

THE BOTTOM LINE

Newsletter

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Jobs Summit & Beyond



The Jobs Summit took place on Thursday and Friday 4 and 5 October 2018, following three months of intense work among the social partners at the National Economic Development and Labour Council (Nedlac). The exercise yielded a successful event which culminated in the Nedlac constituency leaders signing a Framework Agreement, whose thrust is the creation of 275,000 a year should an enabling operating and policy environment prevail.

Business Unity South Africa (BUSA) President Sipho M Pityana led the business delegation to the Summit, which included, among others, Vice-President Martin Kingston, CEO Tanya Cohen, Nedlac convener Kaizer Moyane, Board Members Maria Ramos, Cas Coovadia, Gwarega Mangozhe, Vusi Khumalo and Deidre Penfold. Pityana delivered business' inputs at the opening of the Summit and signed the Framework Agreement on behalf of the business constituency. Pityana's Jobs Summit speech has been circulated to Members and is also available on the Member section of the BUSA site.

Thank you to Members who worked tirelessly to ensure that business made constructive inputs to the Nedlac process leading up to the Summit, as well as for seeing to it that an enabling Framework Agreement was arrived at.

We are now heading towards a Health Summit (19 & 20 October), the Medium-Term Budget Policy Statement (MTBPS, 24 October) and an Investment Conference (25 to 27 October). In between, there are various workshops on key policy developments, including one on the Quality Council for Trades & Occupations scheduled for Friday 19 October 2018 at the BUSA offices.



THE BUSA TEAM

Preliminary Comment on Draft IRP 2018

The long-awaited draft Integrated Resource Plan (IRP) 2018, released by Minister of Energy, Jeff Radebe for public comment at the end of August 2018 is here. The Department of Energy (DoE) and the portfolio committee on energy are running concurrent processes on the document. The DoE is accepting public comments on the draft document, while the energy committee is running a public consultation process on the same policy document.

The deadline to submit BUSA's final written comment to the DoE is Friday 26 October 2018. In the interim, BUSA has prepared a five-page preliminary written submission document for the energy committee in which it has also identified the importance of making an oral submission, should the opportunity arise. The document was submitted on Friday 5 October.

Key points in BUSA's preliminary written comment on IRP 2018 to the energy committee:

- The latest incarnation on the IRP, unlike the 2016 version, has a greater degree of flexibility in terms of proposed review periods. BUSA supports the proposal to review the document biennially to keep pace with the latest technological developments and to ensure that the document remains relevant to the operating environment;
- BUSA has called for greater allocation - 500MW a year, from 200MW a year - to embedded generation and for the expedition of applications made under IRP 2016; and
- BUSA supports that least-cost scenario energy mix comprising Wind, Solar PV and Gas. BUSA is encouraged that the least-cost scenario is in line with that forecast in independent research undertaken in 2017 by the Council for Scientific and Industrial Research and Energy Research Centre at the University of Cape Town.

Concern(s) raised by BUSA in the preliminary submission:

- BUSA wants a socio-economic impact analysis, looking at the effect of decommissioning some of Eskom's existing coal fleet on surrounding communities, to be brought forward and conducted sooner, rather than wait for 2030. BUSA is concerned that this is not factored or catered for in IRP 2018.
- BUSA has, again, noted the misalignment of mitigation instruments and advocated for synergy.

“BUSA supports that least-cost scenario energy mix comprising Wind, Solar PV and Gas”

■ KEY: STRATEGIC DRIVERS

-  Transformation
-  Enabling laws and regulations
-  International positioning
-  Social security
-  SME development
-  Energy
-  Labour market development
-  Progressive pro-growth taxation
-  Enabling trade regime
-  Education and skills



BUSA Private Sector Roundtables

BUSA hosted five sector roundtable discussions on 10 and 17 September 2018. The first three roundtables - manufacturing, agri-business and energy - took place on Monday 10 September. The Monday 17 September's roundtable discussions were focused on water and sanitation, and health.

The Monday 10 September deliberations were attended by President Cyril Ramaphosa's economic adviser, Trudi Makhaya, and investment envoy Phumzile Langeni. Investment envoy Jacko Maree attended the 17 September meetings. All five roundtables were well-attended and yielded fruitful discussions with industry and business leaders about sector-specific blockages to investment.

The discussions were frank, robust and constructive, and will feed into the Investment Conference, scheduled to take place from Thursday 25 to Saturday 27 October 2018. The roundtables were intended to be a safe space for business and the President's Investment Team to engage about impediments to investments, as well as to identify factors that would enable business to investment into the economy.

The aim of the Investment Conference, as articulated by Makhaya, is to showcase why SA remains an attractive investment destination, to gauge why domestic and international investments remain loyal to the country, to make key policy announcements and to unveil an investment pipeline for the next five years.

World Bank Group subsidiary, the International Finance Corporation, the Department of Trade & Industry (Dti), the Presidency, the Industrial Development Corporation and Invest SA are among the institutions involved in the Investment Conference, which will take place at the Sandton Convention Centre.

BUSA extends thanks to Members who availed themselves to participate in the process, which will influence the Investment Conference.



IN CASE YOU MISSED IT: BUSA President Siphoswe M Pityana led the business delegation to FOCAC (Forum for Chinese African Cooperation in Beijing).



BUSA hosted a media roundtable on the eve of the Jobs Summit. President Siphoswe M Pityana, Vice-President Martin Kingston, CEO Tanya Cohen and Nedlac Convener Kaizer Moyane gave an overview of business' inputs to the process.



BUSA President Siphoswe M Pityana signs the Jobs Summit Framework Agreement on behalf of business.

EXTERNAL ENGAGEMENTS



SUBMISSIONS TO GOVERNMENT

Mini-Budget

BUSA has circulated a draft presentation on its views about public finances ahead of an engagement on the upcoming MTBPS with National Treasury officials at Nedlac's Public Finance & Monetary Finance Chamber. Members had until Wednesday 10 October 2018 to make inputs on the document.

In the draft, BUSA has raised a number of issues, including runaway public debt, the record financial losses that continue to be a common occurrence in state-owned entities (SoEs), the rising public sector wage bill and the prospect of the government issuing more guarantees to SoEs. BUSA also highlighted how deteriorating public finances have a negative implication for social spending.

Added to those factors are the reality that SA is currently in a technical recession and that its economic growth tracks behind the global average of 3%. On Tuesday 9 October 2018, the International Monetary Fund slashed its growth forecast for SA from 1.5% to 0.8% for the year.

The Nedlac Exco post MTBPS engagement is likely to be scheduled for 29 October 2018.

Employment Equity Act Amendment Bill & Draft Employment Equity Regulations

BUSA has issued a call for inputs on the Amendment Bill and the Draft Regulations. Members have until 1 November 2018 to make their submissions to BUSA.

Department of Labour Roadshows on Employment Equity Act Amendment Bill

The Department of Labour Employment Equity Directorate is conducting nationwide roadshows focusing on amendments to Section 53 of the Amendment Bill. The dates, times and provinces where these roadshows will be done have been circulated to Members.

BUSA is hosting a workshop on the Amendment Bill and Draft Regulations on 5 November 2018, an invitation note has been sent to Members.



SUBMISSIONS TO GOVERNMENT

Draft Picketing Regulations in terms of Section 208 of the Labour Relations Act 1995

BUSA has submitted a written comment on the Draft Regulations. The organisation is concerned that the wording of the Draft Regulations is at variance with what was agreed to at Nedlac in terms of the agreements reached under the Labour Stability Accord. BUSA has thus proposed that a Nedlac task team urgently consider the Draft Regulations.

BUSA's 11-page written submission has been circulated to Members. Therein, the full ambit and substance of BUSA's contribution and posture are captured.

National Skills Development Plan & SETA

The Gauteng Provincial Government held public hearings on the NSDP and the proposed new SETA Landscape in late September 2018. BUSA also hosted an in-house workshop on the proposed new skills status quo, as well as circulated the Draft NSDP 2030 document to Members. The NSDP 2030 and new SETA Landscape will come into effect from 1 April 2020.

Draft Youth Work Professions Bill

BUSA has circulated to the Draft Bill to Members to obtain their inputs. BUSA has also sent the Artisan Tracer Study to Members.

Youth Employment Service (YES)

The Dti has published the gazette on YES, which gives effect to the initiative. BUSA will send out the Practice Note once the organisation receives it from the department. BUSA has sent a copy of the 16-page gazette to Members.

Article 22 Report

BUSA has circulated an International Labour Organisation Report Form for Members' inputs. Nedlac's Labour Market Chamber is conducting the process.



SUBMISSIONS TO GOVERNMENT

Eskom Financial Stability, Paper 2

BUSA has issued a call for Member inputs on Paper 2 of Eskom's financial stability. Comments from Members will inform the Nedlac process reviewing Eskom's financial model looking into, among others, subsidies and tariff setting.

Request for funding: Greenhouse Gas Regulations Review

BUSA has issued an appeal for funding, which will assist with a review of the Greenhouse Gas Regulations and Technical Guidelines. A number of pitfalls have been identified and conducting a review will help rectify some of the problem areas.

Draft Regulations Mandatory Display of Energy

Performance Certificates for Buildings

The Regulations are riddled with challenges, and BUSA has raised these in its written submission - which has been sent to Members.

Draft Climate Change Bill

BUSA has submitted a detailed written comment on the Bill, raising a number of challenges with the policy instrument, including its wording - which BUSA has found vague and unclear.

Review of Approved Notified Maximum Demand & Incorporated Maximum Export Capacity Rules

BUSA has made a five-page written submission highlighting the fact that the rules are written to favour Eskom and do not consider other players in the market, particularly those in the renewable energy space. In addition, BUSA has highlighted punitive aspects of the Rules.



SUBMISSIONS TO GOVERNMENT

African Continental Free Trade Agreement (AfCFTA) Rules of Origin Matrix

BUSA asked for Member input on the AfCFTA Rules of Origin Matrix.

Customs & Excise Act: Amendment of Rules

under Section 77 H & 120

BUSA has made a written submission in which it notes a number of positive changes that will materialise once the Amendment comes into effect. One of these is the introduction of electronic means to file submissions.

Nominations to Nedlac Technical Sectoral Liaison Committee (Teselico)

BUSA has issued a call to nominate a business convener for Nedlac's Teselico. Nominations are open until the end of October 2018. BUSA will conclude the process on 20 November 2018.

■ THE MONTH AHEAD

- 12 October Deadline to RSVP for stakeholder consultation on Greenhouse Gas Guidelines
- 14 October Deadline to submit comment on Greenhouse Gas Inventory & Biennial Report
- 16 to 19 October Introduction to Export Training
- 17 October Environment subcommittee meeting
- 18 October Stakeholder consultation on Greenhouse Gas Guidelines
- 18 & 19 October Sponsored participation in AfCFTA stakeholder workshop
- 19 & 20 October Health Summit
- 19 October Workshop on Quality Council for Trades and Occupations (QCTO)
- 23 & 24 October SA-Italy Summit 2018
- 24 October Medium-Term Budget Policy Statement
- 24 to 28 October Trade Expo Indonesia
- 25 to 27 October Investment Conference
- 26 October Invest Zambia Forum
- 29 October Workshop on National Climate Change Monitoring & Evaluation System Portal
- 1 November Subcommittee on Education & Skills meeting
- 1 November Standing Committee on Social Policy meeting
- 1 November Deadline to submit inputs on Employment Equity Amendment Bill & Regulations
- 5 November Workshop on Employment Equity Amendment Bill & Regulations
- 6 November Workshop on Draft Regulations on Hazardous Chemical Agents
- 8 November BUSA Board meeting
- 14 November Deadline for inputs on Draft Regulations on Hazardous Chemical Agents
- 4 December Econpol meeting

■ The End!

■ CONTACTS

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