



Steel and Engineering Industries Federation of South Africa
PROVIDING INDUSTRY SOLUTIONS

REPORT OF THE EXECUTIVE DIRECTOR 2011

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CONTENTS

INTRODUCTION

Membership	6
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ADMINISTRATION AND FINANCIAL SERVICES

Administration and Accounting Services	6
Meetings	7
Associations.....	7

ECONOMIC AND COMMERCIAL SERVICES

Global and Domestic Outlook.....	7
Industry Employment	9
Economics Forum	10
The Rand Exchange Rate and its Impact on Manufactured Goods	11
Procurement Regulations and Support for BBBEE, Job Creation and Local Production	11
Government's New Economic Growth Path: A SEIFSA Position	11
Carbon Tax	11
E-Tolling System: Sanral Proposed Tariff Structure	12
Proposed Export Duty on Scrap Metal	12
Electricity Price Increases	12
Broad-Based Black Economic Empowerment Strategy	13
Contract Price Adjustment (Escalation) Assistance	13
Economics and Commercial Training.....	13

INDUSTRIAL RELATIONS SERVICES

Industry Wage and Employment Negotiations.....	13
Industry Policy Forum	14
Job Grading	14
Labour Law Amendment Bills.....	15
National Health Insurance	15
Industrial Relations Services	15
Industry Job Grading Service	16
Arbitration Representation Service.....	16
Chairing Disciplinary Enquiries and Appeals	16
Assistance in Dealing with the Bargaining Council	16
General Industrial Relations Services.....	16
Industrial Relations Publications.....	16
Main Agreement Publications.....	17
Main Agreement Portal	17
Industrial Relations Training.....	17
Busa Standing Committee on Social Policy.....	18
Nedlac Labour Market Chamber	18
Nedlac National Demarcation Committee.....	18

HEALTH AND SAFETY SERVICES

Health and Safety Legal Compliance Programme.....	19
Health and Safety Consultancy	19
Health and Safety Training.....	19

Health and Safety Publications	19
SEIFSA HIV/AIDS Management Programme	19
Health and Safety Legislation Review	20
National Health and Safety Blitz	20
Advisory Council for Occupational Health and Safety (ACOS)	21

SKILLS DEVELOPMENT SERVICES

Changes to Legislation and Skills Development Policy	21
Human Resource Development Council (HRDC) and the Artisan Development Technical Task Team (ADTTT)	22
Quality Council for Trades and Occupations (QCTO).....	22
National Skills Accord	23
Education and Training Advisory Committee (ETAC)	23
Skills Development Training	23
Skills Development Consultancy	23
Skills Development Wall Chart - National Skills Development Strategy	24
Manufacturing, Engineering and Related Services Seta (Merseta).....	24
Scholarships and Bursaries.....	25
Atrami	25

FUNDI TRAINING CENTRE

Fundi Training Centre	25
-----------------------------	----

COMMUNICATION SERVICES

Electronic Communications.....	26
Publications.....	27
Events.....	28

SEIFSA REPRESENTATION ON EXTERNAL BODIES

SEIFSA Representation	28
Business Unity South Africa (Busa).....	29
Manufacturing, Engineering and Related Services Seta (Merseta).....	29
Metal and Engineering Industries' Bargaining Council (Meibc).....	30
Metal Industries Benefit Funds' Administrators (Mibfa).....	30
National Economic, Development and Labour Council (Nedlac).....	30
National Skills Authority (NSA)	31

THANKS	31
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INTRODUCTION

The Steel and Engineering Industries Federation of South Africa (SEIFSA) is a national employer Federation representing the metal and engineering industry. For the past 68 years, SEIFSA has provided active support to its members and lobbied for policies that have improved the business environment in which its members operate.

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

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

At an industry level, SEIFSA negotiates collective agreements covering wages, conditions of employment and social security benefit arrangements with the trade unions. The Federation also represents employers on the boards and management committees of the Metal and Engineering Industries' Bargaining Council (Meibc), the Manufacturing, Engineering and Related Services Seta (Merseta), the Metal Industries Benefit Funds' Administrators (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 six main channels of communication:

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

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

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

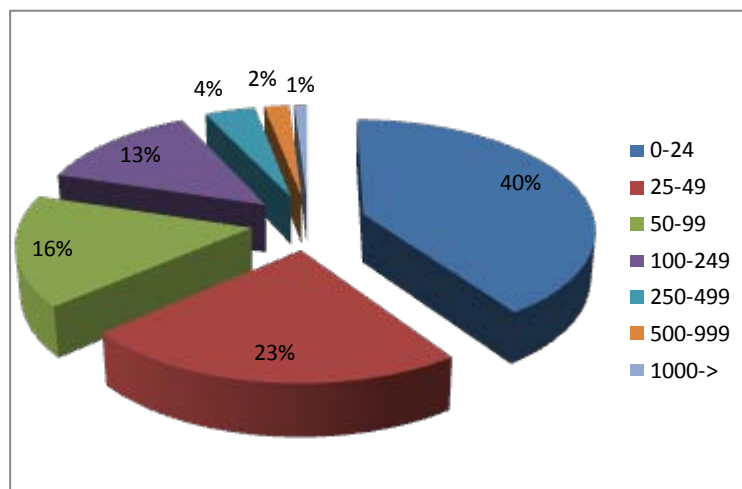
- Hot Dip Galvanisers Association Southern Africa
- Iron and Steel Producers Association of South Africa
- KwaZulu-Natal Engineering Industries Association
- Lift Engineering Association of South Africa
- Light Engineering Industries Association of South Africa
- Machine Engravers Association
- Non-Ferrous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

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

The Associations currently have a combined membership of 2,370 companies employing 178,242 hourly-paid workers. The SEIFSA membership employs 53% of the industry's workforce, and over 77% of all 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 range from giant steelmaking corporations to micro-enterprises. Of these member companies, 63% employ fewer than 50 employees.

SEIFSA Membership by Size of Employment: June 2011



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

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 comprises of the following four specialist divisions:

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

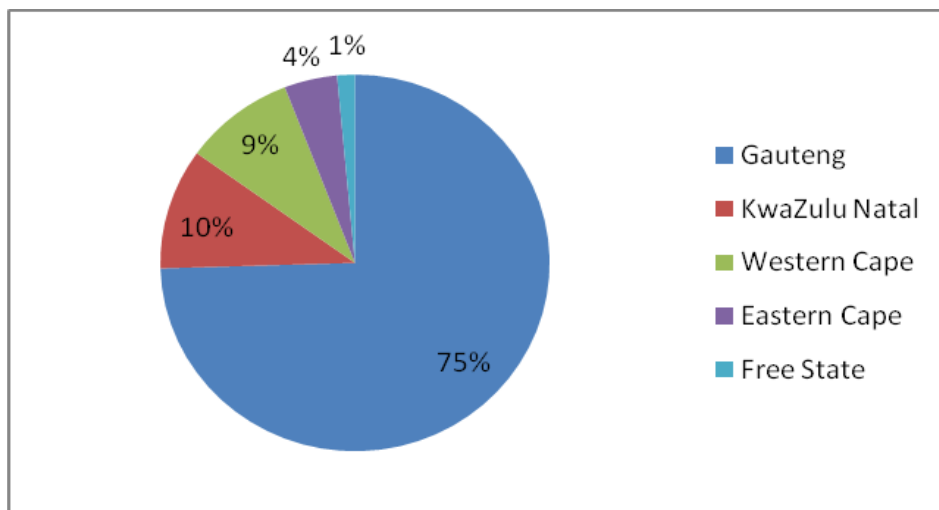
SEIFSA's range of services and products includes consultancy (covering labour legislation; employment conditions; health and safety; broad-based black economic empowerment; contract price adjustment and skills development); publications; training courses; seminars and conferences.

Membership

At the end of August this year, the Federation's membership was 2,370 companies engaged in the metal and engineering industry throughout South Africa. Of these companies, 63% employ fewer than 50 employees and 75% are located in Gauteng.

The regional location of the SEIFSA membership is illustrated below.

SEIFSA Membership by Regional Location: June 2011



ADMINISTRATION AND FINANCIAL SERVICES

Administration and Accounting Services

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

Meetings

The Federation experienced a very active year in terms of Association, Executive Committee and SEIFSA Council meetings – this primarily as a direct consequence of the protracted industry wage negotiations and the associated strike action.

The SEIFSA Council is the policy and decision-making body of the Federation. It comprises elected representatives from each of the SEIFSA Associations, together with co-opted industrialists and industry leaders. The SEIFSA Council met on fifteen occasions during the year. This comprised nine regular monthly meetings and six special meetings related to the industry wage negotiations.

Associations

Two Associations affiliated to SEIFSA celebrated their anniversaries during the year. The South African Refrigeration and Air Conditioning Contractors Association (Saracca) celebrated 50 years of involvement in the refrigeration and air conditioning industry.

The Constructional Engineering Association (CEA) celebrated its 75th anniversary on 2 August 2011 and reprinted a commemorative book: *Girders on the Veld* by Eric Rosenthal, covering the history of the steel construction industry. The CEA was founded in 1936 as the Transvaal Structural Engineering Association and changed its name to the Constructional Engineering Association in 1955, and finally to the Constructional Engineering Association (South Africa) in 1986.

In keeping with SEIFSA's loyalty programme, SEIFSA introduced the following membership recognition structure:

- Platinum member companies 70+ years
- Gold member companies..... 50 - 69 years
- Silver member companies 25 - 40 years
- Bronze member companies 10 - 24 years
- Standard member companies 1 - 9 years

Steve Vorster, the former Director of the KwaZulu-Natal Engineering Industries Association, retired in March. In addition to his commitment to the KZNEIA, Steve made a significant contribution to the bargaining council, the industry funds, and to SEIFSA itself.

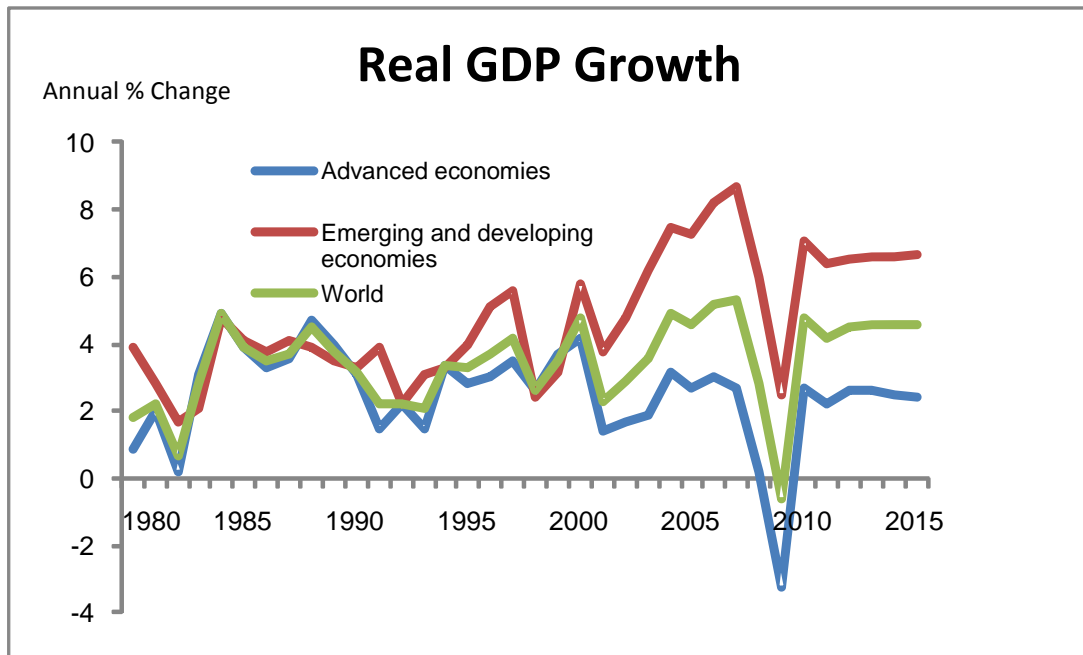
Steve Vorster has been replaced by Kylie Griffin, whose considerable experience in human resources, skills development and IR will undoubtedly ensure the KZNEIA's valuable contribution to SEIFSA and carry on Steve Vorster's good work over the years.

ECONOMIC AND COMMERCIAL SERVICES

Global and Domestic Outlook

The global economic recovery proceeded broadly as expected during the second half of 2010, although downside risks remain elevated and the recovery appears increasingly fragile. Most developed economies faced major adjustments, including the need to strengthen household balance sheets, stabilise and subsequently reduce high public debt and reform their financial sectors.

Real GDP Growth: 1980 – 2011 (and 2015)



The United States and Japan experienced a noticeable slowdown during the second half of 2010, while the growth projection by the International Monetary Fund (IMF) in the Euro Zone was earmarked at 1.5 per cent. Most European countries have become aware of the need to undertake structural reforms and to improve their financial sectors through reforms intended to restore confidence, revive the growth potential, improve competitive performance and strengthen the economic block.

By contrast, the emerging economies' prudent monetary and fiscal policies implemented in response to the 2008/09 global financial crisis yielded a significant improvement in their medium-term growth prospects. The economic activity in these countries, and in particularly those in Asia, remains dependent on demand in the advanced economies.

The growth momentum in China and India has been driven primarily by the recovery in global demand, which has boosted export volumes, supported by inventory accumulation in different parts of the world, as well as higher consumer demand in their domestic markets.

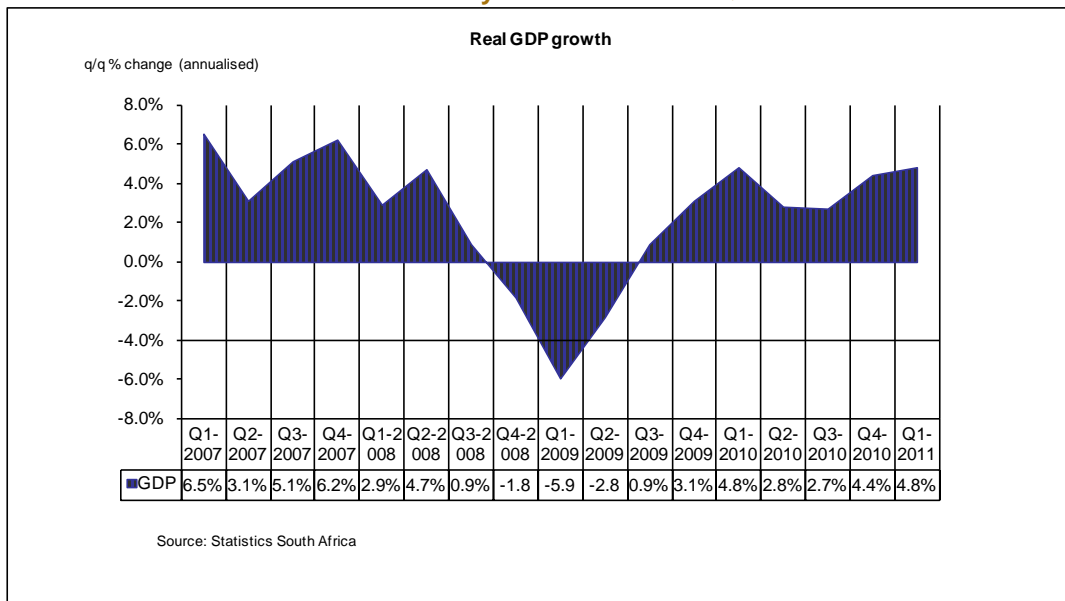
Domestically, economic growth gained further momentum in the first quarter of 2011 when real gross domestic product expanded at a rate of almost 5 per cent, from 4.4 per cent in the final quarter of 2010. Manufacturing output rose considerably over the period, led by higher production of petroleum and chemical products, but with the expansion spread across most of the manufacturing subsectors.

Wage settlements remained high in the first quarter of 2011, matching the average levels recorded in 2010, while the unemployment rate rose to 25 per cent. The inflation outlook has deteriorated further, largely as a result of cost-push factors.

The increase in the price of fuel and food contributed to an acceleration in the rate of inflation. However, the underlying demand conditions remain relatively restrained and are not expected to pose a significant risk to the inflation outlook at this stage,

although the elevated risks from these external price shocks could ultimately feed through to more generalised inflation.

Real GDP Growth: July 2007 to the First Quarter 2011



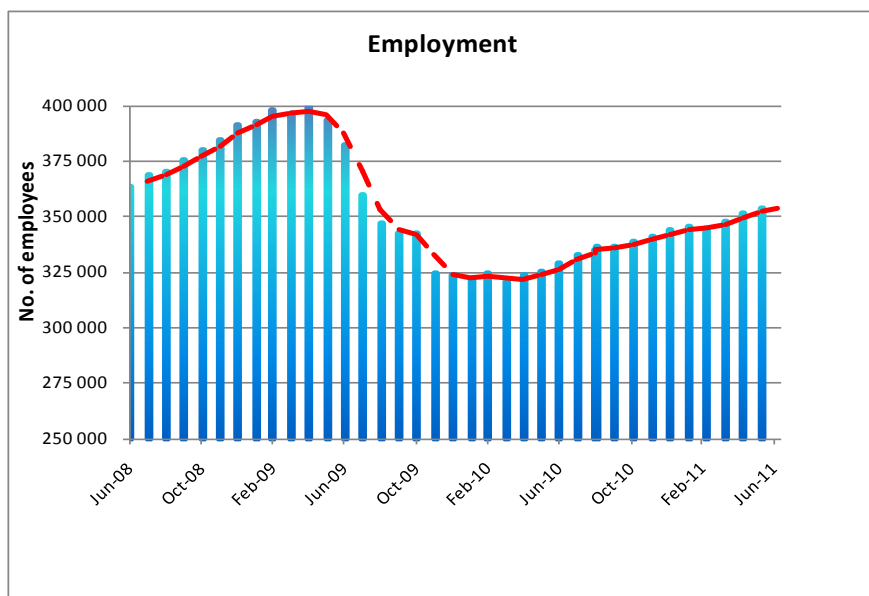
Industry Employment

The metal and engineering industry continued to make employment gains in the first half of 2011 – this notwithstanding the elevated input costs and the fragile economic recovery.

The year-on-year percentage growth reflects that employment slowed from 8.2 per cent in March to 7.7 per cent in April 2011. The positive employment growth by the industry is in line with the gradual recovery of the South African economy given the 4.8 (q/q) percentage growth recorded in the first quarter of 2011.

The following chart illustrates the steady growth in industry employment over the period from June 2008 to June this year and reflects an ongoing recovery from the global recession of a few years ago.

Employment in the Metal Industry: June 2008 to June 2011



Industry employment has grown steadily (by 13.5 per cent) over the 19 months from January 2010 until the end of July this year. This job growth, representing around 43,193 jobs, is in strong contrast to the national experience where employment stagnation appears to be the norm.

The movement in industry employment (derived from the monthly contributions to the industry's pension and provident funds) over the period January 2008 to July this year is detailed in the following table:

Employment in the Metal Industry: January 2008 to July 2011

MONTH	NO. OF EMPLOYEES	MONTH	NO. OF EMPLOYEES
2008		2010	
January	344,085	January	320,285
February	350,696	February	323,833
March	358,635	March	324,836
April	363,494	April	328,466
May	368,638	May	332,727
June	369,934	June	334,636
July	375,297	July	336,214
August	379,681	August	336,113
September	384,164	September	338,865
October	390,838	October	341,014
November	392,284	November	343,618
December	397,918	December	345,649
2009		2011	
January	395,937	January	344,928
February	399,088	February	347,676
March	392,949	March	351,583
April	382,078	April	353,726
May	359,343	May	357,675
June	346,876	June	363,478
July	342,073		
August	342,071		
September	324,390		
October	323,422		
November	322,078		
December	324,236		

The industry employees covered by the Main Agreement wage negotiations embarked on an intensive two week strike from 4 to 15 July this year. In the medium term, industry's employment outlook could be re-shaped by the wage settlement as companies begin to factor in the cost of the relatively high wage rate and the subsequent implications in the form of potential job losses and company closures.

Economics Forum

The SEIFSA Economics Forum, established during the course of last year, continues to operate successfully. At this forum, the SEIFSA economics executive and staff, together with economics specialists from the industry, meet on a quarterly basis, engage on economics, trade and commercial issues of importance to the membership and formulate appropriate recommendations and input to the Executive Committee and SEIFSA Council.

The following detailed position papers were formulated by the economics executive, acting in conjunction with the economics forum, and were subsequently adopted by the SEIFSA Executive Committee and SEIFSA Council:

- *The Rand Exchange Rate and its Impact on Manufactured Goods.*
- *Procurement Regulations and Support for BBBEE, Job Creation and Local Production.*
- *Government's New Growth Path: A SEIFSA Position.*
- *Carbon Tax: A SEIFSA Position.*

The basic contents of these four position papers are summarised in the following sections.

- **The Rand Exchange Rate and its Impact on Manufactured Goods**

This SEIFSA position paper took into account the exchange rate environment in South Africa and analysed the arguments both for and against government intervention in the currency market. Following a carefully considered evaluation of various detailed inputs received from the membership, the principle of SEIFSA support for a weaker rand through government intervention was approved in order to protect the local manufacturing sector. A long-term solution will have to be developed to improve productivity, efficiency and output value by means of improved human capital and higher skill levels.

- **Procurement Regulations and Support for BBBEE, Job Creation and Local Production**

In this paper on procurement regulations, SEIFSA, whilst acknowledging the importance of preferential procurement in achieving South Africa's socio-economic objectives, highlighted the fact that current procurement practices, with ad hoc and unrealistically short delivery times, undermine the local manufacturing sector.

SEIFSA expressed strong support for a move to increase local content in government's procurement obligations towards ensuring sustainability in the local manufacturing sector, generating local income and creating employment.

- **Government's New Growth Path: A SEIFSA Position**

Here SEIFSA acknowledged that the key goals and objectives of government's New Growth Path policy document, released last year, were commendable, focusing as they do on skills development, artisan training and job creation.

Attention was, however, drawn to the Federation's concern that there are substantial obstacles to be overcome in achieving these objectives, including political will. SEIFSA believes that acceptance and implementation of the Plan alone will not be enough to put South Africa on a new growth path.

More importantly, SEIFSA's view is that South African businesses are faced with fundamental challenges, including increasing legislation and policy instruments that make it extremely difficult to run businesses – and that government should focus on eliminating these burdensome regulations and approaches.

- **Carbon Tax**

The carbon tax position paper contained the Federation's representations made to National Treasury in February this year, responding to Treasury's discussion paper: *'Reducing Greenhouse Gas Emissions: The Carbon Tax Option'*.

The SEIFSA view is that the proposed tax would have serious negative implications for the metal sector - in particular, but certainly not limited to, those member companies that use blast furnaces in the production of iron and steel as well as the smelting of ferrous metals in the foundry industry.

The Federation, in the light of government's stated intention to create five million jobs and reduce unemployment to 15 per cent by 2020, has proposed that government reconsider the use of counter-productive policy instruments that may lead to drastic job losses, slow growth and inflation.

In addressing the environmental challenges, SEIFSA has proposed that government should focus on formulating incentives for companies that would encourage them to reduce carbon emissions through the use of low carbon technologies.

E-tolling System: Sanral Proposed Tariff Structure

The Federation supported the Business Unity South Africa representations made to the Department of Transport, on behalf of business, regarding the proposed new toll fee structures in Gauteng. SEIFSA is of the view that the toll fees will have a negative impact on the business environment and will introduce further costs and complexities - reducing domestic competitiveness and impacting adversely on government's job creation goals.

Proposed Export Duty on Scrap Metal

Earlier this year, SEIFSA made formal representations to the Ministers of Finance and Trade and Industry, proposing the introduction of a 40 per cent export duty on scrap metal. This was done in an attempt to protect this strategic resource and key input for the metal and engineering industry.

During the first half of 2010, the global increase in demand for scrap consumption, as well as the imbalance between supply and demand for scrap, led to price increases. In South Africa, scrap metal (both ferrous and non-ferrous) is an important input raw material for the metal sector and for the economy as a whole.

Local producers in the secondary metals industry do not have sufficient access to scrap metals owing to the high costs of the raw material. Prices charged by local scrap merchants are based on export parity pricing, forcing local manufacturers and foundries to pay unaffordable world prices for local scrap materials. The relatively high local scrap prices mean that South Africa industry loses a significant materials cost advantage.

The Federation believes that government support for the proposed export duty would assist significantly in strengthening the local manufacturing sector, discourage the rampant scrap metal theft experienced across the country and shield domestic consumers from high international commodity prices and inflation.

Electricity Price Increases

During the course of the year, the National Energy Regulator (Nersa), acting in accordance with the second Multi-Year Price Determination covering the Eskom financial period from 2010/2011 to 2012/2013, approved average price increases (including the environmental levy impact) of 25.35 per cent for local authority tariffs; 14.30 per cent from the non-local authority tariffs; 26.95 per cent for urban tariffs, and rural tariffs by an annual average increase of 25.8 per cent.

Broad Based Black Economic Empowerment Strategy

Since 2003, SEIFSA has participated in the Nedlac negotiations (through the Trade and Industry Chamber) on the Department of Trade and Industry's Broad Based Black Economic Empowerment strategy, the proposed BBBEE scorecard and the codes of good practice for BBBEE.

The Federation continues to campaign for the interests of local manufacturers and expects government to support local industry wherever possible and, with it, job creation and job retention by ensuring that government departments and parastatals favour local content in fulfilling their procurement requirements.

Contract Price Adjustment (Escalation) Assistance

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

The Economics and Commercial Services Division regularly reviews the composition of the various indices generated by the Federation to ensure that they remain relevant and as accurate as possible. A number of additional indices are currently under development.

Economic and Commercial Training

The division presented the following workshops during the year:

- *12i Tax Allowance Incentive.*
- *Accessing Finances to Create Jobs.*
- *BBBEE – A World of Opportunities.*
- *Theory and Calculation of Contract Price Adjustment.*

INDUSTRIAL RELATIONS SERVICES

Industry Wage and Employment Negotiations

SEIFSA reached agreement with all the industry's trade unions on Monday, 18 July 2011 on the terms and conditions of employment for a three-year period ending 30 June 2014.

This agreement followed a difficult negotiation and dispute resolution process which comprised over 25 formal, informal and bilateral meetings - commencing on 4 May this year and ending when all the trade unions signed the Settlement Agreement on 18 July, following a violent two week strike by industry workers.

Although the final settlement agreement did not meet all the goals and objectives set by the Associations and SEIFSA Council, the Federation believes that the agreement contains the following direct benefits for the membership:

- The employer negotiating team managed to secure a three-year wage deal. This guarantees industrial peace, certainty and stability for all member companies from now until 30 June 2014. Crucially, it is only the second time in SEIFSA's 68 year history that a three-year agreement has been concluded with the trade union parties.

- The actual wage increases for next July and again in 2013 are clear and unambiguous - they are not dependent on further negotiations, and strike action on the increases is not possible. Member companies now know precisely what their employment costs will be for the coming three years, and have an opportunity to manage these appropriately.
- Notwithstanding considerable pressure brought to bear by the unions (in particular by Numsa), SEIFSA managed to avoid the demand to ban labour brokers in the industry. This is particularly significant as this particular demand was one of the key driving forces behind the strike. It was crucially important for SEIFSA to protect the right of its membership to retain the right to all flexible employment practices, including the continued use of labour broker services.
- Finally, SEIFSA and all the trade unions, as a fundamental element of the agreement, agreed to take immediate steps to establish an Industry Policy Forum to provide senior industry leadership and engage at ministerial level on a number of crucial and urgent challenges facing the metal and engineering industry.

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.

Industry Policy Forum

SEIFSA and the trade unions spent a considerable amount of time during the wage negotiations analysing and examining the significant challenges facing the metal and engineering industry, including the urgent need to create and sustain decent jobs and competitive manufacturing capability in the domestic and global markets. It was accordingly agreed to take immediate steps to establish an Industry Policy Forum as a platform for senior industry and union leadership to engage at ministerial level on a number of crucial challenges, including the following:

- The identification of the factors which have contributed to the decline of the metal industry in terms of output, employment, contribution to GDP, and to design strategies and implementation plans to grow investment, skills, jobs and markets.
- The development of strategies aimed at securing the long-term future of the employer parties, including a dispensation for small business, some form of regional dispensation, wage exemptions and other relevant policies.
- The formulation and implementation of appropriate strategies to promote job retention and employment creation.
- The development of strategies on such matters as trade and tariff policies, the importation of steel products by parastatals, export opportunities and demand side measures.

Job Grading

SEIFSA and the trade unions have agreed in principle to the proposed introduction of a new grading structure for the industry. The detailed negotiations on the composition and structure of a new system will commence shortly and the parties will be guided by the following:

- The broad principles underlying the current five grade job and wage structure agreement and the contents of the associated technical schedules (updated and modernised wherever necessary).
- The proposed introduction of an associated minimum wage structure, including an investigation into an appropriate entry-level grade and the proposed merging of Rates G and H.
- The introduction of a twelve-month transitional period for the phased-in implementation of the terms of the new grading structure, once agreed.
- The phasing-in, by equal increments, of the envisaged new job grade wage structure over a period of time to be determined by the parties.

The Federation recognises that there are many challenges in implementing a new industry grading system and it has been agreed that a number of critical issues require further investigation, including the likely impact on employment levels, skills development and affordability for small businesses.

Labour Law Amendment Bills

Last December, the Minister of Labour published the following draft labour law amendment Bills and presented these to Nedlac for consideration and 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.

There is little doubt that the proposed legislative changes contemplated by the Bills are complex and fundamental in nature, and will require considerable negotiation by the organised business representatives serving on the Nedlac appointed task team.

The negotiations between the country's social partners are currently under way and SEIFSA, together with other business interest groups, will be doing everything possible to ensure a regulated model that seeks to find a balance between employer and employee interests.

National Health Insurance

The Minister of Health, Dr. Aaron Motsoalei, released a green paper in August this year, outlining the proposed steps that government intends taking in establishing a National Health Insurance scheme for South Africa (NHI). The cornerstone of the proposed NHI scheme is its intended universal coverage and the provision of essential healthcare to all citizens of South Africa.

The position paper outlines the broad policy proposals for the implementation of the NHI. The document has been published for public comment and engagement on the broad principles. Once this consultation process has been completed, a policy document will be prepared. Thereafter, draft legislation will be formulated and presented to Nedlac for negotiation by the social partners.

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 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, 2011* in August. 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 August. It summarises the key sections of the Main Agreement in a poster format.

Main Agreement Portal

The Main Agreement portal, hosted on the SEIFSA website (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.
- A leave enhancement pay calculator.
- 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:

- Implementing the Employment Equity Act.
- Effective industrial relations on the shopfloor.
- The new Main Agreement
- An 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.
- Employment contract law: Alternatives to costly and inflexible working arrangements.
- How to prepare for and conduct a disciplinary hearing.
- Understanding the law of evidence.

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

Nedlac Labour Market Chamber

SEIFSA's executive director and operations director serve as business representatives 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 proposed regulation of atypical forms of employment practices in South Africa;
- Draft amendments to the Medical Schemes Act;
- The proposed Superior Courts Bill; and
- A review of the proposed amendments to the skills development legislation.

Nedlac National Demarcation Committee

The SEIFSA executive 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

Health and Safety Legal Compliance Programme

The SEIFSA *Legal Compliance Programme* 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 of the applicable health and safety legislation.

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.*
- *COID Act Basics.*
- *A Wall Chart* - summarising the key provisions of the Compensation for Occupational Injuries and Diseases Act.

SEIFSA HIV/AIDS Management Programme

SEIFSA, in conjunction with an alliance partner, offers member companies a comprehensive *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 onsite 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.

It is encouraging to note that the government has made HIV/AIDS a top priority, and member companies are encouraged to do likewise as HIV/AIDS is a health issue with a direct impact on the workplace. By implementing HIV/AIDS programmes, member companies could save the lives of their workers and their families.

Health and Safety Legislation Review

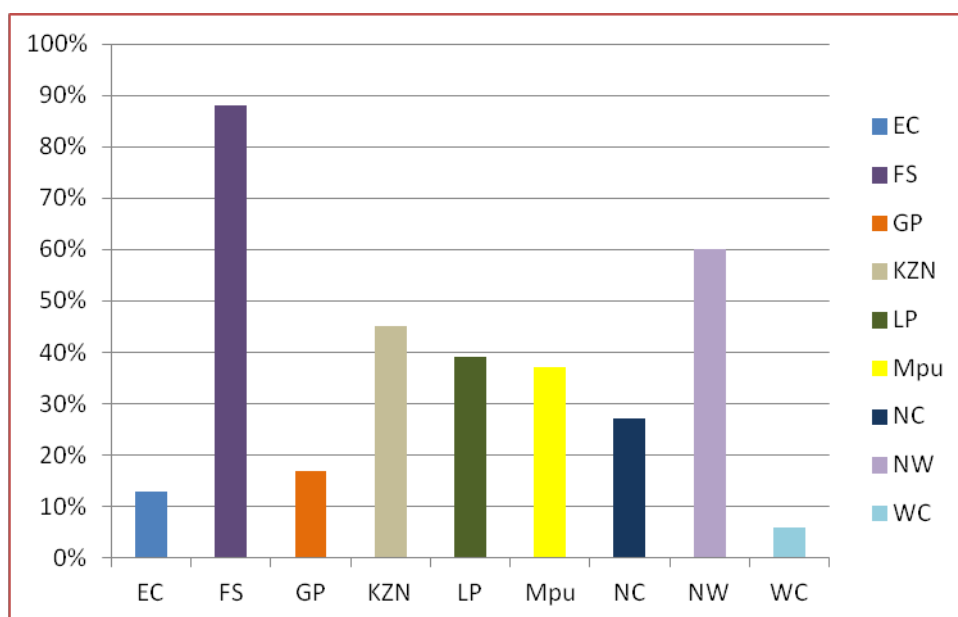
The Occupational Health and Safety Act 83 of 1995 is currently under review by the Department of Labour. The Department is currently drafting a range of proposed amendments to current legislation and provisions.

National Health and Safety Blitz

In a comprehensive study in 1995, the ILO identified twelve high risk occupational health and safety sectors – including the iron and steel sector. In accordance with this research finding, the Department of Labour inspectorate now conducts annual inspection campaigns in these specific sectors.

The aim of these campaigns is to evaluate compliance and enforce occupational health and safety legislation on employers operating in these specific high risk sectors (including the iron and steel and metal industries). The summarised results of the inspection blitz conducted in the iron and steel sector last year are illustrated below - with companies in Gauteng, Eastern Cape and Western Cape having been found to have the lowest compliance levels.

Health and Safety Compliance: Safety Blitz in the Iron and Steel Sector (2010)



In June this year, the Federation's health and safety division, in association with the inspectorate and senior representatives from the Department of Labour, presented a workshop for member companies to assist them in preparing for the annual inspection blitz, and consequently, to improve the compliance levels in the industry.

The next scheduled health and safety blitz in the metal and engineering industry will take place over the following periods:

- Eastern Cape, North West and Mpumalanga: 14 to 18 November 2011.
- Gauteng, Northern Cape and KwaZulu Natal: 13 to 17 February 2012.

Member companies seeking further information in this regard and/or assistance in preparing for the blitz are invited to contact SEIFSA's health and safety manager accordingly.

Advisory Council for Occupational Health and Safety (ACOS)

The Federation is represented on the Advisory Council for Occupational Health and Safety (ACOS) 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 matter relating to health and safety in South Africa.

SKILLS DEVELOPMENT SERVICES

Changes to Legislation and Skills Development Policy

Far-reaching changes have been implemented since the transfer of skills development activities, including the Setas, from the Department of Labour to the new Department of Higher Education and Training (DHET) some two years ago.

Key among these changes has been the finalisation by the DHET of the new landscape for Setas for the period 1 April 2011 to 31 March 2016. Twenty one Setas have been established (previously there were 23) and a number of mergers and transfers of chamber activities between Setas have taken place during the re-establishment process. The Merseta has been re-established, largely unchanged apart from the transfer of the fuel retailers from the Merseta to the Wholesale and Retail Seta.

The Minister, in an attempt to address Seta governance and financial management concerns at a national level, introduced a standard constitution for Setas and reduced the number of governing board members to a maximum of 15 members. These new governing boards (appointed for a five year period) now comprise three ministerial appointees – an independent chairperson, a community representative and a professional body representative. There are also six employer representatives and six labour representatives appointed by the Minister on the basis of published criteria.

There was significant opposition from some sectors to this move away from a strictly stakeholder appointed board to a board essentially appointed by the Minister, but the Merseta stakeholders accepted the changes, and appointments were made accordingly. The Merseta began operating in terms of its new mandate from 1 April this year.

An important development has been the publication of the National Skills Development Strategy III (for the period 1 April 2011 to 31 March 2016). This new strategy is based on eight goals and is more focused than the strategy it replaces. It is important to note that artisan training has become a key imperative – with an explicit stated outcome that 10,000 new artisans should qualify annually across all sectors in South Africa.

The National Skills Authority met far more regularly than usual this year to provide advice to the Minister on the current legislative and strategic changes to the skills development system. A task team, which includes organised business representatives, has been appointed by Nedlac to deliberate on the proposed changes to the skills development legislation.

An area of concern for SEIFSA is that the National Skills Fund (which receives an allocation of 20 per cent of skills development levies paid by employers) has been unable to disburse funds in any meaningful fashion to address the serious national challenge of funding training for the unemployed. The NSF budget for the current financial year has not been finalised and there is a sense that the funding is largely inaccessible. It will certainly be a key imperative for the year ahead to attempt to ensure the removal of the current bottlenecks that impede the funding of important priorities such as artisan training.

Human Resource Development Council (HRDC) and the Artisan Development Technical Task Team (ADTTT)

The Human Resource Development Council (HRDC) met on a regular basis during the year. It is chaired by the Deputy President and serves as the key strategic body on all education, training and skills development matters. Eight task teams have been established to conduct work in specific areas. Key among these is the Artisan Development Technical Task Team (ADTTT). This task team is the primary forum on artisan development in South Africa.

The key objective of the ADTTT has been to improve policy and practice related to artisan development and, in particular, to increase the capacity, quality and relevance of the development of artisans in South Africa. The three priority areas currently receiving attention by the task team are:

- The development of a single guaranteed funding model for all artisan trades applicable to all sectors.
- The opening up of workplace training opportunities for new artisan learners during the period from April from this year to March 2012.
- Agreement on a clear policy position on routes for artisan development, including curriculum and training methodologies.

In addition, a target intake of 30,000 apprentices over the current financial year has been set – comprising 14,780 in the private sector and the balance by state owned enterprises and government.

SEIFSA is directly represented, by the skills development executive, on the Human Resource Development Council, the Artisan Development Technical Task Team and the National Skills Authority.

Quality Council for Trades and Occupations (QCTO)

The Quality Council for Trades and Occupations (QCTO) was appointed last year to take overall responsibility for all workplace learning, including the process of

developing unit standards and registration of qualifications to meet the needs of industry. It is hoped that the appointment of a CEO of the QCTO, as well as the finalisation of the annual budget and policies and procedures, will be finalised shortly.

National Skills Accord

As skills development forms one of the cornerstones of government's New Growth Path (NGP), a great deal of work has been done within the business constituency to interrogate the skills development requirements implicit in the NGP. Strategies are currently being developed to encourage companies to train beyond their own immediate needs, to open internship/placement opportunities to students, to consider an appropriate ratio of artisans to apprentices and to attempt to increase spending on training beyond the obligatory levy payments made.

A National Skills Accord was concluded by the social partners, earlier this year, containing eight high level commitments to address the national priorities of the New Growth Path.

Education and Training Advisory Committee (ETAC)

SEIFSA's Education and Training Advisory Committee (ETAC) continued to meet during the course of the year to discuss policy matters and to formulate recommendations to the SEIFSA Council on the new National Skills Development Strategy, the proposed new Seta landscape, skills shortages, apprentice training, technician training and higher education matters.

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

Skills Development Training

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

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

Skills Development Consultancy

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

- Introduction to skills development.
- Maximising discretionary grants.
- Preparing workplace skills plans and annual training reports to claim mandatory grants.

- Technical advice on skills development matters.
- Linking skills development initiatives to employment equity and strategic objectives.
- Registering apprentices and learners.
- Identifying available industry learning interventions.

Skills Development Wall Chart: National Skills Development Strategy III

A new SEIFSA wall chart (the first in South Africa) was developed and published covering the national skills development strategy for the period 2011 to 2016. The chart includes the following key NSDS information:

- The key strategic goals of the new national skills strategy.
- The skills levy institutions.
- The new grant dispensation.
- Pivotal grants.
- A focus on key action steps for member companies.

Manufacturing, Engineering and Related Services Seta (Merseta)

This year, the Merseta was re-licensed by the Minister of Higher Education and Training for a five year period from 1 April 2011 to 31 March 2016. After an exhaustive process of consultation, the new constitution was accepted by the stakeholders in the five chambers: metal and engineering; motor retail and components; plastics; auto manufacturing and new tyre.

The recently appointed governing board has been meeting under the leadership of an independent chairperson appointed by the Minister. A SEIFSA representative has been appointed as deputy chairperson from the business constituency. In addition, a new (and smaller) executive committee has been appointed, as well as a number of other committees as prescribed by the new constitution. A new Metal Chamber has been appointed, comprising eight employer and eight labour representatives, to focus on chamber specific initiatives and skills demands in the metal and engineering sector.

The Merseta Accelerated Artisan Training Programme (AATP), originally developed and piloted by SEIFSA, entered its fifth year of operation and has attracted widespread national publicity as a flagship programme that has made a significant contribution to enhancing both the quantity and quality of artisan training in South Africa.

The key outcomes of the programme include the following:

- 3,094 apprentices have been registered in the metal and motor chambers of the Merseta.
- 1,425 apprentices have successfully completed their trade tests.
- There has been a 90% success in phase 1 for metal apprentices.
- 88% of the apprentices have been Black candidates, and 12% were Black female candidates.
- The total funding secured to date has been R320 million.
- Member companies with the highest intake under the scheme have been ArcelorMittal, Dormac Marine, Genrec, Murray and Roberts and Columbus Stainless Steel.

Scholarships and Bursaries

Technician training

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

Undergraduate study

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

Artisan Training and Recognition Agreement (Atrami)

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

Atrami has, unfortunately, failed to reach its full potential in producing a pool of skilled artisans for the industry. Renewed attempts have been made to promote the scheme and to encourage employers to access the substantial grants available from the Merseta for offering training under this scheme. The number of Atrami trainees this year was only 394.

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

FUNDI TRAINING CENTRE

This year the SEIFSA Fundi training centre in Benoni had an intake of 185 apprentices in January and a further 216 apprentices in the July intake.

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

A recent project has been the Nigerian Delta Welder Project Training Initiative - funded by the Nigerian government (in terms of that government's post-amnesty programme) to train two groups of ex-militants in arc welding. Training has taken place over a four month period.

The training centre, which is currently operating at full capacity, regularly makes high calibre young trainees available to industry – trainees who have completed their institutional training and are available to be indentured as apprentices for the balance of their training up to trade test i.e. approximately 80 weeks in total but varying by trade.

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 support 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 (Sections 13 and 28)
- Trade proficiency assessments

- Section 28 assessments
- Atrami training
- The 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

The 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
- Industrial safety

COMMUNICATION SERVICES

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

Electronic Communications

- **Electronic Newsletters**

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

- **SEIFSA News Online**

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

- **Website (www.seifsa.co.za)**

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

- Regular reports of the industry wage negotiations.
- Details of the industry wage increase arrangements and exemption applications procedure.
- The Merseta mandatory and discretionary grant application process;
- Employment equity requirements.
- Busa, the bargaining council and Merseta related announcements.
- Industrial policy developments.
- The ongoing developments in the industry funds' surplus apportionment scheme.

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

- **Website portals**

The following portals are housed within the SEIFSA website:

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

Publications

- ***About SEIFSA***

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

- ***SEIFSA News***

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

Events

Presidential Breakfast and Annual General Meeting

SEIFSA's 67th Annual General Meeting was held last year on 15 October at the Country Club Johannesburg. Norbert Claussen, CEO of Powertech was re-elected SEIFSA President. The Annual General Meeting was followed by the Federation's annual Presidential Breakfast.

Golf Day

One hundred and eighty golfers and six sponsors participated in SEIFSA's 61st Golf Day at Randpark Golf Club on 27 May. The winning team, from Kaefer Thermal Contracting Services was awarded the SL Hodgson Memorial Floating Trophy.

Annual Conference

The SEIFSA Annual Conference took place in May. The focus of the conference was on key strategic changes of impact to business, investors and stakeholders falling within the metal industry. The theme of the conference was *Time to Change Gear* and the keynote speaker was the Minister of Higher Education and Training.

12th National Roadshow

The theme for the 12th National Roadshow was *The Road Ahead 2011*. Over 300 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:

- Key challenges facing the metal industry
- The economic prospects for 2011
- Changes to the Construction Regulations of the Occupational Health and Safety Act
- The new National Skills Development Strategy and Seta landscape
- Key changes to labour law

SEIFSA REPRESENTATION ON EXTERNAL BODIES

SEIFSA Representation

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

- The Council of European Employers of the Metal, Engineering and Technology-Based Industries (CEEMET)
- Business Unity South Africa (Busa)
- Commission for Conciliation, Mediation and Arbitration (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)
- National Skills Authority (NSA)
- Electricity Intensive Users' Forum

- Eskom Task Group on Electricity
- The Fund for Research into Industrial Development, Growth and Equity Committee of Nedlac
- 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 (Busa)

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 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)

- **Governing Board**

SEIFSA is represented on the Merseta Governing Board.

- **Executive Committee**

SEIFSA's skills development executive, Janet Lopes, represents the Federation on the Merseta Executive Committee.

- **Audit Committee**

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

Metal and Engineering Industries' Bargaining Council (Meibc)

The Metal and Engineering Industries' Bargaining Council (Meibc) is the forum created by SEIFSA and the industry trade unions to facilitate the industry wage and 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 Meibc structures and committees:

- **The Management Committee**

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

- **The National Finance and Administration Committee**

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

- **The National Standing Committee**

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

- **The Regional Councils**

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

Metal Industries Benefit Funds Administrators (Mibfa)

SEIFSA is represented on 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)
- The Sick Pay Fund

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

National Economic, Development and Labour Council (Nedlac)

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

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

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

- **National Demarcation Committee**

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

- **Labour Market Chamber**

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

- **Trade and Industry Chamber**

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

National Skills Authority (NSA)

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

THANKS

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

In particular, the office would like to thank the outgoing SEIFSA president, Mr. Norbert Claussen, 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.