

Executive director's report

2007 Report of the Executive Director

(Adopted at the SEIFSA ANNUAL GENERAL MEETING on Friday 12 October 2007)

INTRODUCTION

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

SEIFSA's management team represents employers on a number of organisations that are critical to the success of the industry as a whole including Business Unity South Africa (Busa), the National Economic, Development and Labour Council (Nedlac) and the National Skills Authority (NSA). Over the years they have positively influenced legislation and policy affecting labour relations, skills development as well as economic and trade matters.

SEIFSA has a dual purpose: to operate at a macro level as the recognised voice of the industry and at a micro level by providing products and services that help companies to be productive and successful.

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

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

- *SEIFSA News* – ten issues published annually;
- SEIFSA's website (www.seifsa.co.za);
- regular electronic mails; and
- the annual roadshow to Johannesburg, Duran, East London, Port Elizabeth and Cape Town.

SEIFSA is the umbrella body for 37 independent employer associations representing the following sectors in our industry:

-air conditioning	-hand tool
-bright bar	-lift engineering
-cables	-machine engravers
-concrete and reinforcers	-machine tools

-construction	-metal service centres
-electrical	-non-ferrous metals
-electronics and telecommunications	-plastics
-electroplating	-pressure vessels
-fasteners	-pump manufacturers
-ferro alloys	-radio and television
-foundry	-refrigeration
-galvanisers	-sheet metal
-gate and fence	-steel producers
-general engineering	-valve manufacturers

Four of these are regional associations based in Cape Town, Durban, Port Elizabeth and East London.

The associations currently have a combined membership of around 2700 companies employing more than 209 800 hourly-paid workers, two-thirds of the industry's workforce. This makes SEIFSA one of the largest and most influential employer federations in South Africa. Member companies range from giant corporations to micro enterprises. More than half of our member companies employ fewer than 25 employees.

SEIFSA is a non-profit-making body. Its main sources of income derive from annual per capita levies on member companies and a collective bargaining levy on non-member companies in the industry. The balance comes from services rendered and products sold to companies in the industry. SEIFSA's range of products and services includes publications, training courses, workshops, conferences and consultancy covering labour legislation, employment conditions, health and safety, broad-based black economic empowerment, contract price adjustment and skills development.

Over the years, SEIFSA has helped to promote a business environment in which its members can successfully run their operations. 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.

Meetings

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

The SEIFSA Council is the policy-making body of the federation. It comprises elected representatives from the various associations and co-opted senior industrialists. The SEIFSA Council met on 14 occasions during the year under review.

ADMINISTRATION AND FINANCIAL SERVICES

Secretarial and Accounting Services

This division provides secretarial services to most of SEIFSA's constituent employer associations. It also administers the accounting functions of the federation and its constituent associations.

INDUSTRIAL RELATIONS SERVICES

Main Agreement negotiations

Following ten weeks of negotiations, dispute resolution meetings and a five-day national strike, SEIFSA reached agreement with all the industry's trade unions on wage increases and

conditions of employment for the industry's workforce for the next three years. This process comprised more than 24 formal, informal and bilateral meetings between SEIFSA and the key unions. It started on 8 May and was successfully concluded on 13 July when all the trade unions signed the settlement agreement and ended the industry strike.

Apart from the disruptions caused by the strike, SEIFSA also received numerous reports from members of serious levels of intimidation and violence. However, SEIFSA believes that the negotiations were reasonably successful. The agreement delivered the following benefits to SEIFSA's members:

- The employer negotiating team was successful in achieving an historic three-year agreement for the industry. This is the first time in SEIFSA's sixty-four year history that a wage agreement has been concluded for a period longer than two years (as has been the practice since 1999), and it is anticipated that this may become the norm in future industry wage negotiations.
- The new agreement guarantees industrial stability and legal protection against any form of strike action related to wages and conditions of employment from now until 30 June 2010.
- Apart from the agreed wage increases for this year, the increases for the coming two years have been fixed and are not dependent on a wage model related to movements in the CPIX. This provides certainty for management in their forward planning and budgeting over the next three years.
- On the whole, the employer negotiating team was successful in limiting the impact on the industry of the vast number of proposed changes to employment conditions demanded by the trade unions.
- The average wage increase of 8.5% with very few other changes to substantive conditions of employment was reasonable in relation to the duration of the agreement and the settlements in other sectors of the economy over the same period.
- Importantly, apart from the agreed amendments for this year, there will be no further change to any employment conditions from now until 30 June 2010.

Key elements of the new agreement

- Wage increases ranging from 8% for artisans to 9% for unskilled workers.
- An agreement that the wage increases for 1 July 2008 and 1 July 2009 will range between 7.1% to 8.1% for skilled and unskilled workers respectively with no further change to employment conditions.
- The notice of termination provisions have been aligned with those of the Basic Conditions of Employment Act which means that employees will be required to serve a longer notice period (two weeks' notice up to six months' service, thereafter four weeks' notice).
- The afternoon shift allowance increases by 0.5% to 8% and the night shift allowance remains unchanged.
- The parties agreed to undertake research into an appropriate job grading structure for the industry.
- The parties support the decisions of the funds' surplus sub-committee regarding the distribution of the EIPF and MIPF fund surpluses and appropriate steps will now be taken to distribute the surpluses in accordance with these agreed principles.
- An increase in the daily subsistence allowance to R65.00 per day.
- Minor revisions were made to the provisions of the agreement dealing with the use of labour broker services on direct production processes.
- An ex gratia allowance has been introduced as a benefit to long service employees who are retrenched.

In addition to these changes, SEIFSA and the trade unions also agreed on a set of good practice guidelines which are now available for use by member companies who are considering implementing employee share ownership programmes (Esops) at company level. SEIFSA's objective in formulating the guidelines was to encourage the use of Esops as an important component of companies' transformational objectives which, if implemented in accordance with the spirit and intention of the negotiated guidelines, may allow for up to 100% of these companies' points being carried over to their respective BBBEE scorecards.

Publication of the 2007/2010 Main Agreement

The new Main Agreement was published in Government Gazette No. 30286 dated 14 September 2007 under Government Notice No. 839. The agreement became legally binding on all employers and employees in the industry on Tuesday, 25 September 2007.

Main Agreement publications

- SEIFSA published the 2007 edition of the *Main Agreement Handbook for the Metal Industry* in August. This annual publication is an easy-to-read summary of the industry's Main Agreement. The latest edition incorporates the wage increases that came into effect on 1 July 2007.
- The 2007 edition of the Main Agreement wall chart was also published in August. It summarises the key sections of the Main Agreement in a poster format.
- The Main Agreement CD includes an easy-to-read summary of the industry's latest Main Agreement, a detailed index and a search facility to assist management in locating specific provisions of the agreement.

Labour Law Review

The national labour law review process, which commenced last year, continued this year. The major developments in the process included the Minister of Labour's informal engagement with the senior leadership of organised business and labour. This was followed by the Minister's commitment to embark on a series of bilateral discussions with the key business and organised labour constituencies in order to better understand their respective views on proposed labour law amendments. The Minister indicated that this process would be an essential precursor to the formulation of specific proposals for referral to Nedlac for negotiation by the social partners.

During the course of his initial informal leadership meetings, the Minister firmly stated that employment creation and poverty eradication were not exclusively linked to labour market policies. He also highlighted the following challenges:

- over-proceduralism at the workplace, i.e. the current onerous and technical approach and obligation on employers in convening and conducting employee disciplinary enquiries;
- the non-utilisation of the pre-dismissal arbitration mechanism of the Labour Relations Act (LRA) by employers, employees and trade unions;
- the over-use of the CCMA and the referral of frivolous disputes to that body; and
- the growing use of casual workers throughout the economy

In highlighting these challenges, the Minister expressed the view that possible interventions in addressing these issues included:

- the accreditation of private dispute resolution agencies to ease the current CCMA workload;
- launching an investigation into the reasons why employers, employees and trade unions were not using the con-arb and pre-dismissal mechanisms available under the LRA;
- appointing additional part-time and full-time commissioners to ease the current CCMA workload and case backlogs;
- commissioning research into the reasons why there have been very few workplace forums established in terms of the enabling provisions of the law; and
- possible amendments to the Skills Development Act regulations to make it compulsory for employers to register vacancies and placements with the Department of Labour.

Busa's response to the amendments

In response to the Minister's approach, Business Unity South Africa (Busa) formulated a comprehensive business submission on the areas of the legislation requiring amendment. These representations, fully supported and mandated by SEIFSA, were presented to the Minister late last year and included the following proposals:

- The unfair labour practice concept should be removed from the LRA as it has served its purpose and has now also been incorporated into more appropriate legislation (for example, the concept of unfair discrimination is now specifically covered by the LRA and the Employment Equity Act).
- A simplified and far less formal disciplinary enquiry procedure should be legislated, specifying that legal representation is not permitted in internal disciplinary processes.
- The Act's unfair dismissal protections should not apply to employees during their first 12 months of service with an employer.
- Frivolous dispute referrals to the CCMA should be discouraged through the rigorous imposition of cost orders.
- The proposal in the Department of Labour's so-called synthesis report underpinning the review process, that persons supplied by a labour broker to clients for longer than a stipulated period of time should automatically become the employees of the client, was rejected. The proposal that temporary employment contracts should automatically be converted into permanent employment relationships under certain circumstances was also rejected.
- The retrenchment provisions and procedures of the LRA should be simplified.
- The provisions of the Act dealing with transfers of businesses as going concerns should be reviewed, clarified and simplified.
- The provisions of the LRA allowing employees to embark on protected socio-economic protest action should be repealed.

During the informal leadership meetings, the Minister informed business and labour that he would be identifying various areas where further research was required and that he would convene a series of bilateral discussions with the business and labour constituencies in order to better understand their respective positions regarding the proposed labour law review process.

At the time of preparing this report, the Minister had only met with Busa and had yet to meet with Cosatu and the other trade union federations. These sessions may be convened during the latter part of this year or early next year.

A typical employment practices

The national negotiations at Nedlac over proposed amendments to law aimed at further regulating and restricting the right of employers to use fixed-term contracts of employment and the services of labour brokers are continuing.

A number of meetings of the Nedlac task team were held earlier this year and the debate around the recommendations arising from the research commissioned by the Department of Labour into so-called atypical employment practices in South Africa is now under way. SEIFSA is represented on this task team by David Carson, SEIFSA's operations director and Kevin Cowley of the Constructional Engineering Association.

These negotiations were initiated as a result of the Department of Labour's commitment (expressed by the Minister a few years ago) to introduce measures to address the so-called casualisation and externalisation of the country's workforce. This was followed by the release of the results of research commissioned by the Department in 2004 into the changing nature of work and atypical forms of employment practices in South Africa. This research essentially focused on the abuse and denial of worker rights allegedly associated with the use of temporary and part-time work arrangements, fixed-term and limited duration contracts of employment and the use of labour broker services.

The research report, which incorporated a series of recommendations from the researchers, was presented to the Minister of Labour in 2005. The Minister then referred this to Nedlac for the social partners to negotiate.

At the time, SEIFSA and Busa recognised that the referral of the report to Nedlac would give organised labour an opportunity to align themselves with the almost exclusively negative views on atypical employment practices expressed by the researchers, and to lobby the government representatives on Nedlac to introduce amending legislation to curtail the use of these forms of employment. Unfortunately, this has occurred during the course of the Nedlac

negotiations where organised labour has taken the opportunity to introduce a series of largely unacceptable proposals into the negotiation process.

The business delegates serving on the Nedlac task team, including the SEIFSA representatives, have strenuously rejected these and other related demands. SEIFSA, working together with the other business representatives, will continue to do everything possible to ensure that the current legal employment practices are protected.

Proposed Social Security and Retirement Reforms

Finance Minister Trevor Manuel released a position paper earlier this year announcing a series of proposed fundamental reforms to current social security and retirement arrangements in the country. This followed a discussion paper released by the National Treasury in 2004 in which broad reference was made to government's investigation into possible social security reform. This second paper elaborated on government's proposals for social security reform in South Africa.

The proposed reforms over a three-year period from 2007 to 2010 encompass the introduction of a multi-pillar system comprising:

- improvements to social assistance grants;
- unemployment insurance;
- death and disability benefits;
- a compulsory contribution by all employees into a national social security fund;
- additional mandatory participation in private occupational or individual retirement funds by employees earning in excess of an earnings threshold to a prescribed level yet to be determined; and
- a proposed wage subsidy to alleviate the impact of the proposed new social security tax on lower paid employees.

The Minister's paper indicated that the proposed reforms followed intensive research undertaken by the government over the past few years which had highlighted, among other things, that:

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- more than two-thirds of South Africans reach retirement age without a funded pension benefit and rely mainly on the social old age grant;
- the preservation of accumulated funds among those under 40 was less than 10%, and could be as low as 1% amongst low-income members; and
- it was estimated that more than half of those who reach retirement age with a funded pension receive a retirement income less than 28% of their pre-retirement income.

Taking these findings into account, the second paper proposed the following new approach to retirement funding in South Africa:

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- a mandatory contribution to a national social security fund (through the mechanism of an earnings-related payroll tax) by all employees earning up to a specified earnings threshold. The present SITE tax threshold of R60 000 per annum was suggested as being an appropriate level for this earnings threshold;
- mandatory supplementary contributions to private occupational pension or individual retirement funds in respect of normal earnings above this threshold, up to a certain monetary cap still to be determined, to ensure appropriate insurance coverage and adequate retirement funding; and
- mandatory contributions to the national social security fund should be made universally applicable to all employees - encompassing all formal sector employees with compulsory contributions by household employees and the self-employed to be phased in over time.

The National Treasury has also recommended that the impact of the proposed social security tax on the disposable income of lower income workers (i.e. those earning below the threshold) should be moderated by way of the introduction of a wage subsidy instituted at the same time as the implementation of the proposed mandatory contributions.

The Minister of Finance has indicated that he will refer the discussion paper to Nedlac for negotiation by the social partners. The proposed reforms will have significant implications for current social security and retirement arrangements and institutions within the industry and at individual member company level.

SEIFSA is represented on the relevant Nedlac structures and will participate fully in this important debate.

Amendments to the Industry's Sick Pay Fund

Following agreement between SEIFSA and the party trade unions during the Main Agreement negotiations in 2005, the following amendments to the scope, application and benefit structure of the industry's Sick Pay Fund were published by the Minister of Labour in August this year. These were made legally binding on all employers and scheduled employees in the industry.

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- ***Extension of the Sick Pay Fund to the whole industry***

The scope of application of the Sick Pay Fund (which previously covered only scheduled employees employed by SEIFSA member companies) has been extended to cover *all* employers and scheduled employees in the industry.

- ***Contribution structure***

The employer and employee contribution structure was reduced from 0.18% to 0.09% of an employee's earnings. This was a consequence of large financial reserves that have built up in the fund over the past few years.

- ***New compassionate leave benefits***

The fund's benefit structure has been improved with the introduction of a paid compassionate leave benefit available to qualifying employees to supplement their family responsibility leave entitlements, once these have been exhausted.

Dispute Resolution in Industry

The bargaining council's contract with the external dispute resolution agency, Tokiso Dispute Resolution, to undertake various dispute resolution functions on the council's behalf was renewed for a further 12 months. In terms of this arrangement, the agency manages:

- the bargaining council's dispute resolution function, processes and co-ordination of the council's dispute resolution staffing arrangements;
- the Centre for Dispute Resolution (CDR) at Metal Industries House in Johannesburg and co-ordination of the various dispute resolution centres located in the regional council offices; and
- the council's conciliation and arbitration panellists.

This arrangement has resulted in far more effective dispute resolution in the industry. The overall settlement rate is over 70%, compared to the less than 20% rate which prevailed when the bargaining council performed this function itself.

LIFT ENGINEERING AGREEMENT

The negotiations between the lift sector employers and the representative trade unions to determine the wages and conditions of employment for workers covered by the Lift Engineering Agreement were successfully concluded during August following a protracted negotiation and dispute resolution process. This is the first time that a three-year agreement has been concluded in this sector and may become the norm in the future. Key elements of the new agreement include:

- Wage increases of 6.5% for all employees covered by the scope of the agreement with an inflation-based wage model to determine the wage increases for 2008 and 2009.
- Similar increases were made to the current dirty work, subsistence, stand-by, out-of-pocket, underground, certificate and tool insurance allowances provided for in the agreement.
- Minor amendments to the family responsibility leave arrangements of the agreement.
- The parties agreed to continue negotiations on the issue of the safety of employees undertaking work in high risk areas.

Industry Job Grading

SEIFSA's Main Agreement job grading service continues to provide valuable assistance to member companies in addressing pressure from employees and their representatives to have their jobs graded in accordance with the agreement's provisions. More than 130 companies were visited and their employees' jobs graded during the course of the year.

SEIFSA Arbitration representation service

SEIFSA's arbitration representation service continues to provide a professional and cost-effective benefit to member companies. The service is now available to all employers in Gauteng, KwaZulu-Natal and the environs of Cape Town and Port Elizabeth. Seventy-one individual arbitrations were conducted on behalf of members during the year. These predominantly concerned alleged unfair dismissal disputes.

This service includes evaluating and preparing management's case prior to arbitration, interviewing and preparing witnesses for the hearing, presenting management's case, cross-examining witnesses and preparing the opening and closing statements for presentation at the formal arbitration hearing at the industry's Centre for Dispute Resolution (CDR) and at the CCMA.

Labour Court and Labour Appeal Court Representation

Member companies may choose to be represented through SEIFSA-appointed lawyers and alliance partners at the Labour Court and at the Labour Appeal Court. SEIFSA successfully represented 10 companies at the Labour Court and the Labour Appeal Court during the course of the year. These mainly concerned CCMA and CDR arbitration award review hearings and urgent interdict applications.

SEIFSA's Industrial Relations Services

SEIFSA's IR specialists continue to provide a comprehensive range of services and assistance to member companies. These include:

- ***Chairing disciplinary enquiries***

SEIFSA provides qualified and experienced persons to chair and run in-company disciplinary enquiries and disciplinary appeal proceedings. SEIFSA provided independent chairpersons at 59 in-company disciplinary enquiries and disciplinary appeal proceedings during the course of the year.

- ***Dispute conciliation services***

SEIFSA represented and assisted 165 companies in dispute conciliation proceedings at the bargaining council's CDR and at the CCMA. This included presenting management's case in the dispute conciliation processes and negotiating dispute settlement agreements.

- ***Bargaining council assistance***

SEIFSA provided advice and assistance to member companies on the:

- interpretation, application and implementation of the bargaining council's various collective agreements;
- formulation of exemption applications; and
- presentation of these applications at the relevant bargaining council committees.

General IR services

SEIFSA advises and assists member companies on all IR issues, including dispute resolution processes, application of employment conditions, job grading, formulation of employment equity plans and reports, dealing with strike action and overtime bans, advising on the legitimacy of medical certificates and the interpretation and application of all labour legislation.

IR Publications

The following publications are available to SEIFSA members at discounted rates:

- *A Practical Guide to Implementing the New Retrenchment Law at the Workplace*
- *HIV and Aids in the Metal and Engineering Industry*
- *Main Agreement Handbook for the Metal Industry 2007*
- *Main Agreement wall chart*
- *Main Agreement CD*
- *Disciplinary Policy and Code*
- *Dealing with E-mail and Internet Abuse at the Workplace*
- *Contracting with Permanent and Temporary Employees and Persons Provided by Labour Brokers*
- *Dealing with Sick Leave and Sick Leave Abuse at the Workplace*

IR Training

The IR team continues to present a comprehensive range of practical training courses, seminars and workshops for all levels of management. Sixty-four training courses and workshops were conducted during the year. These included:

- Implementing the Employment Equity Act
- Effective IR on the Shopfloor
- Understanding and Administering the Negotiated Amendments of the Main Agreement
- Managing Sick Leave and Sick Leave Abuse at the Workplace
- Understanding and Implementing the New Labour Legislation
- Managing HIV/Aids at the Workplace
- Effective Disciplinary Action
- An Update on Labour Law Developments
- Flexible Working Time Arrangements in the Industry
- How to Prepare and Conduct a Disciplinary Hearing

IR Conference

SEIFSA hosted a labour law conference in conjunction with Leppan Beech Inc. in Johannesburg on 16 May 2007 entitled *Making Labour Law Work for You*.

The conference covered recruitment, procedural fairness in disciplinary proceedings and poor performance counseling, dismissals for operational requirements, remedies granted by the

CCMA, arbitration, review applications, traditional health practitioners and occupational injuries.

HEALTH AND SAFETY SERVICES

SEIFSA HS Legal Compliance Programme

The SEIFSA Legal Compliance Programme was developed a few years ago to assist companies to meet the requirements of the Occupational Health and Safety Act, the Compensation for Occupational Injuries and Diseases Act and other legislation. Through this programme, SEIFSA assists companies to address the health and safety needs of all employees and thus protect themselves from vicarious liability and criminal prosecution.

The twelve-month subscriber-based programme includes:

- a baseline audit to identify areas of non-compliance **in terms of relevant legislation at companies;**
- administrative documentation to ensure that the mandatory administrative requirements are adhered to;
- a written report addressing areas of non-compliance and, where necessary, specific recommendations to rectify these; and
- an implementation plan to assist the company to achieve and/or maintain legal compliance.

Nineteen companies subscribed to the programme in the past year.

HS CONSULTANCY SERVICE

The division provided a comprehensive range of services to member companies during the year under review. Members were consulted on:

- general HS and legal advice and assistance;
- interpretation and advice on occupational health and safety legislation;
- interpretation and advice on compensation for occupational injuries legislation;
- formulation and implementation of company level HS management systems and procedures; and
- legal compliance auditing.

HS TRAINING

SEIFSA, together with various recognised service providers, presented the following training courses and workshops aimed at all levels of management:

- An Introduction to the Compensation for Occupational Injuries and Diseases Act
- Hazard Identification and Risk Assessment
- Incident Investigation
- Health and Safety Representatives
- Basic Safety Induction and HIV/Aids Awareness

These workshops were run on an in-house basis and also as public sessions. The workshops can be tailored to suit a company's operational requirements.

HIV/AIDS WORKPLACE MANAGEMENT PROGRAMME

SEIFSA in conjunction with alliance partner, Reality Training, offers member companies an HIV/Aids Workplace Management Programme in the industry to enable management to manage HIV/Aids in the workplace.

A breakfast session was held in April to create more awareness about the programme. The guest speaker, Clem Sunter, stressed the importance of management commitment to an HIV/Aids programme and two SEIFSA member companies presented case studies of their companies' programmes.

Thirteen member companies implemented the SEIFSA HIV/Aids Workplace Management Programme during the past year.

health and safety Law Review

A draft Health and Safety Policy has been developed where all the aspects of occupational health and safety are to be integrated as these responsibilities currently fall under the jurisdiction of several government departments. This process will involve combining the Mining Workman's Compensation Fund and the Compensation Fund under the Compensation for Occupational Injuries and Diseases Act and offering the same compensation benefits.

The most significant change to the legislation involves the establishment of a National Occupational Health and Safety Council. This uthority will be responsible for implementing, administering and ensuring compliance with the Ac It will perform its functions under the direction the of Labour Minister .

The council will essentially perform the functions of the current Department of Labour and Department of Minerals and Energy (DME) inspectorate and co-ordinate the performance of its functions with other departments of state that have a responsibility to regulate or promote any aspect of occupational health and safety.

A further significant change is the increased penalties with regard to non-compliance with the Act and the regulations.

A new category of offence will be incorporated into the Act known as "corporate homicide". A corporate body which is under a duty to ensure the health and safety of any person in terms of any provision of the Act (Chapter 2) commits corporate homicide if a person dies and the death was due to the failure of the corporate body to:

- comply with a duty in terms of the Act;
- take necessary steps to control the risk that caused the death; and
- implement a safety management system.

SKILLS DEVELOPMENT SERVICES

Through representation on the National Skills Authority and the Business Unity South Africa Committee on Education and Training, SEIFSA plays a major role in co-ordinating the views of business and lobbying for employer-friendly policies and approaches at national level.

SKILLS DEVELOPMENT CONFERENCE

SEIFSA hosted a high-profile conference on 22 June 2007 entitled *Unblocking the Engineering Skills Pipeline*.

Presentations covered skills shortages, graduate unemployment in post-apartheid South Africa, the role of SAQA and the National Qualifications Framework (NQF) in developing a sustainable and relevant pipeline of artisans and engineers for South Africa, the implementation of an Accelerated Artisan Training Programme in the industry to meet the demands of Asgisa / Jipsa and a case study on training for the 21st century.

PROPOSED CHANGES TO LEGISLATION

The Skills Development Act (SDA) is currently under review. The purpose of the review is to incorporate a number of changes arising from changes to the policy environment.

Key changes envisaged include:

- transfer of appropriate sections of the Manpower Training Act into the SDA in respect of apprentice training;
- the establishment of the National Skills Fund as a public entity; and
- provision for the formation of the Quality Council for Trades and Occupations (QCTO) under the South African Qualifications Authority (SAQA) to take responsibility for quality assurance of work-based learning from Seta Education and Training Quality Assurance Bodies (ETQAs).

The SAQA Act of 1995 will also need to be amended.

Discussions have also commenced on a possible Seta clustering process to streamline the system and to respond to the new National Industrial Policy Framework.

Education and Training Advisory Committee (ETAC)

Membership of the SEIFSA Education and Training Advisory Committee (known as Etac) continued to increase. The committee met regularly during the past year to discuss policy matters relating to the new National Skills Development Strategy, skills shortages, apprentice training, technician training and higher education matters.

A substantial number of skills development facilitators from member companies also attended these meetings and reported that participation in this forum had made a significant contribution to their understanding of skills development implementation issues within their organisations.

SD Training

Public workshops

A range of interactive training courses customised for training managers and skills development facilitators were presented on the following topics:

- Introduction to skills development
- Maximise your discretionary grant claims
- 2006 under the spotlight - Are you ready for 2007?
- Mandatory grants - how to complete the new Merseta mandatory grant application

In-house workshops

The following workshops were conducted on an in-house basis to equip members to fulfil their obligations in terms of the skills development legislation:

- Introduction to skills development (for line managers involved in skills development)
- Skills development for training committees (for training committee members)
- Management orientation to skills development (for directors and senior managers)

CONSULTANCY

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

- maximising discretionary grants;
- preparing Workplace Skills Plans and Annual Training Reports to claim mandatory grants;
- technical advice on skills development matters;

- linking skills development initiatives to the company's strategic objectives;
- registering apprentices and learners;
- company skills audits;
- identifying available industry learning interventions; and
- selecting training providers.

Matters relating to the Manufacturing, Engineering and Related Services SETA (Merseta)

Levies and grant payments

The national training levy introduced in terms of the Skills Development Levies Act of 1999 stands at one percent of payroll.

SEIFSA / Merseta SMME Project

The Merseta's innovative SMME support project managed by SEIFSA for metal chamber employers terminated in 2006 and is in the process of being replaced by a Merseta-managed voucher system for SMMEs.

The project has now gone out to tender by the Merseta for the period up to 2010.

Adult Basic Education and Training (Abet)

A major Merseta Abet project provides free Abet training to SMMEs and substantial grants to large companies that offer Abet training as well as awards to learners who successfully complete an Abet level.

Apprentice Training Project

Concerns around apprentice intake have gathered momentum as a result of increasing shortages of skilled artisans and an aging workforce. The total intake at the end of June 2007 for the metal chamber was 3 514 apprentices. Skills shortages arising from the demand for skilled artisans from a number of major projects continue to pose a threat to the success of many initiatives.

In response to these concerns, SEIFSA developed an "engineering mastery initiative" to accelerate the training and acquisition of engineering skills at intermediate levels for the metal and engineering industry. The strategy – in phase one – focused on identifying major companies in the sector to act as lead employers and to indenture an additional 500 apprentices on completion of their institutional training. This project has now been handed over to the Merseta and Merseta funding is available for the first year. It is intended to access additional funding from the National Skills Fund for future years.

Learnership development

The Merseta has continued to work on the further development and registration of new learnerships during the year under review as well as the development of courseware.

Apart from training at NQF level 1, however, take-up of the new system has been slow and the number of learners at NQF level 4 (artisan level) remains negligible.

Bursaries and Awards

Technician training

SEIFSA awarded eight bursaries during the year under review to students taking courses leading to national diplomas in engineering at universities of technology (Technikons). Private students received the full bursary amount and company-based students received Technikon fees only.

Undergraduate study

SEIFSA awarded five scholarships in 2007 to students registered for approved undergraduate engineering courses at South African universities.

The value of the undergraduate scholarship for the academic year was R24 500.

Career Guidance - Technical Careers

SEIFSA's Skills Development Services continued to offer a career guidance service to scholars and students interested in engineering careers.

Fundi Training Centre

The Seifsa training centre in Benoni was outsourced to Asindo Human Resources (Pty) Ltd in 2003 and renamed Fundi Training Centre. The centre is managed by a Governing Committee. It had an intake of 131 apprentices during the year.

Upgrading and refurbishment of the centre continued during the year to provide enhanced technical training services to employers in the industry including apprentice training, skills programmes, learnerships and customised training interventions.

Social responsibility pilot project

SEIFSA extended its innovative social responsibility pilot project at Fundi during the past year. In terms of this model, young people (PDIs) are carefully recruited and selected on completion of the theory component of their training (N courses) at Further Education and Training colleges. They then undergo the 24-week institutional training period in the relevant trade at Fundi. During this time, they receive a weekly allowance. After successful completion of the institutional training period, they are formally indentured by companies for the balance of their training period up to trade test – 56 weeks. Sixty-seven apprentices have been trained to date.

This model has proved to be both practical and cost-effective and has resulted in the entry of well trained young people into the industry as future highly skilled artisans.

Atrami

The Artisan Training and Recognition Agreement for the Metal and Engineering Industries (Atrami) was originally published in 1982. The scheme provides for the training, testing and recognition of employees as artisans. However, it has unfortunately failed to reach its full potential to produce skilled artisans for the industry. Attempts are being made to promote the scheme and encourage employers to access the substantial grants available from the Merseta for offering training to their workforce in terms of the scheme which is now administered by the Merseta. The agreement has been renewed until 2008. The number of Atrami trainees in mid 2007 was 444.

ECONOMIC AND COMMERCIAL SERVICES

BROAD-BASED BLACK ECONOMIC EMPOWERMENT STRATEGY

SEIFSA has been involved in negotiations through the Trade and Industry Chamber of the National Economic, Development and Labour Council (Nedlac) on the Department of Trade and Industry's Broad-Based Black Economic Empowerment (BBBEE) strategy, scorecard and the Codes of Good Practice for BBBEE for the past four years.

The DTI's initial strategy document was published in March 2003 along with details of the DTI's so-called balanced scorecard to be used to measure companies' BBBEE credentials in respect of black ownership and management, skills development and employment equity as

well as preferential procurement from BEE owned companies, enterprise development and socio-economic development. The scorecard is intended to be used by all government departments, state institutions and parastatals in determining price preference points when awarding government contracts.

While supporting the broad thrust of the BBBEE strategy, SEIFSA expressed its deep concern that, through misunderstanding or otherwise, this strategy could seriously undermine another equally essential national objective, namely job creation and retention through the support of local manufacturing.

Even with the publication of the final Codes of Good Practice for BBBEE in February this year, price preferences in government contracts are generally being awarded almost solely on the basis of black ownership. Often contracts are being awarded to BEE companies which have been importing all or part of the products needed to fulfil government contracts.

To try to ensure that job creation and retention are not jeopardised in the tendering process, SEIFSA proposed to the DTI and National Treasury (custodian of the Preferential Procurement Framework Act) that the BBBEE scorecard and local content should carry equal weighting when consideration is given to the awarding of preference points in tender adjudication.

The DTI has acknowledged the need to ensure that local manufacturers are not prejudiced in the tendering process. In calculating preferential procurement in the BBBEE scorecard, extra points are to be awarded to value-adding local manufacturing enterprises. However, SEIFSA also considers it necessary to define special preference points for local manufacturing in the revised Preferential Procurement Regulations which are being developed by National Treasury in consultation with the DTI.

BBBEE briefing workshops

The division runs regular workshops on BBBEE. These are updated in line with developments in the rolling out of the Codes of Good Practice and the scorecards.

SURVEYS AND REPORTS

Actual Wages Survey

A survey of actual wage rates for hourly-paid employees in the industry is conducted regularly among a wide cross-section of SEIFSA member companies. The results are used to produce labour cost indices for inclusion in the *SEIFSA Price and Index Pages* which is mainly used for contract price adjustment purposes. The survey also provides important statistical information for use in wage negotiations and for research on employment trends in the industry. Indices published in the *Price and Index Pages* are also available to subscribers on www.seifsa.co.za.

Ferrous Metal Survey

Results of SEIFSA's monthly survey of South Africa's iron, steel, ferro alloy and ferrous casting tonnages are released to relevant government departments, news media and other interested parties.

Business Conditions Survey

A monthly survey of business conditions is conducted among a number of companies representing all sectors of the metal and engineering industry. The division uses the results of this survey to prepare its economic reviews and as an indicator of economic activity.

During the year under review, business conditions improved considerably for companies in the metal industry catering for the local market. Also, a slightly weaker rand has started to allow an improvement in manufactured exports. Exports of commodities such as iron ore and other mineral products have grown considerably due to increased world demand, especially from China and India.

Survey on imports from China and India

In response to deep concerns expressed by its members and affiliated employer associations, SEIFSA conducted a survey in respect of cheap, and in some cases, sub-standard imports from China and India in November and December 2006. The survey aimed to determine the extent to which such imports might be undermining local manufacturing.

While 79.9% of respondents stated that they were being negatively affected by Chinese imports, the remaining respondents indicated that they were not as yet being affected by such imports. Those not being affected were mostly metal fabricators and converters of metal raw materials. Just under 12% of respondents indicated that they were also being adversely affected by imports from India.

The survey revealed serious price undercutting by China and to a lesser extent by India. Price undercutting ranged mainly between 10% and 60%, but in two cases by more than 100%. On average, prices of imported products from China were 36% cheaper than the local product.

In most cases, imported products from both China and India met quality standards. Respondents indicated that 18% of imported products were found to be sub-standard. Only one respondent indicated that products imported from India were sub-standard.

Thirty-five percent of respondents indicated that they were also importing products from China. When asked for the reasons why they were importing from China, 80% said they were importing due to lower prices, 23% because of higher quality of the imported product and 40% because of better delivery from China and India compared to local suppliers.

Many respondents indicated that they would like to see government combating cheap imports by imposing higher import tariffs. However, considering the very high levels of price undercutting, ordinary import tariffs would be insufficient to stem imports which on average were 36% cheaper than local products.

It would appear that only anti-dumping or countervailing duties would be effective in reducing or eliminating imports of dumped or subsidised imports. Dumped products are those being sold at prices lower than in the country of origin. Countervailing duties are imposed when governments subsidise the export of products in contravention of World Trade Organisation rules.

In addition to publishing the results of this survey, SEIFSA intends to use the information gleaned from the survey to make representations to government on measures to counteract these problems through Nedlac and directly to the Department of Trade and Industry.

SEIFSA continues to champion the interests of local manufacturers and is lobbying government to support local industry and, with it, job creation and retention by seeking to ensure that, wherever possible, government departments and parastatals favour local content in fulfilling their procurement requirements.

Other surveys

The division conducts a survey of aluminium ingot production and assists various associations in conducting surveys of electrical steel and foundry scrap prices.

CONTRACT PRICE ADJUSTMENT (ESCALATION)

Consultancy

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

The division regularly reviews the make-up of the various indices generated by SEIFSA to ensure that they remain relevant and as accurate as possible.

SEIFSA also offers its members auditing services for CPA claims and makes regular presentations to companies on CPA provisions.

Workshops

Practical workshops on price adjustment provisions for SEIFSA members and subscribers to the *SEIFSA Price and Index Pages* were conducted regularly during the year.

Workshops are also available on an in-house basis to individual companies.

COMMUNICATION SERVICES

SEIFSA's Communication Services is responsible for developing and maintaining effective channels of communication between the federation and its member companies. To achieve this, the division is responsible for a range of publishing and public relations functions.

PUBLISHING

SEIFSA News

Now in its twenty-fifth year of publication, *SEIFSA News* is the authoritative voice in the industry on industrial relations, skills development, BEE, trade and health and safety issues.

The readership profile includes CEOs, directors, line managers, IR managers and HR personnel.

SEIFSA News is a membership benefit and is circulated to members only. *SEIFSA News* is also available on an annual subscription basis to companies requiring more than one copy.

Media Relations

The good working relationship that has been developed with the media, particularly with labour and business reporters, was maintained. Numerous press releases were issued during the year under review.

PUBLIC RELATIONS

Golf Day

Ninety-two golfers and 10 sponsors participated in SEIFSA's 57th Golf Day held at the Royal Johannesburg and Kensington Golf Club in Linksfield on 30 October 2006. The tournament was organised for SEIFSA members and their clients in the Gauteng, Pretoria, Mpumalanga and Free State regions.

Winning the tournament for the second consecutive year was the team from Bay Precision and Mining with a score of 91. ***Eighth National Roadshow***

The 2006 roadshow to Johannesburg, Durban, Cape Town, Port Elizabeth and East London last November was the most successful to date, attracting more than 250 delegates who evaluated the roadshow as being "very worthwhile" and "very informative".

The roadshow enables SEIFSA's management team to talk to representatives from member companies about topical industry issues and to develop rapport and good working relationships with them.

The presentations covered SEIFSA's new skilled worker strategy, HIV/Aids, BBBEE, the Main Agreement's short-time provisions in dealing with the prospect of continuing power outages and the 2007 wage negotiations.

The roadshows are an important part of SEIFSA's strategic plan to give members information about topical industry and national developments. The first roadshow was held in November 2000.

SALES AND MARKETING

Website

The SEIFSA website (www.seifsa.co.za) incorporates a number of user-friendly features. Users have access to breaking news about the latest developments at SEIFSA and in the industry as well as information about upcoming workshops and other events. Visitors to the website can book on-line for any of SEIFSA's workshops and email general queries directly to the SEIFSA office.

Subscribers to Seifsa's monthly *Price and Index Pages* also have access to the latest available indices on the web site.

The number of visitors to the website has increased dramatically over the past three years. For example the number of visitors to the website during the annual wage negotiations in July increased 96% from 4 906 in 2004 to 9 619 in 2007.

Circulars

An explanatory circular on the Main Agreement effective from 1 July 2007 to 30 June 2010 was posted on the website on Friday 13 July 2007, hours after the parties had signed the settlement agreement in the bargaining council's offices in Johannesburg.

Electronic newsletters

During the year, SEIFSA sent out regular electronic newsletters to member companies. Companies on the mailing list received up to date information on the Main Agreement negotiations and information about upcoming SEIFSA workshops. SEIFSA currently has 90% of member companies' email addresses.

MEMBERSHIP

The marketing division's strategy for the financial year ending 30 June 2007 was to recruit companies with more than 50 employees as well as to retain existing members through a client relationship management system. One hundred and ninety-seven companies joined SEIFSA's constituent associations and 94 resigned – a net growth of four percent in membership.

WORKSHOPS AND CONFERENCES

The workshops and conferences were marketed in a loose insert in *SEIFSA News* entitled *What's happening at SEIFSA*, through regular e-newsletters and on the website.

Some 2 500 people attended workshops, conferences and other events hosted by SEIFSA during the year under review. Most of the workshops are run in the training rooms located at SEIFSA's head office in Anderson Street, Johannesburg.

Annual SEIFSA conference

One hundred and forty delegates attended the third annual SEIFSA conference, held in Sandton on 23 February. The conference focused on Broad-Based Black Economic Empowerment.

SEIFSA REPRESENTATION ON OTHER BODIES

REPRESENTATION

SEIFSA is represented on the following bodies:

- Business Unity South Africa (Busa)
- Customs and VAT Enforcement Caucus
- Electricity Intensive Users Forum
- Fund for Research into Industrial Development, Growth and Equity (Fridge) Committee of Nedlac
- Fundi Training Centre Governing Body
- Institute of Safety Management (IoSM)
- Manufacturing, Engineering and Related Services Seta (Merseta)
- Metal and Engineering Industries Bargaining Council (MEIBC)
- Metal Industries Benefit Funds Administrators (Mibfa)
- National Economic, Development and Labour Council (Nedlac)
- National Skills Authority (NSA)
- South African Institute of Iron and Steel Downstream Development Committee
- Technical Sectoral Liaison Committee on Trade Agreements of Nedlac

Through its membership of these bodies, SEIFSA is able to influence business and policy makers at the highest level and to represent the interests of members. This is aligned to the federation's vision which is to "add value to our members as the recognised voice of the metal and engineering industry".

Advisory Council for Occupational Health and Safety (Acohs)

Yvonne Stoop, SEIFSA's health and Safety adviser, is an employer representative on the Advisory Council for Occupational Health and Safety (ACOHS).

Business UNITY South Africa (BuSA)

Busa participates in a host of forums and structures that shape the nature of our regulatory environment. In particular, Busa plays an active role in Nedlac and is involved in the current processes to review the institution.

Internationally, Busa is a member of the International Organisation of Employers (IOE), the Pan-African Employers' Confederation (PEC), and the Southern African Development Community (SADC) Employers' Group. Busa is also the official representative of business at the International Labour Organisation (ILO), African Union Social Affairs Commission and the World Trade Organisation (WTO).

SEIFSA plays an active role in many of Busa's activities and initiatives.

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- ***Standing Committee on Economic Policy***

SEIFSA is represented on the Busa Standing Committee on Economic Policy by Michael McDonald, SEIFSA's economic and commercial manager.

The committee serves mainly as the employer caucus for Nedlac's Trade and Industry Chamber, Public Finance and Monetary Policy Chamber and Development Chamber.

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

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

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- **Standing Committee on Social Policy**

David Carson, SEIFSA's operations director, and Lucio Trentini, SEIFSA's industrial relations manager, serve as members of this committee.

Customs and VAT Enforcement Caucus

SEIFSA is a member of the Customs and VAT Enforcement Caucus. The role of the forum is to combat customs and VAT fraud which has cost South Africa billions of rands in recent years and threatens to undermine the competitiveness of South African industries.

The main function of the caucus is to act as a watchdog to ensure that South Africa's custom control mechanisms and systems are capable of protecting the integrity of our international trade relations. The forum consists of private sector business organisations, industry sector representatives and the Customs and Law Enforcement Task Group.

SEIFSA is working with the caucus on a number of issues including problems relating to irregularities in the export of non-ferrous scrap and theft of electric cables.

International Trade Administration Commission (ITAC)

SEIFSA's economic and commercial manager, Michael McDonald, continues to serve as a commissioner on the International Trade Administration Commission (Itac) and is the current chairperson of the commission.

Itac liaises with the DTI, SARS and other government bodies to monitor the administration of all aspects of current and future international trade agreements.

Institute of Safety Management (IoSM)

SEIFSA's occupational health and safety adviser, Yvonne Stoop, is a representative on the Institute of Safety Management (IoSM) – Ekurhuleni Branch.

IoSM represents practitioners in the field of safety, health and environment management.

There are currently five IoSM members serving on the Advisory Council for Occupational Health and Safety (ACOHS) with four representing business and one in a safety specialist capacity.

Manufacturing, Engineering and Related Services SETA (Merseta)

Governing Board

The Governing Board of the Merseta comprises 16 employer representatives and 16 labour representatives. Each chamber has three employer representatives on the Governing Board. The metal and engineering industry representatives were Janet Lopes, Brian Angus and Chris Murray.

Executive Committee

Janet Lopes and Brian Angus served on the Merseta Exco during the year under review.

Metal and engineering industries bargaining council (MEIBC)

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

arising from this process. SEIFSA serves the membership's interests on the following structures and committees:

- **Management Committee**

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

- **National Finance 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 MEIBC's functions in the various regions falling under the scope of jurisdiction of the bargaining council.

Brian Angus, SEIFSA's executive director, David Carson, SEIFSA's operations director, and Lucio Trentini, SEIFSA's industrial relations manager, serve on the Management Committee and the National Finance Committee. David Carson and Lucio Trentini also serve on the National Standing Committee.

Metal Industries Benefit Funds Administrators (Mibfa)

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

- Engineering Industries Pension Fund (EIPF)
- Metal Industries Provident Fund (MIPF)
- Metal and Engineering Industries Permanent Disability Scheme
- 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.

During the past year, the restructuring of the Funds' investments with the assistance of experts in the investment field was successfully completed. In terms of these new arrangements, 50% of the Funds' assets (i.e. around R30 billion) have been outsourced to various outside investment companies. This includes an amount of R1 billion to so-called incubator managers, as part of the parties' contribution towards black economic empowerment in the investment sector. However, it has also been agreed that all managers will be required to perform to the standards set by the parties in Mibfa's new investment policy and that funds will be withdrawn from any manager who fails to meet these standards. The remaining 50% of the Funds' assets will continue to be managed on a fairly conservative basis by Mibfa's Internal Investments Department. Additional resources have been allocated to the department to assist them to perform to the required standards. Prior to the restructuring, the department was responsible for the investment of some eight percent of the Funds' assets.

Following the decision of the High Court in December 2005 that the industry's Funds are governed by the Labour Relations Act and not the Pension Funds Act, the Financial Services Board (FSB) immediately gave notice of its intention to appeal against the finding to the

Supreme Court. This court confirmed the findings of the High Court in March 2007. The FSB then sought further leave to appeal to the Constitutional Court, but this appeal was turned down.

In the meantime, the FSB also drafted legislation that will bring all bargaining council funds under the jurisdiction of the Pension Funds Act with effect from 1 January 2008. This legislation, once promulgated, will make it very difficult to implement the agreement on the full distribution of the funds' surpluses reached with the industry's trade unions during the course of last year. The agreement would have resulted in the closure of the existing EIPF, a special reserve to increase employer contributions to the funds and very substantial benefit increases for the funds' active members and pensioners.

Discussions are currently taking place with the FSB and the Department of Labour on the way forward with regard to this agreement.

National Economic, Development and Labour Council (Nedlac)

Nedlac provides a forum for government together with organised business, labour and community groupings to meet on a national level to debate and agree 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 by Business Unity South Africa (Busa) of which SEIFSA is a member.

- ***Demarcation Standing Committee***

David Carson, SEIFSA's operations director, is a business representative on Nedlac's Demarcation Standing Committee. This committee provides a forum where all formal applications for demarcation between bargaining councils and various demarcation issues and disputes between sectors and bargaining councils are considered and determined.

- ***Labour Market Chamber***

David Carson, SEIFSA's operations director, is a business representative on Nedlac's Labour Market Chamber (LMC). The LMC 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***

Michael McDonald, SEIFSA's economic and commercial manager, is a business representative on the Trade and Industry Chamber of Nedlac. The chamber debated various industrial policy options and alternatives during the year under review.

National Skills Authority (NSA)

Janet Lopes, SEIFSA's skills development manager, is one of five Busa representatives on the NSA which is the strategic policy body on skills development matters in South Africa.

RETIREMENT OF THE EXECUTIVE DIRECTOR

A replacement is presently being sought for the executive director, Brian Angus, who is due to retire on 31 December this year.

To enable the new director to focus more effectively on SEIFSA's relationships with other bodies such as government and the Department of Trade and Industry and also to address the numerous national issues which will require the federation's attention over the next few years such as the proposed new national social security arrangements and metal sector development strategy, SEIFSA's internal management structure was revised in June this year. Two new directors were appointed.

- Elsa Venter, previously the manager of support services, was appointed director of support services which comprises the federation's finances, administration, communications, marketing and IT functions. Elsa has been with SEIFSA since 1983.
- David Carson, previously the industrial relations director, was appointed operations director. David will oversee operations of the economic and commercial, health and safety, industrial relations and skills development services. These divisions offer consultancy, publications and training courses to companies in the industry. David has been with SEIFSA since 1976.

Thanks

SEIFSA would like to thank the numerous senior executives of member companies who contribute to its work by representing the federation on various forums and bodies. In particular, the office would like to thank the SEIFSA president, Mr Michael Pimstein and the members of SEIFSA's Executive Committee for their contributions to the work of the federation over the past year. They are Messrs. Pikkie Coetzee, Henk Duys, Tony Harris, Helmuth Fischer, Johan Fourie, Chris Murray and Garth van Nierop.

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