEMENT COMMITTEE

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

NATIONAL FINANCE AND ADMINISTRATION COMMITTEE

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

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.

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 bargaining council's functions in the regions falling under the scope of jurisdiction of the council.

IPF – NATIONAL LEADERSHIP FORUM

This strategic forum is a platform where SEIFSA leadership, the unions' presidents and general secretaries and government ministers engage on a range of national challenges.

METAL INDUSTRIES BENEFIT FUNDS ADMINISTRATORS (MIBFA)

SEIFSA is represented on the Mibfa 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); and
- Metal and Engineering Industries Bargaining Council 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).

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

NATIONAL DEMARCATION STANDING COMMITTEE

SEIFSA's executive director is a business representative on Nedlac's National Demarcation Standing 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 reviewed.

LABOUR MARKET CHAMBER

SEIFSA's operations director serves 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 chief economist 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.

THANKS

SEIFSA would like to thank the numerous senior executives from the industry who contributed to its work by representing the Federation on various forums and bodies.

In particular, the office would like to thank the SEIFSA president, Mr Henk Duys, the members of SEIFSA's Executive Committee and SEIFSA Council and all of the Association representatives for their positive contribution to the work and success of the Federation over a particularly difficult year.

A special note of thanks to SEIFSA's loyal staff for their commitment and dedication during this challenging year.



Back row left to right: Henk Duys - SEIFSA President, Lucio Trentini - SEIFSA Operations Director
Front: Elsa Venter - SEIFSA Deputy CEO

ASSOCIATIONS

ASSOCIATION OF ELECTRIC CABLE MANUFACTURERS OF SA

Employers engaged in the manufacture of electric cables.

- Chairperson: K Edmond
 - Vice-chairperson: S Sibeko
 - Executive Director: M Dames
-

ASSOCIATION OF METAL SERVICE CENTRES OF SA

Employers engaged in the industry comprised of service centres concerned exclusively with the cutting and/or forming of metal products for sale, to order or to customer requirements.

- Chairperson: V Sanders
 - Vice-chairperson: J Cloete
 - Administrator: C Smith
-

CAPE ENGINEERS AND FOUNDERS ASSOCIATION

Employers engaged within the scope of the Metal and Engineering Industries Bargaining Council in the Cape region.

- Chairperson: B Ashlin
 - Vice-chairperson: J Raad
 - Executive Director: C Boyes
-

CONSTRUCTIONAL ENGINEERING ASSOCIATION (SOUTH AFRICA)

Employers engaged in the construction engineering industry, operating in the structural, mechanical, electrical, instrumentation, piping and project management fields. In addition to its own activities, the CEA has two active divisions: the Labour Broking Division and the Temporary Employment Services Division. The association has close ties to the SA Institute of Steel Construction and the SA Institute of Welding.

- Chairperson: N Penson
 - Vice-chairperson: J Doorasamy
 - Vice-chairperson: K Cowley
 - Executive Director: L Breckenridge
 - Administrator: C Smith
-

ELECTRICAL ENGINEERING AND ALLIED INDUSTRIES ASSOCIATION

Employers engaged in the manufacture of electrical equipment such as generators, motors, convertors, switch and control gear (including relays, contractors, electrical instruments and equipment associated therewith), electrical lighting, heating and cooling equipment, primary and secondary cells and batteries (other than motor car batteries), transformers, furnace equipment, signalling and electronic equipment, electric cables comprising insulated and uninsulated conductors, or incandescent lamps and/or the installation, maintenance, alteration and repair of electrical equipment including the wiring of or for such equipment.

- Chairperson: P Flint
- Vice-chairperson: L Viljoen
- Vice-chairperson: R Melaia
- Administrator: C Smith

ELECTRICAL MANUFACTURERS' ASSOCIATION OF SA

Employers engaged in electrical manufacturing in the Republic of South Africa.

- Chairperson: J Ellis
- Vice-chairperson: W Lyons
- Administrator: C Smith

FERRO-ALLOY PRODUCERS' ASSOCIATION

Employers engaged in the production of ferro alloys.

- Chairperson: J Zaayman
- Vice-chairperson: H Bouwer
- Administrator: C Smith

GATE AND FENCE ASSOCIATION

Employers engaged in the manufacture and erection of gates and fencing materials and operating a workshop.

- Chairperson: P Giannapolous
- Vice-chairperson: Vacant
- Administrator: C Smith

HAND TOOL MANUFACTURERS' ASSOCIATION

Employers engaged in the manufacture of edge hand and small tools in the Republic of South Africa.

- Chairperson: E Klein
- Vice-chairperson: B Hodgkinson
- Administrator: T Crowley

HOT DIP GALVANIZERS ASSOCIATION SOUTHERN AFRICA

Employers engaged in hot dip galvanizing.

- Chairperson: W Petrick
- Vice-chairperson: A de Wit
- Vice-chairperson: N Pienaar
- Executive Director: B Wilmot

IRON AND STEEL PRODUCERS' ASSOCIATION OF SOUTH AFRICA

Employers engaged in the basic production of iron and/or steel and/or their alloys or rolling and/or drawing and/or finishing processes when associated and performed conjointly with the basic production of iron and steel and/or their alloys.

- Chairperson: Vacant
- Vice-chairperson: Vacant
- Administrator: C Smith

LIFT ENGINEERING ASSOCIATION OF SA

Employers engaged in lift and/or escalator manufacture and/or assembly and/or installation and/or repair and/or maintenance.

- Chairperson: K Scholtz
- Vice-chairperson: T Baker
- Administrator: C Smith

LIGHT ENGINEERING INDUSTRIES ASSOCIATION OF SA

Employers engaged in the manufacture by repetitive methods of light metal products by forging, stamping, rolling, pressing, bending, welding, cutting and/or casting.

- Chairperson: E v Ryneveld
- Vice-chairperson: J Breed
- Administrator: C Smith

KWA-ZULU NATAL ENGINEERING INDUSTRIES ASSOCIATION

Employers engaged in the engineering industry, including general, structural and foundry operations in the KwaZulu-Natal region.

- Chairperson: H Duys
- Vice-chairperson: I Moodley
- Administrator: K Griffin

NON-FERROUS METAL INDUSTRIES ASSOCIATION OF SOUTH AFRICA

Employers engaged in the manufacture of non-ferrous metals and alloys including the smelting of scrap metal in connection with such manufacture.

- Chairperson: B Stone
- Vice-chairperson: J v Heereden
- Administrator: C Smith

PLUMBERS AND ENGINEERS BRASSWARE MANUFACTURERS' ASSOCIATION

Employers engaged within the scope of the Metal and Engineering Industries Bargaining Council in the Midlands region.

- Chairperson: F v Zanten Solleveld
- Vice-chairperson: L vd Venter
- Administrator: C Smith

PORT ELIZABETH ENGINEERS' ASSOCIATION

Employers engaged within the scope of the Metal and Engineering Industries Bargaining Council in the Midlands region.

- Chairperson: B Fourie
- Vice-chairperson: Vacant
- Administrator: K Vosloo

PRESSURE EQUIPMENT MANUFACTURERS' ASSOCIATION OF SA

Employers engaged in the manufacture of pressure vessels.

- Chairperson: P Viljoen
- Vice-chairperson: W Hollingsworth
- Executive Director: K Dewar

REFRIGERATION AND AIR-CONDITIONING MANUFACTURERS' AND SUPPLIERS' ASSOCIATION

Employers engaged in the manufacture and/or supply of refrigeration and/or air-conditioning equipment and/or products.

- Chairperson: N la Vita
- Vice-chairperson: Vacant
- Administrator: C Smith

SA ELECTROPLATING INDUSTRIES ASSOCIATION

Employers engaged in the decorating, protecting and building up of metals by means of electrode position processes, including the grinding, polishing, anodizing, pickling and preparation of such metals and other operations incidental thereto.

- Chairperson: T Joseph
- Vice-chairperson: A Zalk
- Administrator: C Smith

SA ENGINEERS' AND FOUNDERS' ASSOCIATION

Employers engaged in the business of general engineering or founding or jobbing or machine tool manufacturing. "General engineering, founding, jobbing" means, other than its all embracing meaning, repetitive production of metal or abrasive products by precision methods on machine tools designed or adapted to this end or the manufacture of metal castings or the performance of engineering processes or the undertaking of engineering work in connection with articles which, owing to the heavy nature thereof, cannot be handled otherwise than by use of large power driven plant or machinery. "Abrasive products" means grinding media such as grinding wheels, bricks, sticks, segments and other devices designed for the purpose of removing by mechanical abrasion metal or other surplus material from other products and in which the abrasive is composed wholly or mainly of some mineral substance embedded in a matrix of ceramic, resin, rubber, shellac or other binding material. "Machine tool manufacturing industry" means the industry in which employers and employees are associated for the manufacture of mechanical and hydraulic tools/articles and such other activities which are incidental thereto or consequent thereon.

- Chairperson: C Dawtrey
- Vice-chairperson: E Lewisa
- Vice-chairperson: E Gordon
- Vice-chairperson: G Hartley
- Administrator: C Smith

SA FASTENERS MANUFACTURERS' ASSOCIATION

Employers engaged in the manufacture of metal fasteners and allied products.

- Chairperson: R Pietersma
- Vice-chairperson: D Chalmers
- Administrator: C Smith

SA POST TENSIONING ASSOCIATION

Employers engaged in the design, assembly, supply and fixing of tendons and anchorages for the post tensioning of concrete.

- Chairperson: D Lambert
 - Vice-chairperson: S Kelly
 - Executive Director: J Thomas
-

SA PUMP MANUFACTURERS' ASSOCIATION

Employers engaged in the manufacture and/or fabrication and/or assembly of pumps.

- Chairperson: T Wehmeyer
 - Vice-chairperson: G Doran
 - Administrator: F Knell
-

SA REINFORCED CONCRETE ENGINEERS' ASSOCIATION

Employers engaged in the cutting, bending, supply, and/or fixing in position of steel bar the reinforcement of concrete for all types of building and civil engineering structures.

- Chairperson: I Broderick
 - Vice-chairperson: D Maritz
 - Executive Director: J Thomas
-

SA VALVE AND ACTUATORS MANUFACTURERS' ASSOCIATION

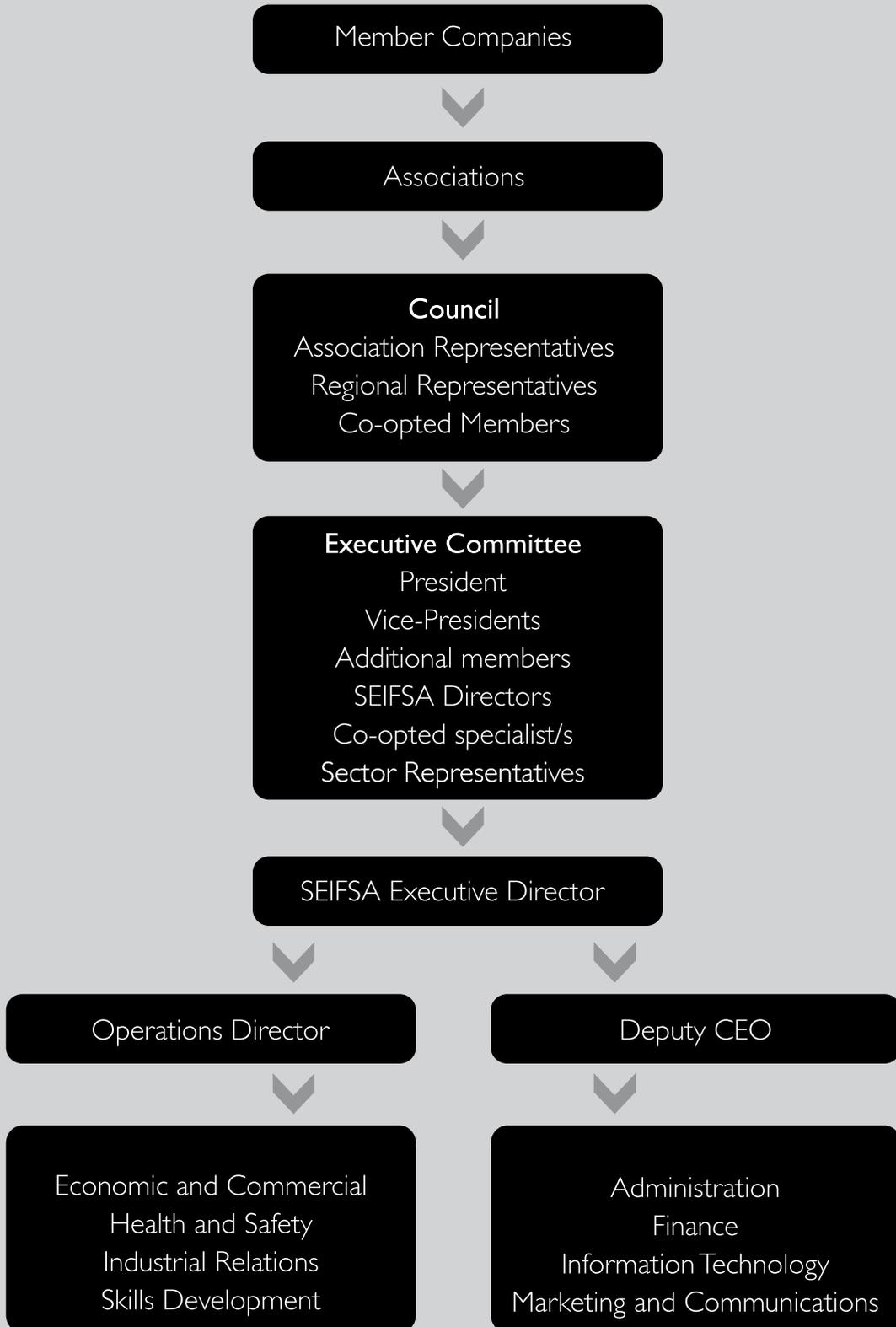
Employers engaged in the manufacture of valves and actuators.

- Chairperson: S Bannister
 - Vice-chairperson: M Atkins
 - Administrator: C Smith
-

SOUTH AFRICAN REFRIGERATION AND AIR-CONDITIONING CONTRACTORS' ASSOCIATION

- Chairperson: B Scott
- Vice-chairperson: M Botha
- Executive Director: B Richardson

Overview of SEIFSA



SEIFSA Executive Committee

President
HW Duys



Vice-Presidents
M Pimstein | N Claussen | B Ashlin



Additional Members
C Davis | M Garcia



Co-opted
C Dawtrey | DCG Murray
M Dames | N Penson



SEIFSA COUNCIL CO-OPTED MEMBERS
AS Boynton-Lee | P Sepuru | H van der Walt
T Nkosi | P Gambu | T Malatji
J Molefe | J Kemble | V Kunene
K Loubser | G Gilmer | M Els
K Malebo | S Mashego | G Harris
I Millar



Steel and Engineering Industries Federation of South Africa
PROVIDING INDUSTRY SOLUTIONS



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