SEIFSA NEWS

February 2015

The year ahead

BBBEE Amended Codes of Good Practice

The Future of Collective Bargaining

SEIFSA

Steel and Engineering Industries Federation of Southern Africa

OUR PASSION, YOUR SUCCESS

Southern African
Metals and Engineering INDABA

28th & 29th May 2015
EMPERORS PALACE

Engage
Network and influence decision and policy makers from Southern African governments in the manufacturing, metals, construction and engineering industries.

Contribute
Be part of the search for solutions to the challenges confronting manufacturing in the region, but especially the metals and engineering sector.

Innovate
Stay ahead of the times by sharing and exploring cross-sector innovations with the industry pioneers.

Sustain
Play your part in crafting the foundation for an industry that takes care of future generations' environmental, social, political and economic interests.

WHO WILL ATTEND?
Decision and policy makers, current and potential investors, captains of industry, business owners, senior executives, managers, industry suppliers and other affected or interested stakeholders in the following sectors:

- Electrical sector
- Construction sector
- Metals sector
- Engineering sector
- General manufacturing sector
- Product and service providers to the above sectors
- Government and private sectors

WHY you should attend

- It is an opportunity for stakeholders to exchange ideas
- Industry thought-leaders are provided a platform to share and present ideas
- Companies will have the opportunity to show-case products and services
- It will be a platform for networking and exploring new markets
- An important platform for business leaders to engage with other decision and policy makers in the region

For ticket bookings, and further opportunities to sponsor or exhibit at the event,
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FROM THE **CHIEF EXECUTIVE OFFICER'S** DESK

Perhaps understandably, given our history as a country, there are many things on which South Africans disagree with one another. While, by and large, hitherto the differences have been contained and have not been allowed to become destructive, increasingly there are indications that there is a growing danger that they may well become so.

The damaging electricity blackouts have not helped matters. In the course of the vigorous public debates that have followed these bouts of load shedding, there have been moments when the tone of the debates has been deeply worrying. Equally worrying has been the reluctance on the part of some in the Government, notably the President of the country, to accept responsibility for the shameful state of affairs at the power utility, Eskom.

Another deep concern has been the growing number of reported incidents of racism that have taken place in different parts of the country, most notably the Western Cape. Some of these incidents have led to welcome arrests and prosecution, with adverse publicity generated abroad for South Africa.

The country is better off without these unnecessary controversies and diversions from the business at hand. No country in conflict or at war with itself, with its citizens pulling in different directions, can realise its full potential and prosper. The energies expended on these controversies need to be channelled towards working together to get our economy growing.

Despite their many differences, generally South Africans agree that the country has performed terribly when it comes to the economy. Indeed, for a whole host of reasons, economically we are in a terrible state as a country.

We hope for a much better 2015. As usual, this issue of SEIFSA News focuses on how the year is likely to turn out in the respective disciplines that we have as a Federation. Our Economics and Commercial Division has done a great job in its analysis of how the year is likely to turn out. It is, as usual, well thought-out, informed analysis. I encourage you to read it and to reach out to the team, should you need assistance in understanding the likely trends.

Our Price and Index Pages Handbook, which is produced by this Division, continues to have no equal not just in South Africa, but throughout the African continent. Now packed with more valuable indices, the SEIFSA Price and Index Pages Handbook is no longer available for once-off purchases. Instead, it is available only through six-month or 12-month subscriptions.

On both the political and the legislative fronts, 2015 will be another busy year which will see focus placed squarely on matters economical. There will certainly be a lot of drama in the National Assembly and in the provincial legislatures in which the Economic Freedom Fighters are represented, and there will continue to be much emphasis placed on "radical transformation". With crucial local government elections a year away, the governing party will be seeking to make as much hay while the sun shines by introducing one piece of legislation after another that seeks to advance economic transformation.

That will see the business community facing considerable pressure to expedite the degree to which it is transforming. Trade and Industry Deputy Minister Mzwandile Masina has spoken on various platforms about the Government's commitment to "creating 50 black billionaires" over the next few years.

Our members, and the business community in general, have to understand any contemplated piece of legislation that has a potential bearing on them so that they can make their voices heard through us and Business Unity South Africa. Similarly, they need to be familiar with legislation passed by Parliament and signed by the President into law in order to ensure that they comply fully therewith. In this regard, our suitably-qualified and experienced Legal Executive stands ready to be of assistance, including in all matters legal.

Our Health, Safety, Environment and Quality Division also has the necessary expertise and experience to help businesses to comply with legislation related to health, safety, environment and quality at the workplace. This includes expertise in the areas of conducting Environmental Impact Assessments and alleviating a company's impact on the environment.

All of us will no doubt be relieved that there are no wage negotiations confronting us this year, thanks to the three-year Main Agreement Settlement that we reached with the unions last year after a month-long strike in July. At least on the Industrial Relations front, there should be stability in the sector this year.

Given the gazetting of the Agreement by the Minister of Labour on 5 January, the important challenge this year will be ensuring that all employers in the sector comply with the Agreement. To this end, knowing the contents of the Agreement – and not only the sections related to the percentage wage increases – is important. Our experienced Industrial Relations Division, which will be running a series of workshops on the Agreement, stands ready to assist.

Following the Minister's gazettal, all employers in the metals and engineering industries are required to have a copy of the Main Agreement. SEIFSA has a copy of the Agreement, compiled by people who were intricately involved in the 2014 negotiations, available for purchase.

As always, our Skills Development and Human Capital Division – which houses our renowned, multi-accredited SEIFSA Training Centre – stands ready to help you to develop your most important assets, your employees, and to submit your annual Workplace Skills Plans and Annual Training Reports.

We also have a series of exciting plans for 2015. We start the year with a day-long briefing session focusing on the state of the metals and engineering industries in 2014 and on what can be expected economically and politically in 2015. That is a session not to be missed. A detailed copy of The State of the Metals Industry Report will be launched at that briefing session and sold throughout the year.

More excitingly, we have the inaugural SEIFSA Awards for Excellence taking place at Emperors, on 28 May. That evening companies which have excelled in various aspects of business in 2014 will be recognised. Companies that consider themselves to embody excellence are encouraged to enter the awards, which will be adjudicated by an independent panel of experts, and/or to sponsor the different categories. Details are available on www.seifsaawards.co.za.

By far the biggest and most exciting event of the year for the whole metals and engineering sector this year is the inaugural Southern African Metals and Engineering Indaba, which will take place at Emperors Palace on 28-29 May. This is a major regional conference that brings together senior business and labour leaders in the industry and senior policy makers, including Government Ministers, to discuss the challenges facing our sector. We are confident that the conference will go a long way towards advancing the interests of manufacturing in the country.

I encourage you to contact our Marketing and Communications team to establish which sponsorship and exhibition opportunities are still available and to book your attendance. For more information, please go to www.meindaba.co.za.

I am immensely grateful to our visionary founding sponsors – Scaw Metals, Arcelormittal, Aveng Trident for their support of this important regional conference. I am equally grateful to our media partners – Independent Newspapers, Creamer Media and Promech Publishing – which, by publicising the conference and covering it in detail when it takes place, will give great exposure to our deserving sponsors.

I look forward to seeing you at the SEIFSA Awards for Excellence on 28 May and at the Southern African Metals and Engineering Indaba on 28-29 May.

Kaizer M. Nyatsumba

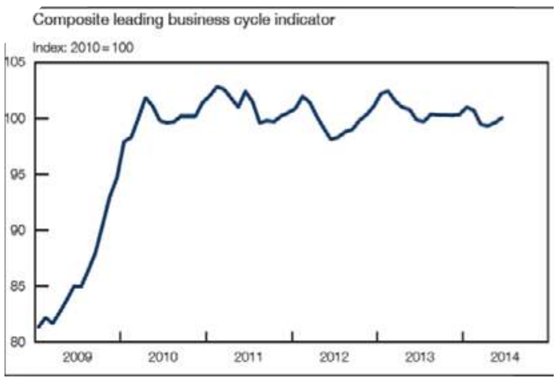
Chief Executive Officer

THE YEAR AHEAD
A DIVISIONAL FORECAST

ECONOMICS AND COMMERCIAL

Economists rely heavily on confidence indicators for their forays into the impossible; forecasting the future. Several of these are available in the South African context. The structure followed here is to start from the most generic for the overall economy to the narrowest possible, for the metals and engineering (M&E) sector.

The South African Reserve Bank Leading Composite Indicator



Graph 1

This index leads the overall economy by six months to a year. The publication of the index lags others and data for September 2014 was the latest available at the time of writing. Graph 1 shows how haphazardly the indicator moved over the last number of years.

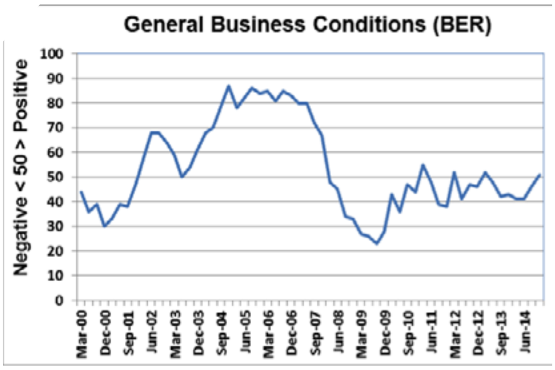
It declined slightly in September, mainly caused by the decline in commodity prices (impact on our mining sector) as well as the decline in the leading business cycle indicators of our trading partners (impact on South African exports). Positive factors were the recovery in manufacturing hours worked and more jobs being advertised.

The mining sector is a huge domestic client of the M&E sector and the latter itself exports the majority of its production to the world. Both these trends are therefore negative for the M&E sector. What is of concern is that it follows the typical pattern during previous upswing phases in the economy; rapid growth in the early phases (2009/10) and then a sharp drop. External factors caused the previous growth phases to come to an abrupt halt; this time the unexpected decreases in oil prices may have the opposite effect by lowering costs, increase competitiveness and export success.

The Bureau for Economic Research (general) Business Confidence Index

The BER surveys about 3000 companies in the building, manufacturing, retail, wholesale and motor trade to compile this index. The latest reading of the index is 51

for the fourth quarter of 2014, meaning that just over half of the respondents are satisfied with the prevailing business conditions.



Graph 2

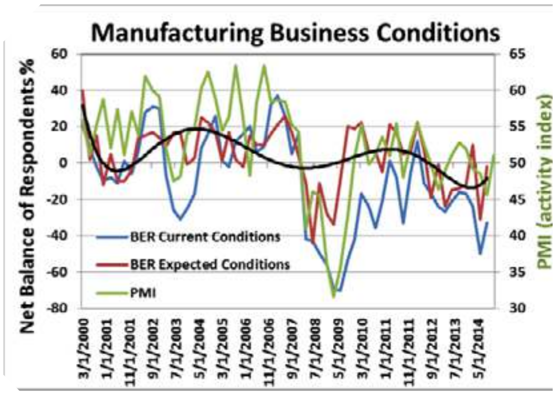
The improvement was caused by a substantial rise in building sector confidence (the best since 2008), manufacturing confidence bouncing back after the strikes, and unchanged sentiment amongst wholesalers and vehicle dealers. Retailers were slightly less optimistic but their confidence improved strongly during the third quarter.

The BER commented that the two successive months of improvement in the index is consistent with the GDP picture prevailing at the time and their contention was that economic growth would accelerate from the projected 1,4% for 2014 to around 2,5% during 2015. Most of these findings are positive for the M&E sector. Better economic growth means more investment in machinery and equipment by domestic companies and more building and construction activity means more demand for steel products. Confidence in the auto sector seems to be waning due to lower domestic demand and tough export conditions and demand for M&E products may therefore also suffer.

The Bureau for Economic Research Manufacturing Surveys

The BER conducts two surveys that track confidence in the manufacturing sector. Both are invaluable as pointers to future actual production trends in the M&E sector.

The BER surveys around 300 manufacturers in 19 different industries in the manufacturing sector every quarter. At the time of writing the Manufacturing Survey for the fourth quarter of 2014 was available. It covers the different industries in detail but the focus here is on the overall trends.



Graph 3

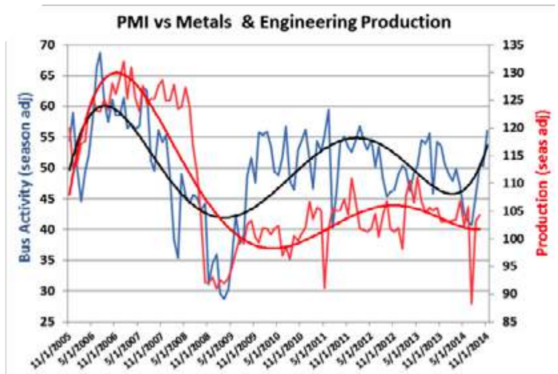
The Purchasing Managers' Index (PMI) is sponsored by Kagiso Tiso Holdings. The index is compiled on a monthly basis by the BER in collaboration with the Chartered Institute of Purchasing and Supply Southern Africa. The 'business activity' sub-index of the PMI is the most valuable (see below).

Graph 3 shows how the manufacturing survey's 'current' and 'expected business conditions' converge with the PMI 'business activity' sub-index. The (black) trend line clearly shows a lower turning point.

The conclusions from Graph 3 are, that there seems to be corroborating evidence that confidence (or the lack thereof) has reached a lower turning point in the trough, but the readings only show that 'the fall has been arrested'. Only the PMI sub-index is above the neutral 50 point level, while the more general manufacturing indicators are still quite negative. When the last four or six months are compared with similar periods earlier however, the improvement becomes evident.

The Purchasing Managers' Index and its correlation with Metals and Engineering Production

The significance of the PMI 'business activity' sub-index is that it leads metals and engineering production by between 12 and 18 months.



Graph 4

Note that we use the trend lines in both the PMI sub index and the production index. The volatility in both obscures the underlying pattern to such a degree that it renders the actual indices almost useless.

Graph 4 illustrates this pattern both for the lower turning points at the trough and the higher turning points at the peaks.

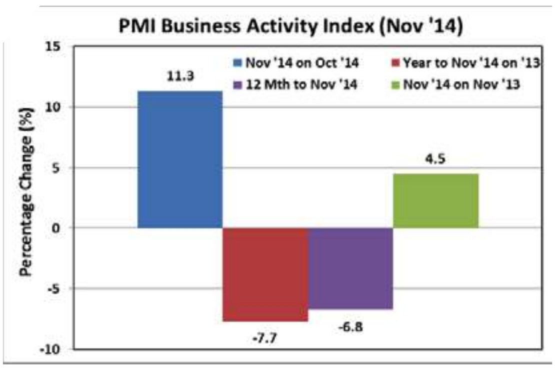
This is very useful information as it gives an early indication of the direction of change in actual production in the sector. The latest data at the time of writing for the PMI was November 2014 and for M&E production September 2014.

The prognosis based on the latest data

The latest data (as at November 2014) seemed to indicate that both the trends in the level and rate of change of the business activity sub-index have bottomed. This is not immediately obvious from the actual index numbers recorded for November (see Graph 5).

The different comparisons with earlier periods show the following:

- The November 2014 index number was 11% better than October 2014.
- When compared to the lowest point, namely July 2014 (the strike month) the index has improved by 37%.
- Despite the above, the recovery up to November seems to be entirely linked to this 'bounce back' after the strike. When 11 or 12 months up to November 2014 are compared to similar periods before, the index still show declines of 7,7% and 6,8% respectively.
- November 2014 was 4,5% better that November 2013, which is promising because it shows recovery back to levels a year ago.



Graph 5

The Outlook: our conclusion

The deterioration in confidence, as reflected by the PMI business activity index, has been arrested, sufficiently so that the trend line has reached the bottom of the trough and turned upward. There is support for such a conclusion from other indicators for manufacturing and the economy.

Purely based on, and 'blindly' believing that, the leads and lags between the confidence index and actual production will hold in future, recovery in production trends can be expected by the middle or second half of 2015.

It will largely depend on continued demand stimulus (domestic or exports) and/or supply support (e.g. cost moderation) whether the recovery will materialise. If this improvement is entirely linked to the "bounce back" in domestic activity, however, progress will lose momentum or be postponed.

There are, unfortunately, indications that it could only be a return to pre-strike levels. Further analysis of the PMI shows that:

- The employment index improved by 4,6% in November, but hardly moved over the 12 months.
- New sales orders increased by 9,5% in November, but declined by 7% over 12 months.
- The order backlog increased by 21% in November, but only 6,5% over 12 months.
- The purchasing commitments improved by 12% in November, but declined by 5% over 12 months.
- Expected business conditions in 12 months declined by 16% in November, but were 3% better over 12 months.
- The latest international purchasing managers' indices were soft and were expected to deteriorate in the near future, which is not positive for M&E exports.

Actual production numbers over the next six months will confirm a trend. The numbers towards the end of the year will confirm whether a trough has indeed been reached or whether it was a false start.

INDUSTRIAL RELATIONS

As predicted, last year's industry wage and conditions of employment negotiations were difficult, frustrating and very confrontational. The protracted bargaining process was characterised by unrealistic demands, high worker expectations and deadlock between the parties which resulted in lengthy industrial action and massive production disruptions. Negotiations commenced on 3 February 2014 and continued for 25 weeks, during which the parties met 62 times. For only the third time in the industry's history, a three-year agreement was finally reached on 29 July 2014.

Despite there having been an agreement reached between SEIFSA and the industry trade unions, the decision taken by the Bargaining Council Special Management Committee on 8 October 2014 was challenged in the Labour Court by the National Employers Association of South Africa (NEASA). The Court dealt comprehensively with the issues raised and handed down judgment on 1 December 2014, ruling that NEASA's application to interdict the Minister to extend the Collective Agreement be dismissed. SEIFSA welcomes the judgment and believes it to be a victory for collective bargaining certainty and stability at a time of unprecedented labour turmoil in our country.

SEIFSA believes that the new agreement is of substantial benefit to the membership, as it guarantees stability from now until 30 June 2017. Wage increases for 2015 and 2016 are fixed, which provides certainly for management over the coming three years. Furthermore, there has been no concession to the demand to ban labour brokers or restrict the usage of labour brokers, as has been done in other industries and the protection offered by Clause 37 of the industry Collective Main Agreement was retained. However, despite all of the positive aspects emanating from the negotiation process, the parties have committed to review the collective bargaining dispensation over the next three years in order to ensure that the system remains a viable one which delivers satisfactory outcomes for stakeholders.

A positive development emerging from the deal signed in 2011 is the Industry Policy Forum (IPF), a crucial and important new industry leadership platform on which the industry's employer and trade union leadership have commenced engagement on a range of critical challenges facing the metal industry. While the IPF faced challenges starting up, there has now been a vote of confidence cast by the respective stakeholders in the IPF, whereby the parties have all recommitted themselves to constructive participation, collaboration, dialogue and joint problem solving to finding solutions for industry challenges. However, leadership understanding and endorsement of the process, proper attendance and participation in meetings, disciplined, well prepared and positive engagement from all parties and higher levels of trust and cooperation between parties will be imperative for the IPF to deliver sustainable results.

On a macro level, after extensive discussion between the social partners, the controversial raft of proposed new labour legislation has begun to be implemented into law. With the required NEDLAC and parliamentary processes having now been completed, the Basic Conditions of Employment Amendment Act, the Employment Equity Amendment Act and the new Employment Services Act have all been gazetted and are already effective. The last remaining legislation, the Labour Relations Amendment Act, has been gazetted and is expected to be made effective early in 2015. The new legislative landscape presents members with a range of challenges in an ever-increasingly difficult economic environment. SEIFSA is, however, available to assist and guide members through any areas of potential concern.

The longstanding dispute between SEIFSA acting on behalf of the 27 Associations and NEASA on the allocation of seats on the bargaining council is finally nearing completion, with the matter being set down for the last week of January or the first week of February. The interim agreement concluded between SEIFSA and NEASA on the allocation of employer seats on the bargaining council will continue to be observed and the work of the bargaining council will not be interfered with by the continuation of the dispute.

SKILLS DEVELOPMENT AND HUMAN CAPITAL

The Skills Development and Human Capital sphere has been abuzz with a number of policy introductions and changes through 2014. Some of the major developments in the skills development arena were:

- the launch of the White Paper on Post School Education
- the "Skills for and through SIPS" report released by the Department of Higher Education and the Department of Economic Development
- the launching of the "Decade of the Artisan".

The most significant development in the skills development was the launch of the White paper on Post School Education. It is fast becoming the "DNA" that defines the context and framework with which the Department of Higher Education and Training should function. Its main policy objectives are:

- a post-school system that can assist in building a fair, equitable, non-racial, non-sexist and democratic South Africa;
- a single, coordinated post-school education and training system;
- expanded access, improved quality and increased diversity of provision;
- a stronger and more cooperative relationship

between education and training institutions and the workplace;

- a post-school education and training system that is responsive to the needs of individual citizens, employers in both public and private sectors, as well as broader societal and developmental objectives.

In line with these objectives one has already seen a vast amount of work being done in the TVET Colleges environment in respect of infrastructure investment, curriculum changes and college trainer development. The amount of student funding in the TVET college system has also increased from R318 million in 2009 to close to R2 billion in 2014. Access has also increased from 340,000 students in 2009 to over 800,000 students in 2014. It is also believed that this number will be increased to one million learners a year in the next year or two. The Government intends spending approximately R6,5 billion a year in the college sector.

The above is a major indication that the TVET colleges will be playing a major role in the development of skills going into the future. It would be crucial for our member companies to get involved in these developments to ensure that the colleges are aligned to the company skills requirements. SEIFSA will continue to monitor the progression of the role of the TVET colleges and the changes on the horizon to ensure that member companies interests are given an appropriate voice.

Artisan development continued to be a focal point on the skills development agenda and this was emphasised through the launching of the “Decade of the Artisan” in 2014. It is anticipated that artisan development would continue to receive a substantive amount of attention this year as these skills are not only critical in creating sustainable and competitive organisations but is also fundamental to our Strategic Integrated Projects (SIPs) infrastructure investment plan.

The launching of the “Skills for and through SIPs Report” in September 2014 further cemented Government’s view that the infrastructure development projects are seen as a key lever in creating a broader skills base in South Africa and alleviating some of the unemployment challenges. This year substantive investment would be made in the development of the skills required for these infrastructure projects.

The investment that is being made into the SIPs is favourable to companies involved in these projects. However, the downside of this is that the skills development for these projects is going to be given precedence and the “knock-on” implication of this is that the funding that companies used to enjoy from the merSETA and other funding platforms will begin to diminish this year. SEIFSA continues to monitor the impact of these initiatives and remains close to issues on the ground in terms of implementation. A number of concerns in this regard have been raised in various forums relating to the skills development environment.

SEIFSA will continue to maintain its involvement at national, regional and sectorial strategic level as well as at industry level throughout 2015. This involvement includes participation in the National Skills Authority , merSETA structures, the Human Resource Development Council Technical Working Group , DHET Task Teams, Umalusi as well as the Quality Council for Trades and Occupations.

SEIFSA will engage closely with the associations that are federated to the organisation as well as companies in the industry to ensure that the quality and standards of the skills pipeline for the metals and engineering sector is consistently enhanced. This will ensure that the sector is able to remain competitive both locally and internationally.

HEALTH, SAFETY, ENVIRONMENT AND QUALITY

Transfer of Class 13 Employers to Rand Mutual Assurance

With effect from 1 March 2015, Rand Mutual Assurance (RMA) will take over the administration of the Compensation Fund for Class 13 employers. The Class 13 category include iron, steel, artificial limbs, galvanizing, garages and metals industries. The extension of RMA’s operating licence is in terms of section 30 of the Compensation for Occupational Diseases and Injuries Act (COIDA) 130 of 199

Affected companies will be required to pay their 2014 Assessment Premiums to the Compensation Fund. The formulae for calculation of assessment fees, and compensation fund benefits remain the same. Employers and medical practitioners shall continue to use the Integrated Claims Management System (Umehluko) which was launched in August 2014 by the Compensation Fund. Employers are urged to cooperate with RMA during the transition phase, and continue complying with the Compensation for Occupational Injuries and Disease Act.

Occupational Health and Safety Amendment Bill

The Occupational Health and Safety Amendment Bill is under discussion at the NEDLAC Labour Market Chamber. This is the first time in the history of law making that health and safety legislation has been discussed by the tripartite parties before being published for public comment. The Metals and Engineering Industries are represented by SEIFSA under the auspices of BUSA. The Bill is expected to be published for public comment during the course of 2015.

Environmental Legislation

According to the National Pollution Prevention Plans Regulations organisations emitting greenhouse gases such as carbon dioxide, methane, nitrous oxide in excess of 0.1 Megatonnes annually are now required to document pollution prevention plans. The initial pollution prevention plans must be submitted by 31 March 2015, and thereafter every five years.

Owing to the declaration of small boilers as controlled emitters, affected business are now required to submit emission reports and comply with emission standards. Even though there is a five year grace period to comply with emission standards, organisation must take necessary steps to reduce emissions now.

ISO 9001:2015

Over a million organisations worldwide implement ISO 9001 as a tool for ensuring that products and services meet or even exceed customer requirements. The standard is revised every three to five years and the current revision final draft international standard (FDIS) stage. ISO 9001: 2015 is expected to be published by September 2015.

Organisations with ISO 9001: 2008 certification will have a three year transition period from the date of publication of ISO 9001: 2015. However, it is advisable for organisations to begin planning for the anticipated changes now.

In light of the issues discussed above, it is essential for employers to make use of the information, training resources and as well as other services provided by the HSEQ division. Participation in forth-coming discussions and seminars will keep employers abreast of changes and developments in the HSEQ arena.

LEGAL

During 2014 the long debated proposed amendments to the labour legislation were assented by the President into law. A new piece of legislation in the labour law fraternity was also introduced, The Employment Services Act. The Employment Equity Amendment Act commenced on 1 August 2014. The Labour Relations Amendment Act only came into operation on 1 January 2015.

The above pieces of legislation have far reaching implications for employers and it is therefore important that they keep themselves abreast of the changes brought about by the said amendments and ensure compliance to avoid statutory penalties prescribed by the provisions of the amendment Acts.

For further details on the changes brought about by the above pieces of legislation and the implications of such provisions, please do not hesitate to contact our Legal Services Help Desk on bridgette@seifsa.co.za or (011) 298 9400.

Protection of Personal Information Act

In 2013 the Protection of Personal Information (POPI) Act was signed into law and certain sections of the Act became immediately effective, particularly those provisions relating to the establishment of the Office of the Regulator.

The coming into effect of the entire Act is still to be announced by Government. There is a great possibility that this piece of legislation will come into effect during 2015 as the international countries have moved towards the regulation of processing of personal information. In this regard, we have also seen a lot of international companies with commercial presence in South Africa placing much emphasis on the need for their subsidiary companies situated in South Africa to implement compliance frameworks relating to the management of processing of personal information, with the view to ensure compliance with the Act even before the commencement dated is gazetted.

The Act affords everyone processing information a year from date of the Act coming into operation to make arrangements towards compliance. The Act has substantial penalties in respect of non-compliance. Anyone who contravenes the Act's provisions faces possible prison terms and fines up to R10 million. The Act also allows individuals to institute civil claims so there is the possibility of further financial loss on top of any fine that may be imposed.

It is imperative that all persons and companies processing personal information put in place a framework towards ensuring compliance with the proposed Act and implement a framework for managing the processing of personal information ahead of the commencement of the Act to test the efficiency of the systems put in place.

For a detailed training schedule on the POPI Act as well as assistance with implementation of a framework, please visit our website on www.seifsa.co.za.

LOCALLY-MANUFACTURED BRAKE BLOCKS SET TO ENTER INTERNATIONAL RAIL MARKET

The DCD Group is a member of the South African Engineers & Founders Association that is federated to SEIFSA.

A range of tried-and-trusted F18 low-friction brake blocks – which have been used on goods trains across Africa since first being launched locally in 1967 – are set to be introduced to the North American and European markets by leading on-tread composite railway brake block manufacturer DCD Metpro.

For more than 47 years, the F18 range has proven to be longer-lasting and more cost-effective than any competitor products, without compromising on safety. As a result, DCD Business Manager for Rail & Industrial Hlayisani Matelakengisa notes that the company is looking to expand the geographic footprint of the F18 range to established and lucrative markets across Europe and North America.

"Despite the fundamental design remaining unchanged for decades, the F18 range continues to be the most popular solution in Africa. The only aspect of design that has changed was the removal of asbestos from the composite in 2000, for health and safety reasons. This proven and continued success is testament to our capabilities, which we plan to extend by testing for the North American and European markets in the foreseeable future," he explains.

Matelakengisa indicates that DCD Metpro has already achieved measurable success in international rail markets, particularly in Australia, through its ARG range of high-friction brake blocks, which are based on the same concept as F18, but designed for use in higher speed and friction applications such as passenger train coaches and transportation motor coaches.

"The ARG range was launched in 2005, and is designed and manufactured specifically for the Australian market. Since its launch, the ARG range has been proven to be more cost-effective than any competitor product in Australia. Bearing this in mind, plans for expansion of ARG range into new regions are currently being considered," he continues.

DCD Metpro boasts the capacity to manufacture up to 720 000 on-tread railway brake blocks and 1,4-million brake block backing plates per annum. The Pretoria-based company currently manufactures 30 products for passenger, freight, locomotive and mining railways, and is a recognised supplier to licensed OEMs.

Matelakengisa notes that the company is also able to undertake comparative tests for brake pad development on the world-class Gautrain rapid passenger transit system, following the successful installation of the Gautrain brake pad rig onto its existing dyno in early 2014.

"DCD Metpro is well positioned to double its output without further investment. In light of this, we will also focus on long-term expansion in the BRIC (Brazil, Russia, India and China) markets – where South Africa is a strategic trade partner," he concludes.

SCHNEIDER ELECTRIC HAS BEEN AWARDED **THE AFRICA BEST EMPLOYER BRAND 2014**

Schneider Electric is a member of the Electrical Engineering and Allied Industries Association that is federated to SEIFSA.

Schneider Electric Africa has been awarded the Africa Best Employer Brand Award for 2014/ 2015 at the annual “Employer Branding Awards ” organised by the Employer Branding Institute; World HRD Congress and Stars of the Industry group and endorsed by the Asian Confederation of Business.

The Africa Best Employer Brand Awards ceremony was held on 10 December 2014 in Mauritius, where Phindo Mohlala, Vice President of Human Resources-Africa and Caribbean received the award in the presence of 200 senior leaders from companies around the world.

Schneider Electric received the award based on certain criteria including but not limited to the company’s ability to attract and retain talent as well as its ability to offer the best work environment for its employees. This prestigious award is one of the top international awards granted to companies that demonstrate excellence in providing an integrated work environment that caters to employees’ aspirations and motivates them to translate success and desired targets into achievements and performance.

Africa Best Employer Brand Awards consists of a panel of judges of experts in employment and human resources from unbiased bodies who base their decisions after reviewing a number of criteria related to employment and work environment, such as: being exemplary in learning and development initiatives, communicating distinctiveness in employee hiring, training and retention practices and continuous innovation.

The most important evaluation methodology is the company’s ability to create a culture of contribution and innovation at work, consistent improvement in human resources policy by measuring organisational health and incorporating values that help achieve the vision, the company’s ability to give workers equal opportunities and develop and nurture future leaders. In addition, a number of other standards are examined including providing exemplary learning and development initiatives, communicating distinctiveness in employee hiring, training and retention practices and continuous innovation.

Mohamed Saad, Zone President-Schneider Electric Africa and Caribbean stated: “Being awarded such a prestigious accolade is a testament to Schneider Electric’s global position in applying international best practices in human resources and employment, with the objective of offering an excellent work environment in the best interest of our employees and their work. As a global specialist in energy management Schneider Electric enjoys a set of corporate values that put the employee as its priorities. We profoundly believe that human resources are our most valuable asset.

“On this occasion, I dedicate this award to all our employees in Africa and extend my heartfelt gratitude and appreciation for their dedication and diligence to ensuring Schneider Electric is an industry leader, not only in providing the best energy solutions, but in all aspects including employment and work environment,” concluded Saad.

Schneider Electric’s innovative technology is the outcome of the outstanding employees’ efforts and their brilliant ideas; therefore Schneider Electric conducts continuous trainings for its employees according to the highest international standards, to ensure a comprehensive development throughout their career path in the company. Schneider Electric is keen to implement a wide range of initiatives in order to provide its employees with the total employee experience and best package of benefits on all levels.

China

China's steel sector needs restructuring, output is peaking – association

China's steel industry needs to speed up its restructuring by slashing excess capacity, improving efficiency and switching to higher-quality products, with output now approaching its peak, a senior industry official said.

"China's steel sector has already entered a period of peaking and flattening out," Zhang Guangning, Chairman of the China Iron & Steel Association (CISA), told its annual meeting recently.

CISA officials have been cautious about putting a date on when production would peak. They have previously said it could happen by the end of the decade.

A peak in output in the world's biggest steel making country could rein in iron ore imports, which surged 14 per cent to a record 932.5 million tonnes last year and could also have implications for coal demand, which some expect to plateau before the end of the decade.

According to the published speeches, the CISA estimated that Chinese steel output reached about 815 million tonnes in 2014, lower than its revised figure of 822 million for 2013.

Zhang, who is also chairman of the Anshan Iron and Steel Group, one of China's oldest and biggest state mills, said the country's slowing rate of growth had piled pressure on the sector and it now needed to take rapid action to improve its competitiveness and focus on quality rather than quantity.

China's total capacity stands at around 1.2 billion tonnes but expansion has slowed considerably, with some analysts estimating that only about 10 million tonnes from new plants would come into operation this year.

Li Xinchuang, CISA's vice secretary general, forecast in December 2014 that Chinese steel production would rise to 834 million tonnes this year .

Chinese steel consumption was expected to increase 1.4 per cent to 720 million tonnes, with growth slowing from 2.5 percent in 2014.

Global miner BHP Billiton has stopped approving new investment in major iron ore production capacity as it expects growth in Chinese steel consumption to slow this year.

Reuters

China

Iron ore approaches 2009 low, Citi cuts forecasts

Spot iron ore prices continued their descent and were close to their lowest level in more than five years as sluggish steel demand in top consumer China curbed any immediate need for mills to replenish stocks of the raw material.

Citigroup has slashed its 2015 iron ore price forecast to $58 a tonne from $65, citing a decline in supply costs. The price of the steelmaking ingredient nearly halved last year amid a supply glut, touching a low of $65.60 in December 2014, it's weakest since June 2009.

Chinese steel producers were in no rush to buy spot iron ore cargoes, especially as winter generally halts construction activity and thus cuts demand for steel, said an iron ore trader in Shanghai. "Steel demand will only see some recovery probably after the Spring Festival in February," he said, referring to the Lunar New Year holiday in February.

"I also don't think we'll see a lot of restocking ahead of the holidays because supply is largely steady." The most traded rebar for May delivery on the Shanghai Futures Exchange fell 1.2 per cent to 2,472 yuan ($399) a tonne by 0316 GMT, not far above the 2014 trough of 2,417 yuan.

Citi analyst Ivan Szpakowski sees further risks for iron ore prices this year and has cut his third-quarter estimate to $53 a tonne from $60. Szpakowski said lower transportation costs and depreciation in the currencies of iron ore exporters had cut costs of those shipping to China far more than those of Chinese producers. "The fall in prices has lowered the critical cost support for iron ore and this is likely to continue falling as producer currencies depreciate further versus the U.S. dollar and local diesel prices continue to fall," he said in a report.

The decline in transportation costs due to sliding energy prices was eroding the geographic advantage of Chinese iron ore producers, he said. "The burden of further supply curtailments is thus shifting towards Chinese miners," said Szpakowski.

Reuters

Pakistan

Re-rollers slam duty on steel billets

The Pakistan Steel Re-rolling Mills Association (PSRMA) on 13 January said the imposition of 15 per cent regulatory duty on import of billets is unjustified, calling for its immediate withdrawal.

The association, in a statement, said around 30 per cent of its member rolling mills do not have their own billet manufacturing facility and completely depend on imports. "Some 3.5 million tonne billets are manufactured in Pakistan per annum against the total need of 4.5 million tonnes," the statement said.

It added that many of the billets manufacturers utilise the billets in producing value-added products at their own factory premises and do not manufacture the raw material to be sold to others. "They occasionally sell billets to the independent re-rollers." "The levy of 15 per cent regulatory duty, therefore, would cause hardship to these independent re-rollers," it said.

Steel re-rollers said shortage of electric infrastructure and cheap industrial land are a deterrent to the development of a billet facility. "PSRMA strongly feels that cartelisation of the industry is taking place as the customs and Federal Board of Revenue (FBR) are being given wrong and misleading information by vested interests. Thus, independent mills, which use billets and make quality products, are pushed to the wall to give an open field to these vested interest," the statement said.

According to the association, billet is an industrial raw material and must be excluded from the regulatory duty regime as there exists enough protection to the local industry.

Local manufacturers of billets are already enjoying custom duty cover of four per cent on their raw material (Rs2,275/tonne) in addition to a sales tax subsidy equal to around 60 per cent, amounting to over Rs3,750/tonne. Regulatory duty will now give an additional cover of Rs8,000/tonne.

"Our association, being a premier body representing the steel industry, was not consulted on this matter. Our workings, showing the taxes being paid by each sector of the industry, are available with the FBR," the statement said.

"At present, value addition from scrap to the local billet stage is currently Rs30,000/tonne whereas the international norm is around $120 (Rs12,240)/tonne. This regulatory duty will be at the expense of the Pakistani consumer who will pay over the international prices for re-bars for construction made from billets and it will also be at the expense of many independent rolling mills who will be forced to go out of business due to lack of competitively priced raw material," it said.

The News

"YOU HAVE LESS THAN FOUR MONTHS TO COMPLY"- BBBEE AMENDED CODES OF GOOD PRACTICE

Statement of clarification by the Dti

On 28 February 2014, the Minister of the Department of Trade and Industry issued a Gazette notice 226 of 2014. The purpose of the notice was to provide an extension on the amended B-BBEE Codes of Good Practice transitional period by six months, which effectively granted the market 18 months to be ready, thus the transitional period will run from 11 October 2013 until 30 April 2015.

The effective date of the amended Codes of Good Practice will be 1 May 2015. A B-BBEE Certificate issued prior to 1 May 2015, will be valid for a period of 12 months from date of issue.

For measured entities whose measurement is post 30 April 2015, the amended Codes of Good Practice will be applicable and all certificates issued post this date onwards must be based on the amended Codes.

So what does this mean for your company and how can you use it to your advantage?

The Amended Codes of Good Practice come with priority elements and failure to comply with them will result in a drop in your current score.

However, you can buy your organisation more time by getting verified on the old codes prior to the effective date of the amended codes which is 1 May 2015. This certificate will be valid for 12 months from the date of issue, meaning that you have more time to prepare and align your organisation to these amended codes.

SEIFSA has the in-house capacity to assist companies from the start to finish. This is of enormous value to companies because we assist with the preparation for verification and will facilitate the entire process up to the issuing of the certificate.

For assistance please contact our Transformation Specialist – Thakhani Khalushi on 011 298 9454, or alternatively email him on thakhani@seifsa.co.za

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SOUTH AFRICA NEEDS TO **IMPROVE ITS QUALITY OF EDUCATION** IN ORDER TO **GAIN INTERNATIONAL COMPETITIVENESS AND CREATE MORE JOBS**, ARGUES MUSTAK ALLY

If one were to ask any South African about what some of our country's key challenges are, crime, load shedding and/or the level of education in our country would feature high on that list. These responses would come as no surprise if one were to explore some of the latest statistics in respect of education in South Africa.

According to a report by the South African Centre for Development and Enterprise, approximately 25% of our schools are fully functional and South Africa has the worst education system among all middle-income countries. To add insult to injury, our African counterparts spend less per capita on education, yet they produce far better results than us.

If one were to pick up the 2014 Word Competiveness Report, then the picture is not much more pleasing. South Africa is ranked 133rd out of 144 countries in respect of the quality of basic education and is as high as 86th in respect of higher education and training.

A Ministerial Task team study conducted in 2014 on the National Senior Certificate informs us that we are making progress in terms of education in that the matric pass rate has improved from dismal lows of 60% to a reasonable high of 78%. What concerns me and many other South Africans is not only that our learners are not passing the set examinations with a pass mark of 35%, but rather the quality of the education that they have received. The substantive increase in the matric pass rate stated above has not improved our world standings in respect of basic education, further education or higher education and training.

So why the concern about the world standings in respect of the quality of our education and training? The answer is simple. Firstly, we are challenged in regard to the high youth unemployment figure which is about 36%. In a previous census, it was established that up to 3,7 million compatriots aged between 18-24 were not in education, employment or training (this group is commonly known as NEETS). This was found to be so at a time when youth in South Africa is defined as being aged between 18-35.

Secondly the National Development Plan (NDP) talks about us decreasing unemployment from the current 25% to 16% by 2020 by growing the economy at an average of 6-7% per annum. From recent economic reports, it is clear that the current sub-2% growth rate is not going to make this employment objective possible, especially when one considers that the target year is less than six years away.

Perhaps ensuring better-educated youngsters through our education and training systems allows us the opportunity firstly to address our local skills shortages and then to export our labour force. In a labour-intensive country, this may be one way of creating some type of economic growth and alleviating poverty.

Notwithstanding business's known concerns about our education system, nevertheless there is deserved praise for the plans being discussed by the education departments. Some initiatives that need to be applauded are the envisaged change to pass-rate percentages for learners in the high-school-phase and the intention to implement competency tests for aspiring Principals, Deputy Principals and Heads of Departments before their promotion in order to improve standards in the quality of education.

The proposed competency assessments should definitely improve the quality of learning at the higher echelons of the schooling structures. However, these kinds of assessments need to be extended to the entire spectrum of the teaching fraternity in order to enable overall improvements in education.

Similarly, the initiative should also be extended to Technical & Vocational Education & Training (TVET) institutes (previously known as Further Education and Training) colleges) to ensure an holistic approach to the current myriad of challenges facing education and training in South Africa. It is a known fact that TVETs need to address the level and quality of trainers in the colleges, and these assessments would go a long way towards identifying gaps and affording us an opportunity to develop solutions for these gaps.

According to the Minister of Higher Education and Training, Dr Blade Nzimande, access to college education increased from 340 000 learners in 2009 to 800 000 in 2014. Pass rates are "still too low", with the Vocational National Certificate programmes' average pass rate of 9% in 2009 having increased to 33% in 2013.

Business should also play a role in being more descriptive of its requirements and in opening the workplace to TVET lecturers and learners to afford them that vital link to the practical, business world.

It must be stressed that while it is important for us as a country to have good intentions and great plans to address our challenges in the quality of our education and our skills development, these plans are, but, an important beginning. Far more important is the dedicated, single-minded implementation of these plans.

We need desperately to get South Africa to be more globally competitive. We will not accomplish that goal unless we work together on the basic, further and higher educational phases so that South Africa can move into the top 100 rankings of the 144 countries in respect of its quality of basic education and be placed higher than 86th in respect of the quality of its tertiary education.

Mustak Ally is the Skills Development and Human Capital Executive of the Steel and Engineering Industries Federation of Southern Africa.

TRAINING COMMITTEE TRAINING

A company with more than fifty employees must establish a Training Committee comprising of all occupational levels of the organisation, to consult on the appointment of the Skills Development Facilitator, and the mandatory and PIVOTAL grant applications submitted to the relevant Sector Education Training Authority .

Consultation should start as early as possible in the process of workplace skills planning and throughout the implementation process.

The main task of the Training Committee is to represent all employees and employers and to consult as their representatives with management on various skills development related challenges and issues, specifically the Workplace Skills Plan, Annual Training Report, PIVOTAL Plan and PIVOTAL Training Report .

Consultation for the annual submission is a matter of legislation and to this extent; the Training Committee is a statutory body and must be kept informed and trained on any and all skills development related matters.

Companies that trained their training committee members prior to April 2014 need to retrain them to understand the skills development dispensation so that they can submit their mandatory and PIVOTAL grant application to the merSETA by the deadline date of 30 April 2015.

SEIFSA has assisted numerous and various companies with the training and up skilling of their training committees on the National Skills Development Strategy, their roles and responsibilities as well as the skills development requirements and grant implications for their companies for 2015.

SKILLS DEVELOPMENT & HUMAN CAPITAL
SDHC

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YOUR 2014/2015 **SKILLS DEVELOPMENT CHECKLIST**

Most companies in South Africa use strategic planning to manage the growth and development of the organisation. The compliance issues for the annual mandatory and PIVOTAL grant submissions time and again hampers the true strategic importance of these submissions, and results in submission that only reflects the most immediate training and development needs, and are tailor made for compliance rather than reflecting the Strategic intent of the company. Skills Development enables companies to efficiently develop skills and gain experience critical to the success of the business, and the annual submissions should reflect the company's strategic intent.

The following checklist can be used to ensure that you are ready for the Skills Development imperatives of 2014/2015.

Put a tick in the block for those items that apply to your company where you are fully up to speed.		
Have you scheduled and prepared for the following......	YES	NO
1. Do you check the SEIFSA website weekly to ensure that you are aware of the latest news, workshops, seminars and conferences? Prioritise this on your to-do list.		
2. Have you started early planning of your mandatory and PIVOTAL grant submission to the merSETA? (The deadline date is 30 April 2015) Update your knowledge of the Organising Framework for Occupations (OFO) (as the basis of your mandatory grant application). Make sure that you attend the SEIFSA OFO workshop. (You will also gain very useful insights on the implications for your human resource planning.) and or make sure you attend the SEIFSA Needs Analysis for Organisational Performance to ensure optimal strategic alignment of your workforce and company goals.		
3. Do you have any new staff members who need an understanding of the fundamentals of the skills development legislation? Book them on the next Introduction to Skills Development (SD) workshop.		
4. Do you have more than 50 employees in your company? Do you have an effective Training Committee to consult on your mandatory and PIVOTAL grant submission? Contact the Skills Development team at SEIFSA for details of the two-and-a half hour in-house training committee workshop which can be offered on your premises to train your committee members in terms of their roles and responsibilities.		
5. Is your Labour Representative Skills Development Facilitator (SDF) trained for their role and responsibilities? Make a booking for the next Labour Representative SDF programme.		
6. Are you a medium to large company? Schedule the training of relevant staff as assessors, mentors and coaches in order to support and evaluate your learners.		
7. Can you state with confidence that you are achieving maximum financial and strategic benefits for your skills development activities?Attend the Skills Planning and Reporting Workshops to enable successful online submission via the Seta Management System (SMS) to the merSETA.		
8. Are you aware of all the legislative and policy changes in Skills Development? Book your skills development and HR managers as well as your SDF on the SD Update workshop so that you understand the implications of the skills development dispensation and the new mandatory and discretionary grant dispensation.		
9. Did you know that if you train apprentices and learnership learners your organisation can claim additional tax incentives and benefits from SARS? Book for your finance team, skills development and HR managers as well as your SDF to attend the next SARS Breakfast which cover section 12H of the Income Tax Act and the Employee Tax Incentive		
10. Contact the SD&HC Team for any advice or assistance regarding any skills development related issue or challenge.		

SEIFSA TRAINING CENTRE ANNUAL AWARD CEREMONY

SEIFSA Training Centre's (STC) annual award ceremony for 2014 was held on 28 November at the centre in Actonville, Benoni.

The ceremony is held each year in recognition of the achievements of apprentices that have trained at the STC during the year. Apprentices are awarded for excellence in both the theoretical and practical components of their courses.

As is custom, companies were invited to witness their trainees receive awards in their respective trades. Companies represented this year were: Rotek Engineering, Transvaal Pressed Nuts, Bolts & Rivets, Murray and Roberts, Lasher Tools, Lapack Ltd, SA Mint, Unilam Pressings, Rheem SA, Melcor Conveyer Equipment. Amongst the winners were also two SEIFSA bursary trainees.

Certificates and trophies were presented for excellence in the following trades: fitting & turning, pipefitting, turning, toolmaking, boilermaking, welding and the electrical trade.

Twenty six year old Rotek Engineering trainee, Kgaogelo Sello from Gamashabela, Limpopo was awarded the SEIFSA trophy for Best Overall Student as well as the PFG Glass for Best Student in the Turning category. In addition, Sello received a monetary prize from SEIFSA as well as a prize sponsored by Toolquip & Allied, which was the primary prize sponsor for the event.

Thirty three year old Phillemon Tsehla who is also an apprentice from Rotek Engineering was awarded the Rheem SA trophy for Best Progress in the Welding discipline as well as the SEIFSA trophy for Best overall student.

Both these trainees are currently completing the on the job training component of their apprenticeship and expect to qualify as artisans next year.

When asked about his aspirations once he has qualified as a Turner, Sello said that he would like to apply for his N-Diploma, which would enable him to become a technician. "My ultimate dream is to become an engineer," he added.

Sello completed his N6 in Mechanical Engineering at Germiston College in 2008 and proceeded to do an N5 in Electrical Engineering when he struggled to find an apprenticeship in turning.

He then studied mechanical drafting at the African Academy where we was awarded an opportunity to gain experience at Hatch as a trainee draftsman in 2010.

"After my internship at Hatch was complete, I was unemployed for two years until Rotek Engineering offered me an apprenticeship in 2013," Sello said.

He concluded that he was very grateful to both Rotek Engineering and the SEIFSA Training Centre for believing in his abilities and allowing him the opportunity to gain the experience that he has gained thus far.

SEIFSA Training Centre congratulates all students for their outstanding achievements and wish them well as they embark on their respective technical careers.

Left to right: Kgaogelo Sello, Elsa Venter- SEIFSA Deputy CEO, Phillemon Tsehla

GETTING YOUR HEALTH AND SAFETY STRUCTURE IN ORDER

Human capital is the most valuable asset to any company and every organisation's top priority should be to look after its valuable assets. Section 24(1) of the Constitution provides that everyone has the right to an environment that is not harmful to their health or well-being. This provision therefore is not only limited to the environment in which people live but the working environment too.

The main purpose of the Occupational Health and Safety (OHS) Act 85 of 1993 is to provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery. The Act and its regulations require employers to make various health and safety appointments, all of whom play an important role in not only providing but also maintaining a safe working environment.

Basic OHS Appointments:

Appointee is selected to assist in carrying out the duties of the CEO, there are no legal requirements with regards to the number of appointees a company may have, but given the nature of the responsibilities of the appointees, it is advised that they are competent individuals who are well versed with the legal requirements of the OHS Act and its regulations.

A supervisor of machinery must be appointed where machinery is being used in order to ensure that all machinery is in compliance with the occupational health and safety legislation, implement a planned maintenance programme and ensure that the statutory machinery records are kept and maintained.

A health and safety committee must be established where there are two or more health and safety representatives in the workplace. The committee is made up of both employee and employer representative, and all health and safety related matters should be discussed at committee meetings.

Health and safety representatives are appointed where there are more than twenty employees in a workplace. The OHS Act provides that for every fifty employees there must be one health and safety representatives.

First aiders must be appointed where more than 10 employees are employed at a workplace. This is a compulsory legal appointment and the first aider should be readily available during normal working hours. There must be one first aider for every 50 employees.

In order to ensure that valuable input is made by the various role players in the health and safety structure, employers must ensure that each appointment not only receives the relevant training related to their functions, but are also competent to perform their functions effectively.

Health and safety requires the participation of everyone in the organisation and not just management. Therefore it is important to establish participation, communication and trust between the various role players in order to create a positive safety culture, where health and safety is understood to be and is accepted as a high priority.

Nonhlalo Mphofu - Health, Safety, Environment & Quality Executive

SAVE THE DATE

24 July 2015

SEIFSA Annual Golf Day 2015

Glendower Golf Club

ENVIRONMENTAL **LEGISLATION UPDATE**

The following are some of the environmental laws that may affect some metals and engineering business operations. Failure to comply with environmental legislation may attract pecuniary sanctions of over R5 000 000, which could potentially bring some businesses to their knees.

a) National Pollution Prevention Plans Regulations, 2014

These regulations have been published in accordance with Sections 29 (3), 53 (o) and (p) read with Section 57 91)(A) of NEM:AQA.

The Regulations affect emitters of greenhouse gases such as carbon dioxide, methane, nitrous oxide, hydrochlorocarbons, perfluoropcarbons, and sulphurhexafluorode in excess of 0.1 Megatonnes annually or measured as CO2 =eq. Emission source activities include: the metal industry, iron producers and road transportation.

Implications:

- Pollution prevention plans are to be submitted by 31 March 2015 and thereafter every five years.

Regulations to phase-out the use of Polychlorinated Biphenyls (PCBs) materials and Polychlorinated Biphenyl (PCB) contaminated materials, 2014.

Implications:

- Prohibits use of Polychlorinated Biphenyls (PCBs), or use of or importation of PCB contaminated material (the biphenyls are commonly used as insulating oil in capacitors, transformers, electrical motors, circuit breakers, voltage regulators, reclosers, switchgears, switches, electromagnets, rectifier and other similar equipment)
- The phase frames are as follows: no use of PCB materials (or contaminated materials) by 2023 and no one to be in possession of such materials by 2026.

b) Declaration of Small Boiler as a Controlled Emitter and Establishment of Emission Standards, 2013)

This declaration has been made in terms of Section 24 of National Environmental Management, Air Quality Act with the following implications:

- Affected businesses have five years from the date of the publication to comply with the emission standards
- The first emission report had to be submitted by 1 November 2014
- Emission measurements must be performed by competent persons in accordance with prescribed standards.

c) National Dust Control Regulations, 2013

These regulations were promulgated in accordance with Section 32 of the National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004). They apply to businesses producing dust to the excess of 600 mg/m2/day, 30 days' average in residential areas and 1200 mg/m2/day, 30days' average in non-residential areas.

Implications:

- Affected businesses may be required to undertake a Dustfall Monitoring Programme, submit Dustfall Monitoring Reports and Dustfall Management Plans
- Dust measurements are to be performed by a competent person in accordance with ASTM D1739: 1970, or equivalent method approved by any internationally recognised body.

d) National Waste Information Regulations, 2012

The National Waste Information Regulations are promulgated under section 69(1)(y), (aa) and (ee) of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008)

Affected businesses are generators of the following waste in excess of 20kg per day:

- Gaseous waste
- Mercury containing waste
- Batteries
- Mineral waste, just to name a few.

For more information on waste reporting visit http://www.sawis.co.za/

PROPOSED ENVIRONMENTAL **REGULATIONS ARE LAUDABLE**

Further draft Regulations have been published under the National Environmental Management Act, 1998 (NEMA), aimed to streamline and expedite the applicable time frames for environmental licensing requirements.

The Proposed Environmental Impact Assessment Regulations and Environmental Impact Assessment Regulations Listing Notices 1 to 4 of 2014 were published under Government Notices in Government Gazette 37951 (Proposed Regulations) for public comment on 29 August 2014.

Investors have conveyed that South Africa has one of the most cumbersome and over regulated environmental law systems, with a clear need to streamline environmental applications. The Proposed Regulations' objective is therefore laudable.

They were published in furtherance of an Agreement, the 'One Environmental System for South Africa', in which the Ministers of Environmental Affairs, Mineral Resources and Water Affairs agreed to streamline the environmental legislation.

In line with the Department of Environmental Affairs' intention that the environmental authorisation process should be completed within one year, the Proposed Regulations include dramatically reduced time-frames for various application processes.

Fast-track development

While these shortened time-frames could fast-track development, they have been criticised by various environmental non-governmental organisations. Their concern is that the Proposed Regulations threaten to erode South Africa's environmental management, as it may be difficult to fully assess potential environmental impacts in the required scientific investigations conducted as part of an application for environmental licences. This could have a knock-on effect on the quality of the mitigation measures proposed by specialists.

Despite the shortened time-frames, the Proposed Regulations do make allowance for extensions of time to be granted. If the scope of work must be expanded, based on an environmental impact assessment's outcome and which could not be anticipated prior to their compilation, or if an applicant can demonstrate exceptional circumstances, the competent authority may extend the prescribed time-frame to an agreed period.

Amendments to the National Water Act (NWA) and specific Environmental Management Acts have, however, not yet been promulgated to give effect to this intended streamlining. Any delays by the legislature in effecting these amendments could undermine the effectiveness of the Proposed Regulations.

Reference:

BIZCOMMUNITY.COM

Environmental Impact News

http://www.bizcommunity.com/Article/196/505/120171.html

NEW ENVIRONMENTAL WASTE MANAGEMENT WORKSHOP

About the workshop

Do you want to avoid penalties for non-compliance with requirements for managing environmental waste? Then sign up for SEIFSA's newly-introduced Environmental Awareness and Waste Management training.

The purpose of the training is to enable you to:

- Plan and design effective environmental and waste management strategies
- Understand and implement regulatory framework governing environmental management
- Understand how waste interrelates to the environment.

The presenter

Nonhlalo Mphofu
Health, Safety, Environment & Quality Executive

Who should attend?

- Environment Officers
- Environment Managers
- SHE Representatives
- Production Managers
- Workshop Foreman and Supervisors

Date and Venue

Friday, 6 March 2015
08h00-12h00

SEIFSA JHB

SEIFSA Drummond Room, 6th Floor, Metal Industries House, 42 Anderson Street, Johannesburg

MANAGING HIV/AIDS **IN YOUR WORKPLACE**

In this article we continue to look at what successful HIV/AIDS prevention strategies have in common. Remember, these articles are about looking at what has worked for other companies and recognising what may work in yours. The previous article looked at HIV/AIDS education in the workplace, this article explores HIV counselling and testing.

Why is testing so important?

While a recent UNAIDS report notes that the number of new HIV infections in South Africa has declined by about a third since 2004 (540 000 down to 370 000 in 2012), the number of new infections each year still remains high. The most important goal of a prevention strategy, whether in the workplace or at Government level, is to stop new infections; unless new infections are brought to a halt, prevention - efforts will have failed.

The cornerstone of any prevention strategy is testing for HIV and getting people to know their status. The fact is it is only once a person has tested that they can take responsibility – either to stay negative or to live positively. Over and above this, it must be remembered that it is only once a person has tested, that they are able to access lifesaving treatment.

In 2010, the Government launched a national HIV counselling and testing campaign which reached more than 14.7 million South Africans. This programme was re-launched in December 2013, with the goal of encouraging every South African to test annually.

Implementing HCT in the workplace

While the Government is hard at work to facilitate testing, there is still room to implement an HCT campaign at your workplace and it can be a key part of your overall HIV/AIDS prevention strategy. Section 8.1 of the Department of Labour's (DoL) Code of Good Practice states that workplace prevention programmes must ensure that there are measures in place to encourage workers to know their own HIV status through voluntary counselling and testing.

Although employees are often fearful of taking an HIV test at work and choosing whether to disclose a positive status to their employer, employees often look to their employer to assist with testing and subsequent support. Therefore, when implementing an HCT campaign, it is critical to ensure the protection of employees' privacy and that their HIV status is kept confidential. As section 5.10 of the DoL Code of Good Practice states: "the results of HIV testing must ... not endanger access to jobs, tenure, job security or opportunities for advancement."

So, how would you implement this in the workplace? There are a few options. If it is a large company that has a clinic onsite, you could consider running the testing campaign through this structure. Alternatively, you could get an external service provider to facilitate this process.

Going forward

The next article will continue to look at HIV counselling and testing as well as some of the most important considerations when contemplating this type of intervention in your workplace.

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THE FUTURE OF COLLECTIVE BARGAINING

A collapse of the collective bargaining system will result in total chaos, argues Gordon Angus - SEIFSA Industrial Relations Executive.

From many an employer's perspective, the future of collective bargaining has been called into question for a number of reasons. These range from the fact that industrial action related to collective bargaining has become protracted and so violent that businesses now feel that they reach agreements under duress and are subsequently saddled with unaffordable wage increases. Employers who survive a round of collective bargaining and the consequent violence, damage to property and intimidation are left reeling and immediately question the system, with some quickly arriving at the conclusion that the outcome would be far better if the current system were abolished.

What is not thought about, questioned or discussed nearly enough is the cause of the violence, damage to property and intimidation and what should replace the current system. One thing is for certain: if any replacement to the current system is to endure and stand the test of time, it will require buy-in and commitment from all stakeholders. That means that acknowledgement needs to be given to the fact that, from an employee's perspective, strike action is no longer just about "bread and butter" issues; rather, it is a symptom of deeper underlying problems.

At a recent seminar hosted by the Steel and Engineering Industries Federation of Southern Africa, Professor Steven Friedman, Director of the Centre for the Study of Democracy at Rhodes University and the University of Johannesburg, argued that the underlying problems with the current labour environment are the major underlying problems within society.

The problems in question are undoubtedly poverty, inequality and unemployment. If left unaddressed, these problems will continue to be the trigger points for protracted, violent and on-going industrial action. More and more social issues such as housing and access to quality medical care are finding their way onto letters of demand before employers sitting at the bargaining table.

Tuesday, 4 November 2014 saw the convening of the much-talked-about Labour Relations Indaba. Intended as a platform for social partners to discuss the promotion of employment and the strengthening of social dialogue, the Indaba followed a call by President Jacob Zuma in his State-of-the-Nation Address for social partners to address, on the one hand, inequality, poverty and unemployment and, on the other, the violent and protracted nature of labour strikes.

The two issues are inextricably linked. Undoubtedly, addressing inequality, poverty and unemployment will lead to a decrease in the anger, frustration and desperation that underpins today's violent strike action. One is not suggesting that issues that should be addressed by the State must be solved by the private sector, or vice versa, but that the starting point to addressing the problem is acknowledging its true nature.

One is also not suggesting that any sort of violence is justified. However, as long as striking workers feel the need to resort to violence, very real problems will continue to plague the labour relations landscape. Suggestions that new legislation, specifically in the form of amendments to the Labour Relations Act, will result in peaceful industrial action are, in one's humble opinion, short-sighted.

This growing level of anger and frustration can clearly be seen in the experience of the metal industry. In 1992 the industry experienced a four-week strike which was mostly peaceful. There was then industrial relations peace during the "honeymoon period" of the transition to democracy in 1994, the introduction of the current Labour Relations Act in 1995 and the following 12 years. That continued to be the case until 2007 when the industry experienced a one-week strike which was characterised by relatively low levels of violence, with no real infringement on other employee's right to work.

However, in 2011 the industry was shocked by a two-week strike characterised by high levels of violence and intimidation, with huge infringement on the right of fellow employees to work. This year employers believed that they had learned from the past and were better prepared, but were again shocked by a four-week strike characterised by unprecedented levels of violence and the complete and utter infringement of all other employees' rights to work, regardless of whether they fell within the bargaining unit.

There is currently legal action brought by certain employers in the metal industry to stop the extension to non-parties of the collective agreement reached earlier in the year, as well as a broader, separate legal challenge questioning the constitutionality of the provisions in the Labour Relations Act which oblige the Minister of Labour automatically to extend agreements reached between majority parties. Should these unfortunate legal actions succeed, the industrial relations consequences could be extremely serious, particularly at a time when minimum wages are already a matter of great contention, having resulted in recent strike action which has inflicted serious damage to the country's economy.

Firstly, there is a real possibility that labour would undertake further major protest and even strike action against what they would see as a serious attack by essentially capitalist interests against hard-won and well-established trade union rights. Secondly, they may well call for a complete overhaul of all legislation regarding minimum wages and other conditions of employment in South Africa, which could result in legislation which would be a great deal more onerous to employers than that which currently exists.

In the metal industry, the parties to the collective agreement have acknowledged that the viability and sustainability of the collective bargaining structures and processes are under threat from two key, socio-economic forces: the enhanced requirement for increased competitiveness in a global market and the urgent need to address the social living conditions of employees in an environment worsened by both inequality and poor service delivery.

What eventually results from the discussion about the future of collective bargaining remains to be seen, but what is clear is that the current state of affairs is unsustainable and the time for action is long overdue. However, this action needs to be considered and well researched and, most importantly, it requires genuine commitment from all stakeholders, which clearly includes more than just employers and employees. A successful system will be one which continues to address problems of minimum standards, inequality and poverty while also, critically, ensuring the continued survival and growth of the businesses in the sector. Until this balance is found, our industrial relations climate will remain seriously problematic and continue to erode investor confidence and direct investment in the economy.

Collapsing the current system without coming up with an acceptable, well-thought-out and viable alternative model, acceptable to all stakeholders, will not address the symptoms underlying the root causes plaguing our labour relations environment. More directly, an immediate collapsing of the current centralised collective bargaining model will result in total chaos.

The collective bargaining model can be equated to an aeroplane experiencing problems mid-flight. What is needed is to find a way to fix the problems mid-flight. Our greatest concern is that if we were to land the plane, without having devised an alternative model, we run the risk of never taking off again.

Gordon Angus - SEIFSA Industrial Relations Executive

POPI

PROTECTION OF PERSONAL INFORMATION ACT

THE PROTECTION OF PERSONAL INFORMATION ACT – **THE IMPLICATIONS FOR YOU**

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Ms. Faith Mabaso on (011) 298 9456
faith@seifsa.co.za

UPCOMING WORKSHOPS ON THE POPI ACT

DATES FOR 2015

February

Mpumalanga	23 February - Protea Hotel, Nelspruit
Boksburg	27 February – Birchwood Hotel

March

Johannesburg	11 March – SEIFSA offices
Limpopo	17 March - Protea Hotel, Polokwane
Pretoria	23 March – Protea Hotel, Midrand

April

KZN	8 April – 64 On Gordon, Berea
Johannesburg	20 April – SEIFA offices
Boksburg	23 April – Birchwood Hotel

BE PREPARED FOR CHANGE

Long-awaited amendments to the Labour Relations Act published

The amendments to the Labour Relations Act (LRA) were finally published on 18 August 2014, but the date on which they come into operation has not yet been announced.

Once promulgated, the amendments will have far-reaching consequences in various areas of labour relations, perhaps most prominently in relation to the regulation of forms of non-standard employment, particularly the use of labour brokers, fixed term and part-time employees, but also in organisational rights and picketing.

Non-standard employment

Key changes deal with employees of temporary employment services, employees on fixed-term contracts and part-time employees. In summary, the amendments are aimed at:

» **Limiting the use of labour-broker workers to genuinely temporary needs**

For workers earning below the Basic Conditions of Employment Act (BCEA) earnings threshold (currently about R205 433), if the worker is not performing a 'temporary service', then the client is deemed to be the employer of the labour-broker worker (with joint unfair dismissal liability, etc), and the worker is entitled to be treated no less favourably than an employee of the client performing similar work, unless there is a 'justifiable reason' for different treatment. A 'justifiable reason' is limited to factors such as seniority, experience or length of service, merit, the quality or quantity of work performed or other similar criteria.

» **Employers can only employ somebody on a fixed-term contract** or a successive fixed-term contract for longer than three months if the nature of the work is of a genuinely limited or definite duration, or if the employer can demonstrate a justifiable reason for fixing the term of the contract. Justifiable reasons are defined and include replacing a temporarily absent employee, meeting a temporary increase in the volume of work (less than 12 months), or seasonal work. If the fixed-term employment does not meet these requirements, the employee is deemed to be employed indefinitely and must be treated no less favourably than somebody employed on a permanent basis performing similar work, unless there is a justifiable reason for different treatment.

It is important to note that these protections do not apply to workers earning above the BCEA earnings threshold and to small or new employers (employing fewer than ten employees or, in cases where the business has been in operation for less than two years, employing fewer than 50 people).

» Provision has been made in the amendments for similar protection for part-time employees

Taking into account the working hours of part-time employees, an employer must treat such an employee no less favourably than a comparable full-time employee doing similar work, again unless there is a justifiable reason for different treatment. Part-time employees are now also entitled to equal access to training, skills development and vacancies. As with the regulations on fixed-term employees, these protections do not apply to workers earning above the BCEA earnings threshold and to small or new employers. The protections do not apply during the first three months of part-time employment.

In anticipation of this new regulatory regime, employers should review their use of and contracts with labour brokers, fixed-term contract and part-time employees to evaluate whether they meet these new requirements and, if not, to develop plans to move towards compliance and or mitigate risks.

Picketing and organisational rights Landlords will need to take notice of the aspects of the amendments that now allow for the possibility of protected picketing on a landlord's premises by the striking workers of a tenant. The CCMA will be empowered to make picketing rules allowing for protected picketing on the premises of a person other than the employer who is the subject of the strike, provided that person is given the opportunity to participate in the CCMA proceedings where the picketing rules are determined. This is an important development for owners of shopping malls or industrial or office parks since unions may seek picketing rights on these premises if they are close to the space rented by the tenant employer.

Organisational rights are to become more accessible to unions, as departures from the established majority and sufficient representation thresholds for different types of organisational rights are provided for in the amendments. Clients of labour brokers and landlords can also be bound by organisational rights (such as access to the premises to recruit members) awarded to unions.

The CCMA and the Labour Court

The amendments also include a range of other changes aimed primarily at enhancing the effectiveness of the CCMA and the Labour Court, rectifying anomalies and clarifying uncertainties that have arisen in the LRA.

Bridgette Mphuthi - Legal Executive & Company Secretary

SEIFSA welcomes new members

THE FOLLOWING COMPANIES BECAME MEMBERS OF ASSOCIATIONS FEDERATED TO SEIFSA DURING NOVEMBER AND DECEMBER 2014.

- **Bazipart Investments (Pty) Ltd** - SEIFSA Associate Membership
- **Boitshoko Road Surfacing and Civil Works cc** - Constructional Engineers Association CEA Division)
- **Distinctive Labour Consulting** - SEIFSA Associate Membership
- **Geoff Hobson & Associates (Pty) Ltd** - Constructional Engineers Association (LBD Division)
- **J G T Trading cc** - Electrical Engineering and Allied Industries Association
- **Kenako4biz 301** - SEIFSA Associate Membership
- **Lazair cc** - Refrigeration & Air Conditioning Man & Suppliers Association
- **Mokibelo Investments Holdings t/a Mphakane Steel** - South African Engineers & Founders Association
- **Montsioa Construction and Hardware cc** - Constructional Engineers Association (CEA Division)
- **Onyx Plastics (Pty) Ltd** - South African Engineers & Founders Association
- **Sakhikusasa Projects** - SEIFSA Associate Membership
- **Sepuru Consultants (Pty) Ltd** - SEIFSA Associate Membership
- **Supertec Ceilings & Board (Pty) Ltd -** Light Engineering Industries Association

The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) is launching the SEIFSA Awards for Excellence to encourage the steel and engineering sector to foster a culture of innovation and celebrate excellence.

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- ARTISAN AWARD OF THE YEAR
- ENVIRONMENT STEWARDSHIP AWARD OF THE YEAR
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For sponsorship, criteria and participation enquiries, please visit:
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