

PARLIAMENTARY KEEPING BUSINESS INFORMED. NEWSWATCH

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FEATURES



SECURING SA'S COAL SUPPLY

ESKOM AND COAL SUPPLIERS MET WITH PARLIAMENT LAST WEEK TO DISCUSS THE STATE OF THE DOMESTIC COAL SUPPLY PAGE 2



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Editor's Note

Parliamentary business got off to a relatively slow start last week with only a handful of committees meeting.

The most anticipated meeting of the week was a briefing on the state of domestic coal supply, made by **Eskom** and local coal producers to the Portfolio Committee on Public Enterprises (page 2).

Chairperson Vytjie Mentor limited discussions to the issue at hand, but indicated that further meetings would be scheduled to discuss other Eskom-related matters, including that of pricing, in coming weeks.

A number of our readers have enquired as to when the Portfolio Committee on Justice will resume deliberations on the **Protection of Personal Information Bill**.

The Committee has not yet scheduled dates for further deliberations; it is likely they will do so after the President's State of the Nation Address on 11 February. Dates will be published in *Parliamentary Newswatch* once they have been announced.

REGULARS

PARLIAMENTARY NEWSWATCH

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Overseeing Eskom

Securing SA's Coal Supply



Eskom officials and coal suppliers await the arrival of committee members at Parliament .

Parliament's Portfolio Committee on Public Enterprises met with representatives from Eskom and three major coal producers on Thursday to discuss the state of the domestic coal supply.

Coal Reserves

With coal-based electricity being the primary source of energy in SA, energy security is wholly reliant on a steady supply of coal.

At present, Eskom has a 36-day coal reserve, up from a 12-day reserve in January 2008. It hopes to increase reserves to a 42-day margin before the onset of winter and the start of the 2010 FIFA World Cup. NERSA requires Eskom to maintain a minimum 40-day coal stock reserve.

Electricity and Coal Demand

Figures released by Eskom at the meeting showed that demand for electricity had increased 9% in January 2010 over the same month in 2009, indicative of the economic revival.

According to Brian Dames, head of Eskom's power generation, the drop in electricity demand during the recession had necessitated a review of SA's coal supply forecast. Eskom now expects to need 141 million tons of coal by 2018, down from the 200 million tons it had forecast in 2008.

Coal Supply Constraints

Growth in South Africa's coal production has effectively remained at zero for the past three years. Eskom believes three key areas need to be addressed to ensure that SA's coal supply requirements are met -

- Investment of significant capital into opening new mines
- Addressing the significant shortage of skills necessary for the opening and running of mines
- Ensuring that transportation infrastructure is addressed

While the majority of coal (74%) is transported to Eskom power stations by conveyor belt direct from nearby mines, 22% is transported by truck. Significant damage is consequently caused to national roads, particularly those in Mpumalanga where most of the mines are located. Part of Eskom's long term strategy includes considering rail and conveyor options as alternatives to road transportation. An Eskom/Transnet Work Group has been established to generate rail solutions.

Coal Supply Contracts

A number of Eskom's coal supply contracts will expire in 2010 and new short term (1-2 year) and long term (5-10 year) contracts are currently being negotiated. Eskom is looking towards concluding long term contracts that will ensure a consistent supply of better quality coal.

Eskom consumes over 50% of SA's coal production. Anglo Coal, BHP Billiton and Exxaro currently supply 70% of Eskom's coal. Xtrata Coal joined the top three producers in making presentations to the Committee detailing primarily their commitment to further investment in the SA coal industry. BHP Billiton reported a US\$1 billion investment in two new coal mines, the largest investment in coal in South Africa's history.



Assessing Service Delivery

Parliament’s Ad Hoc Committee on Service Delivery will hold public hearings on service delivery in Parliament and communities across the country from February to April 2010.

Set up in late 2009, the Committee was tasked by the National Assembly (NA) with assessing government progress on service delivery, with a particular focus on areas in which service delivery protests have taken place. The Committee will report back to the NA on current challenges to service delivery, providing clear achievable recommendations together with a proposed implementation plan.

While in the provinces, Committee members will conduct site inspections and meet with representatives of communities, local and provincial government, civil society and business. Members of the public are invited to participate in the hearings.

Schedule for Public Hearings

LOCATION	VENUE	DATE	TIME
Parliament	Old Assembly Chamber, NA	2-4 February 2010	10:00
Mpumalanga	eMkhondo Local Municipality	22 February 2010	16:00
	Dipaleseng Local Municipality	24 February 2010	
Eastern Cape	Buffalo City Local Municipality Great	22 February 2010	16:00
	Kei Local Municipality	24 February 2010	
Western Cape	City of Cape Town	22 February 2010	16:00
		24 February 2010	
Gauteng	Nokeng Tsa Taemane Emfuleni Local Municipality	15 March 2010	16:00
		17 March 2010	
Free State	Kopanong Local Municipality Nala Local Municipality	15 March 2010	16:00
		17 March 2010	
North West	Greater Taung Local Municipality Ramotshere Moiloa Local Municipality	15 March 2010	16:00
		17 March 2010	
Limpopo	Thulamela Local Municipality	19 April 2010	16:00
Northern Cape	Dikgatlong Local Municipality	19 April 2010	16:00
KwaZulu-Natal	eThekweni Metro Municipality Msunduzi Local Municipality	19 April 2010	16:00
		21 April 2010	
Enquiries		Deadlines for provincial submissions	
Mr L Nxelewa: (021) 403 3734 lnxelewa@parliament.gov.za		Mpumalanga/Eastern Cape/Western Cape	12 February
Ms A Mtiya: (021) 403 3740 amtiya@parliament.gov.za		Gauteng/Free State/North West	1 March
		Limpopo/Northern Cape/KwaZulu-Natal	8 April



Revitalising Local Government

Parliament’s inquiry ties in with government’s turnaround plan for local government. The Minister of Cooperative Governance announced in Parliament last November that he would shortly release two guiding documents, one on the state of local government and another that would detail a turnaround strategy for municipalities.

The Minister attributed current problems in municipalities to five key issues:

1. Lack of proper implementation of laws and policies in SA
2. A scramble for jobs and the prevalence of nepotism within municipalities
3. Inter-party conflicts at local government level
4. Intra-party conflicts caused by a struggle to access municipal resources
5. The employment of people lacking skills necessary to execute their jobs

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* with the power to ascertain a person's bodily features, e.g. fingerprints, for investigative purposes.
- Status:** The Portfolio Committee held public hearings on the Bill in October 2009. Various technical amendments have since been made to the Bill. It will likely be approved by the Committee early in 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 Portfolio Committee which has yet to set a programme for hearings and deliberation of the Bill.

NEW: DRAFT INTELLECTUAL PROPERTY LAWS AMENDMENT BILL, 2010

- Introduced:** 28 January 2010
- Committees:** Portfolio Committee on Trade and Industry and Select Committee on Trade and International Relations
- Objective:** The Bill seeks to provide for the recognition and protection of *inter alia*: traditional performances with an indigenous origin; works of a traditional character in the nature of those works eligible for copyright; geographical indications; terms and expressions of indigenous origin and their registration as trademarks; and traditional designs of indigenous origin. The Bill also aims to provide for the payment of royalties for works protected under it.
- Status:** Referred to Committees, has not yet been scheduled for consideration. A draft of the Bill will be available by Parliament later on in the week.

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 such as forced labour, child exploitation, extra-territorial jurisdiction and the status of foreign victims. The law will bring South Africa in line with UN protocols on human trafficking.
- Status:** Referred to Committees— yet to set programme.

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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 the 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, the BUSA submission called for implementation to be carefully managed so as to minimize the cost to business. BUSA 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 and had requested it 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. The Bill is government's response to a string of recent disasters at local sporting events.
- Status:** Public hearings were held in Parliament and in provinces from August to October 2009. The Portfolio Committee gave its approval for the Bill on 19 November 2009. The National Assembly is likely to vote on the Bill 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 stipulated in the Act. It will also make the bank subject to financial services sector regulations, such as the Financial Intelligent Sector 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.

