

PARLIAMENTARY KEEPING BUSINESS INFORMED. NEWSWATCH

Volume 2

Issue 1

Date

20 January 2009

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ONE VOICE OF BUSINESS

PARLIAMENTARY NEWSWATCH

Published by the BUSA Parliamentary Office
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New Year's Message, January 2010

For business and for South Africa, 2009 was a watershed year. SA was for the first time in many years in a technical recession which continued to spiral fuelled by the global economic crisis. The combination of the economic crisis and preparations for elections shadowed the beginning of 2009 with uncertainty and expectancy. The elections went well without any serious incident and the new cabinet of President Zuma was received positively by the markets locally and internationally.

In February 2009, business, government and labour jointly concluded a framework for South Africa's response to the global economic crisis – a plan aimed at cushioning the most vulnerable members of society from the effects of the recession and minimizing job losses. Despite the rocky economic environment, declining revenues and increased liquidations business continued to forge ahead through the year.

By the third quarter of 2009, South Africa showed economic growth of 0.9% and inflation had dipped into the target band. BUSA believes that South Africa has technically ended its recession. However, while the signs are positive, the reality is that our economy remains weak. Recovery will be slow, linked largely to the pace of global recovery, and employment is likely to lag behind the economic resurgence.

2010 brings South Africa not only the hope and fever of the FIFA World Cup, but the increased spending related to it. Tourism and tax income generated by the event will boost our economic recovery. We expect property prices to increase this year and more investments to start flowing to this sector fuelled by increasing consumer confidence and low levels of inflation. BUSA will continue to work through Business Against Crime in collaboration with the Police to ensure a safe world cup.

For BUSA, the year ahead will be used to build on our successes of 2009. We will continue to fight for a corruption free society through our comprehensive anti-corruption programme, which will run over the next two years in partnership with the Department of Public Service and Administration and the Danish Embassy.

We will intensify the work we began last year with the Competition Commission to promote competitive behaviour in South Africa, without which our economic growth will be restrained. We urge our members to take a lead in taking a stand against anti-competitive behaviour and expose such tendencies where they exist.

We will continue to advance the interests of South African businesses internationally by supporting high level initiatives of government to promote South African business abroad. In 2010 BUSA will follow up on initiatives flowing from trade missions undertaken in 2009 to Angola, Brazil and Zambia to ensure that concrete outcomes result for South African companies. We will strengthen our partnership with the Corporate Council on Africa through the SA-US Business Forum to advance our interests in Africa in partnership with the CCA where opportunities present themselves for joint initiatives and investments.

We will work together with key constituents to investigate further measures to ease the strain on small enterprises. Steps have already been taken to establish a small business desk under BUSA's newly formed Chambers of Commerce and Industry Standing Committee, and we have supported the procurement of locally produced products, particularly by large firms from small companies to encourage the development of local SMEs. We remain concerned about the challenges in some of our member organizations



We want to encourage our members in their respective sectors to help us in the search for a growth path linked to job creation and poverty alleviation.



and particularly want to encourage the leadership of NAFCOG to find a lasting solution to the issues that plagued the organization in 2009. BUSA remains committed to work with NAFCOG in serving their members most of whom are small enterprises.

We will engage with government on our concerns regarding energy supply, and Eskom in particular, and South Africa's commitments to reducing greenhouse gas emissions stemming from the Copenhagen meeting. We will continue to advocate for de-regulation and for independent power producers as a long term solution to energy security in SA. In a few days, we will present our submission to the NERSA public hearings on the Eskom tariff application.

We will, through the BUSA Parliamentary Office, ensure that the viewpoints of business are heard by our law makers through formal and informal engagements in Parliament.

The BUSA task team on health reform stands ready to engage with government on the national health reform policy once the NHI document is released by the Minister. BUSA supports initiatives that seek to improve access to quality health care by all South Africans in an environment where both public and private providers play a meaningful role.

As affirmed by President Zuma, Nedlac remains the key centre of policy negotiation and we reiterate our call to members to ensure senior representation in our Nedlac teams. We will soon be announcing the Overall Business Convener who will lead our teams at Nedlac. We welcome the appointment of Prof Richard Levin as Director General for the Department of Economic Development and look forward to work with him as we hope to move away from a defensive strategy against the global economic crisis towards crafting a new economic recovery path for SA. Unemployment has risen to unacceptable levels in the past year – with the loss of over a million jobs. We want to encourage our members in their respective sectors to help us in the search for a growth path linked to job creation and poverty alleviation.

Economic transformation remains one of our key strategic deliverables for 2010. BUSA will work very closely with government and the recently appointed BBBEE Advisory Council to fast track the implementation of the Codes.

This is an election year for BUSA leadership. We will soon be sending out communication on the process to be followed prior to the AGM. Four positions will be affected – President and three Vice-Presidents.

Very best wishes for a productive and rewarding 2010!

A handwritten signature in black ink, appearing to read 'Jerry Vilakazi'.

Jerry Vilakazi
Chief Executive Officer
Business Unity South Africa

STATE OF THE NATION ADDRESS

- 11 February **President's State-of-the-Nation Address**
The President's speech signals the opening of Parliament, which this year is scheduled to take place at 7pm to accommodate a wider television audience.
- 15 February **Debate on President's State-of-the-Nation Address**
The debate allows all political parties represented at Parliament an opportunity to reply to the President's speech. The time allocated to each party varies in proportion to the number of seats held in Parliament.
- 16 February **Reply by the President on the State-of-the-Nation Address**
The President responds to comments made by parties during the previous day's debate.

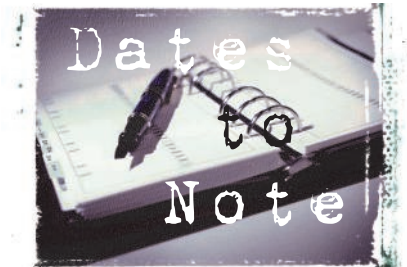
2010 BUDGET

- 17 February **Budget Day** and Introduction of Division of Revenue Bill
Constitutionally, government can only spend money that has been approved by the people. On Budget Day, the Minister of Finance formally tables government's budget to the legislature for approval in the form of the Division of Revenue Bill.
- 2 March **National Assembly Debate on Fiscal Framework**
- 4 March **National Assembly Plenary on Division of Revenue Bill**
- 13-23 April **Debates on budget votes**
The Budget is divided into different budget votes, one for each government department. Portfolio committee hold hearings on the budget vote for their corresponding government department.
- 27 May **Decision on budget vote by National Assembly**
- 4 June **Decision on budget vote by National Council of Provinces**
- October **2010 Medium Term Budget Policy Statement**
- October **Medium-Term Expenditure Framework and Adjustment Appropriation Bill**

COMMITTEE PERIODS

Though not strictly confined to these sessions, these periods have been allocated by Parliament for the committees to convene to consider legislative business.

First Term	25 January	-	29 March
Second Term	13 April	-	7 June
Third Term	10 August	-	23 September
Fourth Term	11 October	-	29 November



Improving Basic Education

Parliament's Portfolio Committee on Basic Education has turned its attention to improving basic education in South Africa. Through submissions received, parliamentarians hope to learn firsthand the problems affecting education and to make a positive contribution to improving the basic education system.

The Committee is calling for written submissions on aspects affecting quality outcomes in primary and high schools, including:

- curriculum content
- teacher development
- class size
- managerial capacity at schools
- orientating schools towards specialisation
- values in education

Submissions on issues surrounding access to education, such as geographic location, infrastructure and language barriers, are also welcome. Stakeholders, and teachers in particular, are urged to submit their comments by the 28 February 2010 deadline.

Submissions should be directed to Mr Llewellyn Brown, Committee Secretary - Portfolio Committee on Basic Education, National Assembly, P O Box 15, Cape Town, 8000; or by email: lbrown@parliament.gov.za; or fax: 021 403 2808. For queries: tel 021 403 3764/083 709 8450.

quality
access
outcomes
capacity
infrastructure



delivery
location
curriculum
values
development

The Cost of Education

According to a recent article in *The Economist*, South Africa spends a bigger share of its GDP on education than any other country in Africa, but its results are the worst. Half of all school pupils drop out before writing their matric exams and of those who do, only 15% obtain marks good enough to apply to a university.

Blame for the poor results has often been laid at the door of teachers. Only 18% of educators in South Africa are professionally qualified graduates and most spend less than half the required 6.5 hours a day in class. Poor school infrastructure is another cause. During apartheid, the government spent up to 16 times more on educating a white child than a black child.

Over the last 13 years, over R1 trillion has been allocated to rebuilding the education system but, as President Zuma candidly stated in August 2009, "our wonderful policies that we have been implementing since 1994 have not essentially led to the delivery of quality education for the poorest of the poor. Results remain perpetually poor in black communities. We need to turn the situation around."

The need is indeed pressing. Dysfunctions in basic education have translated into a national skills deficit. A lack of engineers, technicians and other skilled personnel has forced many companies to look abroad for employees, only to become enmeshed in complex immigration regulations.

On assuming office, President Zuma committed his government to improving basic education. His success is imperative not only to the lives of children but the future of the South African economy. Educated South Africans feed into the higher education system and thereafter into the corporate machinery and national tax base. Our socio-economic development hinges on more South Africans being educated at the most basic level.

BILLS IN PARLIAMENT

CRIMINAL LAW (FORENSIC PROCEDURES) AMENDMENT BILL [B2-2009]

- Introduced:** Initially tabled with the Third Parliament, the Bill was revived by the Fourth Parliament on 7 July.
- Committee:** Portfolio Committee on Police
- Objective:** The Bill amends sections of the Criminal Procedure Act of 1977 dealing *inter alia* the power to ascertain a person's bodily features, e.g. fingerprints, for investigative purposes.
- Status:** Public hearings were held in October 2009. Various technical amendments have since been made to the Bill. The Committee is likely to approve the Bill in early 2010.

CONSTITUTION 17TH AMENDMENT BILL [B9-09]

- Introduced:** 13 August 2009
- Committee:** Portfolio Committee on Justice and Constitutional Development
- Objective:** The Bill seeks to amend the Constitution to allow national government the power to override local government in matters currently falling under the sole authority of municipalities when it is "necessary to achieve regional efficiencies".
If passed, the Bill may have far reaching consequences for South Africa's structure of government. Allowing national government to override municipal decisions would effectively erode the constitutional independence granted to local government and see the return of a hierarchical structure of government with power concentrated at national level.
- Status:** The Committee has yet to set a programme for consideration of the Bill.

PREVENTION AND COMBATING OF TRAFFICKING IN PERSONS DRAFT BILL

- Introduced:** 15 September 2009
- Committees:** Portfolio Committee on Justice and Constitutional Development and the Select Committee on Security and Constitutional Development
- Objective:** The Draft Bill comes as a result of an enquiry by the South African Law Reform Commission into human trafficking. It deals with issues of forced labour, child exploitation, extra-territorial jurisdiction and the status of foreign victims, amongst others. The law will bring South Africa in line with UN protocols on human trafficking.
- Status:** Referred to Committees— yet to set programme.

PROTECTION OF PERSONAL INFORMATION BILL [B9-09]

- Introduced:** 25 August 2009
- Committee:** Portfolio Committee on Justice and Constitutional Development
- Objective:** The most high profile bill introduced in 2009, it seeks to provide for the regulation of all aspects of collection, use, disclosure, storage of and access to "personal information". The Bill has wide ranging financial and logistical implications for business.
- BUSA position:** In October 2009, the Committee held public hearings on the Bill. While supporting the Bill's objective, BUSA called for implementation to carefully managed so as to minimize the cost to business. BUSA also expressed its disappointment at the Bill not being previously tabled at NEDLAC despite requests to the Department of Trade and Industry.
- Status:** At the close of the 2009 parliamentary term, the Portfolio Committee was in the process of issuing written questions on the Bill to the Department, which it also requested to consider redrafting or removing Part B of the Bill.



SAFETY AT SPORTS AND RECREATION EVENTS BILL [B7-09]

Introduced: 8 July 2009
Committee: Portfolio Committee on Sport and Recreation
Objective: The Bill aims to promote and protect all persons and property at sports and recreational events. It is government's response to a string of recent disasters at local sporting events.
Status: Public hearings were held in Parliament and in the provinces between August and October 2009. The Portfolio Committee gave its approval for the Bill on 19 November 2009. The National Assembly is likely to vote on it in the first term of 2010.

SOUTH AFRICAN POSTBANK BILL [B14-09]

Introduced: 9 November 2009
Committee: Portfolio Committee on Communications
Objective: The Bill will make Postbank a wholly owned subsidiary company of the Post Office; the first step in Postbank becoming a stand-alone company with its services extending to lending facilities. The Bill will bring Postbank under the canopy of the Banks Act, and empower it to offer a full range of banking services, as outlined in the Act. It will also make the bank subject to financial services sector regulations, such as the Financial Intelligence Centre Act (FICA), from which it was previously exempt.
Status: Public hearings are anticipated in the first quarter 2010.

TRADITIONAL COURTS BILL [B15-2008]

Introduced: Tabled with the Third Parliament in 2008 and revived by the Fourth Parliament on 7 July 2008.
Committee: Portfolio Committee on Justice and Constitutional Development
Objective: The Bill will replace the Black Administration Act of 1929 and lay the foundation for legislation governing Traditional Courts.
Status: Under deliberation by the Portfolio Committee.

