

PARLIAMENTARY NEWSWATCH

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The Deputy President answers Parliament on the legacy of SA's hosting of the 2010 FIFA World Cup



BUSA
BUSINESS UNITY SOUTH AFRICA

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Legislative Updates

Companies Act - briefing rescheduled

A DTI briefing on the Companies Act Amendment Bill scheduled to take place at Parliament on Wednesday, 10 November 2010 has been postponed to Wednesday, 17 November. The briefing will take place at 9am in Committee Room E249, Second Floor, National Assembly Wing, Parliament. For assistance in attending, please [contact the BUSA Parliamentary Office](#).

The Amendment Bill was approved by Cabinet on 28 October. According to a Cabinet Statement, the Bill is intended to:

- Provide for simple registration of companies
- Update the 2008 Companies Act to be conducive to doing business in South Africa
- Reduce the regulatory burden for companies, and in particular small businesses
- Keep an accurate register for users to be able to make informed decisions

BUSA at Parliament

Next week, Business Unity South Africa will appear before two parliamentary committees to outline Business's perspective on national policy issues.

On Tuesday, 9 November, BUSA President Futhi Mtoba and CEO Jerry Vilakazi will lead a BUSA delegation appearing before the Portfolio Committee on Labour. BUSA was invited to brief the Committee on challenges raised by President Zuma's 2010 State of the Nation Address.

On Wednesday 10 November, BUSA will participate in public hearings on the Medium Term Budget Policy Statement convened by the finance committees of both Houses of Parliament.

Protection of Personal Information Bill

The Portfolio Committee on Justice has not scheduled further meetings on the Protection of Personal Information Bill. The BUSA Parliamentary Office continues to closely monitor the progress of this Bill.



Balancing the Economy, BUSAs Weighs In

BUSA President Futhi Mtoba and CEO Jerry Vilakazi were among the guests present in the National Assembly during Minister Pravin Gordhan’s 2010 Medium Term Budget Policy Statement last Wednesday. BUSA welcomed the economic policy measures outlined in the Minister’s speech.

The following statement is BUSA’s response to the MTBPS:

“ BUSA welcomes the broad thrust of the MTBPS and shares the realistic assessment of the global and domestic economic outlook offered by the Minister of Finance.

While BUSA agrees that a slow but fragile economic recovery is taking place in SA, it is uncertain as to whether a 3% overall growth can still be achieved this year. The mini-Budget speech also embodied a significant degree of continuity and predictability, which strengthens business confidence.

BUSA also welcomes the Minister’s commitment to continued fiscal discipline and believes the mini-budget has struck the right balance between fiscal consolidation and a growth-friendly fiscal stance. BUSA agrees that, where programmes are introduced to raise the level of government spending, we need to be clear about how the required revenue will be raised, and at what cost to the productive sectors of our economy. BUSA therefore supports the phasing in over several years of planned reform projects such as social security arrangements and a National Health Insurance scheme.

BUSA applauds the measures announced by the Minister of Finance to ‘lean against the wind’ of an overvalued rand and to seek a more stable competitive rand. While there is no ‘silver bullet’ to limit currency appreciation, BUSA believes that the pro-active steps — including the further relaxation of exchange control on companies and individuals — announced by the Minister will help to stabilize the exchange rate situation, allowing for global uncertainties.

Finally, BUSA welcomes the ‘mini-Budget’ as an important building block creating a substantial degree of fiscal support for an inclusive higher job-rich growth path for SA, as well as the Minister’s emphasis on enhanced public sector delivery. BUSA agrees that ‘the time for talking about our challenges is over’ and that the focus must now be on implementation of what has been agreed to create opportunities for meaningful participation in the economy for all. ”

SME

access to

FINANCE

Parliament's Portfolio Committee on Economic Development is inviting comments from stakeholders on SME (small and medium enterprises) access to funding.

Parliament's enquiry is prompted by President Zuma's 2009 State of the Nation Address, which highlighted the importance to South Africa of creating decent work, attracting investment and promoting an inclusive economy.

The Committee believes that improving SME's access to finance is crucial to fostering entrepreneurship, competition, innovation, growth and job creation. Yet many South African SMEs face difficulties in accessing sufficient capital to grow their businesses.

In its call for submissions, the Committee took note that:

“ SMEs play a far more important role in developing economies than in industrial countries, since SMEs make a major contribution to socio-political stability. Successful and sustainable SMEs absorb a significant part of the unemployed labour force and unless South Africa succeeds in promoting SMEs, the country will remain saddled with a huge unemployment problem. ”

The Committee's focus on SME access to finance is a positive step for SMEs. Committee hearings on policy issues typically result in a report to Government, documenting Parliament's recommendations based on comments received from the public. The report and its recommendations feed into policy development at executive level.

BUSA's SME Desk is currently coordinating a written submission to the the Portfolio Committee. Dates for oral hearings have yet to be scheduled.



Service Delivery After the World Cup



Deputy President Kgalema Motlanthe was recently questioned by a Member of Parliament on the lessons learnt by government from the 2010 FIFA World Cup in terms of service delivery and project management, and whether plans were in place to ensure future sustainability of delivery.

In a written reply received today, the Deputy President noted that South Africa's hosting of the event was now intentionally recognised as being one of the best FIFA World Cup tournaments ever.

Valuable lessons had been learnt through the management of such a large and complex project. The depth and scale of the project had required meticulous planning and the coordination of all levels of government. According to the Deputy President, Government has committed itself to using the lessons learnt from the World Cup to improve service delivery going forward.

Skills Development

Skills development would be a key feature going forward. Hosting the World Cup had provided direct and indirect skills training to public service personnel. Existing backlogs in service delivery were not due to a lack of financial resources but rather to a lack of skilled personnel and resultant poor planning. Further skills training programmes would therefore focus on enhancing project management skills for improved service delivery.

Infrastructure

The reply acknowledged Government's responsibility to maintain and use the vast infrastructure that had been developed as part of the World Cup legacy but did not provide further detail.

Final World Cup Report

Key recommendations stemming from South Africa's experience hosting the Soccer World Cup would be detailed in Government's final 2010 FIFA World Cup Close-Out Report. The report's release appears to be the next marker in ensuring the promotion of world-class service delivery. Once released by Cabinet, government departments will be required to develop action plans to incorporate and implement recommendations contained in the report into their day-to-day operations.