

# SEIFSA NEWS

JULY/AUGUST 2016

## CELEBRATING WOMEN OF STEEL

NOMA NIBE OF  
& STELOY CASTINGS  
& NTSAKISI MKHIZE  
OF VOITH TURBO SA

ANNUAL WAGE  
INCREASES

PRIORITIES AND  
B-BBEE CODES



SEIFSA

Steel and Engineering Industries Federation of Southern Africa

OUR PASSION, YOUR SUCCESS



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# INVITATION

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## SEIFSA PRESIDENTIAL BREAKFAST

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The South African economy is under pressure, reflective of the global slowdown. Companies are shedding jobs, CAPEX is getting leaner and performance forecasts are not encouraging. For South Africa, the challenges are enormous as we face the prospect of a downgrade to junk status by ratings agencies.

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**Fees for members:** R630 per person

*Venue and Guest Speaker to be confirmed.*

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For bookings: Thabiso Lebea on 011 298 9400  
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## DEAR READERS

We would like to inform you of the new changes regarding our SEIFSA News publication.

We have changed the number of issues for SEIFSA News from 11 issues to 6 bumper issues annually.

These bumper issues will have both a printed and electronic format. We will be sending 2 400 printed issues to our targeted audience within our membership base. The electronic version will be sent to over 10 000 companies within the metals and engineering industry.

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## FROM THE CHIEF EXECUTIVE OFFICER'S DESK

A week, they say, is a long time in politics. How right they are!

When I wrote my column for the last issue of this magazine, the United Kingdom – also known as Great Britain – was very much a single country that was an important member of the European Union. Despite its occasional Euroscepticism, the UK's membership of the European Union (EU) went back to 1970 when its membership application was eventually accepted after the French had relaxed their initial objection.

Since then, various Conservative Party and Labour Party governments have continued to keep the country within the EU, notwithstanding differences that they have had with the European Union from time to time. Throughout this period, the UK managed to maintain, with pride, its strong sense of identity based on its enviable history as a British empire in which “the sun never sets”. For instance, it held doggedly onto its own currency, the British Pound, instead of adopting the Euro, and onto its own immigration system, instead of allowing use of the Schengen visa which is more convenient for foreign travelers to much of Europe.

However, with anti-EU sentiment growing stronger in an increasing number of countries in Europe, largely in the aftermath of the 2008/9 global recession and following the recent massive wave after wave of illegal North African and Asian immigration into Europe, more EU scepticism manifested itself in Britain. With the rise of the United Kingdom Independence Party (UKIP), which made it into a coalition with the last Conservative Party government that succeeded Labour Prime Minister Gordon Brown's administration, and with Conservative Party support wavering, Prime Minister David Cameron went into the 7 May 2015 general election with a promise to call a referendum on continuing UK membership of the EU.

That referendum took place just over a year later, on Thursday, 24 June 2016 – and the following day the disappointed, pro-EU Mr Cameron tendered his resignation as Prime Minister when the “Brexit” lobby won the referendum by a very slim majority.

Given the very close degree of the world's interconnectedness today, the entire international community followed events in Britain, in the run-up to

and after the referendum, with great interest. While the predominant international view was that the continued presence of the UK in the EU was in the interest of both that country and the international community, just under 52% of British voters saw things differently and made themselves heard.

However, contrary to fairly pervasive fears that were expressed here at home ahead of the British referendum, South Africa may not be that terribly affected by it all. Pretoria has every reason to want to strengthen its relations with the EU, while leveraging its relations with Britain to accomplish the same goal with that country

The narrow margin of that victory means that the UK is now a country divided almost right down the middle when it comes to EU membership. For every five British citizens who are against continued EU membership, almost five others hold the opposite view – equally strongly. They believe that the country would be better served by continuing EU membership. Going forward, this marked difference of opinion is likely to punctuate most or all important policy discussions in that country.

More importantly, however, the outcome of the referendum may well have far more serious, long-term implications for the UK itself. As the referendum indicated, among the four provinces (they prefer the word “country”) that constitute that country, two – England and Wales – voted for “Brexit” and the other two – Scotland and Northern Ireland – voted in favour of continued EU membership.

Scotland registered the highest pro-EU vote, at 62%, throughout the UK, followed closely by London in second place at 59,% and by Northern Ireland in third place at 55,7%.

With Scotland itself traditionally having a relatively high percentage of residents who prefer an independent Scotland, there is now a greater probability that Scottish

nationalists will again call for a referendum on Scottish independence. Following the outcome of the UK EU referendum, Scotland’s First Minister Nicola Sturgeon immediately served notice that a second referendum on Scottish independence may take place soon. She said that it was “democratically unacceptable” that Scotland – which voted 62% in favour of continued UK membership of the EU – faced the prospect of being taken out of the EU against its will.

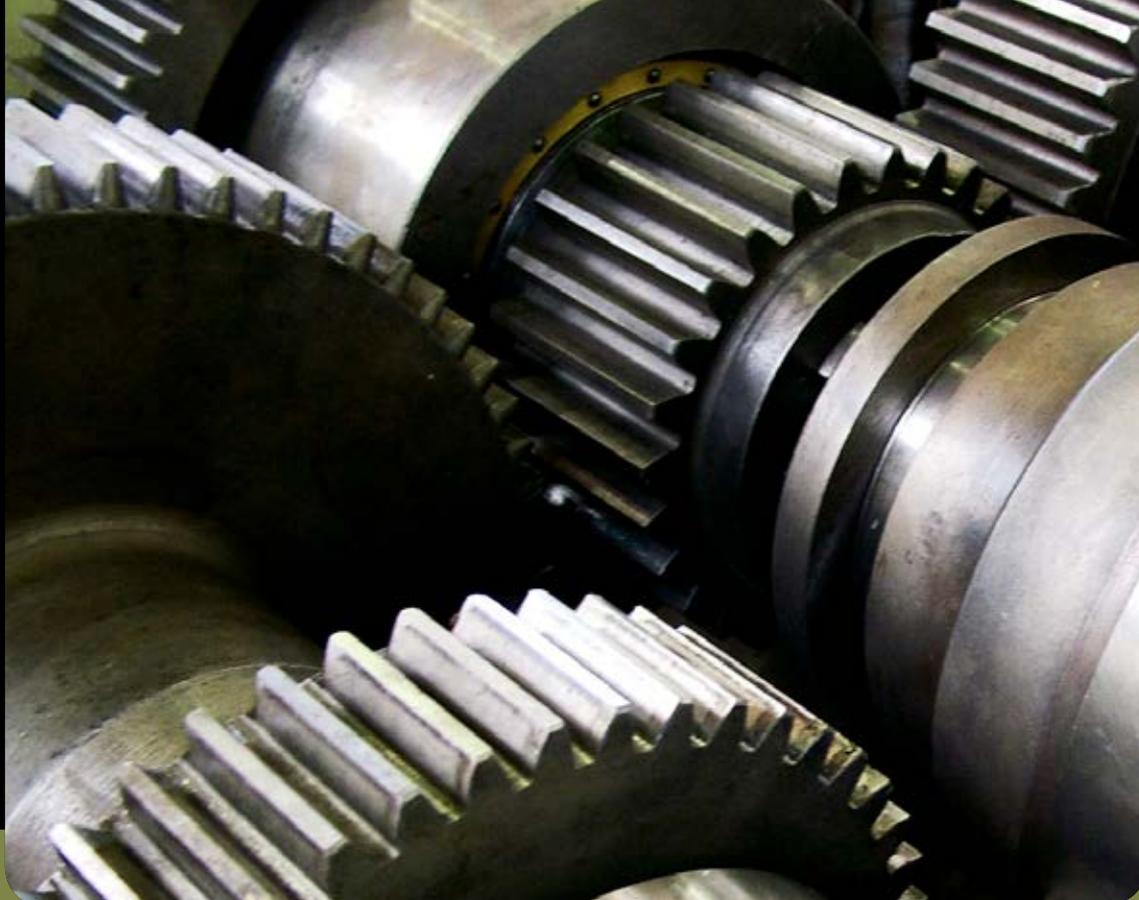
In the September 2014 Scottish referendum, 44,7% voted in favour of Scottish independence, while 55,3% voted in favour of continued membership of the UK. Judging from the outcome of the British EU referendum, a much higher percentage of Scots are in favour of EU membership than the percentage of those who were in favour of continuing UK membership in September 2014. To boot, the 55,3% of Scots who voted in favour of continued UK membership did so at a time when the UK’s membership of the EU was not in question!

Predominantly Catholic by religion, Northern Ireland has long had a peculiar relationship with the mainland UK. It is a province in which both political and religious battles have raged over the years between Catholics and Protestants, the Irish and the English. It is a territory that has long been the home of Sinn Feinn’s Irish Republican Army, which historically has been at the forefront of calls for a united Republic of Ireland.

The outcome of the “Brexit” referendum is certain to have potentially significant implications for the UK. Just what those implications are remains to be seen. As the new UK works on negotiating its new relations with the rest of Europe, it will have to keep an eye on possible events back home, with demands for Scottish independence and a united Ireland likely to grow louder.

However, contrary to fairly pervasive fears that were expressed here at home ahead of the British referendum, South Africa may not be that terribly affected by it all. Pretoria has every reason to want to strengthen its relations with the EU, while leveraging its relations with Britain to accomplish the same goal with that country. In the end, then, the UK EU referendum outcome may well be a win-win for South Africa, depending on how smartly Pretoria plays its cards.

Kaizer M. Nyatumba  
Chief Executive Officer



# ANNUAL WAGE INCREASES

## DETAILS OF THE INDUSTRY WAGE INCREASES, EFFECTIVE FROM 1 JULY 2016

SEIFSA is pleased to announce that the industry's annual wage increases, effective from 1 July 2016, have been finalised in accordance with the wage model agreed with the trade unions in 2014. The increases range from 7% at Rate A to 10% at Rate H. There are no further changes to employment conditions.

### WAGE INCREASES FINALISED

The wage increases detailed in Appendix A must be implemented by all companies from 1 July 2016.

### NO OTHER CHANGES TO CURRENT EMPLOYMENT CONDITIONS

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

### GAZETTAL OF THE WAGE RATES

The wage rates effective from 1 July 2016, concluded in the Metal and Engineering Industries Bargaining Council in 2014, are legally binding on all employers and scheduled employees in the industry in terms of sections 31 and 32 of the Labour Relations Act, 1995 (Government Gazette No 38366 of 24 December 2014 No. R. 1051).

## WAGE EXEMPTIONS

The industry's current wage exemption procedure continues to apply. A company that 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 detailed in Appendix A.

### THE WAGE EXEMPTION PROCEDURE IS OUTLINED IN APPENDIX B

A company wishing to apply for an exemption must refer to the SEIFSA Management Brief, 'Wage Increase Exemptions', containing the pro-forma wage exemption application questionnaire and management guidelines.

Management is reminded that all wage increase exemption applications must be lodged with the bargaining council by 31 July, 2016. This means that companies wishing to apply for exemption must do so without delay and at least by 31 July. The trade unions may refuse to consider any such late applications.

Members experiencing any difficulty in implementing the new wage increases should contact the staff of SEIFSA's Industrial Relations and Legal Services Division for advice and assistance.

**Table 3: General wage increases**

Rate	Current Minimum Wage Rate 2015	Increase on Actuals and Scheduled Wage Rates	Increase on Scheduled Wage Rates	New Minimum Wage Rates 2016
	R c	%	R c	R c
A	65.11	7.00	4.56	69.67
AA(6)	62.00	7.18	4.45	66.45
AA(start)	59.10	7.36	4.35	63.45
AB	56.36	7.54	4.25	60.61
B	53.82	7.72	4.16	57.98
C	51.78	7.90	4.09	55.87
D	50.65	8.08	4.09	54.75
DD	46.90	8.26	3.87	50.79
DDD	44.80	8.44	3.78	48.58
E	42.74	8.62	3.68	46.41
F	40.88	8.80	3.60	44.48
G	38.95	9.00	3.51	42.46
H	37.04	10.00	3.70	40.74

Whichever is the greater personal increase

Visit the **Main Agreement Portal** at [www.seifsa.co.za/MAnew](http://www.seifsa.co.za/MAnew) for specific wage tables, electronic Main Agreement Handbook and the Main Agreement Wall Chart.



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# WAGE EXEMPTION PROCEDURE

## What management needs to know

It is important to note that wage increase exemption applications must be lodged with the bargaining council on or before 31 July 2016.

The industry's current wage exemption procedure continues to apply. Any company that is unable to implement the full wage increase may make application to its local Regional Council to implement wage increases of a lesser amount than those agreed.

If the application is rejected then an appeal may be immediately lodged with the bargaining council's Exemption and Arbitration Board which is an independent body established in terms of the Labour Relations Act.

### Details of the wage exemption procedure:

Individual companies seeking exemption to pay a lesser wage increase must complete the wage exemption application form available on request from the local Regional Councils. It is vital that companies utilise the standard application form to expedite the exemption process.

- Companies seeking exemption must consult their employees on the intention to apply for exemption and the application should contain details and proof of this consultation process. It is important to note that the employees' view on the application is not decisive but merely one of the factors that the Council and Board will take into account when considering the application.
- The exemption application must be accompanied by relevant financial information supporting the motivation for the proposed exemption.
- The application must be lodged with the local Regional Council as soon as possible (but by no later than 31 July 2016)
- The proposed exempted wage increase should be implemented by the company until the exemption process has been concluded, after which any

adjustments must be applied retrospectively from date of application of the agreement. If the exemption is refused, then the full agreed wage increase will apply from 1 July 2016.

- The Regional Council will make a decision on the exemption application. Where the exemption is rejected then an appeal may be lodged with the Exemption and Arbitration Board.

SEIFSA's industrial relations staff are available to assist management in the completion of their wage increase applications. This assistance is readily available from:

#### National Office:

Lucio Trentini: [lucio@seifsa.co.za](mailto:lucio@seifsa.co.za)

Michael Lavender: [michaell@seifsa.co.za](mailto:michaell@seifsa.co.za)

#### SEIFSA Cape:

Colin Boyes: [colin@capeengineers.co.za](mailto:colin@capeengineers.co.za)

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#### SEIFSA Free State & Northern Cape:

William Doyle: [williamdoyle@vodamail.co.za](mailto:williamdoyle@vodamail.co.za)

For any requests for in-house training please contact the SEIFSA staff mentioned above either via email or through the Johannesburg office on 011-298 9400.

# AT THE FOREFRONT OF ENVIRONMENTAL STEWARDSHIP

Steloy Castings takes its environmental footprint serious, ensuring that its activities have a limited impact on the environment. For its exemplary efforts in environmental sustainability and compliance, the Bronkhorspruit-based company won the SEIFSA Awards for Excellence 2016. Simphiwe Mahlangu chatted to Noma Nibe, Human Resources and Business Development Executive Director at Steloy Castings on what makes the company green.

Steloy Castings is a foundry employing about 375 people and specialising in manufacturing and supply of steel and iron casting components. They cater to a diverse market such as the pump, valve, railway industry, petrochemical, glass and cement sub-industries amongst others.

The company was established in 1984 by the current CEO, Danie Slabbert, and today it trades locally and internationally with clients in the USA, Singapore, UK and general Europe.

It pursues best practices regarding compliance with environmental regulation. To win the Environmental Stewardship Award, Steloy Castings was focused on maintaining their compliance and sustainability as a supplier and employer. "We realised that our focus would need to be placed on environmental stewardship and this could only be achieved through a sound and certified environmental system as stipulated with the ISO 14001 compliance requirements," said Noma Nibe.

The foundry maintains continuous improvement with opportunities identified every three months as part of its legal compliance evaluations. This ensures that the company's objectives for their environmental management system and practices are always in line with local, national and international practices, which are continuously developing.

"In order for us as a company to remain on top of our game, in terms of employee development, we continue to be committed to skills development with all our employees," said Nibe. The company has its own in-house training with a curriculum developed by managers.

The foundry also sends its employees for external training based on skills gap and matrix analysis that the managers oversee. This ensures that the right employee is equipped with the right skill. It also has projects that train employees to become apprentices in patternmaking and moulding. To extend its reach and social development, Steloy Castings also provides

in-house service training for students completing their degrees in metallurgy.

On winning the award and knowing that they are on the right track and an inspiration, the firm strongly believes that the implementation of their environmental intervention was a great success and that they will benefit from this investment for years to come.

The Bronkhorspruit-based foundry has reduced its emissions and it is well below the legislative framework and limits in terms of their air quality. "We will maintain our technology, ensuring that we remain on top and further reduce our impact on the environment. Our enormous efforts towards greening our processes has benefitted our young environmental management system so greatly that we obtained no non-conformances during our first surveillance audit with our certification body," said Kathleen Erasmus, Safety, Health and Environment (SHE) Manager at Steloy Castings.

Steloy Castings is proud of their efforts and will continue to stay ahead with technology and their commitment towards cleaner production, ensuring they remain sustainable.

Investing in environment management to reduce impact is important even during tough economic times. During this challenging period faced by the manufacturing, metal and engineering industries, the company "remains resilient and believes that this is the best time to engage and stay close to their clients," adds Nibe.

To keep aligned to special developments in the metals and engineering sectors, Steloy Castings has been a member of an association federated with SEIFSA for a long time in a mutually beneficial relationship. "SEIFSA has been a supportive partner for many years, supporting our company in labour law advice, contract price adjustment, and provides excellent publications, statistics and SEIFSA training courses on the Main Agreement, which is always valued," concludes Nibe.



## NOMA NIBE

Noma is an inspirational young woman who is not only an Executive Director but also a shareholder at Steloy Castings. Her vision and passion saw her grow within the engineering company from a Human Resources Manager to Human Resources Director. After buying a sizeable share of the company, she is now Business Development Director. An eldest of four children, she is not only paving the way for her siblings, but also for young ambitious women. She goes into detail on what her goals are for Steloy Castings and the youth of South Africa in the metals and engineering industry.

**Q:** What is your involvement with Steloy Castings?

*A:* I'm a shareholder in the company and an Executive Director.

**Q:** What is your job and role at Steloy Castings?

*A:* I'm the Business Development Director responsible for engaging clients, developing the company's business and maintaining client relationships.

**Q:** When did you join the company?

*A:* I joined Steloy Castings in the beginning of 2013.

**Q:** Please elaborate what you joined as and how you rose through the ranks to your current position?

*A:* I joined Steloy Castings as a Human Resources Manager. After six months of setting up Steloy Casting's Human Resources department, the board nominated me to be the Human Resources Director. When I saw an opportunity, I bought shares in the company and moved to be more operationally involved in the production and sales of the company as the Business Development Director.

**Q:** What contributed to your success at Steloy Castings?

*A:* My vision, passion and voice of seeing this company transformed has contributed to my success at Steloy Castings. Also, the overwhelming support I receive daily from the CEO and the other directors contributes immensely to my success, especially in executing our transformation plan.

**Q: What is challenging about your job?**

*A:* The biggest challenge is being a young force in a male-dominated industry and being responsible for shifting an organisation's culture that has run a certain way for many years is not easy. Also, engaging with clients can be challenging at times but I always find a way to make it work and serve them.

**Q: Describe your typical day at the office?**

*A:* Because I'm always on the road doing business development, when I get a chance to go to the office I attend to emails, I have a meeting with the CEO, do a walk around production to see if workers are fine, and see any employee who scheduled to have a meeting with me and attend any meeting at the plant where my inputs are needed.

**Q: What advice do you have for other women who aspire to succeed in management level in the metals and engineering industries?**

*A:* Equip yourself with enough tools to help you achieve the level you desire. This means you need to have knowledge and understanding of your company and industry. Be willing to learn and keep learning. Be bold, fearless and unapologetic for standing up for what you believe in. You need to be a strong woman, know yourself and don't compromise what you stand for. Integrity and honesty will take you far.

**Q: What are your goals at Steloy Castings?**

*A:* My dream for Steloy Castings is ambitious. I want the company to be a global award winning foundry run by a black woman that fosters and invests in young talent. I want the company to expand and modernise its facilities to attract more young people. I envision it as a training hub for young people who want to work in the metals and engineering industry, especially in the foundry field.

**Q: Where is Steloy Castings going from here, regardless of the challenges faced by manufacturing and the metals and engineering sectors?**

*A:* Even in these tough economic times the company remains resilient and innovative. Being the first foundry in South Africa to receive IRIS (International Railway Industry Standard) Certification, we are in a position to supply our clients with quality products especially in the railway industry where we have diversified into.

**Q: Tell us a bit about your family**

*A:* My family is very small and closely knit. I'm the eldest of four. I set the example for my younger siblings (who have followed well and doing very well for themselves) so we can make our parents proud. My mom is very involved in our lives and she keeps me going with her prayers and encouraging words every day.



## ENHANCING WOMEN'S ROLE IN THE WORKPLACE

For a long time, women were under-represented in the Metals and Engineering Sectors, both on the floor and in management. A new trend is gaining momentum where organisations start to see the significance of women in various spaces in the industry. SEIFSA aims to optimise this positive trend so the industry can benefit from increased involvement of women in these sectors.

In honor of National Women's Month 2016, **SEIFSA would like to invite you to join us at a Breakfast Celebration** where our speaker will lead an inspiring discussion on the growing power of women.

**Guest speaker:** Ridwana Joorna-Cook, a renowned speaker on Women in Leadership, Women Empowerment and a career coach.

TELL US WHAT YOU WANT



*Women's Day Breakfast*

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## NTSAKISI MKHIZE

Ntsakisi Mkhize is one of a growing number of women leaders in South Africa taking up roles in a male-dominated sector and doing so during tough economic times. A Human Resources Manager and global business partner for a leading engineering firm, this mother of two boys does not shy away from challenges and believes that embracing her abilities and being passionate contributes to her success as a leader. She shares with us what drives her and her commitment to recruiting and developing people at Voith Turbo South Africa to gear the company for more success.

**Q:** How are you involved with Voith Turbo South Africa?

**A:** I am the Human Resources Manager in South Africa. Globally my title is Human Resources Business Partner (HRBP).

**Q:** Tell us about your role in this job?

**A:** I am responsible for driving and managing the overall provision of human resources management services, policies and programmes into Voith Turbo South Africa (VTZA). I ensure that all Human Resources initiatives

are aligned to the strategic vision and values of both the global and local business. This includes responsibility for the following:

- Strategic HR Management – partnering with the business in the management of human capital by attracting, developing and retaining strategic capability and talent for future growth and sustainability; and
- The execution and administration of day-to-day transactional Human Resources support services, systems and processes such as industrial Relations, performance management and overseeing payroll.

**Q: When did you join the company?**

*A:* I joined Voith Turbo on 1 September 2010 as a Human Resources Officer. In April 2016 I was promoted to Human Resources Manager.

**Q: What was your journey of growth and development through the ranks to your current position since joining Voith Turbo?**

*A:* I started as a Human Resources Officer, where I was exposed to Recruitment, Industrial Relations, Performance Management, and Learning and Development, among others.

In 2010 I was studying towards my BA Honours Degree in Human Resources Management. Voith Turbo offered me a bursary which allowed me to obtain my qualification in 2011.

In September 2014 I was awarded an opportunity to occupy the role of Acting Human Resources Manager for a few months. This opportunity exposed me to senior-level meetings, where I could understand the business from a strategic point of view, which allowed me to grow as a person.

In April 2016 I was promoted to Human Resources Manager/HRBP role. A succession plan was in place before my promotion, which prepared me mentally for the role and to understand the expectation of the business.

**Q: What contributed to your success at Voith Turbo?**

*A:* The company supports human resources initiatives. This keeps me motivated and encouraged, enabling me to introduce new ideas to the business.

My success can be attributed to our successor/career grooming programme, personal and professional leadership and the fact that I deliver on my commitments and goals and live by the Voith Turbo Values.

**Q: What is challenging about your job?**

- A:*
- Managing change effectively in the organisation
  - Encouraging employee engagement in the organisation
  - Staffing: recruitment and availability of skilled labour

**Q: Describe your typical day at the office?**

*A:* It involves employer and employee engagement. I liaise with employees on a personal and professional level, conduct interviews for roles required by the business, investigate growth and opportunity areas in Human Resources and liaise and align with our international counterparts.

**Q: What advice do you have for other women who aspire to succeed at a management level in the metals and engineering industries?**

*A:* I believe that we all need to understand our abilities and our passion within our job. Success and our achievements will be evident in the results we produce.

As a woman, I value strength of character, values and resolve combined with a softer, warmer side, which is needed in a Human Resources role. Harness opportunities, learn from mentors and lead by example. This will allow you to grow from a personal and professional perspective.

**Q: What are your goals at Voith Turbo?**

*A:* I would like to increase employee engagement. I believe that engaged employees “go the extra mile”. This results in exceptional service and ensures future prosperity.

Skills, learning and career development are high on my priority list. We continue to invest in the education of our employees. In South Africa, we have a high unemployment rate and through education and continuously closing the skills gaps, we can make a difference.

**Q: Where is Voith Turbo going from here, regardless of the challenges faced by manufacturing and the metals and engineering sectors?**

*A:* Voith Turbo has been in existence for 149 years globally. In 2017, we will be turning 150 years old. A future strategy will bring together all the Group's knowledge and expertise in the area of digitisation and automation. The focus of Voith Digital Solutions will be on developing new digital business solutions for the company's existing and new customers.

Voith Turbo South Africa believes in making a difference to the community. We have a long-standing CSI initiative. We partnered with a school for the disabled and can see a marked improvement amongst the learners. This intervention not only uplifts the community, but it also gives us the satisfaction that we are making the world a better place.

**Q: Tell us a bit about your family**

*A:* I am married and have two boys. I love my family and spending time with them. I am fortunate to have parents, parents'-in-law, two sisters and three sisters-in-law.



## A GLOBAL ENGINEERING FIRM WITH A WINNING PEOPLE-CULTURE

Voith Turbo won the Company of the Year Award at the SEIFSA Awards for Excellence 2016. It takes a lot to scoop such top honours for the steel and engineering sector at these awards, hosted by the Steel and Engineering Industries Federation of Southern Africa (SEIFSA).

*What makes Voith Turbo a winning company, you may wonder. **Simphiwe Mahlangu** chatted to **Charl Folscher**, Managing Director at Voith Turbo (South Africa), who takes us through a global journey of an engineering firm.*

Voith Turbo is a globally active engineering company that employs more than 20 000 people worldwide. It has a broad portfolio covering plants, products and industrial services. The firm supplies essential markets in the energy, oil and gas, paper, raw materials, transport and automotive sectors. The holding company is Voith, based in Heidenheim / Brenz in Germany. The business is pooled in four Group Divisions: Voith Hydro, Voith Digital Solutions, Voith Paper and Voith Turbo, with subsidiaries steered by a legally independent holding company, Voith.

Its history starts in a locksmith's small workshop in Heidenheim, a small town on the Swabian Jura in Southern Germany by Johann Matthaus Voith, who took over his father's business in 1825. He laid the foundation for a successful and special company that still bears his name. Since 1867, a lot has happened from the small tradesman's workshop which became a global player with a growing footprint. Today, Voith global generates €4.3 billion in sales, with operations in over 60 countries around the world. This makes it one of the biggest family-owned companies in Europe.

Asked how the company won the Company of the Year Award, Folscher said: "Our Supplier and Enterprise

Development initiatives placed us in the running for the award, but it is our people – our most valued asset – who helped us secure the award. Without a dedicated and passionate team that strives towards excellence, this award would not have been possible".

To develop the employees and remain on top of its game, Voith Turbo aims to attract qualified employees and retain their staff over the long term by supporting their employees in their continuous development.

"Our staff development measures are tailored to the challenges in each region, department and management level," explains Folscher.

"By winning this award, we take pride that Voith Turbo South Africa inspires other companies and stands out as a benchmark within the industry," adds Folscher.

Dealing with the manufacturing, metal and engineering economic pressures, Voith Turbo has consistently pressed ahead with strategies to increase efficiencies and they have concentrated on their core business: their customers. The company has been a member of the Non-Ferrous Metal Industries Association of South Africa for decades. The longevity of this relationship with SEIFSA is built on high ethics, integrity and professionalism, which have laid the foundation for a successful future.

# NEW COMERS, MOVERS AND SHAKERS AT SEIFSA THIS SEASON

Our work environment is highly professional, with a company culture that allows individuals the opportunity to continuously develop and enhance their personal growth, training and development, while upholding SEIFSA values. In July, SEIFSA has seen two people promoted and a new manager joining the team. These include:



MELANIE MULHOLLAND

Melanie was promoted to Human Capital and Skills Development Executive at SEIFSA after serving as manager in the same division for several years. She is an extremely motivated and dedicated skills development professional with more than 20 years' experience in training and development. She is a results-driven individual with a proven record of consistently delivering service excellence and assured quality within deadlines and budgets.

"My approach to my work is to use strong communication and facilitation skills to establish excellent working relationships with clients, stakeholders and colleagues at all levels," she says. Melanie possesses extensive skills development experience, having worked at BANKSETA for eight years.

She actively pursues opportunities to gain new skills and experience, having graduated with a BA degree in Human and Social Sciences. She also holds a higher certificate — Leadership Development Programme from Gordon Institute of Business Science.



KHANYA VILAKAZI

Khanya is the Human Capital and Skills Development Manager at SEIFSA. He joined SEIFSA on 1 July 2016 with more than 19 years experience in the Human Capital and Skills Development field. He is passionate about systematic people development. "I believe in structures, systems and processes", he says. Khanya is well presented, highly motivated and organised. He is a very strong and hardworking professional with good communication skills and works well in a team.

He holds a BA in Social Sciences from the University of Swaziland, a Leadership Development Certificate and a Certificate in Executive Development, both from Wits Business School. He also holds a Certificate in Project Management from Regenesys School of Public Management. He is a qualified Workplace Assessor.

He has worked for the Ministry of Education (Swaziland), Goldfields South Africa (in the mining sector), City Power Johannesburg as well as Usizo Technical Services as a Human Capital Manager with key emphasis on human capital development.



MENZI VILAKAZI

Menzi has been promoted to Legal Services Manager. He is an Admitted Attorney who holds a BA degree having majored in politics and law and further a Bachelor of Laws degree. Both these degrees were obtained at the University of the Witwatersrand.

He completed his articles at the Wits Law Clinic where he engaged with Contract Law, Litigation, Property law and Labour law. He gained further legal experience and kept abreast with the law by having attended different seminars/workshops and trials with legal counsel during his years in practise.

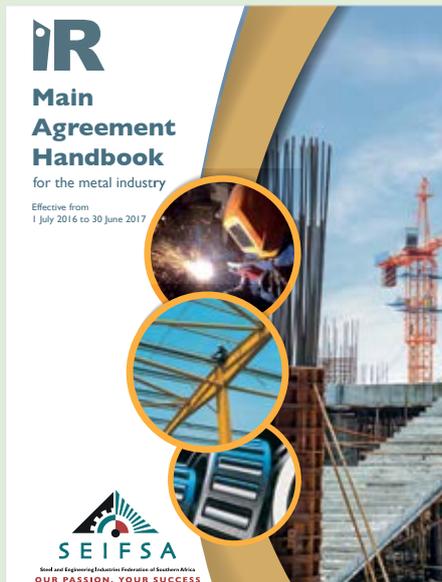
He has also conducted trials in the field of property, contract, criminal, arbitrations at respective forums. Working at the Wits Law Clinic exposed him to practical knowledge which equipped him to on a journey to become a successful attorney. Before joining SEIFSA as a Legal Officer, he was a Key Accounts Consultant at Labournet where he chaired disciplinary hearings, consulted clients in various sectors regarding labour law in representations at CCMA and Bargaining Councils.

He joined SEIFSA's Industrial Relations and Legal Services division as an officer and Company Minute Secretary where he has continued to represent clients at Bargaining Councils and the CCMA. Showing dedication and outstanding performance, he was promoted to Legal Services Manager on 1 July 2016.

"I am a young, hardworking and self-motivated individual who strives to achieve the best results in being driven by targets," he says.

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- Quick link to the MEIBC and Centre for Dispute

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# LIST OF CEA ACCREDITED LABOUR BROKERS AS AT 6 JULY 2016

Bathusi Staffing Services (Pty) Ltd  
 Primeserv Staff Dynamix (Pty) Ltd  
 Primeserv ABC Recruitment (Pty) Ltd  
 ESG Recruitment cc  
 Lapace Construction (Pty) Ltd  
 Consortium Personnel Consultants cc  
 EFS Labour Consultants cc  
 ALOS Holdings (Pty) Ltd  
 Global Industrial Consultants 2 cc  
 Global Isizwe Placements cc  
 Staff-U-Need a Division of ADCORP Staffing Solutions  
 JLH Services and Consulting (Pty) Ltd  
 AMT Placement Services  
 Molapo Quyn Outsourcing (Pty) Ltd  
 Capacity Outsourcing (Pty) Ltd – a Division of ADCORP  
 Capital Outsourcing Group (Pty) Ltd  
 Valorem Recruitment (Pty) Ltd  
 CAP Personnel Placements (Pty) Ltd  
 Phakisa Technical Services (Pty) Ltd  
 Seven Stars Investments (Pty) Ltd  
 Central Technical Services (Pty) Ltd  
 Swift Human Resources (Pty) Ltd  
 Sebcon Contracting Services  
 Sizuluntu Staffing Solutions (Pty)Ltd  
 Transman (Pty) Ltd  
 Eduardo Construction (Pty) Ltd  
 CDR Contracts (Pty) Ltd  
 BDM Management (Pty) Ltd  
 Oxyon Human Capital Solutions  
 Amani Industrial Services  
 Mabhele and Associates cc  
 Sizwe Staffing Solutions (Pty) Ltd  
 Khuboni Placements (Pty) Ltd  
 Inqaba Services (Pty) Ltd  
 Scribante Labour Consultants (Pty) Ltd



## SEIFSA WELCOMES NEW MEMBERS

The following companies became members of associations federated to SEIFSA during June - July 2016

**EM Tizza Construction (Pty) Ltd t/a Beyond Engineering Services**  
 Constructional Engineering Association (South Africa)  
 (CEA Division)

**Human Capital Business Partners**  
 SEIFSA Associate Membership

**Ke-Yona Business Information & Management Solutions cc**  
 SEIFSA Associate Membership

**Kwasa Manufacturing Co**  
 Light Engineering Industries Association of South Africa

**Midvaal Structures (Pty) Ltd**  
 Constructional Engineering Association (South Africa)  
 (CEA Division)

**Hetronic SA (Pty) Ltd**  
 Electrical Engineering and Allied Industries Association (EEAIA)

**Jet Demolition (Pty) Ltd**  
 Constructional Engineering Association (South Africa)  
 (CEA Division)

**Lifetime Lighting (Pty) Ltd**  
 Kwa Zulu Natal Engineering Industries Association

**Polystar Tape & Fabrication (Pty) Ltd**  
 South African Engineers & Founders Association

**SpeedSpace (Pty) Ltd**  
 Constructional Engineering Association (South Africa)  
 (CEA Division)

**Tiisa Manufacturing**  
 Constructional Engineering Association (South Africa)  
 (CEA Division)

**Valco Group SA (Pty) Ltd**  
 South African Valve and Actuator Manufacturers' Association (SAVAMA)



## INTERNATIONAL WATCH

### INDIA



#### INDIA TO LEND KENYA \$45 MLN TO BOOST MANUFACTURING SECTOR

India will lend Kenya \$45 million to help develop a textile factory and other smaller industries, the leaders of both nations said on Monday.

Indian Prime Minister Narendra Modi is on a four-nation tour of Africa that is part of a policy push to make his country a more global player, economically and diplomatically.

"India is Kenya's largest trading partner and the second largest investor here. Even with that, there is a potential to achieve much more," Modi told a news conference with Kenyan President Uhuru Kenyatta.

Monday's deal highlights Kenya's desire to link up with countries that can help improve its struggling manufacturing sector.

Kenyatta said \$30 million of the funds would be used to revive Rift Valley Textiles Factory, which went out of business in 2000 as mismanagement of the cotton sector led to Kenyan production to collapse. The factory is owned by a local university.



Kenya exports raw or semi-processed commodities such as tea and coffee to India, while India exports finished products including pharmaceuticals, steel, cement, paper and paperboard, electronics, machinery, vehicles and motorcycles to Kenya. (Reporting by Neha Wadekar; Editing by Duncan Miriri and Robin Pomeroy).

China's iron ore imports fell 5.9 percent in June from a month ago, although total arrivals over the first six months climbed 9 percent from year-ago levels as the world's top steel producer ramped up production, boosting appetite for the raw material. — **Reuters, Monday July 11, 2016.**

## CHINA



## CHINA JUNE IRON ORE IMPORTS SLIP M/M; STEEL EXPORTS HIT SECOND HIGHEST ON RECORD

Monthly shipments of the steelmaking ingredient in June fell to 81.63 million tonnes from May, while imports for the first half came in at 493.7 million tonnes, data from the General Administration of Customs showed on Wednesday.

“China’s steel production is rising from May and China is just probably using some of its iron ore inventory, so that’s why you can see imports have come off a little,” said Helen Lau, an analyst with Argonaut Securities in Hong Kong.

“But imports are still relatively high, supported by increasing steel production and quite solid steel exports.”

Chinese steelmakers have ramped up production following a recovery in steel prices and firm demand this year, while the gradual closure of loss-making domestic iron ore mines has helped boost imports of the raw material.

Spot iron ore prices rose 9 percent in June, and are up about 37 percent so far this year. Shanghai rebar prices have jumped 48 percent since the start of 2016.

Chinese iron ore port stocks stood at 102.05 million tonnes by July 11, the highest since late 2014, data from the industry website Custeel showed, as traders expected demand to stay strong for the key steelmaking ingredient.

China’s monthly steel exports rose to the second-highest on record of 10.94 million tonnes in June, data showed, as steel mills kept shipping out products, despite complaints of dumping from other regions including the United States and Europe.

It earlier hit a record high of 11.25 million tonnes in September, 2015. Total exports for the first half of 2016 rose 9 percent year-on-year to 57.12 million tonnes. — **Reuters, Wednesday July 13, 2016.**

(Reporting by Ruby Lian in SHANGHAI and Melanie Burton in MELBOURNE; Editing by Richard Pullin and Himani Sarkar)



Reuters/patry chen/lie photo



# THE STATE OF THE METALS AND ENGINEERING SECTOR IN QUARTER 1, 2016

The dire situation regarding low capacity utilisation, declining production, job losses, low (and declining) profit margins in the metals and engineering sector and growing competition from imports are prominent. Henk Langenhoven, SEIFSA Chief Economist, takes stock of the latest data available about the state of the sector and compares it with our prognosis at the beginning of 2016.

## THE PROGNOSIS AT THE BEGINNING OF 2016

It was expected that the metals and engineering sector will contract during 2016 and only see a lower turning point during 2017. Very low investment was expected within the sector over the forecast period with more job losses most likely.

We foresaw a real possibility that the economy could sink into a recession during 2016. The expected

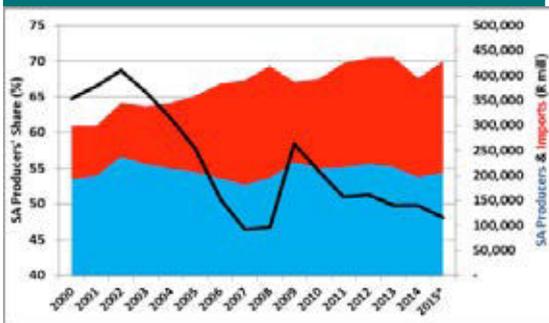
weak performance of the sector itself and its drag on manufacturing production would contribute to this possibility. Weak international economic recovery, pessimism reflected in the purchasing managers' index and expected poor fixed investment patterns in the economy as a whole, pointed to a possible sector contraction of 3 percent during 2016.

The international economic environment influences the metals and engineering sector directly, through demand for its exports, but also through competition from imports, and indirectly through weak demand for mining and automotive exports, which represent a large part of the sector's domestic market.

## COMPETITION FOR THE SOUTH AFRICAN MARKET

South African companies have been losing domestic market share to imports at an alarming rate. Looking

Graph 1: Declining SA producers' market share



Sources: Statistics SA, SA Reserve Bank, Quantec 2015

back over the last 15 years (since 2000), the South African market for metals and engineering products peaked in 2002 and has since declined by 13 percent. Import values peaked at roughly similar levels in 2008 and again last year (2015). Imports grew by more than 12 percent in 2015, compared to 2014.

South African producers' share of the domestic market peaked in 2002 at 68 percent and has since declined by over 13 percent to 48 percent.

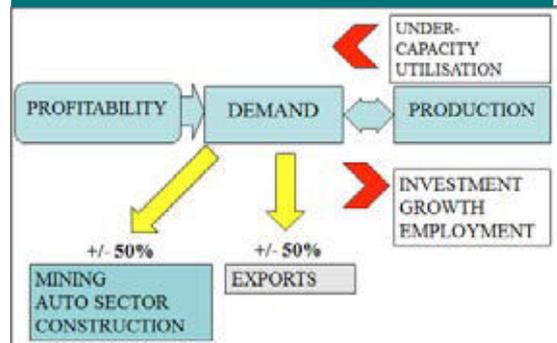
The potential benefit of successfully recapturing lost domestic market share from imports is enormous, theoretically. If South African producers were able to maintain their market share (all things being equal), production would have been R114 billion higher in 2015, which translates into roughly 80 000 more people employed, as against the 45 000 jobs lost since 2007.

## THE LINE OF THOUGHT TO EXPLAIN THE CURRENT STATE OF THE SECTOR

The structure of the discussion below is in line with the diagram depicted in the schematic below. The line of thought is as follows:

- For the sector to return to profitability, demand for its products must grow.
- If demand is greater than production, and therefore growth will increase and depending on the strength and sustainability of the recovery, investment will accelerate and employment will increase.
- If demand does not improve, for example production remains higher than demand, contraction will set in due to under-utilisation of existing capacity, meaning higher unit costs, even less competitiveness and depreciation of machinery and equipment and job losses;

Schematic 1: Graphical thought layout



- Higher demand depends on either domestic or export demand improving, or both. Domestic demand is mainly dependent on the outlook for the mining, construction and automotive sectors. Export demand depends on the economies of the sector's main trading partners recovering.

## THE CURRENT SITUATION AS REFLECTED BY THE LATEST AVAILABLE DATA

The trends reflected by each of the indicators discussed below, seem to show a small improvement during the latest period(s); either month or quarter. The significance of these improvements is that they might indicate a break in the progressively deteriorating downward trends recorded towards the end of 2015. Sustained improvement of these indicators is needed to cause a lower turning point over the next number of months, however.

The discussion follows the same pattern; one graph showing short-term comparisons and the second one the trend lines and the impact of the short term changes.

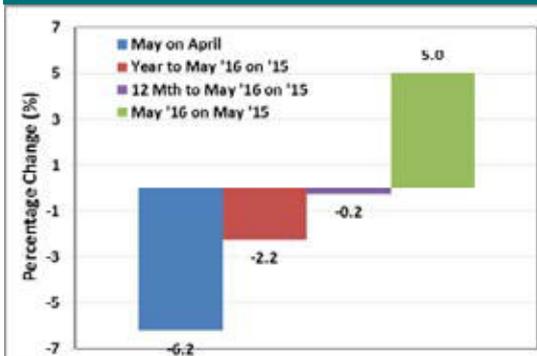
### Confidence based on monthly data (latest April 2016)

Several indicators can be used to indicate confidence about future prospects. The most relevant one for metals and engineering is the 'business activity' sub-index of the BER purchasing managers' index (PMI). The latter leads sector production trends by between 12 and 18 months.

- Continues on page 22

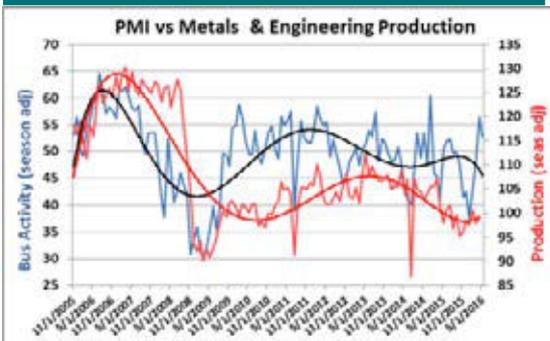
The two graphs below show renewed weakness (-6%) from April to May (graph 2a) although May 2016 was better than May 2015. Despite this improvement, confidence during the first five months of 2016 was still 2,2 percent lower than the same period during 2015. It seems that April was a large 'spike' as it did not change the trend line (graph 2b). Continued recovery is needed to raise hope of production improvements later.

Graph 2(a): PMI Current Movements



Sources: BER Purchasing Managers' Index & Statistics SA, Manufacturing Production, March

Graph 2(b) PMI Trend pattern



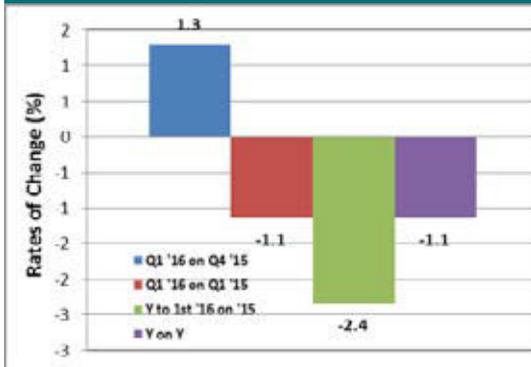
Sources: BER Purchasing Managers' Index & Statistics SA, Manufacturing Production, March

**Capacity Utilisation based on quarterly data (latest quarter 1, 2016)**

This indicator showed a welcome improvement during the first quarter of 2016 compared to the last quarter of 2015, albeit from a very low base (85 percent being full capacity).

Here again, only the first quarter was better than the one before, but not better than a year ago, or over the 12 months period prior. The trend (graph 3b) clearly shows continued deterioration.

Graph 3(a): Capacity Utilisation current



Source: Statistics SA, Quarter 1, 2016

Graph 3(b): Capacity Utilisation Trends



**Production (monthly data, latest April 2016)**

In unison with higher capacity utilisation in the first quarter, actual production measured also increased slightly in April (small lag probably due to reporting delay) by 0,6 percent. However, it is most disturbing that the year-to-date (four months) production was nearly 6 percent lower than the year before, and the latest 12 months' performance nearly 5 percent below the same 12 months before (graph 4a). These numbers indicate renewed weakness, and are not signs of recovery.

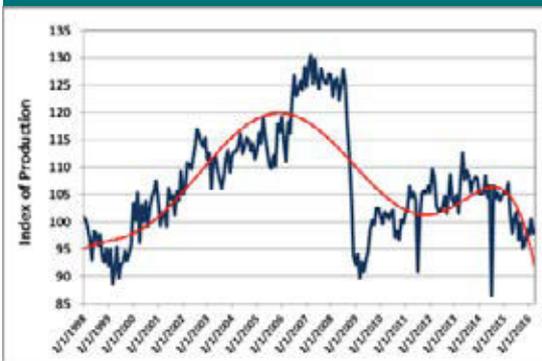
It was stated earlier that SEIFSA expected a 3 percent contraction in production during 2016 on last year; the 5 percent annual and 6 percent year-to-date actual declines are therefore of extreme concern. Graph 4(b) shows that production levels are now hovering just above the 2009 crisis levels and the same low levels recorded during 1999 – 15 years ago.

Graph 4(a): Production: Current Movements



Source: Statistics SA, Manufacturing Production, April 2016

Graph 4(b) Production Trends



Source: Statistics SA, Manufacturing Production, April 2016

**International Trade – Exports (Monthly data; latest April 2016)**

Exports of metals and engineering products represent roughly 50 percent of all production. The latest data for the sub-industries (here up to quarter 1, 2016) is shown in table 1 below.

Table 1: The Change in Exports and Imports of Metals & Engineering Products

	EXPORTS (% Change)			IMPORTS (% Change)		
	Year end Q1 '16 prev year end Q1'15	Q1 2016 on Q4 2015	Q1 2016 on Q1 2015	Year end Q1 '16 prev year end Q1'15	Q1 2016 on Q4 2015	Q1 2016 on Q1 2015
Rubber & Plastics	2.4	-24.1	1.3	9.8	-2.4	12.8
Basic Metals	1.5	16.1	9.4	14.7	7.2	-0.4
Fabricated metals	3.2	-10.2	-1.6	12.1	6.5	16.8
Machinery, excl elec	3.1	-1.0	11.1	3.2	-1.9	0.8
Electrical mach & equip	1.7	-13.7	9.3	22.7	-13.8	23.5

Source: SARS, April 2016, Quantec

Overall, imports kept on growing during the first quarter 2016 by 0,4 percent on the fourth quarter 2015, and 7 percent on the first quarter 2015. This is slower than for the full year ending in quarter 1, 2016 (+10%) and may indicate domestic demand slowing down of late. Exports, on the other hand declined in the first quarter of 2016 on the previous quarter, which seems to indicate weaker international demand. Against a year

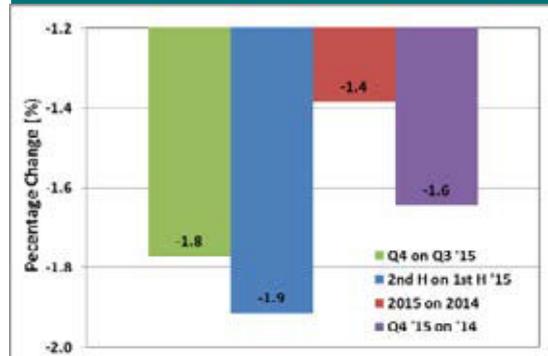
ago and for the full year (four quarters up to quarter 1, 2016) exports were about 7 percent higher.

The trade data, therefore; indicates weakening demand both from the domestic economy (slower imports) and international markets (slowing exports).

**Employment (Quarterly data, latest quarter 4, 2015)**

Employment data in the sector is highly contested (see SEIFSA News, May/June 2016). It is our view that there were 384 580 employed during the first quarter of 2016. The short-term trends in the official quarterly employment survey data from Statistics SA is shown in graph 5 (a) below. The sector lost 11 100 people during 2015, of which most (7000) were retrenched.

Graph 5(a): Employment: Current movements



Sources: Statistics SA & Quantec Quarter 1, 2016

- Continues on page 25



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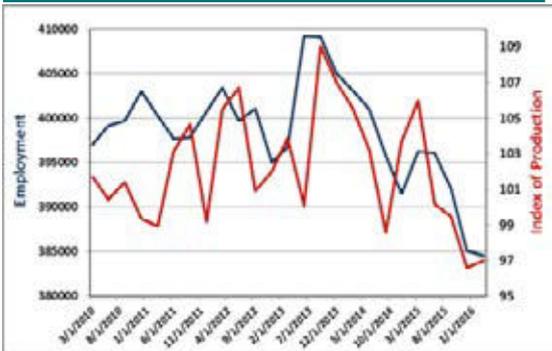
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Graph 5(b): Employment and Production trends



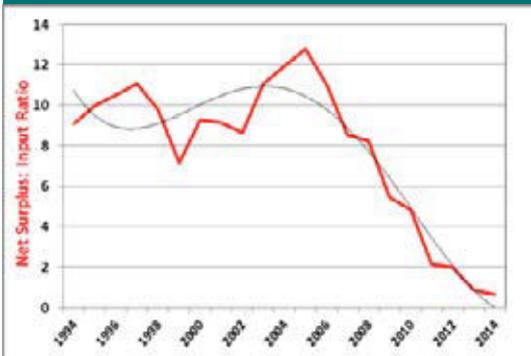
Sources: Statistics SA & Quantec Quarter 1, 2016

during the last quarter of 2015. Graph 5(b) shows the correlation between employment and production trends. The estimates shown here for the first quarter were based on a 3 percent contraction in production. As discussed earlier, the contraction was actually between 5 percent and 6 percent and our estimate could have been conservative. If these trends continue, and the indications from both the PMI (May 2016) and BER Manufacturing Survey (Second quarter 2016) are that it would, then 2016 could see bigger employment losses than during 2015.

**Profit margins and Fixed Investment (Annual data, latest 2015)**

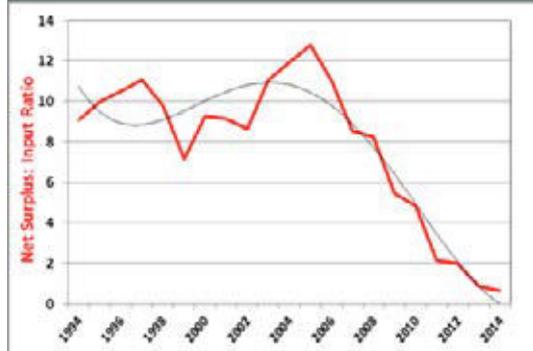
We started this discussion with the schematic showing how profit margins are linked to demand and production, and without growth in demand, investment declines as well as job opportunities. Net surplus data (proxy for company profits) is available from quarterly financial surveys conducted by Statistics South Africa. Graph 6(a) shows the trends over

Graph 6(a): Net Surplus Trends



Sources: Statistics SA, Various publications

Graph 6(b) Net Surplus & Investment Trends

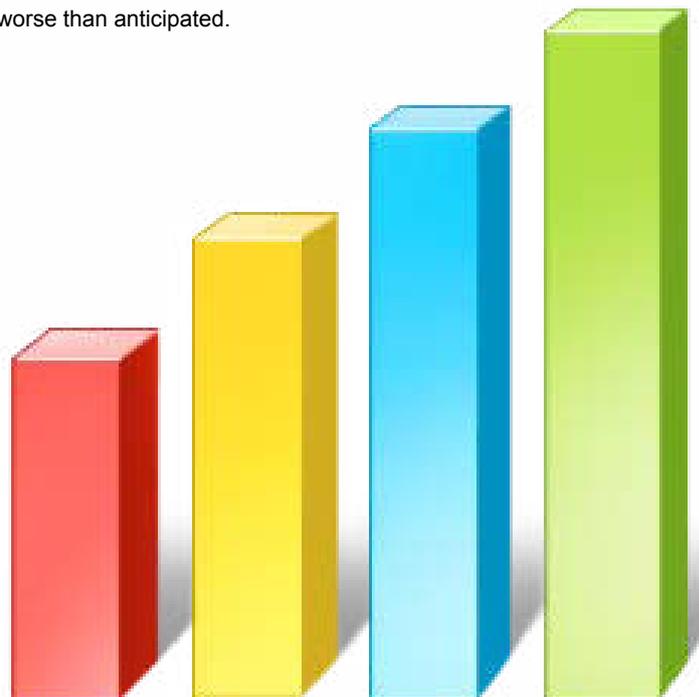


Sources: Statistics SA, Various publications

the last number of years, with the same data (just over a longer period) super-imposed on investment data in the sector. These show that profits are under severe strain, and that fixed investment by the sector in its own production capacity has suffered hugely as a result.

Again, all the confidence type indicators from reputable qualitative surveys reflect very low appetite for investment in the tough domestic and international environment, where the outlook for demand is bleak.

The objective here was to evaluate the current economic situation in the metals and engineering sector, using the most recently available data, and contrast this with our own prognosis of the outlook for 2016, published at the beginning of 2016. It seems clear, that if conditions do not improve, the actual performance of the sector and its contribution to the economy will be worse than anticipated.





## PRIORITIES AND B-BBEE CODES

Government defines B-BBEE as an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of black people that manage, own and control the country's economy, as well as significant decreases in income inequalities.

The dynamics of Broad-Based Black Economic Empowerment have changed and compliance with this critical transformation tool can no longer be ignored, especially when taking into account the fact that the elements of Skills development, Ownership, Enterprise and Supplier development are key priority areas. If companies omit any of these sub-minimum targets or the achievement of 40 percent required in these elements, the overall contribution level automatically discounts one level.

The points that need to be achieved within the Skills development element have increased and the difficulty and technicality of this element have increased too.

Skills development is an important priority driver underpinning transformation that equips employees to

perform at optimal levels in their current jobs as well as preparing them for future roles.

The training expenditure target increased from 3 percent to 6 percent and the number of points also increased from six to eight respectively. In the previous codes, this was limited to black employees. Now it includes black people irrespective of whether they are employed or unemployed.

The total number of points under the Learnership section has also increased from six to eight with a split between black people and black unemployed people. If you enroll unemployed black people on a Learnership, you score for black people as well as unemployed black people. The total costs for stipend and employment for the duration of the programme is included under

training expenditure on black people. The objective of enrolling black people on Learnerships is to assist them to become employable by achieving full or part qualifications. These will assist in addressing skills shortages in the industry.

Training unemployed people provides companies with five additional bonus points which are achieved for adding the absorption of unemployed people on learning programmes once they have completed their programmes. Absorption can either be from the company that conducted the training or placing them with any other organisation in the industry. Note that organisations that train people beyond their own requirements might retract and train to meet their own needs to qualify for the bonus points. This counteracts the objective of reducing unemployed numbers in South Africa.

Training costs have been limited to costs directly linked to the administration and presentation of the training. Additional costs incurred for catering, travel and accommodation, for example, have been capped at 15 percent of the total training expenditure. The focus clearly is on the quality of training delivery to ensure competent people complete these initiatives.

Informal and workplace training has also capped at 15 percent of the total value of training spend. This, together with implementation of PIVOTAL grants indicates a drive towards formal training ending in qualifications and contributing to the achievement of the country's economic growth and social development goals that enrich the creation of decent work and sustainable livelihoods.

Racial clarification now includes the national Economically Active Population (EAP – all people who work or are actively seeking employment) percentages and the formula poses a challenge if organisations have not progressed over the last ten years in respect of transforming their employee demographics to be representative of the EAP percentage. This means that training expenditure is capped should there be an over-spend in certain racial and gender categories, whereas in the past the expenditure for black people was measured against all races and both genders.

Previously any company that achieved relatively good B-BBEE levels through the areas such as employment equity, skills development, preferential procurement, socio-economic development or enterprise development would now face the challenge that in order to achieve compliance and/or remain at an acceptable level of the condensed five categories, and as a minimum, would need to comply with the outlined three priority elements.

A "Large Enterprise" (not defined, but presumably it is an organisation other than an EME or QSE with a total annual income greater than R50 million) is obliged to comply with all the priority elements. If a "Large Enterprise" fails to comply with all three of the minimum requirements as set out above, its B-BBEE status will automatically be downgraded by one level. In other words, if its score would otherwise have been Level 4, it will automatically be downgraded to Level 5. This indicates a more punitive B-BBEE framework. The automatic nature of the downgrade applies regardless of the reasons for the failure to comply. There is no exception or defense.

## NEW INTERNS JOIN SEIFSA



SEIFSA welcomed an additional three graduates to its skills development programme in the first week of July. The federation now has enrolled 10 graduates in the 18-months long Internship Programme for 2016/17 financial year as part of the Human Capital Development Plan. The graduates, who come from business and general management academic fields, have been placed in different operational teams within SEIFSA to gain valuable workplace experience.

# MANAGING HIV/AIDS IN YOUR WORKPLACE



While there is access to a lot of information about HIV/AIDS, often this information doesn't deal with myths, and there is still a lot of misunderstanding about HIV/AIDS. The problem is that myth-based attitudes lead to stigmatisation and discrimination, which effectively stops people getting the help they need because they fear being singled-out or rejected. Section 8.1 of the Department of Labour's Code of Good Practice says that workplaces need to provide comprehensive education programmes, and that these programmes should deal with myths and misconceptions. So, let's bust a few myths:

**Myth: HIV can be passed on in everyday social contact.**

**Fact:** HIV can only be passed on when one person's body fluids (e.g. blood, semen, vaginal fluids but not saliva) get inside another person's body. So it can't be passed on when you hug someone, share a plate, cup or fork or use the same bathroom – there is no risk in these situations.

**Myth: People with HIV pass it on every time they have sex**

**Fact:** In the same way that a woman doesn't become pregnant each time she has sex, HIV is not passed on each time either. Used correctly, a condom will minimise the risk of HIV being passed on. The risk is even lower if the person with HIV is also taking antiretrovirals.

**Myth: You can't get HIV if you are married**

**Fact:** Unfortunately, people who are married or in long-term stable relationships have become HIV-positive. This happens where one partner had HIV before they met or when one of the partners was unfaithful and had unprotected sex.

**Myth: Antiretrovirals have terrible side effects**

**Fact:** Today's antiretroviral drugs have fewer and less severe side effects. If one drug causes problems, a doctor is usually able to provide a replacement drug. Most side effects are caused by the body getting used to a new drug and should go away after a few weeks. Severe, long-term side effects are much less common.

**Myth: You only have to start antiretrovirals when you feel ill**

**Fact:** Without treatment, HIV silently damages the immune system and some of this damage cannot be repaired. It's better to start taking treatment before the immune system is damaged – this helps prevent future illnesses. A blood test called a CD4 count confirms when it's a good idea to start taking treatment.

Contact Redpeg for accredited HIV/AIDS workplace training, consulting and research. Please note that our office number has changed. [info@redpeg.co.za](mailto:info@redpeg.co.za) | (011) 794 5173 [www.redpeg.co.za](http://www.redpeg.co.za)



## SEIFSA TRAINING CENTRE OPEN DAY A SUCCESS

In June 2016, the SEIFSA Training Centre held a successful Open Day introducing interested trainees and companies to its programmes.

On 10 June 2016, SEIFSA Training Centre (STC), which is based in the metal industry heartland of Ekurhuleni, Benoni, held its annual Open Day.

SA Tool, merSETA, Chieta and SEIFSA had exhibition stands on site with information available for the interested learners and companies who want to place and host apprentices. More than 100 people attended and went on guided tours through the workshops with industry experts. This experience allow them to interact with current trainees, watch demonstrations in specific trades as well as attend Q&A sessions about other STC products and services.

The SEIFSA Training Centre uses the Open Day to showcase its state-of-the-art training centre, which has both the resources and equipment to offer specialised

skills training. The STC Trainees are prepared to meet the demands of industry.

The SEIFSA Training Centre holds full merSETA, EWseta and Chieta accreditation as a training centre as well as merSETA and CHIETA accreditation as a decentralised trade test centre.



SEIFSA  
**TRAINING CENTRE**  
inspiring excellence



## APPROPRIATE SANCTION FOR MISCONDUCT DISMISSALS

In a recent Labour Appeal Court (LAC) judgement of *Trans Hex Group Ltd v Commission for Conciliation Mediation and Arbitration and Others* [2016] 2 BLLR 144 (LAC), an employee with sixteen years service was found to have been unfairly dismissed by the employer after the employee was, through a disciplinary process, found guilty of having driven a company vehicle without permission and having caused damage to it.

The employee in the matter had driven the company vehicle to the workshop without having had permission and/or authorisation to do so, and further the employee did not have a valid licence to drive the vehicle. Due to the employee's own negligence, he had then driven into a wall and caused damage to both the vehicle and the wall. The employee took issue with the fairness of his dismissal to which he cited his long service to the

company and further that he had immediately reported the incident. The employee was further stated to have shown remorse for the misconduct.

The employee subsequently referred a matter of unfair dismissal to the Commission for Conciliation Mediation and Arbitration (CCMA). At the CCMA, the test for a fair dismissal is for the employer to prove a

valid and fair reason for dismissal related to conduct or performance, or both. The commissioner in the matter identified the issue for determination on whether the employee's dismissal was the most appropriate sanction in the circumstances.

The commissioner found that the sanction of dismissal was too harsh and the employee was retrospectively reinstated, subject to a final written warning. The commissioner made such a finding after considering that contravention of the rule by the employee did not go to the heart of the employment relationship and that his long service warranted progressive discipline. Furthermore, it was found that the employee's behaviour was capable of correction and that the mitigating factors did not justify a dismissal under the circumstances. On reviewing of the arbitration award by the employer, the Labour Court in this instance upheld the commissioner's ruling.

The employer referred the matter to the LAC, and amongst others contended that the commissioner had misconceived the nature of the enquiry before him by

applying the incorrect test, on whether the dismissal was the most appropriate sanction rather than the fairness of the reason to dismiss. The employer further submitted that the commissioner failed to give due regard to the seriousness of the offence and the context of the misconduct in light of the fact that the employee drove through a high-risk area of the mine, causing substantial damage to company property and putting other workers' lives at risk.

The LAC, however, upheld the ruling of the Labour Court and the commissioner, dismissing the Appeal application with costs after noting that; 'erroneous recordal or categorisation of an issue by the arbitrator will not justify the setting aside of the award unless such error is material to the outcome, caused unfairness or prejudice'. The LAC found that the decision reached by the commissioner was not one which a reasonable decision maker could not have reached, although it conceded that the commissioner had mistakenly formulated the issue for determination as whether dismissal was the appropriate sanction.

## Client Testimonials

*“ I would like to sincerely thank Bridgette Mokoetle for her invaluable assistance and representation during an arbitration dispute against a large and influential organisation. As SEIFSA, you must be incredibly proud to have Bridgette on your legal team as she is highly professional and experienced. She addressed all challenges during the dispute, making our case successful. It is a pleasure to work with Bridgette and I highly recommend her. ”*

- Lynne Viljoen, Human Resources Director.

**Bridgette Mokoetle is the SEIFSA Legal Executive and Company Secretary.**

**DIVISIONS:** Economics and Commercial (EC), - Health, Safety, Environment & Quality (SHEQ), - Industrial Relations (IR) and Legal Services (L)  
Human Capital & Skills Development (HC&SD) SEIFSA Training Centre (STC) - Small Business Hub (SBH)

# Upcoming SEIFSA Workshops / Events 2016

MONTH	DATE	DURATION	REGION	PRICE (Member)	PRICE (Non-member)	DIVISION	WORKSHOP/ EVENT
AUG	3	1 Day	JHB	R2 665.00	R3 330.00	L	Labour Court Process
	4	1 Day	JHB	R1 250.00	R1 885.00	SHEQ	COIDA
	5	Half Day	JHB	R1 700.00	R2 584.00	SHEQ	16.2 Appointees
	10	1 Day	JHB	R2 000.00	R2 950.00	EC	Contract Price Adjustment
	11-12	2 Days	JHB	R2 505.00	R3 885.00	SHEQ	Quality Awareness
	12	Half Day	Benoni	R1 900.00	R2 385.00	IR	Grading: Understanding the Technical Schedules of the MA
	17	1 Day	JHB	R2 520.00	R3 150.00	L	Protection of Personal Information (POPI)
	18	Half Day	CPT	R2 000.00	R2 950.00	EC	Contract Price Adjustment
	23	Half Day	JHB	R1 700.00	R2 584.00	SHEQ	16.2 Appointees
	24	1 Day	JHB	R2 475.00	R3 095.00	IR	Retrenchment
	24	Half Day	Boksburg	R2 000.00	R2 950.00	EC	Contract Price Adjustment
	26	Full Day	RCC	R2 631.58	R2 631.58	Corporate	SEIFSA Annual Golf Day
	30 - 31	2 Days	JHB	R3 750.00	R4 685.00	HCSD	Supervisory Training
SEPT	1	1 Day	JHB	R2 520.00	R3 150.00	L	Business Contracts and SLAs
	2	Half Day	JHB	R1 700.00	R2 584.00	SHEQ	OHSE Legal Liability
	6	Half Day	JHB	R1 900.00	R2 385.00	IR	Managing Sick Leave
	14	Half Day	JHB	R2 000.00	R2 950.00	EC	Contract Price Adjustment
	15	Breakfast	JHB	R 650.00	R 810.00	HCSD	HCSD Breakfast Seminar
	20	1 Day	JHB	R1 250.00	R1 885.00	SHEQ	Incident Investigation
	22	1 Day	JHB	R2 500.00	R3 120.00	HCSD	Employment Equity Submissions
	27	1 Day	JHB	R2 520.00	R3 150.00	L	Law of Evidence
	28	Half Day	Boksburg	R2 000.00	R2 950.00	EC	Contract Price Adjustment
	28-29	2 Days	JHB	R3 750.00	R4 685.00	HCSD	Supervisory Training
OCT	4	Half Day	JHB	R1 900.00	R2 385.00	IR	Handling Conflict and Common Problems at the Workplace
	4	1 Day	JHB	R1 250.00	R1 885.00	SHEQ	Hazard Identification and Risk Assessment
	5	1 Day	JHB	R2 520.00	R3 150.00	L	Chairing a Disciplinary Hearing: Doing it the right way
	6	1 Day	JHB	R2 500.00	R3 120.00	HCSD	Employment Equity: Successful Submissions
	11	1 Day	JHB	R2 500.00	R3 120.00	HCSD	Skills Development Planning and Reporting
	12	1 Day	JHB	R2 000.00	R2 950.00	EC	Contract Price Adjustment
	14	Breakfast	CCJ	R630.00	R630.00	Corporate	SEIFSA Presidential Breakfast
	17	Half Day	JHB	R1 700.00	R2 584.00	SHEQ	OHSE Legal Liability
	18	Half Day	Benoni	R1 900.00	R2 385.00	IR	Handling Conflict and Common Problems at the Workplace
	19	1 Day	JHB	R2 500.00	R3 120.00	HCSD	Employment Equity: Successful Submissions
	20	1 Day	JHB	R2 520.00	R3 150.00	L	Protection Of Personal Information (POPI)
	20	1 Day2	KZN	R2 000.00	R2 950.00	EC	Contract Price Adjustment
	25-26	2 Day	JHB	R3 750.00	R4 685.00	HCSD	Supervisory Training
26	1 Day	Boksburg	R2 000.00	R2 950.00	EC	Contract Price Adjustment	
31	Breakfast	JHB	R 650.00	R 810.00	HCSD	Breakfast Seminar	

**ALL PRICES EXCLUDE VAT**

To book, please contact **Thabiso Lebea** on **(011) 298-9442**  
or make an **online booking** - [www.seifsa.co.za/events.html](http://www.seifsa.co.za/events.html)



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