

# PARLIAMENTARY KEEPING BUSINESS INFORMED. NEWSWATCH

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AND SA POST OFFICE BILL**

## REGULARS

### Editor's Note

Parliament will resume deliberations on the **Protection of  
Personal Information Bill** on Wednesday, 24 February.

Venue: Room 2, 120 Plein Street, Parliament

Time: 09h00



ONE VOICE OF BUSINESS

### PARLIAMENTARY NEWSWATCH

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## Doing Things Differently

In his inaugural budget speech, Finance Minister Pravin Gordhan's call was to "be prepared to do things differently". The central theme of government's vision for the next twenty years is that we should succeed in forging a common purpose that dominates over narrow, sectarian interests.

States are built not just through public policy and state action but also through national identity, social cohesion and responsible citizenship, in the place of conflict and fragmentation. If we can build stadia in good time, then "we must extend the same extraordinary efforts to addressing our critical social and economic challenges", said the Minister.

## BUSA's review of the budget

BUSA welcomed the broad thrust of the Budget Speech. It was balanced and appropriate given the current global economic environment. We agree that partnership is the most effective way to tackle economic challenges facing the South African economy. We also believe that economic growth is integral to reducing unemployment, poverty and inequality in South Africa. We are convinced that an enterprise development-centred economy is the most sustainable way to achieve these objectives.

On specific issues:

- ⇒ The explicit clarification of government policy on the **mandate of the Reserve Bank**, inflation targeting and exchange rate management are welcome and will strengthen investor confidence in the South African economy .
- ⇒ A **stable financial sector** is crucial for the stability of the South African economy as well as the protection of consumers, and BUSA welcomes the regulatory initiatives highlighted by the Minister while not forgetting that South Africa has an existing sound institutional framework.
- ⇒ The expected **increase of public borrowing** from 23% of GDP in 2008/9 to 40% by 2013 should be monitored by all parties. It is crucial that expenditure growth be kept at moderate levels to avoid unsustainable debt levels which threaten sovereign solvency. In this regard, the Minister's commitment to stabilise the size of the public borrowing programme by 2015 is supported.
- ⇒ The **upwardly revised economic forecast** to 2.3% GDP for 2010/11 is reasonable. Downside risks to the global and domestic economy will require that deliberate attempts be taken to support economic performance. We believe that the possible tax increases and levies mooted should therefore be avoided at all costs if increased investment is to be promoted.
- ⇒ We believe that the use of **environmental taxes**, rather than incentives, to assist business to adapt to the climate change imperative would be a step in a negative direction. Environmental levies should be used as "tools of last resort" – and even then must be implemented in a gradual manner that allows business to adjust. Noting the Minister's emphasis on the need for a competitive economy, we believe that such increases would thwart the desire for a healthy enterprise-driven economy.

Overall, we believe that the budget speech was useful in setting the tone for a partnership to deliver economic growth, thus creating employment and eradicating poverty in South Africa. BUSA reiterates its commitment to working together with government and civil society to create a better economic future for all South Africans.



## A New Plan for Growth

The day after Minister Gordhan delivered his budget speech, Trade and Industry Minister Rob Davies announced a revamped Industrial Policy Action Plan (IPAP), which will set the stage for economic growth until 2013.

Government estimates that the plan will result in the creation of 2.5 million decent jobs over the next ten years and will diversify and grow exports, improve the trade balance, build long term industrial capability, grow our domestic technology and catalyse skills development.

IPAP's overall goals are to promote long term industrialisation and diversification beyond our current reliance on traditional commodities and non-tradable services. It aims to boost job creation and competition by expanding production in value-added sectors with high employment.

Spurring the manufacturing sector will be a key priority. Though labour intensive, the sector has to date remained relatively unprofitable due to the volatility of the currency, the monopolistic provision and pricing of key inputs, an aged and unreliable infrastructure system and a weak national skills base.

## Priority Sectors

Interventions will concentrate on three clusters of sectors:

- New areas -** including metals fabrication, capital and transport equipment, green and energy saving industries and agroprocessing.
- Established sectors -** automotives and components; medium and heavy vehicles; plastics, pharmaceuticals and chemicals; clothing, textiles, footwear and leather; bio-fuels; forestry, paper, pulp and furniture; cultural industries and tourism; and business process services (call centres).
- Future developments -** sectors that have the potential to develop long-term advanced capabilities: nuclear, advanced materials and aerospace.

## Intervention Strategies

### 1. FINANCE

Government intends easing access to concessional industrial financing for investment in IPAP priorities and other productive sectors on terms comparable to those of our major trading partners.

### 2. TRANSPORTATION

Procurement regulations will be revised to enable large strategic 'fleet' procurements in a range of sectors - IPAP specifies the procurement of locomotives, busses, and South African Airways and Defence Force components.

### 3. TRADE

Government will apply tariffs and trade policies strategically to support industrial needs. It will also intensify a SARS-led campaign to combat practices that undermine productivity, including customs fraud, under invoicing, and smuggling.

### 4. COMPETITION

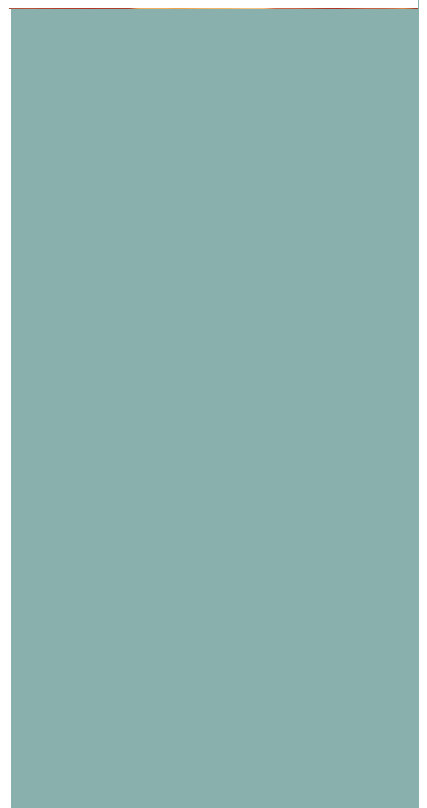
Anti-competitive practices will be targeted, particularly where they concern:

- ⇒ intermediate inputs to downstream labour absorbing production; and
- ⇒ consumer goods to low income households



*“As a country, South Africa has no alternative to the course of action we propose.”*

Minister Rob Davies, announcing the new IPAP in Parliament



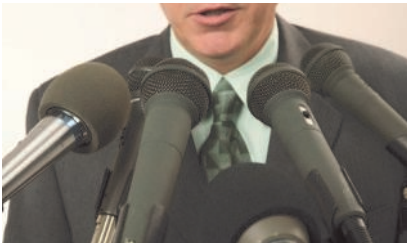
## Fiscal Framework and Revenue Proposals

Parliament's finance committees are inviting interested parties to comment on the tabled fiscal framework and revenue proposals and any other matter concerning the 2010 Budget. BUSA will be presenting a submission on behalf of Business at the hearings.

The hearings are scheduled for 25 and 26 February 2010 at 09:30, in room E249, Second Floor, National Assembly Wing, Parliament. Please note, these hearings are separate from the public hearings that will take place for the Appropriations Bill and Division of Revenue Bill.

The Minister of Finance tabled government's fiscal framework, revenue proposals and related 2010 budget documentation on 17 February. The fiscal framework and revenue proposals were referred to the Committees on Finance who are required by the Money Bills Amendment Procedure and Related Matters Act of 2009 to report within 16 days after tabling to both houses of Parliament.

## SA Post Office and SA Postbank Bills



Parliament is calling for submissions on the South African Post Office Bill and South African Postbank Bill.

The [SA Post Office Bill](#) provides for the continued existence and governance of the SA Post Office.

The [SA Postbank Bill](#) will make the bank a wholly owned subsidiary of the SA Post Office, and will empower it to offer a wide range of financial services. PostBank will for the first time be registered as a bank under the Banks Act and required to comply with services sector regulations as well as the Public Finance Management Act. Provision is made for Parliament to allocate funds to the bank and for it to be controlled by a Board appointed by the Minister of Communications.

Public hearings will take place on 23 March for the Post Office Bill and 24 March for the Postbank Bill. Deadline for submissions on both is 16 March. Comments and queries may be directed to committee secretaries Ms A Nell at [anel@parliament.gov.za](mailto:anel@parliament.gov.za) or Mr TT Ngoma at [tngoma@parliament.gov.za](mailto:tngoma@parliament.gov.za); tel: 021 403 3782/3733.

## Industrial Policy Action Plan

The Portfolio Committee on Trade and Industry will hold public hearings on the revised Industrial Policy Action Plan (IPAP) at Parliament on Wednesday, 3 March 2010.

BUSA has been invited by the committee to critically engage it on the synergies of the revised IPAP with existing government priorities and programmes, and opportunities and challenges presented by the revised IPAP given the current macroeconomic environment.

Interested parties are invited to submit their comments/queries to Mr Andre Hermans at [ahermans@parliament.gov.za](mailto:ahermans@parliament.gov.za) or [mherling@parliament.gov.za](mailto:mherling@parliament.gov.za)

# Bills in Parliament

## **NEW: APPROPRIATION BILL [B3-2010] and DIVISION OF REVENUE BILL [B4-2010]**

- Introduced:** Tabled by the Minister of Finance on 17 February.
- Committee:** Standing Committee on Appropriations will oversee the Appropriation Bill. Standing Committee on Finance will oversee the Division of Revenue Bill
- Objective:** The Appropriations Bill provides for the release of budgeted funds from the national revenue to fund the public service. The Division of Revenue Bill sets out in detail the division of those funds. Each Portfolio Committee will oversee the 'budget vote' (budget allocation for individual departments) for its corresponding government department.
- Status:** Referred to Committees. The Standing Committee on Finance and Select Committee on Finance will hold public hearings on the fiscal framework and revenue proposals on 25 and 26 February 2010.

## **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 2009.
- 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.

## **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.

Click on titles to download  
New additions are highlighted in red.



## PROTECTION FROM HARRASMENT BILL, 2010

**Introduced:** 5 February 2010  
**Committees:** Portfolio Committee on Justice and Constitutional Development  
**Objective:** The Bill supplements domestic violence legislation by providing for individuals to apply to the Court for a protection order against harassment. The Bill grants magistrates the power to subpoena any person as a witness to proceedings. It also provides for protection orders to an order for the removal of weapons from the respondent. All protection orders will include a suspended sentence against the respondent so that in the event of an order being violated, police may arrest the respondent on sight.

**Status:** Classified by as a section 75 Bill, i.e. in terms of the Constitution, a bill not affecting the provinces. Committee to set programme for public hearings and deliberations.

## 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.

## 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 National Assembly has approved the Bill and referred the NCOP for concurrence.



## **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 will take place on 24 March 2010. Deadline for submissions is 16 March.

## **NEW: SOUTH AFRICAN POST OFFICE BILL [B2-2010]**

**Introduced:** 18 February 2010  
**Committee:** Portfolio Committee on Communications  
**Objective:** To provide for the continued existence and governance of the South African Post Office. The Bill is being passed in tandem with the South African Postbank Bill, with which it should be read.

**Status:** Public hearings will take place on 23 March 2010. Deadline for submissions is 16 March.



## **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:** Committee to set programme for hearings and deliberations.

