

# PARLIAMENTARY NEWS WATCH

Keeping Business Informed.

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### Parliamentary Newswatch

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# PARLIAMENT NOW

## State Liability Amendment Bill

The Justice Portfolio Committee has taken the unusual step of sending the State Liability Amendment Bill [B2-2011] back to the Minister of Justice with instructions to conduct further research and consultations on the Bill. The Committee has given the Minister 24 months to report his findings to the Committee.

The Committee's response was prompted by questions around the application of the Act that arose during its deliberations.

For a copy of the Committee's report on the Bill, email [bpo@busa.org.za](mailto:bpo@busa.org.za)

## Protection of Personal Information Bill

The Justice Portfolio Committee has not set a date for further deliberations on the Protection of Personal Information Bill [B9-2009].

## Superior Courts Bill

The Superior Courts Bill [B7-2011] was tabled in Parliament on 1 June 2011. Parliament has yet to call for comments on the Bill.

## Merchant Shipping Bill

The Merchant Shipping (Safe Containers Convention) Bill [B31B – 2010] has been passed by both Houses of Parliament (the NCOP gave its assent on 7 June). The Bill will now be forwarded to the President for his signature.

# Parliament scrutinises Departments'

# budget votes

## PUBLIC ENTERPRISES



In his *Budget Vote Speech* (1 June), Minister of Public Enterprises Malusi Gigaba emphasised the need to forge partnerships with the private sector to mobilise skills and capital in pursuing national interests.

Acknowledging that the fiscus alone was unable to meet funding requirements, the Minister stated that he intends to "engage creatively" with the private sector to increase the rate of investment, particularly with regard to the energy sector.

Since April 2010, Eskom had signed five contracts with Independent Power Producers totalling 373MW of capacity. On renewable energy, the Minister announced that Eskom had secured a US\$365 million loan from the African Development Bank for solar and wind power plants. Eskom had also submitted a US\$250 million loan application to the World Bank for funding from the Clean Technology Fund.

The Portfolio Committee on Public Enterprises noted in its report on the budget that:

- The Department's staff turnover rate and lack of scarce skills was a concern; it recommended that a strategy be put in place to recruit and retain scarce skills at all levels
- The oversight role of the Department over State Owned Enterprises needed to be hands-on and pro-active
- Parliament needed to play an activist role in executing its oversight role over the Department

## LABOUR



**L**abor Minister Mildred Oliphant used her *Budget Vote Speech* (24 May) to highlight government initiatives to create jobs and improve productivity.

The Minister noted that over 20 million workdays had been lost in 2010 due to industrial strike action at a time when the world was being hit by an economic downturn. The Department will be studying industrial actions with a view to improving labour relations, stability and industrial peace.

Job creation initiatives to be launched by the Department include the training and re-skilling of workers to enable them to compete in the open economy. The Department also intends addressing policy gaps in Sheltered Employment Factories, which provide employment to people with disabilities.

Following its hearings on the Labour Department's budget for 2011/12, the Portfolio Committee on Labour recommended that:

- The Department amend its strategic plan to include specific numerical targets in order for Parliament to exercise proper oversight
- The use of consultants be monitored closely to avoid excessive use of those skills without the building of internal capacity
- The Department monitor the strategic plans of entities it oversees (CCMA, UIF, Compensation Fund...) to ensure that targets were stringent

# budget votes cont.

## ENERGY



**E**nergy Minister Dipuo Peters outlined her Department's plans for a diversified energy mix during her *Budget Vote Speech* (26 May).

Coal (14%), nuclear (22%), Open Cycle Gas Turbine (9.2%), Closed Cycle Gas Turbine (5.6%) and Renewable Energy Carriers - including Hydro (6.1%), wind (19.7%) solar (2.4%) and PV (19.7%) would contribute towards energy generation under the Intergrated Resource Plan for Electricity.

In response to the Department's proposed budget, the Portfolio Committee on Energy recommended that:

- The Department urgently address challenges in electricity distribution, rehabilitation and maintenance of infrastructure
- The Department consider the release of the reviewed white paper on renewable energy for public comment
- That SA's target of achieving at least 10 000 GWh power produced by 2013 be prioritised

## HEALTH



**H**ealth Minister Dr Aaron Motsoaledi used his *Budget Speech* (31 May) to outline a re-engineering strategy for SA's healthcare system, which would entail teams of healthcare workers being deployed to district clinics, schools and communities.

The Minister also highlighted the success of his HIV Testing and Counselling (HTC) Campaign, which has resulted in 50% more people receiving ARV treatment since the campaign commenced. The Department had also been able to reduce the cost of ARV's by 53%, making treatment accessible to more people.

In its report on the budget, the Health Portfolio Committee recommended that the Department:

- Increase its outreach programme on educating communities on HIV/AIDS
- Address the backlog in forensic chemistry as a matter of urgency
- Work closely with doctors in mines to reduce TB in the mining industry
- Require tertiary hospitals to account to the National Department of Health

## HIGHER EDUCATION

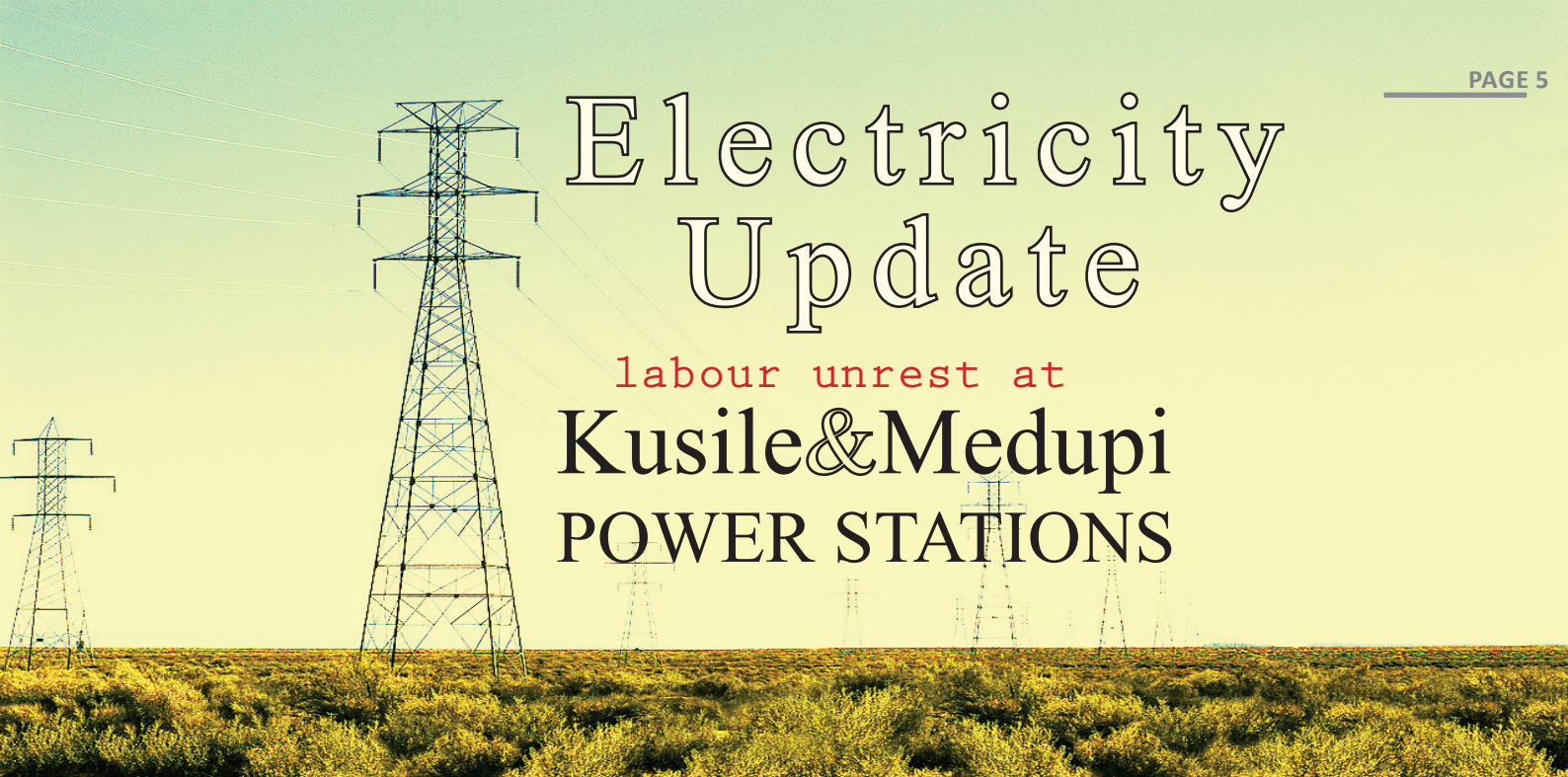


**A** significant portion of Minister of Higher Education Blade Nzimande's *Budget Vote Speech* (26 May) centred on Further Education and Training (FET) Colleges.

During his speech, the Minister announced that 169 000 students enrolled at Further Education and Training (FET) Colleges would receive free tuition - amounting to R1.25 billion in state bursaries. The Department is aiming to transform and improve FET colleges over the coming years so that they offer mid-level skills training needed in the economy.

However, the Portfolio Committee on Higher Education noted in its report on the Budget Vote that the curriculum of FET colleges required urgent review and that the Department's targetted pass rate for FET colleges was modest.

In terms of skills development, the Committee also noted that many students struggle to obtain experiential learning in workplaces, and that SETAs were not cooperating in that regard.



# Electricity Update

## labour unrest at **Kusile & Medupi** POWER STATIONS

**Eskom appeared before the Portfolio Committee on Public Enterprises on 31 May to explain recent labour unrest that halted construction at its Kusile and Medupi Power Station Projects.**

Together with the Ingula Power Station, Kusile and Medupi are the first power stations to be built by Eskom in 20 years. Together, they represent Eskom's largest building projects to date and, at a cost of US\$23 billion, rank among the world's largest construction projects.

### **Kusile**

Strike action interrupted construction at Kusile from 18-19 April and 4-6 May. On 6 May, work stalled completely when protest action escalated into looting, arson and the physical destruction of property and vehicles. The strikes were motivated by workers' unhappiness at expatriate labour being used at the plant for specialised welding, and demanded training in the relevant skills for local workers.

Eskom reported to the Portfolio Committee that the site is currently open and operational. All contractors are now back on the site, aside from those who were involved in the unrest and who are now in the process of bringing their employees back to the site. Criminal charges had been laid against those responsible for damage to property.

### **Medupi**

Activity at the Medupi Power Station was halted and employees were evacuated from the site following violent protest by workers on 10 May. Like the Kusile unrest, the strikes were incited by dissatisfaction around the use of Thai welders, riggers and pipe fitters.

Eskom reported that as of 27 May, the site was progressively operational, with 8000 of 11 000 workers reporting for duty. A police presence is being maintained on site until the situation is rendered safe.

### **Status of Delivery**

According to Eskom, delivery of the two projects was not under threat as a result of the strike. Eskom is working towards recovering lost time so that it meets its commitment of delivering the project by 2012. Continuous engagements were being held with all stakeholders to prevent future incidents.