

### PARLIAMENTARY MONITORING GROUP

## **MONITOR**

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

### **DID YOU KNOW?**

The National Youth
Development Agency launched
a new grant programme on 5
August 2013. The Industrial
Development Corporation will be
providing R2.7 billion for support
of youth. Parliament has asked
for speedy creation of youth
offices in all government
departments and municipalities

Interviews for the 12 new members of the SABC board commenced in Parliament on 22 August 2013.

A new Ad Hoc Committee to exercise co-ordinated oversight on the legacy of the Native Land Act of 1913 was established on 6 June 2013, by resolution of the National Assembly. This Committee will need to complete its work and report by 20 September 2013. It has been asked to undertake a study into and monitoring of the systems put in place for the re-opening of the lodgment of land claims. It must make recommendations on how best to respond to challenges in this process. It must assess the extent to which the current programmes of land reform and rural development have addressed the legacy of the Native Land Act of 1913, especially insofar as land divisions and agricultural development are concerned. The Committee will also assess the current systems for land restitution programmes, and make recommendations on how current blockages can be tackled.

### **OUR LEAD STORY**

The South African Police Service (SAPS), after explicit instructions from the Portfolio Committee on Police, reported on the audit done into criminal records of its SAPS members. The audit had looked at three categories of convictions. SAPS reported that 1 448 current members of SAPS had been convicted of a criminal offence. Amongst the serious offences were 54 convictions for murder; 116 for attempted murder, 37 for rape, 33 for attempted rape, and 917 for assault. Other offences listed included culpable homicide, aiding an escapee, breaking and entering, drug trafficking, kidnapping and robbery.

MPs were dismayed to hear that of those 1 448 officials, 306 already had criminal records before being hired, having apparently asked other people to impersonate them when the fingerprinting part of the hiring process was done. MPs also expressed shock at the statistics on ranks, noting that the criminal offenders included one Major General, 10 Brigadiers, 21 Colonels, 10 Majors, 43 Lieut-Colonels, 163 Captains, 84 Lieutenants, 716 Warrant Officers, 267 Sergeants, 129 Constables, and 8 personnel officers, many at management levels. They were very critical of the fact that SAPS had never done any prior audits, but allowed the situation to escalate to this level, and showed no sense of urgency in rectifying it.

All Members of this Committee across all political parties have been solidly united in trying to ensure improvements in the police service. They reiterated, as they have been doing for many months, that such incidents destroyed public confidence in the police service. Whilst they heard the explanation by SAPS that the system had been changed so that fingerprinting was now done in conjunction with checking of ID documents, they were very critical of the fact that the criminals, who not only had prior records, but had also used fraudulent means to be accepted into SAPS, were still working, with their salaries being funded by the taxpayers. The Committee emphasised that they would not accept any excuses from management for its lack of responsibility in taking action. They said it was "ridiculous" that SAPS had only concluded, after the audit, that its systems were weak and needed changing, and suggested that there may even have been deliberate attempts by SAPS to mask the problems.

SAPS said that a Board of Fitness was to be formed to deal with the cases under standardised guidelines. MPs were again not happy on this score, expressing the view that any conviction of guilty must immediately lead to dismissal. They were dissatisfied with the suggestion that the investigations may only be finalised in June 2014, and would demand a more definite date from the Minister. If SAPS management would not take decisive steps, then Parliament itself would use the legislation to take action. MPs were also not pleased to hear that SAPS had still not established its internal Anti-Corruption Unit, requested some time ago. SAPS only currently has working groups, that must still develop teams to work on an institutional framework for addressing corruption in SAPS.

### **Recent Work in Parliamentary Committees**

The Department of Agriculture, Forestry and Fisheries (DAFF) reported that there are four government-funded acquaculture farms, and it is planning to extend this support, through its Aquaculture Development and Enhancement Programme. DAFF published a revised general policy on fishing right applications, and on eight sector specific policies, during April 2013, for public comment, and later held consultations in several coastal venues. It has a specialised team working on a fishing harbours management model, since many harbours do not currently have qualified harbour masters, and suffer from skills shortages, inadequate maintenance and repair, outdated harbour structures, and insufficient safety compliance and security.

MPs criticised the fishing rights forms as being far too complex and printed only in English. They suggested that the running of harbours should be handed over to local government. They expressed a strong view that DAFF was currently failing the fishing communities.

Parliament again investigated the **high costs to communicate**. MPs were told that there is still growth in the sector, but the support tends to come from the higher income bands in society, which increases the digital divide, and masks the real problems. South Africa has dominant market players in fixed and mobile communications, and is one of the most expensive countries in Africa for prepaid mobile tariffs. Despite the growth, there have been widespread job losses in the sector, minimal new foreign direct investment, too little regulation to deal with the challenges, and consumers are not able to make informed decisions on pricing. The Independent Communications Authority (ICASA) claimed to be addressing industry costs, and the Department of Communications said that it was preparing directives on price, premium content, and analysis of the broadband value chain. MPs expressed frustration that ICASA was not playing its role of regulator properly, and criticised the lack of progress to regularise prepaid mobile costs.

The Department of Energy (DoE) reported on its biofuels strategy, which will contribute to renewable energy policy targets, create jobs, and stimulate agricultural production in under-utilised agricultural areas. Due to insufficient investment into the sector, it has promulgated regulations (not yet in effect) for mandatory blending of biofuels with fossil fuels. In other countries, it is mostly sugar cane and maize that are used for biofuels, but in South Africa, grain sorghum and sugar cane have been assessed as most appropriate. The biofuels industry, although slow to start, has great growth potential. MPs reminded the DoE that adequate water supply was important, and urged it to promote cooperatives and small enterprises and ensure that its work with other departments also maintains the focus on food security.

The Portfolio Committee on Energy recently held public hearings on energy co-generation. South Africa still has difficulty in maintaining existing electricity generation plants, and building new ones, and only 84% of its households have access to electricity. Co-generation, through combined heat and power, would promote more efficiency in power plants, and would also reduce South Africa's dependence on coal. Cogeneration can be sourced from biomass, solar, wind, natural gas, waste mine dumps, and sugar cane. To date, progress has been slow because there have been no incentives for industry or buyers for power, coupled with difficulties in accessing the grid, high charges by Eskom for using its networks, and licensing problems. Many ideas for making co-generation work were raised, including Power Purchase Agreements, tax incentives for co-generation projects, new legislation, and the development of a national plan and policy.

The Department of Social Development (DSD) reported that there are both successes and challenges in implementing the Children's Act. DSD still has insufficient staff, including social workers, child and youth care workers, social auxiliary workers and social work supervisors, to implement fully. Although new obligations were placed on DSD, it never had sufficient budget to carry them out. This affected the quality and prospects for services, especially for management and monitoring of the Child Protection Register (CPR), Early Childhood Development (ECD) services and adoption services. DSD-employed social workers are excluded from being registered as adoption social workers. A Children's Second Amendment Bill is now being prepared to focus on sections 120, 150, 151, 152, 159 and 171. Meantime, however, a Private Member's Bill to add "attempted rape" to the list of crimes that would prevent a person working with children was not approved by the Portfolio Committee, which suggested that piecemeal amendments were not desirable, but that this concept should be incorporated into the Department's amendments.

**South African Police Service (SAPS)** reported on the establishment of a "SAPS University", which would cater specifically to the training needs of SAPS members, lessen the dependence of SAPS on other academic institutions, and further the "professionalisation" of SAPS. Students at this SAPS University would continue to receive their salaries, but would be required to pay tuition fees. The University, situated in Paarl, is due to open in 2014. MPs were very critical that the project had reached such an advanced stage, without Parliament ever having been briefed on it – it had heard about it only through media reports. The MPs questioned why there was no proper breakdown provided of spending to date, suggested other more suitable and less costly venues, and demanded a full budget, research, curriculum and lecturer details.

### **Transport matters**

The Portfolio Committee on Transport expressed its approval of many of the proposals by the Department of Transport (DoT), such as better integrated planning, improving driver training and testing and introducing more safety measures. The change of the current system of subsidies to reach more modes of transport, rather than only some bus companies, has also found favour.

The Committee was not so happy to hear reports on huge challenges faced by emerging companies in the road freight industry. These include lack of finance, difficulty in obtaining longterm contracts, unscrupulous brokers and continuing lack of skills in the trucking industry. The Road Freight Association complained of huge discrepancies in loading between the provinces, few standardised policies properly backed by research, and cost drags caused by corruption and delay. Smaller truck services confirmed that their main challenge lies in getting access to contracts to grow their businesses. Failing these, they are forced to sub-contract to larger companies, at rates that barely allow them to pay off their vehicles, let alone maintain them. They are unable to amass any savings for emergencies, and if their vehicles are repossessed, they are deprived of their livelihood.

MPs were very critical of DOT's failure to redress the skewed situation with contracts, and felt that DoT should have reported unscrupulous brokers for criminal investigation. They asked why DoT had not actively assisted small entrepreneurs and offered training to support the known lack of skills, and suggested that this Department did not really understand the situation on the ground. They want DoT to consider the need for amending legislation, and have asked it to ensure more participation from the industry. Follow up meetings will be arranged.

### **Health issues**

The Department of Health has recently reported on statistics from the Western Cape, that indicate that 16.5% of adult South Africans, and 17% of children and adolescents, suffer from mental disorders. This prevalence is as high as 45% in those suffering from HIV and AIDS. The effects of orphaning on children, and effects of violence in those participating in military operations prior to 1994, should not be discounted. It is estimated that about 25% of all people will develop some form of mental disorder in their lives, with around 2% suffering from severe disorders such as schizophrenia or bipolar disorder.

About 75% of those suffering do not receive any treatment at the moment. Only 61% of hospitals are equipped to undertake 72-hour assessments on patients. South Africa only spends about R472 million on mental health care, far less than the loss of earnings from these problems. Until now, there has been more focus on treatment than prevention. However, a decision was taken last year to promote mental health.

New policies include the implementation of district-based mental health services, more research and innovation, more attention to infrastructure, provision and capacity of treatment facilities, and more advocacy and public awareness to assist in prevention. There is also a need for more emphasis on substance abuse. It is recognised that many prison inmates should not be incarcerated. but instead moved to mental healthcare institutions for proper care. The Department of Health says SAPS officers also need to be reminded of their responsibility to take any arrested person suspected of having a mental illness for immediate assessment. There is still unwarranted stigma attached to mental illness, and inadequate community care. Various entities have been urged to prioritise mental healthcare in their plans. A framework will be set up for cooperation between traditional healers and medical doctors.

### **Land and Housing matters**

The Commission on Restitution of Land Rights, finalised 376 claims, and settled 602 new claims in the 2012/13 year. It acquired 195 967 hectares of land at a cost of R1.57 billion, and R993 million compensation was awarded to successful claimants, 111 278 people had benefited from the restitution programme. The Commission had spent R2.865 billion. It is aware of the need to finalise the backlog. MPs have urged it to improve its communication and publicise its successes.

# The Department of Human Settlements (DHS) is

implementing the Presidential Directive to improve the living conditions of mine workers, and has a pilot project in Bojanala District, which covers Marikana. Increased mining activity has led to more demand than supply, with concomitant growth of informal settlements and shacks. A R1.1 billion budget is set for informal settlements upgrading, and R1.6 billion has been given by the provinces to each mining town. Several departments will cooperate in improving delivery, and DHS hopes that miners will be encouraged to become more actively involved in their local communities. Although the pilot project is running only in North West, the DHS has been urged also to give attention to Northern Cape and other mining provinces.

### The North West Housing

Corporation is being wound down, and properties under its control that now fall into other provinces, after re-demarcation, are being transferred formally to beneficiaries, with Deeds of Grant being changed to full title. Some of the properties still require rectification before they can be handed over. MPs have urged that all rectification work be given to experienced contractors, to avoid the problems of the past.

### **Economic and labour issues**

National Treasury reported that the Employment Creation Facilitation Fund (commonly known as the Jobs Fund) aims to use funding from the private sector as a catalyst for job creation. The Jobs Fund will match whatever funding is put up by private sector entities, with five times that value offered for NPOs. NGOs or government bodies. Private and public sector projects that can show potential, in the upcoming three years, to contribute to sustainable job creation, may be supported. An independent investment committee will make decisions on funding, after a transparent process. There is no limit on funding, other than the requirement for matching by the business seeking funds. This will not affect any other public funding already being given. The support is offered mainly for enterprise development, infrastructure development, building institutional capacity and training work seekers. The Jobs Fund does not provide jobs directly, but supports enterprise development.

66 projects have been approved so far, in two rounds, with a value of R3.5 billion. 61 projects have started, and have generated 92 717 new jobs and placed 45 891 people, with another 100 877 being trained. The Fund is working with agencies, such as Awethu, to provide support.

MPs felt that this Fund differed substantially from what was originally envisaged, and seemed too similar to other support programmes such as retrenchment and training packages. They were not in support of state institutions (Sanparks being one beneficiary) being allowed to apply for funding and thus compete with the private sector. The requirement for matching of funding could prevent many small businesses from accessing anything, and they felt that the focus was incorrect, as small businesses had more potential to create jobs. Further reports have been requested.

#### **Economic interventions**

Some time ago, the Department of Trade and Industry (dti) was asked to look into problems around credit impairment. Credit can be an enabling mechanism for investment and development, and insufficient access to credit affects the economy and entrepreneurs. However, about 47% of the 20 million credit consumers in South Africa have accounts in arrears, or iudgments and adverse listings against them. A previous credit amnesty was not entirely effective. because it had removed adverse listings only. The new proposal hopes to address the underlying causes of credit impairments and consumer over-indebtedness, which may be affected by external factors such as economic recession, reckless lending by credit providers, and effects of inflation on discretionary income. Under this new proposal, some adverse information listings will be removed immediately, whilst there will be ongoing removal of information on further judgments and listings as they are paid up.

This may result in a small increase in risk to credit-providers and the possible closure of smaller creditprovider businesses. However, there are requirements for more detailed affordability assessments before credit is given, for debt counseling by registered counsellors, and more emphasis on compliance. All this hopefully will build a culture where credit boosts economic activity and investment, and focus more on preventing debt. The proposals will address challenges in the current counselling system, such as lengthy court processes and inconsistent rulings, high costs and lack of cooperation between credit providers and debt counsellors. The Act will need to be amended. so that formal application for rescission of judgments is no longer necessary. This proposal may be ready by October. The dti will do much public awareness, especially in rural areas. It is already taking action against illegal credit-providers operating at paypoints, mines and farms.

#### **Environmental matters**

Public hearings have recently been held on South Africa's **Environmental Impact** Assessment (EIA) regime. Many submissions noted that whilst there was good legislation, there was a need for faster, more reliable and efficient implementation. One view was expressed that EIAs were an impediment to investment and that other frameworks should be used. whilst others suggested the need for more personalised assessments, with specific considerations for agricultural, wind and solar farm needs. There was general support for more formal monitoring of environmental assessment practitioners. Cost constraints, proposals to delegate authority to provincial and local level, and the desirability of allowing community participation were also raised for discussion.

The National Environmental Management Laws [First] Amendment Bill was tabled in August. It aims to promote sustainable and equitable development of mineral and petroleum resources, and provide for the State's active participation in exploiting petroleum resources. The Department of Mineral Resources will implement mine environmental management, Department of Environmental Affairs will act as the appeal authority, and Department of Water Affairs will regulate water use. It will provide for better compliance and enforcement. It aims to achieve more positive impacts from mining on socioeconomic development. Beneficiation, regulation and implementation of social and labour plans are also covered. Some minerals essential for energy supply may be declared strategic. [A Second Amendment Bill tabled in June dealt with more urgent amendments on biodiversity].

### **NEW LEGISLATION AND PUBLIC HEARINGS**

The Criminal Law (Forensic Procedures) Amendment Bill, "the DNA Bill", has been approved by the NA Portfolio Committee. It is expected to cost R1.2 billion over three years, and the rollout is expected to take under four years. The systems being set up are compatible with those of the Department of Home Affairs and Justice and Constitutional Development. The cost of developing the forensic laboratory has not yet been factored in. MPs were still not satisfied at the costing analysis, which they had requested for some time. They also pointed out, and requested rectification of various irregularities, including the fact that one of the sub-contracting companies mentioned was under investigation by the Special Investigating Unit, that there had been allegations of illegal add-ons to original contracts, and that SAPS was still considering a software option that the State Information Technology Agency had specifically not recommended.

The Employment Equity Amendment Bill aims to update the current Employment Equity Act and its enforcement mechanisms, and ensure South Africa's compliance with international standards and Conventions. The "designated groups" definition now aligns with the definitions in the Broad Based Black Economic Empowerment Amendment Act. Section 6, relating to prohibition of unfair discrimination, has been amplified by a reference to "any arbitrary ground", consistent with the Labour Relations Act (LRA). Temporary employment services (TES) clauses will align with the Labour Relations Amendment Bill. References to "occupational categories" have been removed from several sections. In future, all businesses will need to submit annual employment equity reports.

The Employment Services Bill results from the transfer of functions between the Departments of Labour and Higher Education and Training. The new Bill repeals some provisions relating to employment services and Productivity SA from the Skills Development Act, and provides a legal basis for Productivity SA and Protected Employment Enterprises. It promotes employment of youth and other vulnerable work seekers. The principles were largely agreed upon at Nedlac, but there is still contention as to whether Nedlac or the new Employment Services Board should take policy decisions.

Public hearings were held on these bills over two days, and several points will require a response by the Department of Labour. The South African Disability Alliance is concerned that the present "Sheltered Employment Factories" do not comply with the international conventions, which call for integration of and support for people with disabilities into the general workplace. The Alliance advocated a move to the open labour market and commercialisation of facilities for supported employment. Other comments suggested that more clarity was needed, particularly around the terms "unfair" and "discrimination".

The Electronic Communications Amendment Bill has been introduced, to update definitions, align the legislation with the broad-based economic empowerment legislation, refine licensing provisions, ensure effective competition between licensees and remove regulatory bottlenecks. The Minister of Communications must establish a Council to give advice on broadband policy and implementation. There are provisions around the discounted rate at which internet services must be provided to educational institutions, and new requirements relating to use of money in the Universal Service and Access Fund. The Department of Communications pointed out that some aspects, such as the Spectrum Management Agency, had been deferred for further research and policy review, and were not incorporated into this current Bill, which dealt with more urgent matters.

The Independent Communications Authority Amendment Bill has been introduced, to amend definitions, give further clarity on the powers and duties of ICASA, and ensure better accountability of committees, ICASA and councillors, all of whom will in future have to serve full time, in terms of a code of conduct, as well as ensure their strict compliance with requirements for disclosure of private interests. The Bill also provides for the establishment, mandate, term of office and functions of a Compliants and Compliance Committee. There might be a hybrid of part-state and part-revenue funding, but this will be considered during the ICT policy review.

The Lotteries Amendment Bill has been tabled and discussed during public hearings. Most submissions recognised the need to amend the current processes, but several questioned the clause that would allow for distribution of funds without a formal application being made. There was a suggestion that "worthy good cause" must be defined. Several submissions noted the value of the knowledge and research by civil society organisations and suggested that they could be asked to share their research and assist with assessing community needs, to avoid duplication. Several submissions questioned the provision that an organ of state could be designated to run the lottery, cautioned against a repeat of past experiences where the Lottery ceased to function for several months, and emphasised that other alternatives should be considered, to cater for the specific expertise that was required and to avoid risks of corruption.

### **MORE LEGISLATION ....**

A Private Member's Bill, the <u>Defence Amendment Draft Bill</u>, will be introduced soon aiming to ensure that the procurement of armaments is subject to parliamentary oversight. You are invited to email comments on the Bill to <u>mbalie@parliament.gov.za</u> by 22 September 2013.

**The Legal Practice Bill** is also still under discussion, with several proposals and options having been tabled, but no final decisions having yet been taken.

The Merchant Shipping: International Oil Pollution Compensation Fund Bill [B19-2013] and the Civil Liability Convention Bill [B20-2013] have been opened for public comment. Both of these Bills aim to give effect to South Africa's obligations under international conventions.

Amendments to the National Road Transport Act Regulations have been considered by Parliament's Portfolio Committee on Transport. These mainly deal with prohibition of using second-hand car parts for repair of vehicles. The Department and Committee clarified the wording to ensure that the regulations reflected the desired intention, and to ensure that second hand genuine parts could be used. Other regulations related to the proposed regulation of the driving schools industry, and the dates for the regulations to come into effect were also specified.

The Postbank Limited Amendment Bill aims to align Postbank with the Banks Act. Postbank will be set up as an entity separate from the Post Office. The Minister of Communications will no longer have power to make policy for Postbank. It was hoped that, with these changes, Postbank will become the bank of choice for those in lower income groups, and encourage greater savings. Postbank will in future report to the Registrar of Banks, which creates more transparency and good governance.

The South African Post Office Soc Limited Amendment Bill has been introduced, and provides for a number of amendments and alignment with other sector legislation. However, the main reason for its introduction has been to comply with a Constitutional Court decision around pension rulings. The Post Office Pension Fund will in future comply with the accepted principle that former spouses, on divorce, should immediately be able to transfer to their own names their share of pension funds that is due under the division of the marital estate. Other provisions will align the Postbank and Post Office boards, and deal with transfer of staff and pension issues.

The South African Human Rights Commission Bill aims to address challenges identified by the Commission in implementation of its mandate, and enhance its functioning by replacing the current Act. The Commission attended a fruitful meeting with the Justice Portfolio Committee to give its views on the Bill. The Commission is not calling for an increase in its current composition of Commissioners. Whilst it certainly would have enough work for more Commissioners, it has accepted that it faces budgetary constraints already and has therefore taken a conscious decision to focus on some issues only.

The South African Language Practitioners Council Bill was the subject of public hearings in the Portfolio Committee on Arts and Culture. The commentators were largely in support of the Bill, welcoming formal recognition being given to the status of language practitioners as this would help to professionalise the sector. This would also enhance the South African Languages Act that was passed in the previous year. It was suggested that provision must be made for recognition of prior expertise and learning, but it has not been decided whether separate categories should be specified in the Bill, or whether this will left to regulation by the new Council. Some apparent drafting anomalies and consultation processes need to be clarified. There has been an extension of time given for two further entities to submit their comments.

**The Special Economic Zones Bill** has been approved by the National Assembly Committee, after some changes were made to clarify the difference between a "Special Economic Zone" (SEZ) and an "SEZ entity". In addition, the word "trans-shipment" was deleted from clause 24(5)(a) and (b).

A Private Member's Bill on Protection of Traditional Knowledge has been tabled. As its content is similar to the Intellectual Property Laws Amendment Bill which is still being considered by the National Council of Provinces, the Parliamentary Legal Advisors have been asked to investigate the correct process.

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