March/April 2014



MONITOR

A monthly briefing sheet to keep communities informed about what is happening in Parliament

NEWS SNIPPETS

The Decade of the Artisan runs from the current financial year, emphasising the importance of artisan training

During the elections, 31 mobile voting stations will be operating in selected areas, particularly in the Northern Cape. The mobile stations will visit five points a day, with specific times for each stop. Votes will be counted at closing time, at its last stopping place. People who are bedridden, frail or ill, or in the late stages of pregnancy, can apply to be visited on special voting days.

The Department of Labour uses an electronic system, ESSA, to link job seekers and employers. It is concentrating on youth employment, and training of people receiving UIF to try to re-skill them in scarce and critical skills, so they can re-enter the labour market.

Small Enterprise Finance
Agency has a website
(www.sefa.org.za/Admin/Onlin
eApplication/OnlineApplication
TC.aspx) where online
applications for loans can be
made, as well as a manual
procedure to apply for loans at
the SEFA branches in the
provinces. Its branch offices
are at Rustenberg, Tswane,
Polokwane, Kimberley,
Mangaung, Cape Town, East
London, Port Elizabeth,
Durban and Nelspruit.

OUR LEAD STORY

The Speaker of Parliament recently hosted a roundtable conference of Institutions supporting Democracy (Chapter 9s), although the timing regrettably did not allow most of the Portfolio Committee chairpersons to attend, and a follow-up meeting was also not possible in this session. The Speaker wanted to emphasise that, although some media reports have suggested that Parliament "interferes" with the work of the Chapter 9s (who are supposed to have operational independence over their mandate), and although some institutions themselves have expressed their unhappiness at the line of questioning by MPs, Parliament plays an important oversight role, particularly on their spending of public money. The Speaker said that oversight should be seen as a two-way process, but agreed that there was no institutionalised feedback mechanism. The Public Protector suggested that a dedicated committee should be set up to hear reports by the institutions. Several said they struggle to maintain effective communication, particularly with provincial government, despite the existence of the Office for Institutions Supporting Democracy (OISD), which itself complains of under-funding. It was suggested that the institutions could approach the Office of the Speaker directly, and perhaps participate also at the Speaker's Forum with the provinces. Several institutions asked about the recommendations from the ad hoc Committee chaired by Professor Kader Asmal in 2007, which reviewed the Chapter 9 institutions. These recommendations have never been formally adopted by Parliament. In reply, the Speaker said the Fifth Parliament should be asked to look into this. Some recommendations would require constitutional changes.

Funding of these institutions has been another long-standing concern, and the Public Protector in particular warned of the consequences of continued underfunding. Despite their independent status, the funding of the institutions is still channelled through departments. The Speaker confirmed that Parliament was aware of both issues. The Auditor-General asked how the spirit of communication could be boosted within the current oversight model, and stressed the need for provincial interactions. The Commission for Gender Equality suggested that a protocol was needed for the oversight, and called for a more careful and consistent study of their reports lodged with Parliament. The Financial and Fiscal Commission said that sometimes even the OISD did not give feedback on reports, and suggested that greater cooperation was needed between the OISD and Parliament's Committee Section. The Public Service Commission said that there were challenges in accessing the executive. It was suggested that the institutions should address new MPs in the national and provincial parliaments during their orientation training.

Other problems highlighted included the need to fill vacancies on commissions in good time; the Financial and Fiscal Commission has had an acting chairperson since 2010. There are still concerns about overlap or duplication of functions across some institutions. Although the lack of consistency in the methods of remuneration should be addressed by Parliament's approval of the Determination of Remuneration of Members of Constitutional Institutions Laws Amendment Bill, a broader investigation of several issues is still needed. Communication with the broader community also needs to be be enhanced.

RECENT REPORTS TO PARLIAMENT

The Department of Cooperative Governance and Traditional Affairs (COGTA) presented its Integrated Urban Development Framework (IUDF), which follows up on the National Development Plan's statement o the need to re-think urban spaces to meet ongoing and future challenges. The IUDF sets up a framework to prioritise development of vulnerable and marginalised areas, such as informal settlements, peripheral townships, and pockets of poverty, in line with suggestions set out in several research papers. It will be supported by a forum, and technical and coordination committees involving COGTA, Department of Human Settlements and National Treasury. Whilst it is recognised that cities wish to maintain existing property values, they will have to build linkages with rural areas and address the low density, weak spatial development and shortage of well-located land that resulted from apartheid planning. There is a need to actively involve the private sector and reach common understandings and goals. MPs urged that cities must contribute to economic growth, and urged COGTA to actively address migration by engaging with neighbouring countries, to be conscious of the pressure put on metros by collapse of secondary towns, and to employ adequate planners and engineers.

The Disclosure Board for the Home Loan and Mortgage Disclosure Act aims to promote fair lending practices, and requires financial institutions registered under the Banks Act, the Mutual Banks Act and those accepting deposits or giving credit against a mortgage bond or home loan scheme to disclose information that will allow the Board to monitor lending practices and patterns. It will be trying to include the Finance Linked Individual Subsidy Programme loans information, and improve its data to eliminate duplicated information, and aims to amend its legislation in the Fifth Parliament to address shortcomings in the way that data is captured and disclosed in the reporting categories. It also says it needs more resources to engage with local authorities and run public community outreach programmes.

The Minister of Health updated Parliament on the National Heath Insurance (NHI) pilots and the new health grants. The various health grants have now been combined into one, to make it easier to shift money to where it can best be spent. In 2014/15, more than R34 billion will be made available by way of grants. The Minister clarified that the NHI is not equivalent to medical aid, but tries to reduce catastrophic health care costs for ordinary citizens, and, by emphasising universal and primary health care, to improve the quality of life. Universal Health Care (UHC) aims to strengthen the public health infrastructure and finance recurrent costs, including maintenance. A health census and an audit of infrastructure and staffing needs will be done. The pilot districts, where teams have implemented new strategies and set up proper management, have improved, and 96 doctors have been contracted across the country. The Department of Health is trying to encourage doctors to move to clinics instead of hospitals, by offering them the same pay scales. The Minister stressed, however, that costs must be contained, and emphasised that even in USA, where 18% of GDP is spent on health, there are still 53 million people who struggle to get access, so this is a holistic issue that does not only encompass money being allocated, but also better training, better use of facilities, and strict management. The NHI projects try to narrow the gap in the quality of public and private health care offered. A national project office will oversee the revitalisation of over 800 institutions, with far tighter contract management. 102 steel-frame clinics, which are faster to put up and easier to expand because of their modular design, are being erected to supplement overcrowded clinics. Eastern Cape is to get eight new clinics and Gauteng a new hospital in Soshanguve. The Minister would like to see the NHI funding being made available nationally rather than to the provinces, to ensure that there is focused spending.

The Independent Electoral Commission has reported on its progress in preparing for elections. MPs wanted assurances on registration / voting stations, following voters' complaints that in some instances, during the registration process, they were not consulted nor properly informed about changes of venue, and that some stations closed before all those waiting in queues had been seen. IEC explained the reasons behind the changes in venue and assured Parliament that similar problems would not happen on voting day. IEC is aware that allowing people to vote anywhere in their province might make it difficult to assess how many staff are needed at each voting station, but says that close monitoring will be done. IEC also said that the Public Protector's recent report into procurement would not directly affect IEC operations for elections.

Independent Communications Authority of South Africa is currently busy with a structural re-alignment, including a skills audit, to ensure the skills gap is closed, and that the right skills are found to enable ICASA to act in line with its mandate and strategy. Some necessary amendments were made to its legislation recently, but other issues stand over until after the full ICT review. It has benchmarked against other similar institutions, locally and internationally, and is currently busy with a costing. It will recognise a dual stream in career development, as opposed to the current situation that emphasises the managerial structures. ICASA is a highly technical entity and its specialists will be encouraged to stay by being offered better prospects to advance their careers, although it has been suggested that the proper balance between the specialist and managerial roles might involve a 15% cap on specialists. The placement of employees will follow an objective skills and competency matching process.

The Mine Health and Safety Council still faces challenges around research and implementation of findings and it wants to work on identifying and addressing indicators on mining safety issues at an earlier stage to allow better mitigation strategies to be drawn and followed. It is establishing a Centre of Excellence to try to strengthen research nationally. The Mining Charter now requires more consistent reporting on how research work has been implemented, and on what is being done by firms in the sector over and above the Council's work. Accurate health data reporting is still problematic, although health-related incidents are about four times higher than safety-related incidents. At the forthcoming summit, which is attended by the whole sector, reporting will be done on the ten-year milestones. After that summit, six pillars of cultural transformation will also need to be implemented.

The Deputy Minister of Public Works reported that in November 2013, Cabinet decided to set up a Presidential Public Employment Coordination Commission for Public Employment Programmes (PEPs), which builds on the lessons learned from the first two phases of the Expanded Public Works Programme (EPWP). Although Phase 1 of the EPWP did achieve the target of one million work opportunities, it did not actually bring down the unemployment rate, which worsened from 2008 onwards. Although it was designed to bridge the gap between first and second economies, expectations were not met and in many cases no real skills were given to beneficiaries to enable them to gain full time employment. Phase 2 then took a different approach, introducing incentives and the Community Work Programme, whilst the New Growth Path policy moved away from the idea of trying to align the first and second economies, and concentrated on the mainstream economy. However, the persistent trend of South Africa exporting non-beneficiated goods, particularly from mining, and then importing them back later in the form of finished goods, meant that substantial jobs were still not being created in South Africa, but rather in foreign countries that were doing manufacturing and beneficiation.

Phase 3 now aims to follow a completely new path. Targets for three elements of sustainable household livelihoods, skills development and the provision of assets and services must be incorporated in every PEP, although not in equal measures. A better balance is needed between pure headcounts of work opportunities, and real outcomes. A five-year target of creating six million work opportunities has been set. Although it is recognised that infrastructure is the largest contributor to work opportunities, the short-term nature of many construction projects does not allow permanent skills or jobs to be built, and better communication is needed with participants to avoid fostering false expectations of permanent employment. It is also recognised that labour intensive methods are slow and their quality perceived to be poor, that reporting and supply chain have been major problems in the past, and that "political patronage" has led to a few favoured people being selected to do work. The Presidential Public Employment Coordination Commission aims to enhance coordination and broader community participation and do better monitoring and evaluation within PEPs, and between PEPs and other developmental initiatives.

South African Forestry Company Limited (SAFCOL) suffered major losses in 2010, but managed to achieve profits of R30 million in the last year. It is now exploring sales of alternative products and is working with the communities where it operates, to conclude the land claims process. This is quite a challenge, as 61% of its coverage is on community-owned land. It has an 80% share in IFLOMA Forestry Company in Mozambique, and has 121 000 hectares of plantations in South Africa. It is exploring green energy, investigating and promoting use of timber-frame structures as alternative building methods, and trying to leverage government to promote sales of SAFCOL products.

The South African Local Government Association (SALGA) has a guideline and runs workshops for political office bearers and municipal managers, to help build their capacity. It reported that it provides handson support, has engaged with more than 75 municipalities to try to help them get better audits, and tries to build public participation. In 2013, at an anti-corruption summit, more than 230 municipalities pledged to constantly support the fight against corruption and maladministration, supported by Municipal Public Accounts Committees. The NCOP questioned why such substantial problems persist in municipalities, if SALGA is doing its job properly. SALGA said that the right decisions on funding, taking into account longer-term needs, are not always made at Treasury level, and conceded that even when vacancies are filled in municipalities, this does not improve their financial management. A persistent problem is the difficulty in attracting engineers, as they are underpaid in local government.

The Department of Transport is serving on a Task Team with the Cross-Border Road Transport Agency and provincial departments, to which taxi associations also give input, to try to solve the ongoing disputes and taxi unrest linked with taxi transport of passengers between Lesotho and Free State. The difficulties arose because of the permit system. It has been agreed that 27 vehicles will be licensed for cross-border work, who are listed on a database, and there have been attempts to negotiate around the placement, drop off points and access to taxi ranks. Parliament continues to monitor the situation.

PEOPLE'S ASSEMBLY WEBSITE

The new People's Assembly website www.pa.org.za focuses on Members of Parliament



Here is a selection of some articles you can find on this website:

A survey on the PA website established that **80% of us do not know where our MP constituency office** is. Visit the website, enter your location and find out which MP has been assigned to your area. People's Assembly encourages you to make use of your local constituency office to find out what is happening in Parliament and to report your problems to your representative.

When is it bulldozing? Since the start of this election year, there has been criticism about important legislation being "bulldozed" through Parliament, and the ruling party has been accused of rushing through bills to gain more support from the public. People's Assembly decided to investigate the speed with which bills were passed over the past six months. In 2012/13, the average time taken for bills to be passed by Parliament from date of introduction was 266 calendar days (excluding parliamentary recess). It is interesting to note that for bills introduced after 1 October 2013 (27 bills in total), that time decreased to 96 calendar days.

Parliament's first-ever attendance policy backed by strict sanctions - An attendance policy for Members of Parliament has finally been approved after 20 years. The policy contains serious sanctions for absences. If a Member is absent for 15 or more consecutive sitting days of the National Assembly or the NCOP, without the leave of the House, the sanction is a loss of his/her seat in Parliament. The policy also provides that if a Member is absent from three consecutive meetings of a Committee to which the MP is appointed unless the absence is agreed to by the MP's political party, a fine of R1000 for each day of absence may be applied.

Letter to the national leaders of political parties: On 31 March, over 60 mass-based organisations and NGOs wrote to the national leaders of 14 political parties contesting the 2014 elections to request **full disclosure of all party funding sources.**

People's Assembly reported on **election list surprises**: Parliamentary committee Chairpersons left off the national ANC list, but who appear on the provincial to national list were: Joan Fubbs: Trade & Industry Chair; Sisa Njikelana: Energy Chair; Luwellyn Landers: Justice & Constitutional Development Chair; Vincent Smith: Correctional Services Chair; Beauty Dambuza: Human Settlements Chair; Johnny de Lange: Water, Forestry & Fisheries Chair.

SELECTED LEGISLATION, CODES AND WHITE PAPERS

The Code of Conduct for MPs has been under discussion, with substantial debate around prohibited business activity, with the clause now being split into three parts, one dealing with the MP, one with his or her immediate family, and the last with his or her business partner.

The Customs Duty Bill, Customs Control Bill and Customs and Excise Amendment Bill are intended to facilitate trade and control of goods entering and leaving South Africa, and to set up better and more transparent ways of doing business. The Customs Duty Bill emphasises self-assessment and a general anti-avoidance rule, and provides for binding rulings, and fixed administrative penalties. The Customs Control Bill facilitates the Customs Duty Bill's implementation, and provides for electronic reporting to facilitate customs clearances. Exports will be more tightly regulated to reduce loss of customs duty and VAT, and foreigners have to appoint local representatives in South Africa. The Customs and Excise Amendment Bill was hotly debated during public hearings, particularly as SARS wanted customs clearance declarations before goods were moved from the ports inland, in addition to the ship's manifest, to reduce the risk of under-declarations and improve risk assessments. Eventually it was agreed to introduce a grace period of 12 months to allow businesses to comply with the legislation. The three Bills were passed by the majority in the NCOP.

The Defence Amendment Bill, a private member's bill presented by Mr David Maynier, was deferred to the next Parliament, although Mr Maynier noted his strongest objections to the procedure, as he had not been notified that he would be expected to respond to the Department's input on a particular day.

The Minerals and Petroleum Resources Development Amendment Bill was passed recently in the NCOP, but the DA says that it intends to petition the President to send the Bill back to the National Assembly. It is unknown whether the DA will be prepared to lodge a Constitutional Court challenge, should its request fail. Major objections by opposition parties related to what was seen as undue Ministerial control, the fact that the new section 86A(1), which was introduced at a very late stage, removed the limit that the original version of the Bill named, on the state acquiring more interest, and the deletion of references to "fair market value" and substitution with "an agreed price". Several provinces raised concerns that the revised section 23(2A) would not allow enough participation for communities in the mining sector, although MPs were assured that this was taken care of in other clauses of the Bill.

The Financial Management of Parliament Amendment Bill has been passed by the NCOP. It will allow for the executive authority, in appropriate cases, and where this will not cause conflict of interest, to participate on the oversight mechanism. Similar provisions exist in other countries. The proceedings must be held in open forum so that there are checks and balances. The oversight authority has to be established and do the necessary oversight before Parliament can pass its budget. The Accounting Officer (the Secretary of Parliament) must notify the Auditor-General and oversight body if contracts other than those recommended have been awarded, must report unauthorised, irregular or fruitless and wasteful expenditure immediately, and executive authorities must promptly investigate any allegations of financial misconduct. These particular clauses were welcomed as giving more transparency. Changes made to section 34 in the NCOP process, following the insistence of one province, reflect the new international accounting standards terminology.

The Local Government Municipal Property Rates Amendment Bill has now been passed by both the NA and NCOP committees. The NA had amended it quite substantially from the original wording, following public engagement. Game farming was separated out again from the definition of "agricultural property". Municipalities will be allowed to add further sub-categories of property to those in section 8 of the current Act, with 15 months notice. The Minister may be approached to limit property ratings for sectors, but this will not apply retrospectively. Places of public worship and one residence for the main religious officiator are already zero-rated, but this was clarified, although the MPs on the Select Committee for Security and Constitutional Development indicated very strongly that they want this to be reviewed in the next Parliament. The validity period for ratings remains at four years for areas in metropolitan municipalities, but five for areas outside metropoles. Valuation Appeal Boards may include professional Associate Valuers with up to ten years experience, under certain conditions. Phasing out of zero-ratings for public spaces such as roads, railways, airport areas, dams and breakwaters will be done in the next five years.

The National Credit Amendment Bill has been adopted by the NCOP.

The National Environmental Management Laws Third Amendment Bill was adopted in the NCOP.

The National Environmental Management: Integrated Coastal Management Amendment Bill has been sent for mediation, after the NCOP made substantial amendments on reclamation of land, which the NA Committee strongly opposed, having tried to tighten these provisions in its own deliberations.

The National Environmental Management: Protected Areas Amendment Bill was passed by the NCOP. It splits the fisheries and environmental functions of protected areas, with administration assigned to the relevant departments. Provisions around marine protected areas have been moved out of the Marine Living Resources Act and incorporated into this Bill, which provides for revised definitions, empowers the Minister to declare areas and conditions to regulate activities. Consultation must take place with interested parties.

The Property Valuation Bill was passed by the Portfolio Committee on 27 February, but during the debate in the National Assembly, the DA raised objections to the Committee Report. The House directed the Committee to redraft its report, specifying how concerns were dealt with, and a revised version was agreed to on 11 March.

The Public Administration Management Bill has been considered and passed by the NA. The Portfolio Committee held public hearings, during which substantial submissions were made by various organisations, who welcomed the clauses prohibiting public officials doing business with the state. However, the DA questioned whether the Committee had really considered the submissions in depth, because it would have liked to have seen more suggestions by the public incorporated into the Bill, and felt that the time allocated was too short to do justice to it. The Minister and the majority of the Committee considered that this had been done, and made the point that some of the points raised (such as whistle-blowing and codes of conduct) were either dealt with in other legislation, or would be captured in regulations. The Minister assured MPs that the new School of Government syllabus and reorientation would cover concerns expressed by Corruption Watch.

The Rental Housing Amendment Bill has been passed in the NCOP, but with changes that will need to be referred back to the NA. This Bill aims for better protection for lessees, requires lease agreements to be in plain language written format, provides particular clarity on pre-inspections and return of deposits, and sets up Rental Housing Tribunals in all provinces to provide for cheap and rapid dispute resolution.

The Restitution of Land Rights Amendment Bill was passed in the NCOP.

The Unemployment Insurance Amendment Bill B7-2014 was tabled on the last day of the NA sittings, but was not proceeded with, because the Portfolio Committee was unable to get a quorum.

The Water Research Commission Bill has not been able to be passed in this Parliament.

The Women Empowerment and Gender Equality Bill was adopted in the NCOP on 25 March by the majority of the provinces, but will need to be returned to the NA, because the Select Committee wanted clause 9 to be changed to read: "despite any other law, targets for women, black women in particular, in all laws and policy on empowerment shall be at least 50%". One of the provinces questioned why the Department's legal advisers were allowed to make suggestions without these being referred back to the provinces. One province expressed concerns, but did not propose specific amendments, that the Bill should address the treatment of rape victims, ensure better accountability of SAPS to victims, and also address problems around women and girls receiving their rightful inheritance when there was no will. The Department of Women, Children and People with Disabilities said that it would consider these issues.

The draft White Paper on Remand Detention Management in South Africa has been presented to Parliament by the Department of Correctional Services (DCS). It is intended to clearly outline the principles of remand detention to detainees and officials, takes changes in the legislation into account, and tries to set up better systems for management of remand detainees. Remand detainees awaiting finalisation of their trials, who either have not been awarded bail, or who cannot afford to pay it, have the right to be presumed innocent until found guilty, the right to be detained under conditions of human dignity, with separation of categories of detainees, and the right to medical treatment and legal information. One of the greatest challenges to date, cited in every report by this Department, and of constant concern to Parliament, has been the length of detention, which is linked to over-crowding. DCS says that there is a tendency for detainees to use multiple IDs or exchange documents, whilst security threats and detainees not attending court are also problematic. Recently, a computerised process has been created to give automatic notification, to DCS, Legal Aid, the National Prosecuting Authority and court managers, about long-standing cases that must be prioritised. In December 2013 there was still a backlog of 25 762 cases. If a remand detainee has been awaiting trial for more than two years, s/he must be referred to the Court for a decision whether detention should continue, or to consider if other options are available.

For Bills, go to: www.pmg.org.za/bill or email info@pmg.org.za

CONTACT PMG: Phone 021 465 8885, e-mail info@pmg.org.za No 29