



SOUTH AFRICAN SUGAR ASSOCIATION
Kwa-Shukela, 170 Flanders Drive, Mount Edgecombe
P.O. Box 700, Mount Edgecombe, KwaZulu-Natal, 4300
Telephone: +27 31 508 7000
Website: www.sasa.org.za

EX/101/17
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REPORT TO THE PARLIAMENTARY PORTFOLIO COMMITTEE 29 NOVEMBER 2017

(a) Special Meeting of Delegates - 12 December 2017

The SASA Chairman, Vice Chairman and Executive Director met with DG October and the dti representatives on 15 November 2017 to understand the dti's position and expectations of SASA. In reporting to its two members, SASMA and SACGA, the dti's directive was that a special meeting of the delegates be called. The SASA Chairman and Vice-Chairman also informed the Sections of the SASA Constitutional requirements and emphasised the need for one of the Sections to call for a meeting. *Clause 7(3) of the SASA Constitution permits the calling of a Special meeting only if SASA Council or one of the Sections call such meeting.*

Upon immediate receipt of SASMA's request, the SASA Chairman called for an urgent Special Meeting of Delegates. In accordance with Clause 7(4)(c) of the SASA Constitution 21 calendar days' notice was given. The Special Meeting of Delegates is scheduled to take place on 12 December 2017 to consider amendments to the SASA Constitution and the Sugar Industry Agreement.

SASA is mindful of and will ensure that amendments made to the SASA Constitution shall be conditional upon the consent of the Minister as contemplated in section 2 of the Sugar Act.

(b) The Facilitation: 30 November – 3 December 2017

In ensuring that the best interest of the sugar industry is served and that the matter is not detrimental to public interest the SASA Chairman called for an urgent meeting of SASA Council on 23 November 2017 where Council approved the appointment of Charles Nupen to facilitate a sustainable solution, and to provide financial support to such facilitation. As Charles Nupen is familiar with the issues at hand, is no stranger to the sugar industry, and was a preferred expert for this assignment by the dti, he is the most appropriate person to facilitate the impasse.

SASA confirmed Charles Nupen's earliest availability for 30 November – 3 December 2017 and letters to SACGA, SAFDA, SASMA and the dti were sent advising them of these dates, confirming their willingness to participate and calling for nominations from each participating body. To date the dti, SACGA and SASMA have agreed to participate in the facilitation process and SASA looks forward to a positive response from SAFDA.

(c) Long Term Sustainable Solution

SASA has therefore agreed to have both processes, the Special Meeting of Delegates (the legal approach) and the Facilitation Process running simultaneously, without one affecting the other. The purpose for the facilitation approach is to seek a long term solution to the current impasse between SACGA and SAFDA and to bring all role players around the table to agree a sustainable solution to have SAFDA recognised by SASA in a manner that is workable and in the best interests of the sugar industry.

(d) SASA Must Comply with the Law

SASA as a statutory body is mindful that it is established by the Sugar Act and its rights and duties are governed by its Constitution. SASA Council is expected to administer the affairs of SASA within the defined boundaries of its legislation and regulations. The Honourable Ms Fubbs also informed the Parliamentary Portfolio Committee at the conclusion of the sugar industry presentation on 10 November that all parties must work within the realms of its law. SASA has also explained the legal challenges of implementing the directives of the dti to DG October.

As it currently stands, Clause 2 of the SASA Constitution states that the members of SASA shall be SASMA and SACGA. Clause 162 of the Sugar Industry Agreement, in its current form, imposes an obligation on SASA to pay the levy to Canegrowers.

(e) SASA's Commitment

SASA is committed to resolve this matter and will continue pursuing constructive and viable options towards obtaining an agreeable outcome. SASA has always, and will always serve the best interests of the entire sugar industry
