

# SEIFSA NEWS

June 2015

Wage Increase Exemptions:  
What Do I Need to Know?

Draft National Youth  
Development Policy

Government acknowledges seriousness  
of waste problem



Steel and Engineering Industries Federation of Southern Africa  
**OUR PASSION, YOUR SUCCESS**



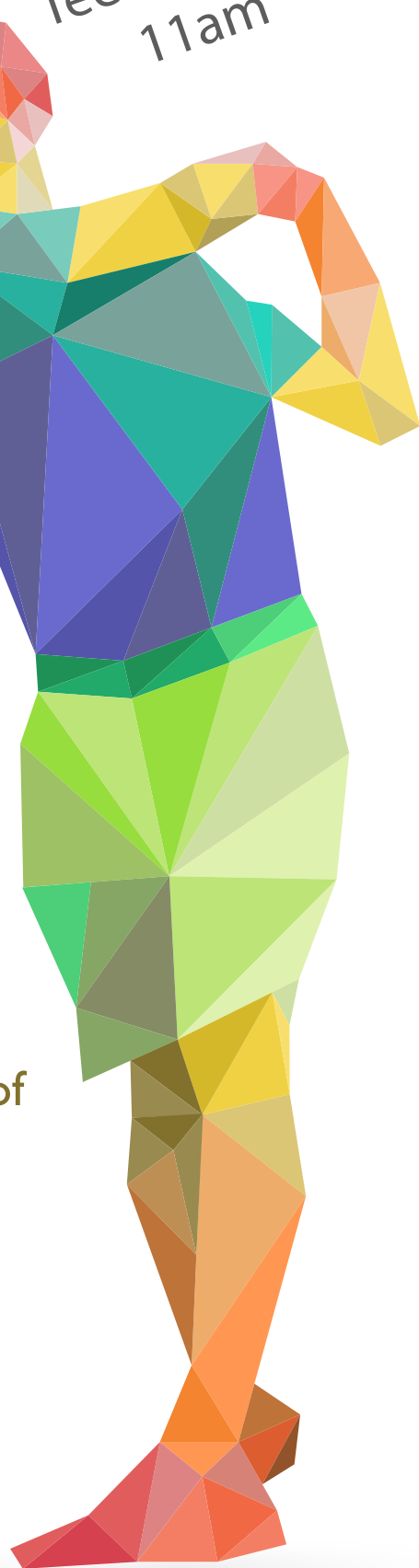
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## FROM THE CHIEF EXECUTIVE OFFICER'S DESK

The inaugural Southern African Metals and Engineering Indaba has come and gone, as have the inaugural SEIFSA Awards for Excellence – and what a great success both events were!

This month I would like to pay tribute to the more than 200 men and women who were sufficiently concerned about the worrying state of manufacturing – and, within it, the state of the metals and engineering sector – in South African and the SADC region that they registered as paying delegates to attend the Southern Metals and Engineering Indaba. By heeding the call to attend the conference, these men and women showed that they know and accept that they have a responsibility to make themselves heard and that they cannot stand by and watch as our sector continues to decline.

It is no secret at all that the South African economy is in serious trouble. In recent years we have witnessed lack-lustre growth and, at the time of writing, our sovereign credit rating is just a notch above junk status. Instead of creating jobs, our economy has been bleeding jobs.

The 5,6% growth attained in 2007 was the highest achieved in South Africa since 1990, and the 3,4%

growth registered in 2011 was the highest attained under the Zuma presidency. Since then, the country has struggled to record a growth rate higher than 2%, at a time when South Africa desperately needed more jobs to be created and when the current Government itself had promised a million jobs in its first term.

Contrary to some of the promises made by the ANC in its election manifesto in 2009, more people are unemployed now in the manufacturing sector than was the case then. In 2009, 1 782 163 people were employed in manufacturing, and that number stood at 1 349 262 in 2014. In the metals and engineering sector, 402 625 people were employed in 2009, and that number stood at 394 647 at the end of last year. That means that a massive 432 901 jobs in the manufacturing sector and 7 978 jobs in the metals and engineering sector were lost in President Zuma's first term in office. Regrettably, the bleeding continues as more companies downsize this year or face the prospects of going out of business altogether.

Among the options available to us, disengaging is simply not one of them. However difficult and frustrating it may be at times to get the Government of the day to



take the business community and its concerns seriously, we have no choice but to continue to reach out to it. As business leaders, we have to create opportunities and platforms for us to engage not only among ourselves, but, more importantly, also with the Government and our labour partners. We need to continue to endeavour to ensure that, at the very least, the Government has a shared understanding of the challenges that face us, because it is only when that shared understanding exists that we would stand a chance of getting them to change course when it comes to some of their policies that are deleterious to the economy.

By all accounts, the inaugural Southern African Metals and Engineering Indaba was a great success and the quality of discussions was very high. Over the next few months we will work hard to ensure that delegates and government representatives from the Southern African Development Community also attend the Indaba next year and beyond. To this end, we would welcome the assistance of those among our readers who have business and government contacts in Southern Africa to encourage them to attend the conference next year. They will be able to access details on the MEIndaba 2016 on [www.meindaba.co.za](http://www.meindaba.co.za).

Finally, I would like to congratulate all the companies that won in the respective categories of the inaugural SEIFSA Awards for Excellence on 28 May. In particular, my congratulations go to Hazleton Pump International for winning the Most Innovative Company and the Customer Service of the Year Awards, and to Scaw Metals Group for winning the Health and Safety Award and the Artisan of the Year Award respectively. Power transmission specialist Voith Turbo won the Best Corporate Social Responsibility Award of the Year, while Africa Steel Holdings and ABB won the Most Transformed Company of the Year Awards for companies employing fewer than 100 employees and those employing more than 100 employees respectively.

Both the Southern African Metals and Engineering Indaba and the SEIFSA Awards for Excellence are industry initiatives open to all companies within the sector, and not only those that are members of Associations affiliated to SEIFSA.

My congratulations also go to the following winners of the SEIFSA CEO's Awards:

- Arthur Stuart (Tubby) Boynton-Lee for Lifetime Leadership in the Metals and Engineering Sector;
- Melco Conveyor Equipment for being the company that made the most extensive use of SEIFSA's products and services in 2014;
- The Constructional Engineering Association of South Africa for being the most active Association in various SEIFSA-organised activities;
- And Kgaogelo James Sello for being the Top Artisan Student for 2014.

Unfortunately, there were no entrants for the Environmental Stewardship Award. We look forward to receiving entries in this category of the SEIFSA Awards for Excellence, too, next year.

Do you believe that your company embraces excellence and has areas in which it stands head and shoulders above its peers? If so, please enter the SEIFSA Awards for Excellence for 2016. Entry forms can be accessed on [www.seifsaawards.co.za](http://www.seifsaawards.co.za). The awards are chaired and adjudicated by an independent panel of experts, with the relevant SEIFSA subject-matter expert being merely a member of a panel. They are, therefore, a powerful endorsement by your business peers and competitors.

**Kaizer M. Nyatumba**  
Chief Executive Officer



# WAGE INCREASE EXEMPTIONS: WHAT DO I NEED TO KNOW?

The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) signed an agreement with all the trade unions in the metals and engineering industries on Tuesday, 29 July 2014 on the terms and conditions of employment for a three-year period ending 30 June 2017.

A wage increase is due to be implemented for all scheduled staff as of 1 July 2015 in line with the three-year agreement. SEIFSA is aware that the current economic environment may pose severe constraints on certain member companies' ability to implement the increases and these members are advised that the industry's current wage exemption procedure continues to apply.

However, many member companies have complained that they are not familiar with the wage increase exemption process and worse, many companies make assumptions about the wage increase exemption procedure which may not necessarily be true, for example, companies assuming that applying for an exemption will be a "waste of time".

According to statistics obtained from the Metal and Engineering Industries Bargaining Council, between the years of 2011 and 2014, a total of 5288 exemptions were received, with 4344 of those exemptions applied for, being granted. This indicates a success rate of over 82%. Bearing in mind that unsuccessful exemption applications are very often taken on appeal to the Independent Exemptions Appeal Board for a final decision and that many of those exemptions are granted on appeal, this indicates strongly that for companies seeking relief from the impact of wage increases, applying for an exemption is a very good idea.

## WAGE EXEMPTIONS PROCEDURE

A company which is unable to implement the agreed wage increase may submit an application to its local regional council for exemption to implement a lesser wage increase than that prescribed.

It is important to note that a wage or wage related exemption application must be lodged with the bargaining council.

A company wishing to apply for an exemption must complete an exemption questionnaire, which is available from SEIFSA's Industrial Relations Division and return all the necessary documentation to the bargaining council.

Management's attention is drawn to the importance of the council's requirement that an application must be accompanied by the following important information in order for the application to be considered:

1. A fully detailed motivation explaining the difficulties that the company is experiencing and hence the need for the application.
2. Audited financial statement for the financial year ending 2014/2015. In the case of a closed corporation - a full set of financial statements which are to be signed by an Accounting Officer and the latest management accounts for the last three months. If the financial statements are older than six months, then the management accounts for the recent three months are required.
3. Formal confirmation that employees were informed of the company's decision to make an application for exemption.
4. Where employees reject the company's approach, they are to be informed of their right to submit written reasons for objecting to the exemption application and such reasons should be attached as an annexure to the company's application.
5. The signature of at least two employees who accept being the representatives for the workforce and who will be affected by the application. Representatives of the workforce are to sign the form, contained in the exemption application questionnaire, consenting to this.
6. The signatures of employees accepting that they have been informed of the implications of what the firm is proposing to the Council.

7. Where the employees are trade union members, the company should inform the local trade union office of the intention to apply for an exemption and request, in writing, a meeting with the local official to discuss the impact of the exemption on the company and the members of the union.
8. Where employees have elected a trade union representative or representatives (shop stewards) these persons should be requested to sign that they were consulted and that they understand the need for applying for the exemption. Where the local trade union official and/or shop stewards have been consulted and where they reject the application, such refusal must be recorded in the application and countersigned by at least two witnesses.
9. Where the local trade union official and/or shop stewards and affected employees support the exemption application, the signed agreement should be included with the application.
10. It is recommended that all meetings in this regard between management, employees, shop stewards and union officials be minuted and that the minutes of such meetings be submitted with the exemption application.
11. The application itself is to be signed by either a director of the firm, member, owner or a senior accountant - neither a bookkeeper nor the human resources manager's signatures will be acceptable.

**Please Note:**

- I. The exemption application will not be considered or processed by the bargaining council unless all the above requirements are met.
- II. It is not a condition of the exemption that employees accept the proposed wage increase exemption.
- III. All that is required is that employees and their representatives are fully informed of the company's intention to apply for exemption and that this consultation process and their response thereto is formally recorded and submitted with the application.

**Gordon Angus**

**Industrial Relations Executive**



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# SEIFSA ASSOCIATIONS

The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) is a national employer Federation which has represented the metals and engineering industry since 1943.

SEIFSA is the umbrella body for 27 employer associations representing all the diverse sectors which constitute the metals and engineering industry. Three of the associations are regionally based – Cape Town, Durban and Port Elizabeth.

The 27 independent employer associations currently employ over 200 000 employees. Member companies range from giant steelmaking corporations to micro-enterprises. To view a listing of SEIFSA member companies and their products and services, please go to [www.seifsabuyersguide.co.za](http://www.seifsabuyersguide.co.za)

## ASSOCIATION OF ELECTRIC CABLE MANUFACTURERS OF SA

Employers engaged in the manufacture of electric cables.

**Chairperson:** K Edmond

**Vice-chairperson:** G Eddey

**Executive Director:** M Dames

## ASSOCIATION OF METAL SERVICE CENTRES OF SA

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

**Chairperson:** V Sanders

**Vice-chairperson:** J Cloete

**Administrator:** C Smith

## CAPE ENGINEERS AND FOUNDERS ASSOCIATION

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

**Chairperson:** J Raad (Acting Chairperson)

**Vice-chairperson:** J Raad

**Executive Director:** C Boyes

## CONSTRUCTIONAL ENGINEERING ASSOCIATION (SOUTH AFRICA)

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

**Chairperson:** B Garrad

**Vice-chairperson:** M Spencer

**Vice-chairperson:** K Cowley

**Executive Director:** L Breckenridge

**Administrator:** C Smith

## ELECTRICAL ENGINEERING AND ALLIED INDUSTRIES ASSOCIATION

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



**Chairperson:** R Melaia

**Vice-chairperson:** P Flint

**Vice-chairperson:** A Tucker

**Administrator:** C Smith

## ELECTRICAL MANUFACTURERS' ASSOCIATION OF SA

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

**Chairperson:** J Ellis

**Vice-chairperson:** S Mokgehele

**Administrator:** C Smith

## FERRO-ALLOY PRODUCERS' ASSOCIATION

Employers engaged in the production of ferro alloys.

**Chairperson:** J Zaayman

**Vice-chairperson:** H Bouwer

**Administrator:** C Smith

## GATE AND FENCE ASSOCIATION

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

**Chairperson:** G Harrop Allin

**Vice-chairperson:** M Pereira

**Administrator:** K Kodisang

## HAND TOOL MANUFACTURERS' ASSOCIATION

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

**Chairperson:** E Klein

**Vice-chairperson:** D Aldridge

**Administrator:** T Crowley

## HOT DIP GALVANIZERS ASSOCIATION SOUTHERN AFRICA

Employers engaged in hot dip galvanizing.

**Chairperson:** A de Wit

**Vice-chairperson:** N Pienaar

**Vice-chairperson:** P Nicholl

**Executive Director:** R Wilmot

## IRON AND STEEL PRODUCERS' ASSOCIATION OF SOUTH AFRICA

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

**Chairperson:** B Khumalo

**Vice-chairperson:** A Jansen v Vuuren

**Administrator:** C Smith

## LIFT ENGINEERING ASSOCIATION OF SA

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

**Chairperson:** K Scholtz

**Vice-chairperson:** T Baker

**Administrator:** K Kodisang

## LIGHT ENGINEERING INDUSTRIES ASSOCIATION OF SA

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

**Chairperson:** E v Ryneveld

**Vice-chairperson:** L May

**Administrator:** K Kodisang

## KWA-ZULU NATAL ENGINEERING INDUSTRIES ASSOCIATION

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

**Chairperson:** I Delpont

**Vice-chairperson:** I Moodley

**Administrator:** K Griffin

## NON-FERROUS METAL INDUSTRIES ASSOCIATION OF SOUTH AFRICA

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

**Chairperson:** B Stone

**Vice-chairperson:** J v Heerden

**Administrator:** C Smith

## PLUMBERS AND ENGINEERS BRASSWARE MANUFACTURERS' ASSOCIATION

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

**Chairperson:** F v Zanten Solleveld

**Vice-chairperson:** G Heydenrych

**Administrator:** K Kodisang

## EASTERN CAPE ENGINEERING AND ALLIED INDUSTRIES ASSOCIATION

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

**Chairperson:** M Putigna

**Vice-chairperson:** P Marais

**Administrator:** K Vosloo

## PRESSURE EQUIPMENT MANUFACTURERS' ASSOCIATION OF SA

Employers engaged in the manufacture of pressure vessels.

**Chairperson:** G Crawford

**Vice-chairperson:** C Welman

**Executive Director:** K Dewar

**Administrator:** T Crowley

## REFRIGERATION AND AIR-CONDITIONING MANUFACTURERS' AND SUPPLIERS' ASSOCIATION

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

**Chairperson:** N la Vita

**Vice-chairperson:** A van der Merwe

**Administrator:** K Kodisang

## SA ELECTROPLATING INDUSTRIES ASSOCIATION (BEING DE-REGISTERED)

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

**Chairperson:** T Joseph

**Vice-chairperson:** M Kotze

**Administrator:** K Kodisang

## SA ENGINEERS' AND FOUNDERS' ASSOCIATION

Employers engaged in the business of general engineering or founding or jobbing or machine tool manufacturing. "General engineering, founding, jobbing" means, other than its all-embracing meaning, repetitive production of metal or abrasive products

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

**Chairperson:** R Williams

**Vice-chairperson:** D Symondson

**Vice-chairperson:** K Gough

**Vice-chairperson:** E Gordon

**Administrator:** C Smith

## SA FASTENERS MANUFACTURERS' ASSOCIATION

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

**Chairperson:** R Pietersma

**Vice-chairperson:** I Cerrai

**Administrator:** C Smith

## SA POST TENSIONING ASSOCIATION

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

**Chairperson:** S Coll

**Executive Director:** J Thomas

## SA REINFORCED CONCRETE ENGINEERS' ASSOCIATION

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

**Chairperson:** I Broderick

**Vice-chairperson:** D Maritz

**Executive Director:** J Thomas

## SA VALVE AND ACTUATORS MANUFACTURERS' ASSOCIATION

Employers engaged in the manufacture of valves and actuators.

**Chairperson:** P Thompson

**Vice-chairperson:** C Moir

**Administrator:** C Smith

## SOUTH AFRICAN REFRIGERATION AND AIR-CONDITIONING CONTRACTORS' ASSOCIATION

**Chairperson:** M Botha

**Vice-chairperson:** R Futter

**Executive Director:** B Richardson

## SA PUMP MANUFACTURERS' ASSOCIATION

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

**Chairperson:** Lorraine Smart (Acting)

**Vice-chairperson:** Ronelle Colyn (Acting)

**Vice-chairperson:** Patrick Hindry (Acting)

# SCAW'S METAL CERTIFIED "GREEN"

*Scaw Metals is a member of the Iron and Steel Producers Association of South Africa and the South African Engineers & Founders Association which is federated to SEIFSA.*

In March 2015, as a result of its on-going dedication to sustainable business practices, the Scaw Metals Group (Scaw), finally got their steel certified "Green" by Ecospecifier Global GreenTag South Africa.

For Scaw, this certification is an affirmation of the company's determined efforts to be recognised as a green building partner; manufacturing products that protect nature and its people. "As an organisation, we are dedicated to making sustainable decisions," said, Scaw Metals Group Chief Executive Officer Markus Hannemann.

GreenTag SA Certification is a world first, third party, green building product rating system which was launched in Australia in 2010 by Ecospecifier (Pty) Ltd. Underpinned by rigorous scientific and Life Cycle Assessment (LCA), Health, Ecotoxicity, Greenhouse Gas Emission and Biodiversity assessment processes, the rating system also boasts advanced, robust 'beyond LCA' certification methodology which is independently verified as an ISO 14024 compliant Type 1 Eco label.

The Ecospecifier global Verified Product Program ensures that products have been rigorously assessed by a third party, in accordance with the Verified Product Program Standard. All product eco claims meet ISO 14021 and ACCC Environment Claims Guidelines.

Operating under license as Global GreenTag (Pty) Ltd in South Africa, Green Tag, has been acknowledged by the Green Building Council of South Africa (GBCSA) as a valuable assessment tool.

Thus far, Scaw has received certification for its cast products, grinding media, rolled products and wire rod products. These products are Scaw's primary steel products hence the need for their certification. Scaw has advised that they will not pursue certification for their ropes, strand and chain products as these are not produced from Scaw's primary steel.

Further proof of the metal giant's ongoing commitment to environmental sustainability rests in its sponsorship of the Steel and Engineering Industries Federation of Southern Africa's (SEIFSA) Environment Stewardship Award category at the SEIFSA Awards for Excellence.

"We are very mindful of the impact of global warming and the pressing need to conserve finite resources. It is against this backdrop that we have decided to rally behind SEIFSA and sponsor the Environment Stewardship Award category," Scaw Executive Chairman Ufikile Khumalo said.

One of seven categories at this year's awards, the Environmental Stewardship Award was focused on showcasing companies that had implemented effective cost saving and greening initiatives. Trailblazing companies having implemented sustainable projects which incorporate both staff and supplier training were to be considered for this accolade.

The SEIFSA Awards for Excellence took place in Ekurhuleni on 28 May 2015, and paid tribute to excellence in the manufacturing, metals and engineering sectors.





# SCHNEIDER ELECTRIC LAUNCHES SWITCHGEAR TO SUPPORT LOCAL BUSINESSES

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

Schneider Electric, the global specialist in energy management, has launched Easy9 switchgear, a new range to help electricians with the provision of reliable switchboards in Southern African homes and small-sized buildings.

A leader in switchgear technologies since the 1920s, Schneider Electric has engineered Easy9 to be affordable without compromising on safety and reliability.

According to Christo Janse van Rensburg, Product Manager: Final Distribution, at Schneider Electric South Africa, Easy9 answers the need for electricians to have access to robust products that are widely available, and will also help them to complete their installations swiftly and professionally.

The range covers miniature circuit breakers, residual current circuit breakers, surge protection devices, comb busbars and switchboard enclosures.

All Easy9 products are manufactured in ISO9000-certified plants belonging to Schneider Electric and are approved by independent authorities as compliant with local electrical safety standards.

"We work closely with electricians worldwide to help bring safe electricity to homes and buildings around the globe. With Easy9, electricians can take pride in delivering the enhanced safety and peace of mind their customers deserve. An advantage too is that it is a high-end device available at a mid-range price," adds Janse van Rensburg.

As a global specialist in energy management with operations in more than 100 countries, Schneider Electric offers integrated solutions across multiple market segments, including leadership positions in Utilities & Infrastructure, Industries & Machines Manufacturers, Non-residential Buildings, Data Centres & Networks and Residential. Focused on making energy safe, reliable, efficient, productive and green, the Group's 150,000 plus employees achieved sales of 24 billion euros in 2013, through an active commitment to help individuals and organisations make the most of their energy.



# COMMENTS INTO THE DRAFT NATIONAL YOUTH DEVELOPMENT POLICY

On 12 January 2015, the Department of Performance Monitoring and Evaluation published the Draft National Youth Policy (2014-2019) for public comments. The draft policy is a progression from the first national youth policy 2009-2014. The national youth policy seeks 'to develop capabilities as part of a long-term solution which will open opportunities for the youth to participate and take advantage of what the country offers'. The policy provides a very broad perspective on socio-economic challenges faced by the youth and makes broad policy proposals in this regard.

Business South Africa (BUSA) had made a call for comments on the draft policy from its member companies and after so doing, Ms Vanessa Phala, Executive Director SOCPOL, had compiled a response thereto. The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) as the voice of companies operating within the steel and engineering environment, would like to share the following comments with the industry.

BUSA welcomed the opportunity to comment on the draft policy and after noting the general nature of the interventions proposed in the policy, BUSA confined its submission to a few areas of the draft policy.

Some of the general comments made by business are:

- A. The multiplicity of strategies that exist create an uncertain business environment because they are fragmented, have different areas of emphasis and often require the meeting of targets (impacting the labour market and manpower decisions of employers) that are not aligned, conflicting or unclear. There is a tendency to set targets for job creation or employment growth and align this with the allocation of learners to post-school institutions, without alignment with the demand-side of business.

Business also feels that there is a disconnect between the Human Resource development Strategy of SA (HRDSSA) and the White Paper on Post-school Education and Training (PSET), in that

they each address different priorities. In addition to this, the sector skills plans of the SETAs would need to be aligned with interventions outlined in the draft policy.

- B. Business believes that active labour market policies and their accompanying broad targets in the human capital space, need to be consolidated into a plan that could form the basis of an integrated human capital strategy that will be capable of informing current and future competency needs which in turn make it possible for the thousands of organisations, statutory bodies, businesses, institutions, professional bodies, and government departments to participate appropriately.

Ensuring execution and success in the above strategy can only be attained if overall accountability and responsibility for co-coordinating the operationalisation of the strategy, across stakeholders, is allocated to a particular and appropriate body.

- C. Business acknowledges and accepts that employment creation linked to skills development is at the forefront of South Africa's priorities but is also aware that it is probably the most complex challenge. Some examples of the challenges include:
  1. Alignment of the entire learning path from early childhood development to post-school learning strategies
  2. There has to be inter-Ministerial engagement and consensus on key issues.
  3. There has to be coordination and engagement of hundreds of institutions, employers and statutory bodies.

It is in lieu of the above comments that business believes that to proceed with an isolated set of employment proposals without the development of an over-arching framework is not sustainable, will create inefficiencies and perpetuate the challenges we are

currently facing. Business is in support of the National Youth Policy if the intention is to facilitate synergy and strengthen coordination.

Further to the above BUSA, on behalf of business, made some very specific comments. They were as follows:

a) BUSA supported the two-pronged approach to dealing with the youth unemployment. The sentiment was that dealing with youth unemployment decisively entailed identifying quick wins, monitoring the progress and scaling-up where necessary. BUSA also had no reservations in regard to the expanded public works programme (EPWP) and the community works programme (CWP) as being the two identified public employment schemes that would provide employment for the youth. Business had no fundamental difficulties with these schemes, however business did propose that a review of a report commissioned by NEDLAC on EPWP be considered which provides an analysis on achievements, challenges and the way forward regarding the EPWP.

b) The proposal to do an impact study on the effectiveness of the Employment Tax Incentive (ETI) was welcomed. According to business the ETI provides an innovative, modern and flexible intervention to deal with youth unemployment in South Africa, which is proportionately higher, compared to other developing countries. BUSA believes that the incentive has to some extent reduce the cost of hiring inexperienced youth.

Business was informed through the State of the Nation Address delivered on 12 February 2015 that 270 000 young people have benefited from the incentive since its inception in January 2014. We also believe that the incentive has encouraged the 29 000 employers who are currently accessing the incentive to open up their workplaces and give young people their first job experience. In this regard, business welcomes the impact study and looks forward to enhancing the incentive to ensure that more work opportunities are created for young people.

c) Business considers the lack of work experience as one of the major constraints that the youth have in accessing jobs and supports the many private sector initiatives aimed at creating job opportunities for the youth. The anecdotal evidence provided in the draft policy which suggest that 'employers, especially small firms, tend to be reluctant in making the effort to train new job entries' however this statement should not be read in isolation of many other constraints faced by SME's operating in an economically challenging environment compounded by regulatory and administrative burdens

and the cost associated with doing business.

d) BUSA supported the call to large companies to be engaged to set clear commitments in respect of opening up their workplaces for young people who require internships, apprenticeships and work integrated learning opportunities and particularly support the proposed dialogue with the SETAs to determine funding for the large scale programmes.

e) BUSA noted that many young people have taken the initiative to start their own businesses and are concerned about the high failure rate of such businesses particularly in their first two years. BUSA is of the view that minimal and/or ineffective entrepreneurship training could be the source of the problem. A substantive amount of work has been done detailing possible interventions to support youth employment through entrepreneurship including financial assistance schemes provided by different stakeholders, it is therefore critical for the Department of Performance Monitoring and Evaluation to take note of these interventions with a view of identifying what has worked and/or could work best.

f) The draft policy identifies the need to focus the country's efforts and give specific attention to the opportunities that provide unskilled and uneducated youth with second chance opportunities. Business noted and supported the linking of proposed interventions to some extent to the broader objectives outlined in the white paper for post-school education and training and the National Development Plan. Notwithstanding the fact that there are some aspects of the white paper, which business needs to engage the Department of Higher Education and Training on, business supported interventions that are aligned and reinforce policy coordination.

The PSET white paper has a vision to expand access to quality learning for all including out of school youth and adults, through an integrated and articulated system of differentiated provision. Business supports this vision and in addition, believes that the inter-dependencies between post school and basic education are critical in realising this vision, hence the proposed alignment and collaboration between the two Ministries (DHET and DBE) is crucial and welcomed.

While BUSA supported the 15 points proposals to improve equity in access and quality of post-school education and training outcomes, they are concerned that this section of the policy excludes a number of initiatives implemented to take forward education and skills. It's critical to take stock of what has been implemented in order to up-scale best practices. Having

said this, BUSA was of the view that transformation of the post school education and training system will require amongst others the following:

- Clear achievable and realistic targets, based on verified data;
- A strong monitoring and evaluation system to measure progress during and post implementation;
- Realistic views of the difficulties inherent in rapid expansion and the potential negative impact on the quality;
- A strong institutional capacity to lead and oversee this transformation;
- Adequate resources in terms of finances and human capital; this transformation will require sustainable funding for both the learners and the infrastructure required to support quality learning;
- A strong partnership between Government and Business. A system needs to be established to help learners to access the workplace, proposals should include solutions to create incentives for companies to participate in educating learners;
- Improvement in the quality of training; competency of trainers; and coordinated fully functioning systems to absorb those trained;
- An efficient administration systems and the effective channeling of funds;
- Equal application of policies to both public and private educational institutions;
- Excellent corporate governance;
- Improved communication between all stakeholders;
- An integrated approach synergising with overall Government Policies;
- Differentiate the roles and responsibilities of public and private FETs. The role of FETs needs to be clarified
- Guard against the possible proliferation of institutions and the unintended consequences this may create. Need a clear definition of the various institutions and look at the structures/infrastructures with multi-purpose delivery;
- Capacity of Universities to absorb learners is critical to the success of this transformation.

There was overall support from business for the spirit and intent of the draft national youth policy and an emphasis on policy integration and coordination to provide unity of vision, resource alignment, meaningful engagement and measurable objectives.

Mustak Ally

Skills Development & Human Capital  
Executive





# CELEBRATING YOUTH DAY

Youth day is popularly known as the Soweto Uprising or June 16. It was on this day in 1976 that youth from Soweto united to protest against the apartheid-run education system, which segregated students on the basis of ethnicity.

Although the 1976 protests resulted in a number of casualties, they also played an enormous role in enhancing the African National Congress's ability to eventually overcome the inequality and oppression caused by apartheid. In this way, the youth who protested, and in some cases even sacrificed their lives, did so to ensure that everyone had rights to fair education, freedom and equality.

The protests started in African schools after a directive from the then Bantu Education Department that Afrikaans had to be used on an equal basis with English as a medium of instruction in secondary schools. The issue, however, was not so much the Afrikaans as the whole system of Bantu education which was characterised by separate schools and universities, poor facilities, overcrowded classrooms and inadequately trained teachers.

The days of the struggle against apartheid might now be over but there is a new kind of struggle - in the form of unemployment - that the youth of South Africa now need to contend with.

According to Statistics South Africa (Stats SA), unemployment among young South Africans has been rising significantly over the past seven years. The unemployment rate among youth aged 15 to 34 increased from 32.7% to 36.1% between 2008 and 2014, according to the latest Stats SA report on national and provincial labour market trends among the youth.

Since the 2008 recession, the youth unemployment rate has been consistently higher than that of adults, by more than 20 percentage points. While young adults made up between 52% to 64% of the working population, they accounted for only 42% to 49% of the employed.

Although there are a number of jobs that emerge from time to time, the challenges that South Africa faces are the persistent structural skills deficit informed by the mismatch between the skills acquired by the job seekers in the education system against the skills demanded by the labour market, the nature of new industries that are emerging, closure of some industries and short-term job interventions without clear long-term sustainable exit strategies.

Lack of employment opportunities, poverty and the widening gap of inequality has resulted in several protests and Afrophobic attacks on foreign nationals over economic participation, among other things. These protests are more often than not spearheaded by the young people.

The picture painted by the statistics above is a very gloomy one and calls for interventions, not only by Government, but by its state-owned entities, the SETAs, business and labour if the unemployment challenge and socio-economic issues that come as its results are to be addressed.

Interventions can take place in the form of vocational and career counselling, assessment of work-seekers to determine their suitability, as well as advising work-seekers on access to education and training, among others.



# INTERNATIONAL WATCH



## Singapore

Iron ore imports by China decline in April as steel seen slowing

Iron ore imports by China dropped in April compared with the same month a year earlier, adding to signs that demand in the world's largest user may be slowing as the property market cools.

Imports totalled 80.2 million metric tons in April, in line with 80.5 tons in March and 3.8 per cent lower than a year earlier, according to customs data. Purchases from overseas in the first four months were 307.3 million tons compared with 305 million tons in the same period in 2014.

The prospect of peak iron ore demand is near after growth in China's steel consumption stalled last year, Goldman Sachs Group Inc said and Australia and New Zealand Banking Group cut price forecasts, citing shrinking steel demand. While iron ore rallied last month after BHP Billiton deferred some port works in Australia and Brazil's Vale SA said that it may cut some higher-cost output, prices remain 69 per cent lower than a record set in 2011 amid a glut.

Iron ore "fundamentals are still bruised by expanded low-cost supply and flat demand," Mark Pervan, head of commodity research at ANZ in Melbourne, wrote in a report. "Our price downgrades are for 2016 and 2017 on a prolonged period of weakness in China's steel market." Ore with 62 per cent content at Qingdao, which bottomed at US\$47.08 on April 2, fell 0.9 per cent to US\$60.36 a dry ton in May, data from Metal Bulletin showed. Prices are 15 per cent lower in 2015.

Exports of iron ore to China from Australia's Port Hedland declined from March to the lowest level since November, according to figures on May. Shipments to China totalled 30.1 million tons in April, compared with 31.2 million tons in March and 28.9 million tons a year earlier, according to data from the Pilbara Ports Authority.

Steel consumption in China will shrink four per cent this year and a further two per cent in 2016, ANZ said. Iron ore will average US\$55 a ton next year, down from an earlier forecast of US\$60, and US\$60 in 2017, down from US\$63, the bank estimated.

Asia's largest economy grew in the first quarter at the slowest pace since 2009 amid the property market slowdown. The world's biggest maker of steel buys iron ore from overseas to supplement local supplies.

Bloomberg



## Australia

ANZ cuts iron ore price forecasts

The iron ore price has touched the bottom of a new trading range, but weakness in China's steel market will keep prices subdued in the near-term, a new research note by Australia and New Zealand Banking Group Limited (ANZ) says.

The bank says it has not materially changed its 2015 price outlook despite the recent volatility in iron ore prices. "Rather, our price downgrades are for 2016 and 2017 on a prolonged period of weakness in China's steel market."

For 2016, ANZ downgraded its price forecast for iron ore to \$US55 a tonne, from \$US60 a tonne previously. In 2017, prices are seen at \$US60 a tonne, down from \$US63 a tonne previously. For the rest of 2015, prices are seen at \$US56 a tonne, slightly below the previous forecast of \$US57 a tonne.

The revision is due largely to predicted prolonged weakness in China's steel market. "The existing surplus housing stock and a tempered recovery in China's housing price cycle will drag on China's steel consumption," the research note said. "Over the next few years we forecast China's steel consumption to fall from slowing property construction, which accounts for 40 per cent of all steel consumed in China."

ANZ said it believes iron ore prices in the \$US50 a tonne to \$US60 a tonne range will be the "pain-point" range for high cost global supply to shut down and help rebalance an oversupplied market. At the end of the latest session, benchmark iron ore for immediate delivery to the port of Tianjin in China was trading at \$US60 a tonne, down 0.2 per cent from its prior close of \$US60.10 a tonne.

The red session was just the third in the last 15 as a rally based on Chinese stimulus, rising oil prices, a softening US dollar and signs of supply cutbacks has driven the commodity almost 30 per cent above the 10-year low of \$US46.70 a tonne reached last month.

"We view the early April low of \$US47 a tonne for iron ore as the bottom of a new range that is being established," ANZ said.

#### Business Spectator



## India

### Steel imports climb over 50% in April, exports fall

India's steel imports jumped 51.6 per cent to 0.76 million tonnes (MT) in April compared with the year-ago period, government data showed.

However, on a sequential basis, the imports declined 9.4 per cent from March this year, the Joint Plant Committee (JPC), a unit of the Steel Ministry, said in a report. "Import of total finished steel, at 0.761 MT in April 2015, saw a growth of 51.6 per cent over April 2014 and decline by 9.4 per cent over March 2015," the report said.

"Domestic steel industry is going through tough times, mainly due to a decline in demand in China, the world's largest steel producer. Importing steel from China was cheaper than producing it here and this led to imports, especially in the second half of 2014," a steel company executive reasoned.

But since the first quarter (January-March), imports have been in decline, an assuring sign for the domestic steel industry, he added.

According to JPC data, steel imports grew 71 per cent to 9.321 MT in 2014-15, with India remaining a net importer in the previous fiscal. Imports in March 2015 rose 91.8 per cent to 0.84 MT, but down 14.8 per cent compared with February 2015, the data showed.

According to JPC, India's consumption of total finished steel registered an annual growth of 7.1 per cent in April at 5.5 MT, but declined 23.2 per cent over March 2015. Steel exports in April, at 0.38 MT, slumped 15.2 per cent year-on-year. Quarter-on-quarter, too, exports came down 24.9 per cent.

In April, crude steel production stood at 7.392 MT, up 1.5 per cent year-on-year. But compared with March, the overall production turned lower by 4.1 per cent last month.

#### The Hindu Business Line



## USA

### World demand for copper to reach 36 million metric tons in 2019

Global demand for copper metal (produced from refined copper and recycled scrap) is projected to advance 4.2 per cent per year through 2019 to 36.0 million metric tons, valued at \$261 billion, according to World Copper, a new study from The Freedonia Group, a Cleveland-based industry research firm.

Robust gains in building construction expenditures are expected to boost the use of copper wire, tube and other mill products in applications such as building wire and plumbing. Increased infrastructure investment, particularly in developing countries, will further benefit copper suppliers as updates to national power grids drive the production of wire and cable.

In addition, advances in global manufacturing output are expected to bolster the use of copper metal in transportation equipment, industrial machinery, domestic appliances, and other durable goods. Nevertheless, competition from alternative materials, such as plastic pipe in plumbing applications, will restrain faster overall growth.

"China drives the global copper metal market, accounting for more than two-fifths of world demand in 2014," said analyst Carolyn Zulantz. "The country's massive building construction and electrical and electronic sectors consume huge volumes of copper." Strong domestic output of motor vehicles, industrial machinery, and household appliances further boosts copper demand in China.

India is forecast to register the fastest gains of any major copper metal market through 2019. Robust increases in domestic building construction activity, driven in part by an expanding urban population and government investment, will underpin gains in local copper consumption.

Advances in construction spending also are projected to fuel copper demand in North America, particularly in the U.S., where building construction activity will significantly accelerate from the pace of the 2009-2014 period. More moderate increases in copper metal demand are forecast for Western Europe, where construction and manufacturing output will climb at rates below the global average.

#### The Fabricator

# ALARMING TRENDS IN THE METALS AND ENGINEERING SECTOR

Various economic data released during the first quarter of 2015 show alarming trends in the metals and engineering sector.

The data also confirmed SEIFSA's forecasts released earlier this year that the metals and engineering sector would not expand in 2015, owing to weak demand, the power shortages and further industrial action, among other challenges.

SEIFSA Chief Economist Henk Langenhoven said that four sets of data became available recently, which are important pointers as to the health of the metals and engineering sector during the first quarter of 2015.

"Statistics South Africa's quarterly employment statistics for the fourth quarter of 2014 provide a good idea of the damage done by the industrial unrest and electricity shortages during the second half of 2014," Mr Langenhoven said.

According to the statistics:

Employment in the sector dropped from an average of 394 647 for 2014 to 386 910 by the end of the fourth quarter of 2014;

- Employment numbers declined by 1,4% on the third quarter of 2014;
- Second-half 2014 employment numbers were 2,5% lower than in the first half of 2014;
- Comparing the second half of 2014 with the same period during 2013 shows a 3,4% decline;
- The full year (2014) saw employment contracting by 2,2% on 2013 or by nearly 9000 people;
- When the fourth quarter of 2014 is compared to the fourth quarter of 2013, the decline was 3,9% or nearly 16 000 people.

Mr Langenhoven said that production capacity utilisation by South Africa's large enterprises during the first quarter of 2015 gives an idea of whether companies have recovered after last year's disruptions.

Capacity utilisation started to decline again by 0,8% between the fourth quarter of 2014 and the first quarter of 2015 after a slight 0,25% recovery in the fourth quarter last year.

For the whole of 2014, utilisation was 78,7%, 1,3% down on 2013. This is 8% below the benchmark of 85%. Mr Langenhoven said that although these differentials look small, the sector utilization has been below this benchmark since June 2007.

"This is critically important for the country, since low capacity utilisation in manufacturing is regarded as one of the main reasons for the potential growth of the overall economy to have declined from +/- 3,5% to 2,5%," Mr Langenhoven said.

Statistics South Africa's actual production and sales data for the metals and engineering sector (extracted from the manufacturing data) complete the picture for the first quarter of the year:

- March production was 1% higher than February 2015, and
- 1,6% higher than March 2014;
- The first quarter of 2015 ended up being 0,6% better than the first quarter of 2014.

"The latter two numbers are good news, given the fact that production during the comparable period during 2014 was brisk. However, these production numbers (+0,6% growth) contradict the capacity utilisation data (0,9% decline). Anecdotal and financial results evidence from the sector indicates that this recovery will not last during the second quarter," Mr Langenhoven said.

He added that annualised data (12 months ending in March 2015 compared to the same period during 2014) still show a deepening contraction of 3,3%.

"The fourth dataset that becomes available every month is the forward-looking purchasing managers index (PMI) from Kagiso/BER. The latest PMI shows an accelerating contraction and, given the fact that the business activity sub-index leads actual production by 12 to 18 months, it indicates tough times ahead," Mr Langenhoven said.



The data indicate that:

- The 12-months period ending in April 2015 was 7,4% below the same period last year;
- The first four months of 2015 were 0,7% lower than the same period last year;
- But April was 9% lower than March, hence the accelerated decline mentioned.

Furthermore, the index reading for April 2015 was nearly 14% lower than that for April 2014.

“All four of these datasets contain alarming trends, and the potential impact on employment and company survival, now and into the future, is very disturbing. Based on these numbers, we are of the view that the metals and engineering sector will most likely impact negatively on general economic growth in 2015,” Mr Langenhoven concluded.

## RELIEF FOR EXEMPTED MICRO ENTERPRISES

SEIFSA welcomes the latest announcement from the Department of Trade and Industry (DTI) with regards to the changes made to the legislation of obtaining an Exempted Micro Enterprise (EME) certificate. This comes as a welcome relief for EME.

The Amended Codes of Good Practice define an EME as an entity with an annual turnover of less than R10 million. The verification process will be a thing of the past for entities which fall within the above mentioned category.

The Deputy Minister of Trade and Industry, Mr Mzwandile Masina will officially launch the system for issuing of the Broad-Based Black Economic Empowerment (B-BBEE) certification for Exempted Micro Enterprises at the Self Service Terminals of the Companies and Intellectual Property Commission (CIPC). This will enable CIPC customers who are registering private companies through the terminals to also register for B-BBEE certificate at the end of the company registration transaction or when they file their CIPC annual returns.

The CIPC system is going to eliminate the abuse that was initially feared when the department announced that sworn affidavits will replace B-BBEE certificates for entities which fall within the EME category.

The system will help to eradicate fraudulent B-BBEE certificates something that threatened to overshadow the genuine intention of B-BBEE as a policy, where companies were opting to take short cuts and misrepresenting their status. It will also ease the burden on start-ups and small businesses.

The benefit is however only intended for companies with a turnover under R10 million. Once the threshold is reached, then normal verification processes will be followed, with the exception of Qualifying Small Enterprises (QSEs) which are more than 51% black owned.

It also important to mention that companies cannot afford to relax and be comfortable, they should see this as an opportunity to put measures in place and prepare for the future.

The changes will have a negative impact on verification agencies because issuing of B-BBEE exemption certificates was part of revenue source. According to the Deputy Minister the plan is to reclaim the verification space.

“The DTI is the custodian of the Broad-Based Black Economic Empowerment policy, which is about empowerment and growing the economy. As part of ensuring that transformation is credible, the DTI is embarking on a process to reclaim the verification space which has been dominated by unscrupulous third party agents who sell fraudulent certificates, thus defeating the objectives of Government’s transformation agenda and further distorting the impact of transformation,” said Deputy Minister Mzwandile Masina.

The B-BBEE certificates can be applied for at the end of the company registration transaction or when CIPC annual returns are filed. The certificates will be issued free of charge.

Thakani Khalushi  
Transformation Specialist

# SEIFSA OFFICIALLY LAUNCHES SMALL BUSINESS HUB

The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) last month officially launched its small business hub (SBH) to help meet the needs of small and micro enterprises (SMEs) in Southern Africa.

The SBH, which is aimed at promoting SME development, will allow small businesses to contribute more to South Africa's economic growth and job creation.

The SBH provides cost-effective products and services that addresses the overall needs of SMEs; provide cost-effective support services that are sector focused and related to SME categories, such as micro and small; identify sector and company specific challenges; and monitor trends and develop specific interventions to improve SME performance.

The products, services and solutions offered by the SBH include accounting and advisory services, statutory compliance, information technology solutions, procurement of funding, broad-based black economic empowerment and cost-effective services from SEIFSA divisions.

The SBH also offers industrial relations, economics and commercial, health and safety and skills development services tailor-made to suit SME needs.

Speaking at the SBH launch, SEIFSA Commercial Manager Mashirane Matheba said SMEs were a key source of economic growth and job creation and added that the SBH, therefore, intended to ensure that small businesses survived and grew over time.

Mr Matheba added that the SBH also aims to give existing entrepreneurs a first port of call for whatever challenges they may face in trying to make their businesses a success, by collating the spectrum of government's small business initiatives on one website.

Mr Matheba said that SEIFSA conducted a survey within its membership in 2010, which reflected a need for a one-stop shop for information, tools and documentation that specifically catered to the needs of SMEs. The 2000 SEIFSA-represented companies, 62% of which employ less than 15 employees, listed

access to funding, markets, professional bodies and government departments as major concerns. The lack of management and technical skills essential to operating a business was also highlighted as a problem.

Department of Small Business Development Chief Director Mojalefa Mohoto said the SBH indicated that companies and organisations were proactive around the development of SMEs. He added that incubation and business hubs would drive enterprise development in South Africa.

"We want to partner with SEIFSA on this initiative and we call on other organisations to come on board and create initiatives such as this. Enterprise development will assist the public and private sectors by providing job opportunities," he said.

National Empowerment Fund SME and rural development Divisional Executive Setlakalane Molepo said that the SBH was a step closer to addressing small business challenges such as access to markets, technology, finance and quality business infrastructure.

In addition to providing free telephone advice on company specific needs, the SBH will also avail SEIFSA experts for one-on-one field-specific consultations.



# SEIFSA TRAINING CENTRE HOSTS A SUCCESSFUL OPEN DAY

The SEIFSA Training Centre (STC) hosted its second annual Open Day on 15 May as part of a major marketing drive to highlight SEIFSA's commitment to training as well as to promote the centre to prospective clients, particularly SEIFSA member companies.



The Manufacturing, Engineering and Related Services SETA (merSETA), Chemical Industries Education and Training Authority (CHIETA) played a key role by disseminating promotional and informative material regarding their various offerings by way of exhibitions.



Amongst attendees were representatives from companies such as Macsteel, Imbabala, Sparrow school, Element Six, Ron's Hydraulics and Shatterprufe. A number of Technical and Vocational Education and Training (TVET) colleges were also present including

Ekurhuleni East College (Benoni, Daveyton and Thema campuses); Germiston College, Boston City campus, Central Johannesburg College, Multi-tech College; Sedibeng College and technical high schools, Hans Moore and Dinoto.

The Department of Higher Education and Training was also in attendance and Gauteng City Region Academy (GCRA) expressed their interest in exhibiting at the next Open Day.

"One major objective this year was to encourage young aspiring artisans to actively pursue their dreams of one day becoming the artisans that South Africa so desperately needs, in order to grow the economy. We are glad that this event has definitely grown since its establishment last year and we hope to see it grow even



further moving forward" stated the centre Manager, Desmond Uithaler.

Khodani Makatu who is an Engineering Lecturer at the Central Johannesburg College and an avid supporter of the STC Open Day expressed his appreciation for events such as these, "It is crucial that our students get to also witness the practical side of being an artisan and events such as these are definitely a major help" he stated.

Any requests to be invited to the next Open Day can be forwarded to [setsana@seifsa.co.za](mailto:setsana@seifsa.co.za)

# WHERE HAVE ALL THE CONVERSATIONS GONE?

Communication is defined as a noun. Dictionary.com states that communication is the act or process of communicating; fact of being communicated. The imparting or interchange of thoughts, opinions, or information by speech, writing, or signs. Something imparted, interchanged, or transmitted. A document or message imparting news, views, information, etc. passage, or an opportunity or means of passage, between places.

Yet, the irony of living in the communication and technological age, with nearly every person owning a cell phone making use of laptops and having access to the internet, it is amazing that we do not actually communicate better, sometimes not at all.

In my travels assisting companies with their skills development issues and challenges, it has struck me time and time again that most of the challenges facing companies are not down to ineffective training and/or development but rather centre on little or no communication taking place within a company.

The employees do not know what is going on and do not ask. The managers make assumptions that if everyone's working, then they are happy. So when it comes to discussing matters of skills and employment equity – shock and awe – when asked what is the company's vision and mission, no can answer. So I ask – why do you come to work every day? The usual honest answers range from feeding the family to earning a keep but it is not enough. Everyone who works at any company should know the how, why, when, where and who of their company. To do this we need to engage in conversation – talking, watching the body language of individuals, listening to what is being said and how it makes us feel?

Have we lost the art of organisational communication. That is understanding of the influence of the context of an organisation on communication processes and the manner in which the symbolic nature of communication distinguishes it from other forms of organisational behaviour. We do not converse anymore.

In my opinion, we need to bring back the conversations. In this way the employees discover what they know, share it with their colleagues and in the process create new knowledge for the company. Trust

that conversations are the most important form of work ... so much so that the conversation is the company.

So where does one start with collaborative conversations. Robert Hargrove writes in *Masterful Coaching: Extraordinary, by impacting people and the way they think and work together*, that there are some ground rules for promoting productive conversations in a workplace where individuals in a team are trying to achieve high-performance goals. These ground rules are:

- Share all relevant information
- Agree on what important words mean
- Suspend your own opinions and assumptions while you listen
- Test all opinions, assumptions and inferences by asking for examples
- Make statements explaining your reasoning then invite questions
- Focus on interest and not on positions
- Make decisions on consensus
- Feel free to disagree with any member of the group
- Discuss the undiscussable issues
- Jointly design ways to design and test solutions
- Avoid taking cheap shots or otherwise distracting the group
- Keep the discussion
- Do self-critiques; it is not over until you have learned something.

Think of this: Interaction through conversations across all levels of a company equates to collective intelligence. This intelligence in turn actually becomes visible. Use a morning to bring employees together (without phones and laptops) introduce a topic, such as what is conversation in the workplace and watch them engage or move from one table to another over a couple of rounds of conversation, cross-pollinating ideas and suggestions, making unexpected connections, developing new knowledge and solutions and creating action opportunities. The opportunity cost is the investment that employees will once again feel valued as they relearn to communicate.

Having meaningful and regular conversations in the workplace has many advantages both to the employees and the organisations.



Here are a few advantages that have been adapted from "Driving Fear from the Workplace by K.Ryan:

1. People receive credit for the good work that is done
2. Employees take accountability for their actions/behaviour rather than making excuses or blaming others
3. Individuals are committed to keeping each other informed and trust each other to pass along information appropriately
4. People collaborate on important issues by seeking out others opinions and expertise
5. Employees talk in terms of "we" instead of creating us and them" distinctions
6. Individuals focus on the main issue and mission and do not get side-tracked by differences in the detail
7. Individuals value each other's background and experience rather than discrediting each other's competence.
8. Concerns, criticisms and conflicts are openly raised, are focused on methods for accomplishing the work and are discussed in a respectful manner.
9. People speak positively about their work, the organisation and the future rather than negatively or expressing cynicism.

Now that I have concluded my "soap-box" moment

in respect of the importance of having regular and meaningful communications in the workplace, I would like to believe that I have succeeded in convincing you why verbal conversations need to come back to the workplace.

In conclusion, I would like to leave you with the following quote. "Everyone has a story, that is to say, everyone has their own perspective on a situation. No matter what it might look like, most people who are difficult to work with usually have good intentions. More often than not, people do what they do because it makes sense to them to do it that way. If it does not make sense to you, it is probably because you have a different perspective on what happened or a different understanding of what was supposed to happen. If you ascribe negative intentions to the other person and act accordingly, most of time we do, the outcome will likely be unproductive and very unpleasant. While it is okay to make assumptions, it is essential to check them out before acting. Seek first to learn and understand another person's story. When you do, you may find that they aren't as difficult to work with as you may have thought". (Pearson-2003).

Mustak Ally

Skills Development & Human Capital  
Executive

## SEIFSA/merSETA - CAREER PORTAL PARTNERSHIP



SEIFSA in collaboration with the merSETA now offers a dedicated holistic merSETA Career Portal where learners, graduates, employers and other interested persons can find out and source relevant information about all the different career options and opportunities available within our industry.

Employers interested in participating in this initiative can do so by simply providing their company logo together with a brief write up about the kinds of opportunities that the company has and the kinds of employees, learners and graduates they are looking for as well as a link to the company's relevant career page or applications page. Kindly complete the template below and send to [Nisingh@merseta.org.za](mailto:Nisingh@merseta.org.za) or go to [www.merseta.org.za/merserta-career-portal/careerportal.html](http://www.merseta.org.za/merserta-career-portal/careerportal.html)

<b>Company Name</b>	
<b>Logo</b>	
<b>Brief overview of workplace opportunities i.e.: Learnerships, apprenticeships, Work Integrated Learning (WIL), Graduate internships, Youth Employment, etc.</b>	
<b>Website link to vacancies/applications</b>	

# 2015 ANNUAL COIDA SEMINAR: "TRANSFER OF CLASS XII TO RAND MUTUAL ASSURANCE"

The Compensation Fund has extended the licence of the Rand Mutual Assurance in terms of Section 30 of the Compensation for Occupational Injuries and Diseases Act (COIDA), 1993 (Act 130 of 1993), as amended, to include Class 13 employers (iron, steel, artificial limbs, galvanising, garages, metal industries, etc.). While the transfer was a welcomed move, there was an urgent need to address some of the concerns regarding the transfer, which was voiced by employers. Due to this, the SEIFSA, Health, Safety, Environment and Quality division hosted the 2015 Annual COIDA Breakfast on 25 March 2015 and 16 April 2015. Top officials from both the Compensation Fund and Rand Mutual Assurance addressed the seminar and took the delegates through the key features of the transfer.

## WHY THE MOVE?

In his address, Jan Madiaga, Deputy Director: Employer Assessments, told delegates that the transfer of Class XIII employers was an integral part of the Department of Labour's (Compensation Fund) turnaround strategy to improve its level of service to its members. The Compensation Fund still remains responsible for overseeing the compliance of Rand Mutual Assurance regarding all the requirements of the COIDA Act.

## TERMS AND CONDITIONS OF THE TRANSFER

Employers need not register with Rand Mutual Assurance directly. Employers only have to be registered with the Compensation Fund. The Fund will then transfer any/all employers who fall into class 13 over to Rand Mutual. The Deputy Director emphasised to the delegates that Rand Mutual would be providing the same benefits as stipulated by the COIDA Act. Therefore, employers of class 13 would not lose any of the benefits as a result of the transfer. For instance, employers who are unable to make full payments

on their assessments may approach Rand Mutual Assurance for an instalment arrangement, as they would have the Fund.

## FILING RETURN OF EARNINGS

Last year, employers filed their 2014 provisional Return of Earnings (ROE) with the Compensation Fund. The actual earnings for 2014 must also be submitted online with the Fund and the 2015 provisionals must be filed with Rand Mutual Assurance. When submitting their 2014 actuals, the system will require them to also provide their 2015 provisionals. In order to complete the submissions, employers may also submit their 2015 provisionals, but this will have no financial bearing for the company.

Members will then also have to file their 2015 provisional ROE with Rand Mutual Assurance. To submit ROE's with RMA, employers must register (for online services) with Rand Mutual on their website [www.randmutual.co.za](http://www.randmutual.co.za). Once registration is complete, employers can submit their provisional ROE's for 2015.

## INVOICING

Patrick Matshidze, Chief Operating Officer at Rand Mutual Assurance, told delegates that employers will have received an invoice from Rand Mutual Assurance. This invoice is based on 2014 provisional ROE submissions to the Fund. One of the terms of the licence is that RMA may not use funds from the other class of employers for Class XIII claims, therefore they have to invoice employers from class xiii as a source of revenue to ensure that they can fulfil the claims of class xiii. Employers will receive three invoices for the following periods:

- March 2015 to July 2015
- August 2015 to December 2015
- January 2016 to February 2016

All the invoices are payable in 30 days. Once payment for an invoice has been made, the employer may request a Letter of Good Standing from Rand Mutual Assurance. The Letter of Good Standing will only be issued for the months that the employer has paid for. For example where the employer pays the first invoice (March to July 2015) he will receive a Letter of Good Standing expiring on 31 July 2015.

### HOW TO SUBMIT CLAIMS?

Sharon Muller, Claims Manager at Rand Mutual Assurance took delegates through the process of submitting claims with Rand Mutual. Employers can submit claims in three ways, namely:

1. Telephonically by calling the RMA contact centre 0860 222 132
2. Via C-filing on the online RMA claim system on website ([www.randmutual.co.za](http://www.randmutual.co.za))
3. Via scan and email to RMA [rmascannings@randmutual.co.za](mailto:rmascannings@randmutual.co.za)

Employers will be able to download all the necessary documentation for claim submission on the RMA website.

### OUTSTANDING ISSUES/QUERIES WITH COMPENSATION FUND:

All existing account queries and outstanding claims, up to 28 March 2015 will be dealt with by the Compensation Fund and will not be handed over to Rand Mutual Assurance. Jan Madiaga stated that with regards to the 10% rebates promised in 2013, the Compensation Fund was still working on the system to apply the rebates to the employers who submitted within the prescribed period.

While there may be initial teething problems, it is very clear that the Compensation Fund and Rand Mutual Assurance are providing solutions as they come up.

For any more information on the Transfer of Class 13, please contact the SEIFSA HSEQ division:

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[nonhlalo@seifsa.co.za](mailto:nonhlalo@seifsa.co.za)

Landeka Kabi (HSEQ Officer)  
[landeka@seifsa.co.za](mailto:landeka@seifsa.co.za)

## SEIFSA WELCOMES NEW MEMBERS

### THE FOLLOWING COMPANIES BECAME MEMBERS OF ASSOCIATIONS FEDERATED TO SEIFSA DURING APRIL 2015.

- Africa Steel Holdings - SEIFSA Associate Membership
- API Piping (Pty) Ltd - Constructional Engineers Association (CEA Division)
- BFC Grid Training 19 (Pty) Ltd - Constructional Engineers Association (LBD Division)
- Consulation Supplies - South African Engineers & Founders Association
- Daliff Precision Engineering (Pty) Ltd - Cape Engineers and Founders Association
- Devine Conexion Engineering (Pty) Ltd - South African Engineers & Founders Association
- EETSA DCXENG JV (Pty) Ltd - South African Engineers & Founders Association
- Intertech Industrial Solutions (Pty) Ltd - South African Engineers & Founders Association
- Machite Engineering - Electrical Engineering and Allied Industries Association
- Multi Point - Constructional Engineers Association (TESD Division)
- Safika Oosthuizen Transport - SEIFSA Associate Membership
- Sparrow School Education Trust - SEIFSA Associate Membership
- SVT Projects & Engineering cc - South African Engineers & Founders Association
- Winnat Technical Trolleys (Pty) Ltd - Light Engineering Industries Association

# REVOLUTION IN RENEWABLE ENERGY BENEFITS SOUTH AFRICAN ECONOMY

A quiet revolution in renewable energy taking place in South Africa has already brought substantial benefits, saving the economy billions of rands in diesel and coal that Eskom would have to have burnt. This is according to Craig Pace, Director at Vanguard, an international heavy lift, abnormal transport and installations specialist.

"A recent report from the Council for Scientific and Industrial Research (CSIR) shows that the 1,600MW of renewable energy installed by December 2014 has saved the country over R5 billion," said Pace. The 32 renewable energy projects had already been completed and connected to the grid, with government planning to more than double this figure by reaching 3,625MW by 2030.

"What is really encouraging about these developments is that they are producing electricity at a very competitive cost - so that the net financial benefits of renewables will remain positive even in the future when the national grid is less constrained," he said.

## LOWER COSTS

The Integrated Energy Research Centre at CSIR reported that the cost per kilowatt/hour (kWh) of renewable energy for new projects is now well below R1 for solar photo-voltaic (PV) production and between 60c and 80c for wind projects.

"The government's three Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) bid windows have procured more than 60 renewables projects, with combined capacity of 3,900MW," said Pace. "Another 77 bids were received in the fourth REIPPPP window last year, indicating the enthusiasm and investment appetite of many foreign companies."

The private investment associated with the projects procured to date amounts to R140 billion.

Vanguard has been integrally involved with a number of pioneering wind farms around South Africa in recent years. "We have engineered efficient solutions for dealing with the large and complex wind turbine components being imported for wind farm projects from discharging the vessel, specialised transport requirements to the hard stands, on-site lifting/erection and electrical installations of 108 wind turbine generators," he said.

## RECENT CONTRACTS

Among the recent contracts completed have been the West Coast One wind farm near Vredenburg on the Western Cape coast, where Vanguard erected 20 Vestas V90 2.0MW turbine generators with its GTK1100 crane and the Chaba wind farm near Komga in the Eastern Cape, where the company discharged seven Vestas V112-3.0MW wind turbine generators from the vessel, off-loaded into a storage area, and reloaded for transport to the wind farm.

Other projects include the Grassridge wind farm, also near Port Elizabeth, the Noblesfontein wind farm near Victoria West in the Northern Cape, and Metrowind's Van Stadens wind farm in the Eastern Cape.

Reference:

[Bizcommunity.com](http://Bizcommunity.com)





# CORRECT DISPOSAL OF HAZARDOUS WASTE SHOULD BE PROMOTED

Household hazardous waste is a waste stream which should not end up on a landfill site as it is extremely harmful to the environment and citizens' health.

Dr Suzan Oelofse, President of the Institute of Waste Management of Southern Africa (IWMSA), says with dwindling landfill airspace and higher environmental consciousness, the correct disposal of waste items has become more important than ever in South Africa.

With the growing supply of buy-back centres and kerbside collection facilities, South Africa is moving towards separation at source to ultimately reduce pressure on landfill sites and to promote better waste disposal practices.

Household hazardous waste is one waste stream that can potentially have a very negative effect on the environment, not to mention human health. These items include electronic waste, batteries, CFL light bulbs, health care waste which includes syringes and old medicines, paint, pesticides and oil.

Dr Oelofse mentions that consumers should also be informed about The Consumer Protection Act which is geared towards protecting consumers. The Act recognises that some consumer goods that have reached the end of their lifecycle may be prohibited from being disposed of in common waste collection systems. "This act places a responsibility on suppliers and producers of consumer goods to implement take-back schemes at no charge to the consumer," she explains.

"There are various recyclers that collect certain hazardous waste streams, so that it can be disposed of in an environmentally friendly manner. Consumers should start to separate their waste at source to contribute to a cleaner environment," concludes Dr Oelofse.

Reference:

[Bizcommunity.com](http://Bizcommunity.com)

## DROP-OFF FACILITIES

There is unfortunately no 'one-size fits all' solution to hazardous waste. "A number of retailers already provide drop-off facilities for batteries, e-waste and light bulbs," Dr Oelofse says. Some municipalities also provide drop-off facilities at garden sites for this purpose, but not all hazardous waste streams are necessarily accepted."



# GOVERNMENT ACKNOWLEDGES SERIOUSNESS OF WASTE PROBLEM

Environmental Affairs Minister Edna Molewa acknowledged that waste is a serious problem in South Africa, which adversely affects the integrity of the natural environment.

The Minister spoke at the inaugural National Waste Management Summit, which was recently held in White River, Mpumalanga. Convened under the theme 'War on Waste, Driving the recycling economy in South Africa', the summit emphasised the creation of a radical approach to enable an environment conducive for economic growth within the waste management sector.

The summit brought together over 500 Government representatives, waste management practitioners, academia and civil society to devise means to accelerate the notion of recycling economy by eliminating bottlenecks in the waste management sector. It provided a platform for robust, constructive and technical engagements on waste management priorities for the country.

## PLANNING AND GOVERNANCE

Discussions revolved around planning and governance, waste service delivery and infrastructure development for effective waste management. These issues need urgent attention from all spheres of Government and the waste management industry at large.

"The waste information baseline study that my department conducted in 2011, revealed that 108 million tons of waste generated, of which 97 million was disposed to landfill. Only 10% of the generated waste in South Africa was recycled in 2011. This tells us that we have a problem. South Africa needs to change. We are a 'throwaway' society and there is a need for a paradigm shift," Minister Molewa said.

Further deliberations focused on issues such as co-regulatory approaches for effective waste management in accordance to the requirements of the National Environmental Management: Waste Act, 2008 (NEMWA). The NEMWA has been enacted to, amongst other matters, give a clear division of roles, responsibilities and mandatory obligations for the three spheres of Government, private sector and civil society. This legislative alignment governing waste demonstrates the government's ambition for a clean environment and a healthy society in South Africa.

## ECONOMIC OPPORTUNITIES

The waste management sector has viable economic opportunities that the summit acknowledged still needed to be unlocked. It is for this reason that Government and other relevant institutions are exploring the notion of recycling economy.

Molewa urged delegates to enhance their effort in dealing with waste management with an intention of contributing to South Africa's economic growth and job creation through the notion of recycling economy. "As waste management practitioners, academics, industry, civil society and the general public, we have to come to the realisation that business as usual in waste management is inadequate. We need to rise to the challenge and develop innovative ideas on how we can improve waste management systems in the country to drive the recycling economy."

Reference:

[Bizcommunity.com](http://Bizcommunity.com)



# MANAGING HIV/AIDS IN YOUR WORKPLACE

As mentioned in the previous article, workplace research is a critical element in ensuring the continued success of your company's HIV/AIDS prevention strategy. This article looks at why it is important to understand the current knowledge, attitudes and practices of employees in relation to HIV/AIDS.

## WHAT IS A KAP SURVEY AND HOW IS IT ADMINISTERED?

A Knowledge, Attitudes and Practices or "KAP" survey is used to get a snapshot of what employees know in terms of HIV/AIDS (e.g. do they know that HIV can be transferred through breastfeeding), what are their feelings towards HIV-related issues (e.g. do employees discriminate on certain issues) and what their actions are (e.g. do employees have multiple sex partners). The conclusions drawn from the KAP surveying process will help a company to understand the following about their employees:

- The vulnerability of employees to HIV/AIDS;
- The existing HIV/AIDS-related knowledge levels;
- The prevailing myths and misconceptions about HIV/AIDS;
- The current attitudes towards the HIV/AIDS epidemic, towards colleagues living with HIV and AIDS and towards company HIV/AIDS programmes and policies;
- The perception in terms of their risk of HIV-infection; and
- The incidence of high-risk practices among employees.

A KAP survey is a simple way of gathering standardised information from a large group of people. The survey can take as little as 10 minutes of an employee's time and can be administered in a number of ways, such as: an internet-based questionnaire, a paper-based questionnaire (i.e. printing and collecting hard copy), answering questions using an electronic handset and so on – basically any method that allows for the anonymous answering of questionnaires.

Why anonymously, you may ask? Because of the sensitive nature of the questions, it is important that a

KAP survey be administered anonymously: there should be absolutely no recording of names or a list of who has completed the questionnaire, as this could potentially link employees to certain responses. Secondly, the process must be voluntary: while employees should be encouraged to complete the questionnaire, in the end it should be their own decision whether or not to do so.

A practical tip is that, while it would ensure outstanding results if all employees in the organisation were to complete the survey, it is often most practical to survey a representative sample of employees.

## WHAT CAN A COMPANY DO WITH THE INFORMATION?

A KAP survey can be used to track trends in employee knowledge and behaviour over time and importantly it is to inform employees of HIV/AIDS prevention activities (e.g. training), which would form part of the company's HIV/AIDS prevention strategy. The first KAP survey at a company would be referred to as a "baseline survey" as it provides a starting point from which to measure when further surveys are administered.

Doing at least one KAP survey in your company can mean the difference between working in the dark – hoping for the best – or targeting HIV/AIDS-related interventions where they will impact the most in your workplace. Can your company really afford not to do a KAP survey?

Redpeg - [www.redpeg.co.za](http://www.redpeg.co.za)



# CONSISTENCY FOR DISCIPLINE AT THE WORKPLACE

The term consistency with regards to discipline at the workplace is widely used and encouraged as opposed to inconsistency on discipline. As per the parity principle, there should be fairness and equality before the law, therefore like cases should be treated alike. What is then required is that the same procedure should follow on from matters of a similar nature. One should then be mindful of the fact that despite a misconduct being of a similar nature with the same procedure being followed it does not automatically mean that the same sanction should follow for the parties.

Reason for this is that on application of a sanction, each matter is considered on its own merits and further the personal circumstances of the concerned party. When deciding on the sanction what one should look at is the mitigating factors of the concerned employee which include their age, years of service, their financial responsibilities, previous disciplinary record and the type of offence. Further the aggravating factors to the offence should also be looked at and the two should be weighed against each other.

Therefore, an act of misconduct can be the same or similar, on two separate incidences, the procedure followed should also be the same, however the circumstances can differ vastly thus justifying a different sanction or outcome.

The recent judgement of the Appeal Court in ABSA Bank Ltd v Naidu (2015) 1 BLLR 1 (LAC) illustrates the above submission that misconduct of a similar nature does not necessarily follow on with the same outcome although the same procedure should be applied. As per Wagaly JP, Ndlovu JA, Coppin AJA the mere fact that another employee was previously not dismissed for similar misconduct did not mean that the employer

condoned such behaviour and that it would be unfair to dismiss another employee for a similar misconduct.

After the employee in the above matter had been dismissed for dishonesty following a disciplinary inquiry for switching of a client's investments from Money Market to Property Market without the client's consent having been obtained in that she relied on the client's previous signature from a previous switch form thus contravening ABSA's Rules and Codes of Conduct and was in breach of Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS). The CCMA and the Labour Court had found that the dismissal of the employee had been too harsh and thus substantially unfair in that a previous employee who had committed a similar misconduct had been given a final written warning for it.

The Appeal Court however, through Ndlovu JA held that it would not make sense for an employee who commits serious misconduct to get off lightly because a previous employee was not dismissed because of a technicality or differing views of presiding officers. The court found that there needs to be a degree of flexibility so that discretion can be exercised in each case. The decision of the CCMA and the Labour Court was therefore overturned and the dismissal of the employee was found to have been procedurally and substantially fair.

Thus, an employee who really deserves to be dismissed for an offense, cannot claim unfair dismissal based only on the fact that in a previous case of a similar act of misconduct, the transgressor was not dismissed.

**Bridgette Mokoetle**

Legal Executive & Company Secretary

## SEIFSA welcomes Mariaan De Jager

Mariaan De Jager joined the SEIFSA team in May 2015 in the capacity of Finance Manager.

She holds a BCOMPT degree from UNISA. Mariaan has been in various financial positions at her previous employers including: Chubb Security SA, South African Meat Industry company, International Meat Quality Assurance and Freshmark.

We would like to take this opportunity to welcome Mariaan to the SEIFSA fold and wish her all the best in her role here at SEIFSA.





# ALTERNATIVE WORKING TIME ARRANGEMENTS AND THE MAIN AGREEMENT

In order to remain competitive in today's modern manufacturing environment, companies may find the need to adapt their working time arrangements from time to time. Management needs to keep abreast of the provisions of the Main Agreement, be knowledgeable of what can and cannot be done in terms of implementing new or changing existing working time arrangements. The Main Agreement, under section 4(7), provides clear guidelines, the purpose and intention of which is to encourage industry employees and employers to discuss and agree working time arrangements which are mutually convenient to themselves and to move away from the more traditional fixed working time provisions.

What are the different types of working time arrangements that I may consider?

The nature and extent of these alternative working arrangements depend largely on what is needed and mutually acceptable at individual company level and may include the following types of alternative arrangements:

- Annualisation (the calculation of an employee's hours on an annual basis);
- Averaging of the working week;
- Working an unpaid additional hour each week during the year in return for an agreed number of additional days' paid annual leave;
- The operation of shifts at ordinary rates over weekends;
- Compressed working weeks (employees work up to 12 hours per day without receiving overtime payment in return for a shorter work week); and
- Any other alternative working time arrangement agreed between workers and management

Once I have identified a need to implement alternative working time arrangements, what process do I need to follow before I can implement the changes?

Firstly, it is important to note that it is the intention of the parties to the Main Agreement that the decision to introduce flexible working hours and the nature of this

arrangement should be a voluntary one on both sides and that the details of the agreed alternative working time arrangement must be recorded in writing and must be signed by the representatives of the affected parties, namely management and the employee representatives/shop stewards/union official. Where an agreement is reached, it is advisable to reduce the agreement to writing, have the parties sign the agreement and submit a copy to the MEIBC for record keeping.

## WHAT HAPPENS IF THE PARTIES HAVE DIFFICULTY IN REACHING AN AGREEMENT?

Where consensus on the introduction of alternative working time arrangements cannot be reached between management and employees, then the Main Agreement stipulates that the following steps need to be followed:

### STEP 1:

The matter shall be referred to the relevant Regional Council for conciliation. Two assessors, one from the employer side and one from the trade union side may, by mutual agreement, be appointed to assist the conciliator. The assessors shall be selected from outside the workplace.

### STEP 2:

Where Step 1 is unsuccessful in resolving the dispute, both parties, or either party may refer the matter to arbitration in an attempt to settle the dispute. Please note that in the event of this happening, the costs of the conciliation and subsequent advisory arbitration process (where this is undertaken) must be negotiated at establishment level. Two assessors, one chosen by the trade unions and one by the employer parties to the Council, will be appointed to assist the arbitrator. Once again, the assessors shall be selected from outside the workplace.

**STEP 3:**

Should Step 2 not be successful, the arbitrator will then decide the matter in terms of advisory arbitration.

**STEP 4:**

Where the parties choose not to follow the conciliation/advisory arbitration process set out in Steps 2 and 3 as outlined above or should either party not be prepared to accept the advisory arbitration decision, they will be free to pursue the matter in terms of legal industrial action. Alternatively, the parties may agree in advance that the arbitration decision will be final and

binding, in which case no legal industrial action may be implemented.

Finally, every employer shall display in his establishment, in a place readily accessible to his employees, a notice specifying the starting and finishing times of work for each shift or shifts of the week and the meal hours in order to prevent any confusion amongst the staff.

For assistance or advice on the implementation on alternative working time arrangements, please contact the SEIFSA Industrial Relations Division on 011 298 9433

Gordon Angus

SEIFSA Industrial Relations



SEIFSA is a national federation representing 27 independent employer associations in the metal and engineering industries, with a combined membership of over 2 000 companies employing over 200 000 employees. The federation was formed in 1943 and its member companies range from giant steel-making corporations to micro-enterprises employing fewer than 50 people.



## SEIFSA SPECIALIST DIVISIONS



### Economic and Commercial

- Promotes the interests of members in various national forums i.e. Busa, Nedlac
- Provides information and advice on various matters, including:
  - o Broad-Based Black Economic Empowerment (BBBEE)
  - o Contract Price Adjustment (CPA)
  - o Tender conditions and international trade issues
- Publishes updated SEIFSA Price and Index Pages (PIPS) tables monthly
- Economic Impact Assessments



### Health, Safety, Environment & Quality

- Professional, affordable legal compliance health and safety auditing
- Consultation service covering all health and safety matters
- Environment Impact Assessment
- Quality and Environment Awareness training



### Industrial Relations

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### Skills Development & Human Capital

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- Consultancy services on a range of skills development initiatives including merSETA grant matters
- Skills auditing and training needs analysis
- Talent and succession management
- Performance management



### Legal

SEIFSA Legal's objective is to resolve legal problems as quickly and as cost effectively as possible, minimising legal risks and achieving practical outcomes which make the best financial and commercial sense for the client.

- |                              |                              |
|------------------------------|------------------------------|
| - Labour Law Services        | - Information and Training   |
| - Commercial Law Services    | - Environmental Law Services |
| - Policy drafting and review |                              |



Steel and Engineering Industries Federation of Southern Africa  
**OUR PASSION, YOUR SUCCESS**

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