

Nedlac Annual Report 2004/2005



**PRESENTATION TO PARLIAMENTARY
PORTFOLIO COMMITTEE – LABOUR
28 OCTOBER 2005**

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Introduction

- The formation of Nedlac ten years ago was not easy and true to form it has remained a highly contested site of ideas.
- While there is still some way to go, Nedlac has made excellent progress since its inception.
- The signing of the Growth and Development Summit (GDS) in June 2003 is one of the major highlights in the history of the Institution.
- While South Africa's economy continues to improve there is no doubt that it is in some way helped along by decisions made at the GDS.
- Although the chambers and other key work areas have registered significant progress compared to the previous reporting period, new challenges are emerging as issues become more complex and technical



- Nedlac's origins lie in the struggles against apartheid, unilateral government decision-making and calls from all sectors of society for decisions to be made in a more inclusive and transparent manner.
- It draws on international experience of social dialogue as well as the experience of its predecessors when dealing with government, business and labour including organisations which represent community interests in our country.
- It flows directly from the desire to give meaning and actualise – “The people shall govern”

PURPOSE – KEY OBJECTIVES

- Sustainable economic growth - to facilitate wealth creation: as a means of financing social programmes; as a spur to attracting investment; and as the key way of absorbing many more people into well-paying jobs.
- Greater social equity - both at the workplace and in the communities: to ensure that the large-scale inequalities are adequately addressed, and that society provides, at least, for all the basic needs of its people.
- Increased participation - by all major stakeholders, in economic decision-making, at national - company and shopfloor level - to foster cooperation in the production of wealth and its equitable distribution.



SCOPE

Key Performance Areas;

- **Strive to promote** the goals of economic growth, participation in economic decision-making and social equity
- **Seek to reach consensus** and conclude agreements pertaining to social and economic policy
- **Consider all proposed labour legislation** relating to labour market policy before it is introduced in parliament
- **Consider all significant changes to social and economic policy** before it is implemented or introduced in parliament
- **Encourage and promote the formulation of coordinated policy** on social and economic matters



STRUCTURE

The Nedlac Act defines Nedlac as consisting of members who represent:

- organised business;
- organised labour;
- organised community and development interests; and
- the State.



CONSTITUENCIES

BUSINESS

- Business Unity South Africa

LABOUR

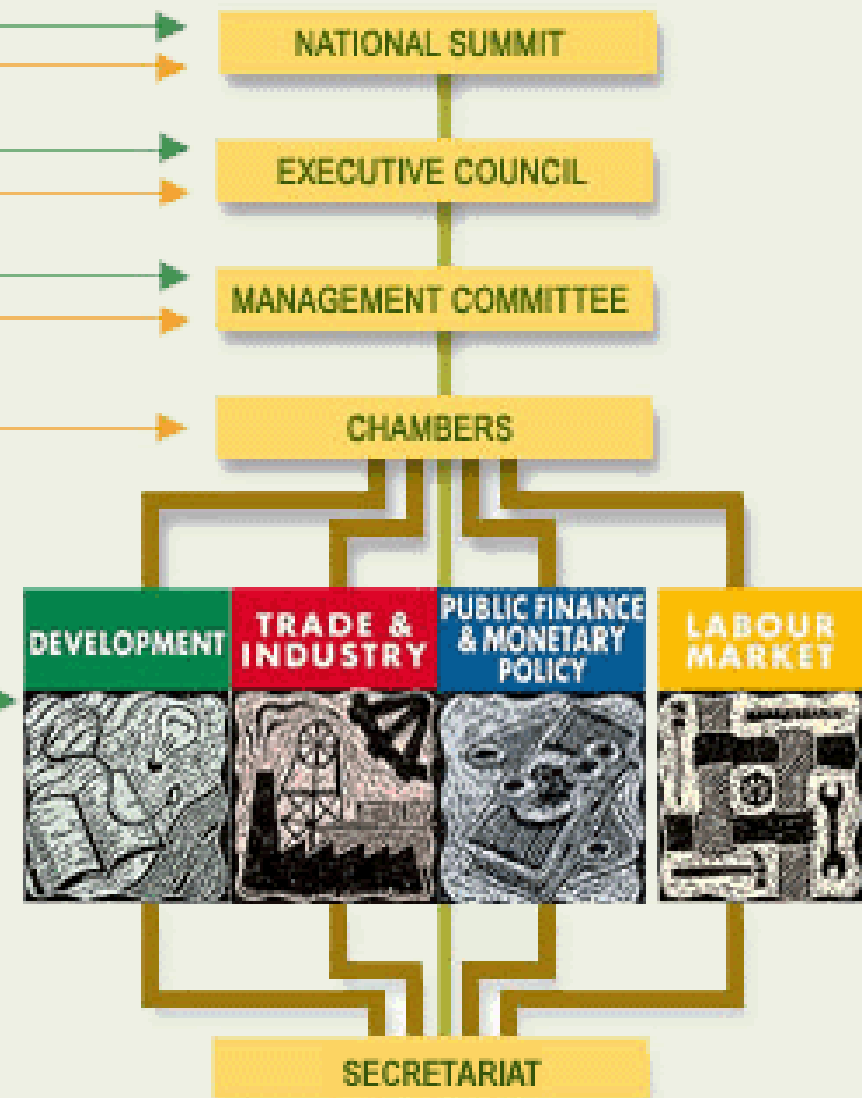
- Congress of South African Trade Unions
- National Council of Trade Unions
- Federated Unions of South Africa

GOVERNMENT

- Department of Labour
- Department of Trade and Industry
- Department of Public Works
- Department of Finance
- Other Departments

COMMUNITY

- Women's National Coalition
- South African National Civics Organisation
- South African Youth Council
- Disabled People South Africa
- The National Association of Co-operatives of South Africa
- Financial Sector Coalition



Executive council

Target

To hold four meetings in the year under review. The Executive Council discussions are issue based and focus on strategic policy issues:

Date	Focus session	Address	Chair
29/6/2004	Implementation of Growth & Dev. Agreements	EXCO Plenary	Tony Ehrenreich
20/8/2004	National Health Policy	Ray Mabope & Dr Chetty (Dept of Health)	Minister Of Labour, Dept. of Labour
3/12/2004	Proudly SA campaign	PSA Chairperson, Tim Modise	Patrice Motsepe President of BUSA
25/2/2005	National Budget	Minister of Finance, Trevor Manual & Kuben Naidoo,	Sizwe Shezi Overall Convenor



Management Committee (MANCO)

Target

To meet seven times a year, in the months when the Executive Council is not meeting.. Manco oversees the institution and sign-off on policy issues for referral to the Executive Council. It is also responsible for human resource issues and financial matters.

Date	Items signed off	Chair
7/5/2004	Work programme	Raymond Parsons for Business
16/7/2004	SACU Annexure Co-operatives Bill/ GDS Report	Raymond Parsons for Business
30/9/2004	Trade Policy Framework/ Audited statement	Vanguard Mkosana for Government
27/10/2004	Collecting societies	Mtutuzeli Tom for Labour
1/2/2005	Work programme/ GDS Report	Raymond Parsons for Business
31/3/2005	Section 77 matters/schedule of Nedlac meetings	Sizwe Shezi for Community



Development Chamber Report

Terms of Reference

The Development Chamber seeks to reach consensus and conclude agreements on all matters pertaining to development, both urban and rural; implementation strategies; financing of development programmes; campaigns to mobilise the nation behind development; as well as the associated institutions of delivery.



Development Chamber work programme

Organised labour, business, community and Government identified the following as the key priority areas on the 2004/2005 Work programme were;

- Social security
- Transport
- Co-operatives Bill and Strategy
- Energy Policy
- Local Government



Outputs (Development Chamber)

In seeking to meet these objectives, the chamber held 22 meetings in total, a slight improvement compared to the previous reporting period.

- 8 chamber meetings
- 2 GDS task team meetings
- 11 Co-operatives task team meetings
- 1 Social Security task team



Summary of programme performance (Development Chamber)

Item	Our goals 2004	2004 performance	2005 & future targets
Education - mergers & incorporations	Ensure that policy framework for higher education takes all concerns into account.	Nedlac & constituencies were able to meet and discuss outstanding issues.	Deliberations on advice to attain quality public education.
Social Security - protection plan	Ensure that final policy framework takes into account concerns of all social partners.	Plan was presented to the chamber and social partners and will be tabled before Cabinet during 2005.	Deliberations on the plan.
Transport - rail merger & public transport review	Ensure that Government addresses commuter concerns.	Process is ongoing.	Deliberate and ensure that Government listens To commuter concerns.



Summary of programme performance (Development Chamber)

Our goals 2004

2004 performance

2005 & future targets

Energy -
Electricity
Regulation
Bill

Ensure that the social partners views are united on what the Bill seeks to achieve.

Parties engaged extensively on the Bill and there are more agreements than disagreements.

Ensure that the views of social partners are incorporated in the Act by constant monitoring of the implementation.

Co-oper-
Atives -
Bill & policy

Ensure that final product is not out of sync with key objectives of the GDR.

Process was finalised with most of the constituency inputs being incorporated into the Bill.

Monitoring the passage of the Bill in Parliament and finalisation of other policy instruments.

Local
Government

Give effect to the GDR agreements.

The GDS task team continues to negotiate its commitments but progress is slow.

Implementing GDS agreements remains the key priority.



Summary of programme performance ((Development Chamber))

Our goals 2004

Co-operatives Strategy

Consider the strategy in line with the GDS agreements.

Ensure that the strategy creates an environment where co-operatives are able to function.

2004 performance

A study tour visited four countries in September & October 2004. The report has not yet been finalised.

The BEE unit from the dti presented the Codes of Good Practice on BEE.

The National Aids Consortium gave a presentation which focused on creating and strengthening co-operatives.

The task team has to develop a report on work done so far.

2005 & future targets

Government to table the strategy to the Nedlac constituencies as an implementation Document and its linkages with ILO recommendations, tax impediments and capitalisation of co-operatives.



Labour Market chamber report

Terms of reference /Work programme

Considers all proposed labour legislation relating to labour market policy before introduced to Parliament

- Demarcations
- Employment equity
- Business rescue model
- Changing nature of work and atypical forms of employment in South Africa
- Maternity convention protection
- Jobs impact
- Superior Courts Bill
- Code of Good Practice on employment of children in the performance of advertising, sport, artistic or cultural activities
- Nominations to various committees and statutory bodies
- Protected Disclosures Act
- Immigration Act and regulations
- Review of the Social Plan



Summary of programme performance (Labour Market Chamber)

Key focus Areas

Our goals 2004

2004 performance

2005 and future targets

Demarcation

Applications for the establishment of Bargaining Councils are considered.

The applications for the establishment of the Bargaining Councils are considered.

Consider applications as soon as they are received by the secretariat.

Employment Equity

While it was agreed at the GDS that creating awareness on employment equity was vital, it was decided that the principal focus should be on disability in the workplace. Roadshows were planned to achieve this objective.

The roadshows were successful.

Giving attention to longer-term initiatives in the employment equity was area.



Summary of programme performance (Labour Market Chamber)

Key focus Areas

Business Rescue Model

Our goals 2004

An Insolvency Task Team investigated the possible incorporation of a rescue model into the Corporate Law Reform.

2004 performance

It soon became clear that there are a number of these initiatives on this issue being carried out by Government.

2005 and future targets

Identifying the lead Government department between justice, trade & industry to finalise the Incorporation of the rescue model into the law reform.

Maternity Convention Protection

A task team to consider the Government ratifying ILO Convention 183 on maternity protection.

Social partners weren't in agreement on this issue.

The Department of Labour would conduct research and refer its findings to the task team for consideration.



Summary of programme performance (Labour Market Chamber)

Key focus Areas

Jobs impact

Our goals 2004

At the GDS it was agreed that both public and private sectors had a role to play in reporting on total employment.

Superior Courts Bill

Aligning the Nedlac agreement with the Draft Bill before it is presented before Cabinet.

2004 performance

A task team has written to the JSE Securities Exchange, the Minister of Public Enterprises & the Minister of Public Service and Admin. regarding practical measures to facilitate reporting on total employment.

The constituencies of Nedlac are waiting for the draft bill for discussion and comment.

2005 and future targets

Develop measures outside section 21 of the Employment Equity Act with the National Productivity Institute.

The committee has requested that the department's of Labour and Justice look into how the Nedlac agreement Has been unravelled with the current Draft Bill that was placed before this committee.



Summary of programme performance (Labour Market Chamber)

Key focus Areas

Changing
Nature of
Work and
Atypical forms
of employ-
ment in SA

Code of Good
Practice on
Employment
of children
in the
Performance
of advertising,
sport, artistic
or Cultural
activities

Our goals 2004

Research was
undertaken by the
Department of Labour
on atypical forms of
employment.

The code is to set
guidelines for the
employment of
children.

2004 performance

A task team was
established to facilitate
this process.

The code is aimed at
protecting and ensuring
that the children's
activities do not detract
from their development
or enjoyment of childhood.

2005 and future targets

The task team will provide
reports to meet the required
performance.

The task team has met the
primary goal of attaining
this code.



Summary of programme performance (Labour Market Chamber)

Key focus Areas

Nominations
to various
committees
& statutory
bodies

Our goals 2004

The Labour Market Chamber co-ordinates a process to nominate representatives of the constituencies to serve on committees or statutory bodies.

2004 performance

Nominees are in the following bodies:
National Skills Authority
Unemployment;
Insurance Board;
Employment Conditions
Commission;
CCMA Governing Body;
Essential Services
Committee;
Compensation Board;
Commission for Employ-
ment Equity.

2005 and future targets

Finalised



Summary of programme performance (Labour Market Chamber)

Key focus Areas

Protected
Disclosures
Act

Our goals 2004

The task team investigated the possibility of extending the ambit of statute beyond the purview of employee/employer relationship in the process of whistleblowing that should take place in the workplace.

2004 performance

The task team gave inputs to the discussion paper forwarded by the SALRC.

2005 and future targets

The task team drafted a report for the attention of the Management Committee of Nedlac.



Summary of programme performance (Labour Market Chamber)

Key focus Areas

Immigration
Act and
Regulations

Code of Good
Practice on
who is an
employee

Our goals 2004

The task team looked into the regulation that were ultra vires to the Immigration Act.

Nedlac must prepare a Code of Good Practice that sets guidelines for determining whether persons are employees.

2004 performance

The task team managed to reach a consensus and the revised version of the regulation has been tabled to the Department of Home Affairs.

The Code is to provide practical guidance to employers, employees, CCMA commissioners & Judges on interpreting section 200A of the LRA in accordance with established principles and laws.

2005 and future targets

The task team has completed the primary objective.

The task team has finalised its inputs to the Code.



Trade and Industry Chamber

Terms of reference/Work Programme

The Trade and Industry Chamber seeks to reach consensus and make agreements on all matters pertaining to the economic and social dimensions of trade, industrial, mining, agricultural and services policies, as well as the associated institutions of delivery.

- Collecting societies
- Guidelines to Corporate Law Reform
- Consumer policy
- Consumer credit policy
- Air pollution from combustion sources
- Modernisation of SA technical infrastructure
- Clean development mechanism criteria
- Preferential procurement regulations
- BBBEE scorecards



Programme performance (Trade and Industry Chamber)

Industrial Policy

Guidelines
to Corporate
Law reform
policy frame-
work

Modernising
the SA
technical
infrastructure

Our goals 2004

To facilitate negotiations
among the Nedlac social
partners to conclude a
draft policy on the reform
of the Companies Act.

To facilitate negotiations
among the Nedlac social
partners to conclude a
formal agreement on the
improvements of the SA
technical infrastucture.

2004 performance

The negotiations resulted
in various agreements as
well as identifying areas
of disagreement.
A Nedlac agreement was
concluded in December
2004.

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2005 and future targets

To incorporate the
principles from the
Nedlac report into the
draft bill.

To incorporate the
principles from the
Nedlac report into the
the draft bill. The bill
is due for engagement
at Nedlac in the second
half of 2005.



Programme performance (Trade and Industry Chamber)

Industrial Policy

Air pollution
from
combustion
sources

Collecting
societies

Our goals 2004

The chamber commissioned a study on the socio-economic effects of reducing air pollution.

To facilitate negotiations among the Nedlac social partners to conclude a formal agreement on the regulations for collecting societies.

2004 performance

The negotiations resulted in various agreements as well as identifying areas of disagreement.

A Nedlac agreement was concluded in November 2004.

The objective of the report was essentially to develop set agreed policy recommendations emanating from the study.

Various agreements were reached as well as areas of disagreement being identified.

2005 and future targets

Consider the policy implications arising from the study.

Develop and agree on a set of principles to take the matter forward.

To incorporate the principles from the Nedlac report into the the draft bill.



Programme performance (Trade and Industry Chamber)

Industrial Policy

Consumer credit policy framework

Our goals 2004

To facilitate negotiations among the Nedlac social partners to conclude a formal agreement on the draft policy and bill relating Nedlac report on the consumer credit issues.

2004 performance

The negotiations resulted in various agreements as well as identifying areas of disagreement. The development of the a set of principles to policy framework was concluded in February 2005.

2005 and future targets

The agreements of the Nedlac report to be incorporated into the draft National Credit bill.

Consumer Policy

To conclude a Nedlac agreement on the draft policy on consumer issues.

The dti tabled the matter for consideration at Nedlac in September 2004. A technical task team is currently dealing with the engagements.

To finalise the negotiations and have the agreement incorporated into the draft bill.



Programme performance (Trade and Industry Chamber)

Industrial Policy

Approval
criteria for
CDM projects
& sustainable
development
criteria

Our goals 2004

To facilitate negotiations
among the Nedlac social
partners to conclude a
formal agreement on the
improvements of clean
development criteria.

2004 performance

The Department of
Minerals and Energy
tabled the proposed
development criteria
& project approval for
CDM projects.

Negotiations resulted in
various agreements.
Areas of disagreement
& issues that required
further engagement
were also identified.

A Nedlac agreement
was concluded in
October 2004.

2005 and future targets

To incorporate the
principles from the
Nedlac report into the
the revised policy
framework.



Programme performance (Trade and Industry Chamber)

Industrial Policy

Our goals 2004

2004 performance

2005 and future targets

Co-operatives To consider the strategy in line with the GDS agreements and to conclude a Nedlac agreement on the matter.

The study tour visited four countries in September & October 2004.

Government to table the strategy to the Nedlac constituencies as an implementation document.

Trade policy framework

To facilitate negotiations among the Nedlac social partners to conclude a formal agreement on guidelines of how to approach the implementation of the trade liberalisation programme.

The negotiations on the policy framework were concluded and an agreement was reached in August 2004.

To incorporate the principles into the trade liberalisation programme.



Programme performance (Trade and Industry Chamber)

Industrial Policy

SACU-USA

Our goals 2004

To facilitate negotiations among the Nedlac social partners to conclude a formal agreement on the national position for the FTA transactions.

2004 performance

Nedlac engagements are currently taking place and a common position on all trade related issues is being developed.

2005 and future targets

The aim is to secure a balanced mandate to fast track the negotiations and conclude an agreement in the near future.

SACU- MERCOSUR

To facilitate negotiations among the Nedlac social partners to conclude a formal agreement on the national position for the FTA transactions.

The trade agreement was concluded in December 2004. The next phase is for parliament to ratify the Agreement.

Parliament to adopt the trade agreement before the end of 2005.

