



**Report of the Portfolio Committee on Trade and Industry on its activities undertaken during the Fifth Parliament (May 2014 – March 2019)**

**Key highlights**

**1. Committee's focus areas during the Fifth Parliament**

During the Fifth Parliament, the Committee focused on the following areas:

**1.1 Industrial development**

The Committee's main focus over the five-year period was overseeing the implementation of the revised Industrial Policy Action Plan (IPAP). It conducted several oversight visits and held three colloquiums in this regard. In 2014, the Committee scheduled a colloquium on beneficiation to engage with specialists, practitioners and other relevant stakeholders to discuss the concept of value addition through mining and manufacturing beneficiation of South Africa's mineral and natural resources and what impediments exist to optimally utilise our mineral and natural resources to address the triple challenges of unemployment, poverty and inequality. The outcome of that engagement was the "*Report of the Portfolio Committee on Trade and Industry on the colloquium on beneficiation/value-addition, dated 4 November 2014*". One of the conclusions of the Committee as articulated in this report was that the Department of Trade and Industry (DTI) working with other Departments should encourage local public procurement in efforts to intensify localisation.

During the Colloquium on Beneficiation, transfer pricing and its implications for the economy, in terms of tax base erosion, real/radical economic transformation, the country's ability to beneficiate mineral resources, became apparent. In 2015, the Committee invited a number of experts and

institutions to engage on the impact of transfer pricing practices on the South Africa economy, particularly in relation to industrialisation and black economic transformation or empowerment. The outcome was the “*Report of the Portfolio Committee on Trade and Industry on the colloquium on the relationship and impact of transfer pricing on beneficiation or value addition as set out in the Industrial Policy Action Plan and on broadening participation as outlined in the Broad-Based Black Economic Empowerment Act, dated 20 May 2015*”. This report noted that the Committee concluded that a successful implementation of relevant policies, legislation and regulations in support of the industrialisation drive should be pursued.

One of the mechanisms identified to achieve the shift from the consumption-driven sectors of the economy to the productive sectors was the leveraging of local public procurement, in particular public infrastructure investment. The Committee held a two-day colloquium on local public procurement from 17-18 August 2016. The Committee engaged with several stakeholders on the level of compliance with local public procurement, the impact of non-compliance (where there is non-compliance); the impact of local public procurement on industrialisation as well as challenges with implementing local public procurement. The outcome was the “*Report of the Portfolio Committee on Trade and Industry on the colloquium on local public procurement and its linkages to the industrialisation drive, dated 13 October 2016*”. The report noted that the Committee concluded that the National Industrial Participation Programme (NIPP) should be strengthened in the legislation to ensure that localisation becomes a condition of tender specification, not just a post adjudication requirement which renders it a much weaker tool.

The Committee undertook an oversight visit in 31 January and 1 February 2017 to ascertain the effectiveness of the DTI’s implementation of the industrial development and incentives programmes. In light of this, the Committee visited a number of companies, such as Smith Capital Equipment, AARD Mining Equipment, Gwestro Naledi Inhlanganiso Group Foundry and Unique Engineering, which had been participants in the Manufacturing Competitiveness Enhancement Programme (MCEP) or had received funding from the National Empowerment Fund (NEF). During its oversight visit, a number of concerns were raised by stakeholders around the following:

- Government and public entities were not fully complying with the procurement of designated products, which undermines the localisation drive and job creation. Furthermore, existing government procurement plans created uncertainty about the timelines within which local companies were expected to deliver orders.
- The need to further investigate challenges faced by stakeholders with regard to state-owned enterprises on local procurement. This will include engagements with Transnet, Eskom, the Passenger Rail Agency of South Africa (PRASA), the Department of Public Enterprises (DPE), the Department of Transport, and the DTT.

On 24 March 2017, the Committee held a follow-up meeting affording the DPE and Transnet with an opportunity to respond to the challenges raised by a number of stakeholders during the oversight visit pertaining to local public procurement, and how the DPE, from a policy perspective could address these. As part its ongoing oversight over government's local public procurement drive as it relates to the DTT's mandate, the Committee in September 2017 scheduled a follow-up engagement for "localisation in rail procurement" inviting PRASA and Transnet.

Consequent to the last colloquium on local public procurement, the Committee had announced that it would conduct an Oversight Inquiry into Compliance with the Localisation and Local Public Procurement Policy with a focus on the transport sector. The process had begun with hearings on bus body procurement in February 2018. However, the process was overtaken by the Committee's legislative responsibility on four pieces of legislation, which were all finalised by November 2018.

In October 2017, the Committee was briefed by the South African Farmers' Development Association (SAFDA) on challenges being faced by small, black cane growers. A number of these challenges was as a result of the configuration of the South African Sugar Association (SASA), which was embedded in the Sugar Act, and the resultant lack of recognition of these growers' needs and concerns. The Committee consequently held several meetings with the DTT, SAFDA, SASA, the South African Sugarcane Growers' Association (SACGA) and the South African Millers' Association

(SASMA) to discuss the challenges being experienced in the industry and to call for deeper transformation in the industry. The Committee also conducted an oversight visit in KwaZulu-Natal to gain a better understanding of the conditions facing the industry.

During the fifth Parliament, the Committee continuously monitored the National Regulator for Compulsory Specifications (NRCS), especially in terms of backlogs in processing Letters of Authority (LOAs), progress on its ICT modernisation project and the audit finding related to the estimation of revenue from levies. In 2018, the Committee was alerted to an allegation that South African Bureau of Standards (SABS) officials may have issued an irregular SABS certificate of approval in 2015 for non-compliant coal delivered from the Tegetta-owned Brakpan Mine to Eskom through the Portfolio Committee on Public Enterprises' Eskom Inquiry. The Committee engaged with the DTL, the former Chief Executive Officer of SABS and the SABS Chairperson about these allegations and the delay in the forensic audit to investigate the matter. As the board had not urgently acted to address the matter, the Minister suspended the board and placed the SABS under administration in July 2018. In February 2019, the Committee engaged the administrators on the SABS' annual report for the 2017/18 financial year and on its turnaround plan to resolve challenges faced by the SABS.

## **1.2 Trade, investment and exports**

The Committee had conducted regular oversight over ongoing multilateral and regional trade negotiations with South Africa's trading partners. This has included the ongoing Doha Development Agenda, the Southern African Development Community (SADC) – European Union (EU) Economic Partnership Agreement (EPA), the African Continental Free Trade Agreement (AfCFTA), and the Tripartite Free Trade Agreement (TFTA) between the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the SADC. More recently, South Africa had been engaging the United Kingdom and Northern Ireland to mitigate the impact of its decision to leave the EU on South African exporters. The Committee has also received regular status reports on the implementation of existing trade agreements, as well as the United States' (US) African Growth and Opportunity Act (AGOA).

### **1.3 Broadening Participation**

Over the five-year period, the Committee monitored the establishment and functioning of the Broad-based Black Economic Empowerment (B-BBEE) Commission, which had been created through the B-BBEE Amendment Act (No. 46 of 2013). It had also focused on the B-BBEE Policy and the new BEE Codes of Good Practice, as well as transformation of the economy through interventions such as the Black Industrialists Programme.

### **1.4 Regulation**

In terms of credit regulation, the Committee was overseeing the implementation of the National Credit Amendment Act (No. 19 of 2014). It also explored the need for debt forgiveness for low-income earners, which led to the development of a Committee Bill in this regard, namely the National Credit Amendment Bill [B30-2018].

In terms of lotteries, the Committee had monitored the implementation of the Lotteries Amendment Act (No. 32 of 2013) including the professionalisation of the distributing agencies and the introduction of proactive funding. In terms of gambling, the Committee focused on monitoring the governance situation within the National Gambling Board, as its board had been suspended and it had been placed under administration. In addition, it had monitored actions related to its findings and recommendations emanating from its report on the Gambling Review Commission's Report, such as transformation within the horse-racing industry, including the recognition of grooms and their conditions of work; and the licensing of electronic bingo terminals by provinces in the absence of national norms and standards. The Committee received the National Gambling Amendment Bill late in 2018, which included amendments in this regard. However, due to time constraints, the Committee could only effectively consider amendments related to governance matters.

### **1.5 Budgetary oversight**

The Committee has annually tabled Budgetary Review and Recommendation Reports (BRRR) in terms of the Money Bills Amendment Procedure and Related Matters Amendment Act. The process of developing a BRRR involves overseeing the DTT's financial and non-financial performance over an 18-month period. Therefore, the Committee engaged in regular quarterly performance meetings with the DTT, as well as a number of identified entities, to complement the required oversight on the budget and strategic plans and annual plans. Entities were identified based on the audit findings of the Office of the Auditor-General; ongoing concerns related to its governance or where the entity had not yet briefed the Committee during this term.

## **1.6 Legislation**

The Committee processed five bills, four executive bills and one private member's bill, referred to it by the Speaker. The Committee considered and processed these five pieces of legislation during the Fifth Parliament. The four executive bills were adopted by the Committee with significant amendments including three pieces of legislation being redrafted by the Committee, namely the Copyright, Performers' Protection and National Gambling Amendment Bills. The Promotion and Protection of Investment Bill was processed and adopted as the Protection of Investment Bill. The private member's bill, the Remote Gambling Bill, was considered but not adopted by the Committee.

In addition, the Committee developed a bill, namely the National Credit Amendment Bill, which focuses on providing debt intervention measures for low-income consumers who are unable to access debt review and other existing debt intervention measures. It also introduced a credit life insurance cap for unsecured debt below the value of R50 000 and introduced offences and penalties for certain non-compliant conduct by creditors.

## **2. Key challenges emerging**

- Delays in Bills being introduced, particularly the National Gambling Amendment Bill [B27-2018] and the Copyright Amendment Bill [B13-2017], as well as the time required to develop a Committee Bill.

- The quality of introduced legislation not being up to standard, which necessitated redrafting of specifically the Copyright and Performers' Protection Amendment Bills. The time required to redraft these pieces added to the timeframes of processing and resulted in a number of oversight priorities having to be postponed or abandoned.
- Laws on the Statute Book not being operational while the principal legislation is being amended. This affected the drafting and created policy uncertainty, as there was no clear policy direction given.
- Sub-committees were established for certain Bills to advise the Portfolio Committee; however, it became apparent that government officials and certain stakeholders were reluctant to disclose certain information, as these meetings were open to the public. It is not clear whether these meetings should be closed, to facilitate the sharing of confidential and/or sensitive information or views by key stakeholders that could enhance the Committee's decision-making processes.
- Parliament's time allocated for oversight during committee weeks is insufficient. Ideally, this should be two weeks per quarter with no interruptions in terms of House sittings and caucuses.
- Due to the number of entities within the DTI, it is difficult to conduct oversight over all 14 entities for every budget vote and annual report cycle, as well as to monitor these each quarter. Therefore, the Committee adopted the approach of selecting a few entities that were considered critical for each of these oversight activities. However, there is a need to have a more systematic approach so that each entity is monitored fairly consistently over a five-year period. This could include creating groups of entities that are seen at a time.
- Members serving on multiple committees impact on the Committee's ability to finalise its work, particularly in relation to legislation. This may be alleviated by not appointing Members to more than one committee within the same cluster and by diversifying the provincial spread within a committee.
- The lack of political institutional memory regarding committee work has been a challenge when very few previous members of a committee are reappointed and/or there are regular membership changes during the term.
- There appears to be no readily available style book within Parliament. This has led to unnecessary diversity in the formatting and language use across minutes and reports. Thus official documents are not always presented in a professional manner.

- Document distribution prior to the meeting has been a challenge, as either the stakeholders are submitting their documents late or staff members have not distributed these upon receipt.

### **3. Key areas for future work**

#### **3.1 Industrial development**

- Ongoing monitoring of compliance with local public procurement, in particular the verification of local content by South African Bureau of Standards, the Office of the Auditor-General and procuring government department and entities.
- Overseeing technical infrastructure institutions in terms of their recapitalisation of their infrastructure and equipment, their governance and resolution of ongoing concerns such as long-standing Auditor-General findings.
- Monitoring progress on the DTI's review of the Sugar Act (No. 9 of 1978) and its Regulations to ensure transformation, as well as the sugar industry's implementation of transformation commitments made by the South African Sugar Association in relation to small, black sugarcane growers.
- Considering the socio-economic impact of the Health Promotion Levy on the sugar industry, as well as broadly on agricultural products, in conjunction with National Treasury and the Department of Health.
- Overseeing that the DTI facilitates the implementation of complementary incentives by national, provincial and local government to attract investment into Special Economic Zones and Industrial Parks.

#### **3.2 Trade, investment and exports**

- The impact of the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union (BREXIT) on the Southern African Customs Union Member States, and Mozambique's trading relationships with the United Kingdom and with the European Union.
- Monitoring the outcomes of the negotiations to finalise the Annexes and Appendices of the Tripartite Free Trade Agreement and the African Continental Free Trade Agreement, as well as the future negotiations for Phase 2 of these agreements.

- Public Hearings on the impact of implementation of existing trade agreements on industry.

### **3.3 Broadening participation**

- Monitoring the recapitalisation of the National Empowerment Fund.
- Considering whether the B-BBEE Commission should be listed and finding a solution to ensure its effective functioning.
- Resourcing of the B-BBEE Commission.
- Strengthening the B-BBEE Commission's regulatory powers to enable it to effectively enforce compliance with the B-BBEE legislation.

### **3.4 Regulation**

- Overseeing the implementation of the National Credit Amendment Bill [B30-2018] once enacted, as well as monitoring its impact on the credit market.
- Reviewing the implementation of the debt review system and the enforcement of the National Credit Act (No. 34 of 2005) in this regard.
- Monitoring the progress of the review of the National Credit Act to enable the effective enforcement of the Act and to improve access by consumers to redress.
- Overseeing the impact of the National Consumer Commission's (NCC) recommendations emanating from its investigations on consumers.
- Requesting the DTI to review the Consumer Protection Act (No. 68 of 2008) to ensure that the NCC is able to proactively investigate consumer matters and to enforce compliance with the legislation.
- Monitoring the development of a holistic amendment of the National Gambling Act (No. 7 of 2004) that addresses regulation in the horseracing industry, and online gambling, among others.
- Monitoring the implementation and impact of the legislative changes in the amended Copyright Act (No. 98 of 1978) and Performers' Protection Act (No. 11 of 1967), once enacted.

- Monitoring the alignment of the Intellectual Property Laws Amendment Act (No. 28 of 2013) with the Protection, Promotion, Development and Management of the Indigenous Knowledge Bill [B 68-2016], once enacted, and the future implementation thereof.
- Monitoring that the DTI reviews other pieces of Intellectual Property legislation to ensure alignment with the national policy.
- Following up on the DTI's progress in tabling the *Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled* for approval for accession.
- Processing the Liquor Amendment Bill once introduced.

#### 4. Recommendations

The Sixth Parliament should consider:

- Revisiting the rules in relation to Committee and Private Members' Bills to align it with the executive process. Currently, public participation is limited with respect to Committee Bills prior to its introduction.
- Developing rules with respect to closed meeting in relation to sub-committees. Currently, sub-committees are open to the public and it is unclear whether the same rule for closed meetings should apply.
- Facilitating improved co-ordination of committees dealing with cross-cutting matters to ensure effective oversight. This would require that committees are aware of how their portfolios affect national objectives/priorities.
- Ensuring continuity of membership within a committee.
- Requiring committees to adopt an annual plan/programme, which is adopted by the National Assembly. This would require that the focus areas are stated upfront annually.
- Encouraging joint meetings between the relevant portfolio and select committees to be briefed on common matters and to avoid duplication of presentations, such as the consideration of international agreements, that both committees must consider.
- Realigning the allocation of resources to reflect the work-load of specific committees.

## 1. Introduction

### 1.1 Department/s and Entities falling within the Committee's portfolio

#### 1.1.1 Department of Trade and Industry (DTI)

- Promoting a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery.
- Building mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives.
- Facilitating broad-based economic participation through targeted interventions to achieve more inclusive growth.
- Facilitating transformation of the economy to promote industrial development, investment, competitiveness and employment creation.
- Creating a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner.

#### 1.1.2 Entities

Name of Entity	Role of Entity
Broad-Based Black Economic Empowerment (B-BBEE) Commission	It oversees, supervises and promotes adherence to the B-BBEE Act (No. 53 of 2003) to ensure that the objectives of B-BBEE policy is met. It may investigate any matter concerning B-BBEE and must maintain a register of major B-BBEE transactions, above a threshold determined by the Minister in the Gazette.
Companies and Intellectual Property Commission (CIPC)	CIPC will be a merger between the previous Company and Intellectual Property Registration Office and the Office of Company and Intellectual Property Enforcement as enacted by the new Companies Act (No. 71 of 2008). The Commission will be responsible to register businesses, intellectual property rights and other juristic persons such as cooperatives, maintains related registries and develops information for disclosure to stakeholders, promotes compliance and enforcement of the Companies Act, particularly in areas such as

Name of Entity	Role of Entity
	receiving and initiating complaints regarding alleged contraventions and investigating relevant complaints and financial reporting standards. In addition, it must promote education and awareness regarding company and intellectual property laws and related matters.
Companies Tribunal (CT)	Adjudicates in relation to any application that may be made to it, and make any order as provided for in the Companies Act in respect of such an application. In addition, the Tribunal may serve as a forum for voluntary alternative dispute resolution.
Export Credit Insurance Corporation of South Africa (ECIC)	Facilitates and encourages South African export trade by underwriting bank loans and investments outside the country in order to enable foreign buyers to purchase capital goods and services from the Republic.
National Consumer Commission (NCC)	Investigates complaints and refers them to courts or the National Consumer Tribunal for prosecution; issues compliance notices and conducts awareness and education compliance campaigns.
National Consumer Tribunal (NCT)	Adjudicates on applications under the National Credit Act (No. 34 of 2005) by consumers, credit providers, debt counsellors and the credit regulator, as well as on matters relating to allegations of prohibited conduct referred by the National Credit Regulator. In addition, the Tribunal will also be adjudicating on cases referred to it by the NCC under the Consumer Protection Act (No. 68 of 2008)
National Credit Regulator (NCR)	Regulates the South African credit industry. Its functions include education, research, policy development, registration of industry participants, investigation of complaints, and ensuring enforcement of the National Credit Act.
National Empowerment Fund (NEF)	Is a catalyst of Broad-based Black Economic Empowerment in South Africa. It enables, develops, promotes and implements innovative investment and transformation solutions to advance sustainable black economic participation.

Name of Entity	Role of Entity
National Gambling Board (NGB)	Is responsible for upholding the integrity, viability and sustainability of the gambling industry by promoting uniform norms and standards across provinces
National Lotteries Commission (NLC)	Regulates the National Lottery and all other lotteries in South Africa, including society lotteries to raise funds and promotional competitions. Other responsibilities of the Commission include advising the Minister of Trade and Industry on policy matters relating to the National Lottery and other lotteries; administering the National Lottery Distribution Trust Fund (NLDTF) and holding it in trust; and providing administrative support to the distributing agencies who adjudicate applications for funding or make allocations to organisations.
National Metrology Institute of South Africa (NMISA)	Maintains primary scientific standards of physical quantities, certifies reference materials and performs referee analysis in cases of measurement dispute to ensure all accurate measurement in South Africa. It also provides internationally recognised measurement standards and measurement services, which provide for the local use of measurement and derived units of the International System of Units (SI).
National Regulator for Compulsory Specifications (NRCS)	Administers the National Regulator for Compulsory Specifications (No. 5 of 2008), the Legal Metrology (No. 9 of 2014) and the National Building Regulations and Building Standards (No. 103 of 1977) Acts, as well as other regulations that fall under other departments as far as they relate to compulsory standards to protect human health, safety and the environment and ensure fair trade, in accordance with government policies and guidelines.
South African Bureau of Standards (SABS)	Is the national institution for the promotion and maintenance of standardisation and quality in connection with commodities and the rendering of services
South African National Accreditation System (SANAS)	Formally recognises the competency of Laboratories, Certification Bodies, Inspection Bodies, Proficiency Testing Scheme Providers and Good Laboratory Practice (GLP) test facilities to carry out specific tasks.

## 1.2 Functions of portfolio committees

The mandate of Parliament is based on the provisions of the Constitution of the Republic of South Africa, 1996, establishing Parliament and setting out the functions it performs. Parliament's role and outcomes are to represent the people and ensure government by the people under the Constitution. Such representation is put into operation by means of public representatives who represent the will of the people in the processes of passing legislation, overseeing executive action, and the facilitation of public involvement, co-operative government and international engagement.

The Rules of Parliament provides for Portfolio Committees to:

- Process legislation introduced by the corresponding Minister, or referred to it by resolution of the House, and where necessary initiate legislation.
- Oversee the work of the corresponding Department and associated institutions.
- Make policy recommendations in the portfolio area on the basis of wider public consultation where necessary.
- Engage the Executive with respect to related international matters.

Furthermore, Section 5 of the Money Bills Amendment Procedure and Related Matters Act (No. 9 of 2009) requires Portfolio Committees to annually assess the performance of each national department. A Committee must submit a report of this assessment known as a Budgetary Review and Recommendation Report (BRRR). The overarching purpose of the BRRR is for the Committee to make recommendations on the forward use of resources to address the implementation of policy priorities and services as these may require additional, reduced or re-configured resources for the department.

In terms of section 57(2) of the Constitution, with regard to the powers of committees, the Portfolio Committee on Trade and Industry exercises oversight over the DTI and 14 entities. It also oversees the implementation of 42 pieces of legislation administered by the DTI and its entities and will oversee recently enacted legislation in relation to this broad mandate.

The DTI is primarily responsible for the development and implementation of industrial policy, international trade relations, and export and investment promotion to facilitate a conducive environment to promote economic growth and development. In addition, it is responsible for consumer protection and corporate regulation, as well as promoting broad-based black economic empowerment.

### **1.3 Method of work of the Committee**

Furthermore, the Committee opted to establish temporary multi-party “sub-committees” to work through controversial and/or technical bills or topics more intensively and to propose recommendations to the Portfolio Committee. This assisted by ensuring that these issues were processed in the most efficient and effective manner. Where necessary, the Committee also procured the services of experts and/or advisors to assist with the processing of technical legislation.

In terms of budgetary oversight, the Money Bills Amendment Procedure and Related Matters Act (No. 9 of 2009) sets out the process for Parliament to make recommendations to the Minister of Finance to amend the budget of a national department. In October of each year, portfolio committees must compile BRRR that assess a department’s service delivery performance, allocative efficiency with respect to its financial, human and capital resources; evaluate the effective and efficient use and forward allocation of resources; and may make recommendations on the forward use of resources over the Medium-Term Expenditure Framework (MTEF) period. Due to its substantial workload, the Committee agreed that it would identify a number of entities to consider during the strategic plan and annual report processes.

### **1.4 Purpose of the report**

The purpose of this report is to provide an account of the work of the Portfolio Committee on Trade and Industry during the Fifth Parliament and to inform the members of the new Parliament of key outstanding issues pertaining to the oversight and legislative programme of the DTI and its entities.

This report provides an overview of the activities the Committee undertook during the Fifth Parliament, the outcome of key activities, as well as any challenges that emerged during the period under review and issues that should be considered for follow up during the Sixth Parliament. It summarises the key issues for follow-up and concludes with recommendations to strengthen operational and procedural processes to enhance the Committee's oversight and legislative roles in future.

## 2. Key statistics

The table below provides an overview of the number of meetings held, legislation and international agreements processed and the number of oversight trips and study tours undertaken by the Committee, as well as any statutory appointments the Committee made, during the Fifth Parliament:

Activity	2014/15	2015/16	2016/17	2017/18	2018/19	Total
Meetings held	48	66	48	72	63	297
Legislation processed	None	1	1	3	4	9
Oversight trips undertaken	1	1	1	2	0	5
Study tours undertaken	None	0	0	0	1	1
International agreements processed	None	2	1	0	3	6
Statutory appointments made	None	0	0	1	0	1
Interventions considered	N/A	N/A	N/A	N/A	N/A	N/A
Petitions considered	N/A	N/A	N/A	N/A	N/A	N/A

## 3. Briefings/Public hearings other than on legislation and on BRRR requirements

Informed by the DTI's key priorities, namely industrial development; trade, investment and exports; broadening economic participation; and regulation, the Committee had extensive briefings and/or public hearings over the five-year period, as well as in relation to its BRRR process. These are briefly discussed below.

### 3.1 Industrial development

In the revised Industrial Policy Action Plan (IPAP), the DTI has expressed the need for a shift from the consumption-driven sectors of the economy to the productive sectors. The sixth iteration of IPAP (IPAP 2014/15-2016/17) gave clear guidelines of what should happen to industrialise the economy, such as ensuring that the focus is shifted towards value-adding sectors with high employment and high-growth multipliers, in particular: metal fabrication, capital and rail transport equipment; aerospace and defence; green industries; clothing, textiles, leather and footwear; agro-processing and biofuels; plastics, pharmaceuticals, chemicals and cosmetics; and mineral beneficiation. It has argued that this shift is fundamental to ensuring sustainable economic growth and job creation. At the time, South Africa's largest exports are of raw mineral resources, while importing processed or finished goods manufactured from these very resources at substantially higher prices.

The 2014/15-2016/17 IPAP iteration recognises that the manufacturing sector is essential for a move towards a value-adding, job creating economy. While a number of sectors have been identified as being fundamental to the growth of the economy and job creation, IPAP also emphasises that “minerals downstream beneficiation and mineral upstream (inputs) have been identified as a key pillar of SA's reindustrialisation push”. In this regard, the ability to “move up the value chain”, or beneficiate the country's mineral and natural resources, is critical and has been identified as one of the key drivers for industrialisation.

In 2014, the Committee scheduled a colloquium on beneficiation to engage with specialists, practitioners and other relevant stakeholders to discuss the concept of value addition through mining and manufacturing beneficiation of South Africa's mineral and natural resources and what impediments exist to optimally utilise our mineral and natural resources to address the triple challenges of unemployment, poverty and inequality. The outcome of that engagement was the “*Report of the Portfolio Committee on Trade and Industry on the colloquium on beneficiation/value-addition, dated 4 November 2014*”. One of the conclusions of the Committee as articulated in this report was that the DTI working with other Departments should encourage local public procurement in efforts to intensify localisation.

During the Colloquium on Beneficiation, transfer pricing and its implications for the economy, in terms of tax base erosion, real/radical economic transformation, the country's ability to benefit mineral resources, became apparent. In 2015, the Committee invited a number of experts and institutions to engage on the impact of transfer pricing practices on the South Africa economy, particularly in relation to industrialisation and black economic transformation or empowerment. The outcome was the "*Report of the Portfolio Committee on Trade and Industry on the colloquium on the relationship and impact of transfer pricing on beneficiation or value addition as set out in the Industrial Policy Action Plan and on broadening participation as outlined in the Broad-Based Black Economic Empowerment Act, dated 20 May 2015*". This report noted that the Committee concluded that a successful implementation of relevant policies, legislation and regulations in support of the industrialisation drive should be pursued.

One of the mechanisms identified to achieve the shift from the consumption-driven sectors of the economy to the productive sectors was the leveraging of local public procurement, in particular public infrastructure investment. In this regard, the DTI has embarked on a process of designating sectors or products that should meet a minimum local content threshold. Public procurement has long been recognized as a sharp instrument to promote industrialisation and localisation as it links the public and private sectors in the process. To ensure success of localisation (the local procurement by government departments and entities) verification by the SABS, as the verification agency, and monitoring by the National Treasury is critical. There is therefore a need for these various stakeholders to collaborate to ensure the implementation of the Preferential Public Procurement Framework Act (No. 5 of 2000) and adherence to local procurement in the designated sectors/products. This is why the colloquium was designed to bring together all the stakeholders under one roof. This included government departments and entities as well as the private sector, particularly companies which were recently awarded local procurement contracts.

The Committee held a two-day colloquium on local public procurement from 17-18 August 2016. The Committee engaged with several stakeholders on the level of compliance with local public procurement, the impact of non-compliance (where there is non-compliance); the impact of local public procurement on industrialisation as well as challenges with implementing local public procurement. The outcome was the "*Report of the Portfolio*

*Committee on Trade and Industry on the colloquium on local public procurement and its linkages to the industrialisation drive, dated 13 October 2016*". The report noted that the Committee concluded that the National Industrial Participation Programme (NIPP) should be strengthened in the legislation to ensure that localisation becomes a condition of tender specification, not just a post adjudication requirement which renders it a much weaker tool.

The Committee undertook an oversight visit in 31 January and 1 February 2017 to ascertain the effectiveness of the DTI's implementation of the industrial development and incentives programmes. In light of this, the Committee visited a number of companies, such as Smith Capital Equipment, AARD Mining Equipment, Gwestro Naledi Inhlanganiso Group Foundry and Unique Engineering, which had been participants in the Manufacturing Competitiveness Enhancement Programme (MCEP) or had received funding from the NEF.

During its oversight visit, a number of concerns were raised by stakeholders around the following:

- Government and public entities not fully complying with the procurement of designated products, which undermines the localisation drive and job creation. Furthermore, existing government procurement plans created uncertainty about the timelines within which local companies were expected to deliver orders.
- The need to further investigate challenges faced by stakeholders with regard to state-owned enterprises on local procurement. This will include engagements with Transnet, Eskom, the Passenger Rail Agency of South Africa (PRASA), the Department of Public Enterprises (DPE), the Department of Transport, and the DTL.

On 24 March 2017, the Committee held a follow-up meeting affording the DPE and Transnet with an opportunity to respond to the challenges raised by a number of stakeholders during the oversight visit pertaining to local public procurement, and how the DPE, from a policy perspective could address these.

As part its ongoing oversight over government's local public procurement drive as it relates to the DTI's mandate, the Committee in September 2017 scheduled a follow-up engagement for "*localisation in rail procurement*" inviting PRASA and Transnet.

Consequent to the last colloquium on local public procurement, the Committee had announced that it would conduct an Oversight Inquiry into Compliance with the Localisation and Local Public Procurement Policy with a focus on the transport sector. The process had begun with hearings on bus body procurement in February 2018. However, the process was overtaken by the Committee's legislative responsibility to consider the Copyright [B-2017], Performers' Protection [B24-2016] and National Gambling Amendment Bills [B-2018], as well as the development of the Committee Bill to amend the National Credit Act (the National Credit Amendment Bill [B30-2018]). These pieces of legislation were all finalised by November 2018.

### **3.1.1 Sugar industry**

In October 2017, the Committee was briefed by the South African Farmers' Development Association (SAFDA) on challenges being faced by small, black cane growers. A number of these challenges was as a result of the configuration of the South African Sugar Association (SASA), which was embedded in the Sugar Act, and the resultant lack of recognition of these growers' needs and concerns. The Committee consequently held several meetings with the DTI, SAFDA, SASA, the South African Sugarcane Growers' Association (SACGA) and the South African Millers' Association (SASMA) to discuss the challenges being experienced in the industry and to call for deeper transformation in the industry. The Committee also conducted an oversight visit in KwaZulu-Natal to gain a better understanding of the conditions facing the industry.

As a result of these engagements, SASA revised its constitution to allow the SAFDA a temporary seat until a final solution was reached and the Committee resolved that the DTI should review the legislation and regulations. Furthermore, one of the issues that was raised during the oversight visit was the need for further tariff protection due to cheap sugar imports and alleged dumping of sugar in the South African market. The Committee requested the National Treasury, the South African Revenue Service (SARS) and the International Trade Administration Commission of South

Affica to brief it on the status of tariff implementation and the review of the sugar tariff. The sugar tariff was subsequently reviewed and increased but not to the level that SASA had requested.

### **3.1.2 Poultry**

The Committee had held public hearings on the challenges faced within the local poultry industry due to increased imports and alleged dumping of poultry products on 23 March, 2 and 9 May 2017. Stakeholders included the domestic poultry industry, importers, retailers, labour and relevant government departments and entities. The focus was on the current status of the industry and the factors that contributed to their inability to compete effectively, as well as mechanisms to address the current challenges.

### **3.1.3 Space regulation**

The Committee monitored the process with respect to the review of the Space Affairs Act in 2015. In 2017 during a briefing the Committee was informed that the Act would be repealed and replaced by the South African Outer Space Bill. At the time the Bill still needed to be submitted to Cabinet for approval for public comment. However, the Committee is not aware of any subsequent progress on this legislation.

### **3.1.4 Technical infrastructure**

During the fifth Parliament, the Committee continuously monitored the NRCS, especially in terms of backlogs in processing Letters of Authority (LOAs), progress on its ICT modernisation project and the audit finding related to the estimation of revenue from levies. Furthermore, there had been a concern raised about 'partial' testing by the SABS, where the SABS was allegedly unwilling to test products against the NRCS' compulsory specifications rather than the more complete SANS standard. The difference between the two standards is that the compulsory specifications ring-fences certain aspects of the SANS which are considered to be a health and safety risk and may require different levels of testing for those aspects than the SANS.

In 2018, the Committee was alerted to an allegation that SABS officials may have issued an irregular SABS certificate of approval in 2015 for non-compliant coal delivered from the Tegetta-owned Brakpan Mine to Eskom through the Portfolio Committee on Public Enterprises' Eskom Inquiry. The Committee engaged with the DTL, the former Chief Executive Officer of SABS and the SABS Chairperson about these allegations and the delay in the forensic audit to investigate the matter. As the board had not urgently acted to address the matter, the Minister suspended the board and placed the SABS under administration in July 2018. In February 2019, the Committee engaged the administrators on the SABS' annual report for the 2017/18 financial year and on its turnaround plan to resolve challenges faced by the SABS.

### **3.2 Trade, investment and exports**

The Committee has conducted regular oversight over ongoing multilateral and regional trade negotiations with South Africa's trading partners. This has included the ongoing Doha Development Agenda, the Southern African Development Community (SADC) – European Union (EU) Economic Partnership Agreement (EPA), the African Continental Free Trade Agreement (AfCFTA), and the Tripartite Free Trade Agreement (TFTA) between the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the SADC. More recently, South Africa had been engaging the United Kingdom and Northern Ireland to mitigate the impact of its decision to leave the European Union on South African exporters. The Committee has also received regular status reports on the implementation of existing trade agreements, as well as the United States' (US) African Growth and Opportunity Act (AGOA).

In 2018, the Ministers of Trade and Industry and of Finance briefed the Committee on the then upcoming Southern African Customs Union (SACU) Summit. The 2002 SACU Agreement is currently undergoing a review, so that SACU can be transformed to implement a developmental integration approach that seeks to promote industrialisation and economic diversification of SACU economies. The Committee, in conjunction with the Standing Committee on Finance supported the developmental integration approach, the view that tariffs should be preserved as instruments for industrial development, the review of the revenue sharing formula, and the efficient cross-border movement of goods especially for agricultural products across SACU.

### **3.3 Broadening Participation**

Over the five-year period, the Committee monitored the establishment and functioning of the B-BBEE Commission, which had been created through the B-BBEE Amendment Act (No. 46 of 2013). While the Commission has been operational and active in implementing the Act, it has not been listed thus has failed to effectively spend the budget allocated to it to procure office premises and employ the necessary additional staff required.

The Committee held several meetings to discuss the B-BBEE Policy and the new BEE Codes of Good Practice. In March 2017, the Committee received an analysis from the DTI and the B-BBEE Commission of whether the Amended Financial Services Sector Code was aligned to the new BEE Codes of Good Practice.

In its second quarter report on the DTI's 2018/19 financial and non-financial performance, the Committee recommended that the Minister table a report clarifying the reasons for the delay in listing the B-BBEE Commission. Subsequently, the Minister informed Parliament that the National Treasury was not in a position to list the B-BBEE Commission entirely due to wording in the current legislation.

In addition, the Committee was briefed on the Black Industrialists Policy (BIP) and continuously monitored progress on the implementation of BIP through its quarterly oversight of the DTI's financial and non-financial performance.

### **3.4 Regulation**

#### **3.4.1 Consumer protection and credit regulation**

In terms of the consumer protection, the Committee received regular briefings on the role of NCC and the NRCS in addressing the listeriosis crisis and the Ford Kuga fires. The NCC also briefed the Committee on its investigations on the expiration of data and the timeshare industry.

In terms of credit regulation, the Committee was briefed on the development of regulations on the National Credit Amendment Act, credit life insurance and the review of limitations on fees and interest rates in 2014 and 2016. The Committee also engaged the NCR and the NCT on the Committee's proposed debt forgiveness Committee Bill in 2016, which was finalised and tabled in the National Assembly as the National Credit Amendment Bill [B30-2018]. There had also been a focus on consumer credit insurance abuses and interventions being proposed by the National Treasury and the DTI, as well as on the African Bank crisis.

### **3.4.2 Gambling and lotteries**

In the 2014/15 financial year, the Committee was informed of the suspension of the board of the NGB. The Minister subsequently shared the results of the forensic report on the matter in March 2015, as well as the actions that would be taken to remedy the situation. This resulted in a decision to terminate the board and to appoint administrators until the NGB could be converted to a regulator. This conversion formed part of the legislative proposals within the National Gambling Amendment Bill [B27-2018]. The Committee subsequently redrafted the Bill and only included the reconfiguration of the National Gambling Board to the National Gambling Regulator and the related clauses, the governance challenges as it relates to the National Gambling Policy Council, and the related clauses, as well as the National Central Electronic Monitoring System and related matters.

In terms of horse-racing, the lack of transformation in the industry remained a concern, including the recognition of grooms and their conditions of work. Furthermore, the lack of legislative clarity on the regulation of the industry still remained, as the amendment bill was introduced late and the Committee could not deal with the substantive matters due to time constraints.

In terms of electronic bingo terminals (EBTs), the Committee had requested the Minister to issue a moratorium on the licensing of EBTs by provinces. In spite of this moratorium, the licensing continued in the absence of national legislation guiding this.

The Committee had monitored the implementation of the Lotteries Amendment Act (No. 32 of 2013) including the professionalisation of the distributing agencies and the introduction of proactive funding. While much progress had been made, there had been governance issues regarding the distribution of the proactive funding due to conflicts of interest. However, the board had subsequently revised the procedure for granting proactive funding to address this matter.

### 3.5 BRRR Requirements

The Committee has annually tabled BRRR in terms of the Money Bill Procedures and Related Matters Amendment Act since 2010. The process of developing a BRRR involves overseeing the DTI's financial and non-financial performance over an 18-month period. Therefore, the Committee engaged in regular quarterly performance meetings with the DTI, as well as a number of identified entities, to complement the required oversight on the budget, strategic plans and annual plans. Entities had been identified where there had been findings during the audit of the Office of the Auditor-General, where there were ongoing concerns or where the entity had not yet briefed the Committee during this term.

The table below provides a list of entities engaged per calendar year for each of these areas of oversight. While there are separate rows for the fourth quarter and annual reports, the engagements listed in the fourth quarter were prior to the audited annual reports being released and did not include an audit opinion on the financial statements or the non-financial performance information.

<b>Budgetary Process</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Strategic Plans/Annual Performance Plans	DTI	DTI	DTI, CT, NCR, NCT and NGB	DTI, BBBEE Commission, ECIC, NEF and NMISA	DTI, BBBEE Commission, NMISA and SANAS	
First quarter	DTI, CIPC, NCC, NCR, NGB and NRCS	DTI, CIPC, CT, NCC, NCR and NRCS	CIPC, NCC, NEF, NRCS and SABS	DTI, NRCS and SABS	DTI and NRCS	

<b>Budgetary Process</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Second quarter		DTI, CIPC, NCC, NEF, NGB and NRCS	NEF	DTI, CIPC, NCC and NRCS	DTI, NEF (2017/18) and NLC (2017/18 & 2018/19)	
Third quarter		DTI, CIPC, NCR, NGB and NLB	NCR, NEF, NGB and NMISA	DTI and NRCS		DTI, ECIC and NLC
Fourth quarter		ECIC, NCC, NCR, NGB, NLB and SABS	DTI, NCC and NRCS			
Annual reports	DTI, CIPC, NRCS and NGB	DTI, CIPC, CT, NCC, NCR and NRCS	DTI, CIPC, NEF, NRCS and SABS	DTI, NRCS and SABS	DTI and NRCS	ECIC

### 3.6 Issues for follow-up

#### 3.6.1 Industrial development

- Ongoing monitoring of compliance with local public procurement, in particular the verification of local content by SABS, the AG and procuring government department and entities.
- Overseeing that the next iterations of IPAP includes a co-ordinated mechanism to address high administered prices for strategic industries and that this is effectively implemented.

#### 3.6.1.1 Technical infrastructure institutions

- Monitoring the recapitalisation of technical infrastructure institutions to ensure that their premises and equipment are suitable for the ever-changing measurement environment.
- Monitoring the implementation of the SABS turnaround plan.

- Considering the report of the investigation of the coal testing allegations.
- Monitoring the relationship between SANAS, SABS and NRCS.
- Monitoring the review of the compulsory specifications for automotive, processed foods, and electrical goods by the NRCS.
- Overseeing the modernisation of the NRCS' ICT systems.
- Ongoing monitoring of the turnaround time for processing letters of authority within the NRCS, particularly in the Electro-Technical Business Unit.

### **3.6.1.2 Sugar**

- Monitoring the review of the Sugar Act (No. 9 of 1978) and its Regulations to ensure transformation. In conjunction with National Treasury and the Department of Health, consideration of the socio-economic impact of the Health Promotion Levy (HPL) on the sugar industry, as well as broadly on the agricultural products.
- Monitoring the implementation of the mitigation measures agreed to at National Economic Development and Labour Council (NEDLAC) with respect to the implementation of the HPL.
- Overseeing the implementation of transformation commitments made by the South African Sugar Association in relation to small, black sugarcane growers.
- Engaging with the DTI and industry for the purpose of ensuring diversification of the sugarcane value chain such as ethanol in order to take advantage of the existing European Union market under Southern African Development Community-European Union Economic Partnership Agreement.

### **3.6.1.3 Special Economic Zones (SEZs) and Industrial Parks**

- Overseeing that the DTI facilitates the implementation of complementary incentives by national, provincial and local government to attract investment.

- Considering the time between designation and operationalisation of SEZs and how this can be shortened.

### **3.6.2 Trade, investment and exports**

#### **3.6.2.1 Trade**

- Monitoring the impact of the withdrawal of the United Kingdom and Northern Ireland from the European Union (BREXIT) on South Africa's trading relationships with the United Kingdom and with the European Union.
- Monitoring the outcomes of the negotiations to finalise the Annexes and Appendices of the TFTA and the CFTA, as well as the future negotiations for Phase 2 of these agreements.
- Holding public hearings on the impact of implementation of existing trade agreements on industry.

#### **3.6.2.2 Investment**

- Monitoring the actual levels of investment in relation to the investment pipeline.
- Reviewing the effectiveness of Invest SA One-Stop Shops in assisting investors and the roll-out of these in all provinces.

### **3.6.3 Broadening participation**

- Monitoring the recapitalisation of the NIEF.
- Considering whether the B-BBEE Commission should be listed and finding a solution to ensure its effective functioning.
- Monitoring the financial, human and capital resourcing of the B-BBEE Commission.
- Strengthening the B-BBEE Commission's regulatory powers to enable it to effectively enforce compliance with the B-BBEE legislation.



### **3.6.4 Regulation**

#### **3.6.4.1 Credit regulation**

- Overseeing the implementation of the National Credit Amendment Bill [B30-2018] once enacted, as well as monitoring the impact of the Bill on the credit market.
- Reviewing the implementation of the debt review system and the enforcement of the National Credit Act (No. 34 of 2005) in this regard.
- Monitoring the progress of the review of the National Credit Act to enable the effective enforcement of the Act and to improve access by consumers to redress.

#### **3.6.4.2 Consumer protection**

- Overseeing the impact of the NCC's recommendations emanating from its investigations on consumers.
- Requesting the DTI to review the Consumer Protection Act (No. 68 of 2008) to ensure that the NCC is able to proactively investigate consumer matters and to enforce compliance with the legislation.

#### **3.6.4.3 Gambling and lotteries**

- Monitoring the development of a holistic amendment of the National Gambling Act (No. 7 of 2004) that addresses regulation in the horseracing industry, and online gambling, among others.
- Monitoring mechanisms to ensure the non-proliferation of illegal lotteries, including the licensing of lotteries or the use of the National Lottery's results by provincial licensing authorities.
- Considering the findings of the investigation in terms of alleged maladministration of lottery funds through proactive funding by senior officials.
- Considering the revised process for adjudicating, approving and distributing proactive funding.
- Overseeing the mechanisms being implemented to protect the confidential data of lottery beneficiaries.

### 3.6.4.4 Intellectual property

- Monitoring the implementation and impact of the legislative changes in the amended Copyright (No. 98 of 1978) and Performers' Protection Acts (No. 11 of 1967).
- Monitoring the alignment of the Intellectual Property Laws Amendment Act (No. 28 of 2013) with the Protection, Promotion, Development and Management of the Indigenous Knowledge Bill [B68-2016] and the future implementation thereof.
- Monitoring that the DTI reviews other pieces of Intellectual Property (IP) legislation to ensure alignment with the National IP Policy.

### 4. Legislation

The following pieces of legislation were referred to the Committee and processed during the Fifth Parliament:

Name of Legislation	Tagging	Objectives	Completed/Not Completed
<b>2014/15</b>			
No legislation			
<b>2015/16</b>			
Remote Gambling Bill	s75	The Bill seeks to provide for the regulation and licensing of remote gambling in the Republic of South Africa; to provide for uniform norms and standards in respect of remote gambling to be applicable throughout the Republic; to prevent minors and vulnerable persons from being exposed to the negative effects of gambling; to ensure compliance with the Financial Intelligence Centre Act; to protect the public and licensed remote gambling operators from fraud and criminal behaviour, money laundering or financing of terrorist and related activities; and to provide for matters connected therewith	Completed  Bill was rejected by the Committee

Name of Legislation	Tagging	Objectives	Completed/Not Completed
Protection of Investment Bill (Introduced as the Promotion and Protection of Investment Bill)	s75	<p>The investment policy-making landscape is changing globally. This is mainly due to a number of countries being confronted by a series of legal challenges under the investment treaties. As such, both developing (India, Brazil, Argentina, etc.) and developed countries (US, Canada, Australia and the EU) are either undertaking reviews or have reviewed their investment frameworks so as to provide an environment that facilitates investment while ensuring that governments are able to regulate in the public interest.</p> <p>South Africa provides strong protection to investors in terms of the framework provided by the Constitution and other relevant legislation. However, it is important to develop national legislation that clarifies the standard of protection that an investor may expect in the Republic, and to promote all types of investments by creating a predictable business environment that is readily understandable to an investor.</p> <p>The Bill therefore confirms a commitment by the Republic of South Africa to protect all investments irrespective of their origin.</p> <p>Most importantly, the Bill contains Bilateral Investment Treaty-type provisions, aimed at reassuring investors that South Africa is, and will remain, open to foreign direct investment and will continue to provide strong protection to investors. As such, the Bill contains the standards of protection applicable to investments whilst ensuring alignment to the South African</p>	<p>Completed.</p> <p>Adopted by the Committee on 4 November 2016</p>

Name of Legislation	Tagging	Objectives	Completed/Not Completed
		Constitution and other applicable domestic legislation. International investment law concepts such as national treatment, physical security of investment, legal protection of investment and the transfer of funds in line with constitutional principles and applicable norms are reflected in the Bill.	
2016/17			
National Credit Amendment Bill (Committee Bill)	s76	<p>The Committee requested the permission of the House in terms of Rule 273(1) for the introduction of the following Bill in the House, namely the National Credit Amendment Bill, 2016.</p> <p>The Bill aims to amend the National Credit Act so as to provide for—</p> <ul style="list-style-type: none"> <li>(a) simpler and more rigorous enforcement of the Act;</li> <li>(b) criminal prosecution of lenders who contravene the Act;</li> <li>(c) legal certainty on <i>in duplum</i> debt accumulation;</li> <li>(d) an effective debt counselling framework for low-income workers; and</li> <li>(e) capped debt relief to promote a change in the borrowing and spending habits of an over-indebted society.</li> </ul> <p>These new provisions will have the effect of providing great relief to poor, over-indebted South Africans, and further limiting the wide-spread abuse of consumers by unscrupulous lenders. It is envisaged that this amendment should be effected through the insertion of definitions and</p>	Not completed

Name of Legislation	Tagging	Objectives	Completed/Not Completed
		sections into the National Credit Act as well as such amendments and any consequential amendments that may be required in order to ensure that the objective of debt relief measures for consumers is effectively achieved.	
Performers' Protection Amendment Bill	s75	<p>The Performers' Protection legislation aims to reward and incentivise performers in terms of their creations and works. The current legislative review aims to amend the Performers' Protection Act. It addresses issues relating to the payment of royalties to performers, safeguarding the rights of contracting parties, promotes performers moral and economic rights for performances in audio-visual fixations.</p> <p>Local performers and composers have voiced their dissatisfaction with the current legislation in that it has not offered them adequate protection. The legislative review seeks to ensure that artists do not die as paupers due to ineffective protection.</p> <p>The Performers' Protection Bill seeks to address the challenges facing the creative industry from non-payment of royalties; lack of formalisation of the creative industry which exposes it to abuse.</p>	Not completed
<b>2017/18</b>			
National Credit Amendment Bill (Committee Bill)	s76	See objectives above.	Not completed



Name of Legislation	Tagging	Objectives	Completed/Not Completed
Performers' Protection Amendment Bill	s75	See objectives above.	Not completed
Copyright Amendment Bill	s75	<p>The Copyright Amendment Bill intends to address and resolve issues arising from the findings of the Copyright Review Commission, which concluded their report in 2011. These issues include:</p> <ul style="list-style-type: none"> <li>• The non-payment of royalties;</li> <li>• The lack of formalisation of the creative industry and the related abuse;</li> <li>• The incidence of piracy; and</li> <li>• The moral and economic rights of performers related to audio-visual fixations.</li> </ul> <p>The Bill specifically focuses on the:</p> <ul style="list-style-type: none"> <li>• Definition of certain words and expressions.</li> <li>• Allowance for the reproduction of copyright work.</li> <li>• Provision for the protection of copyright in artistic work</li> <li>• Provision for the accreditation and registration of Collecting Societies.</li> <li>• Provision for the procedure for settlement of royalties disputes.</li> <li>• Allowance for the fair use of copyright work.</li> <li>• Provision for access to copyright works by persons with disabilities.</li> </ul>	Not completed

Name of Legislation	Tagging	Objectives	Completed/Not Completed
		<ul style="list-style-type: none"> <li>• Provision for the protection of authorship of orphan works by the State.</li> <li>• Provision for the establishment of the Intellectual Property Tribunal, the appointment of its members and its powers and functions.</li> <li>• Provision for prohibited conduct in respect of technological protection measures and copyright management information.</li> <li>• Provide for the management of digital rights.</li> <li>• Provision for certain new offences.</li> </ul>	
<b>2018/19</b>			
National Credit Amendment Bill (Committee Bill)	s76	See objectives above.	Completed. Committee adopted 5 September 2018
Performers' Protection Amendment Bill	s75	See objectives above.	Completed. Committee adopted 15 November 2018.
Copyright Amendment Bill	s75	See objectives above.	Completed. Committee adopted 15 November 2018.

Name of Legislation	Tagging	Objectives	Completed/Not Completed
National Gambling Amendment Bill	s76	<p>For a period of nine years, the Minister was unable to address critical amendments to gambling legislation due to the failure of the National Gambling Policy Council to quorate. This delayed the introduction of a comprehensive National Gambling Amendment Bill. Due to time constraints, the Committee could not effectively consider all amendments. As a result, the Committee resolved that it would focus on good governance amendments to facilitate these meetings quorating and to move forward with essential policy amendments. Therefore, the Committee only considered the following issues:</p> <ul style="list-style-type: none"> <li>• The reconfiguration of the National Gambling Board to the National Gambling Regulator and the related clauses.</li> <li>• Consideration of governance challenges as it relates to the National Gambling Policy Council, and the related clauses.</li> <li>• The National Central Electronic Monitoring System and related matters.</li> </ul>	Completed. Committee adopted 21 November 2018.

**a) Challenges emerging**

The following challenges emerged during the processing of legislation:

**Delays in receiving legislation**

- There had been a delay in the introduction of expected legislation, in particular the Copyright Amendment Bill and the National Gambling Amendment Bill.

- As the rights within the Copyright Act precedes the rights set out in the Performers' Protection Act and there were references to the former in the latter Amendment Bill, the Committee had to delay processing the Performers' Protection Amendment Bill until the Copyright Amendment Bill was introduced.
- Furthermore, the National Gambling Amendment Bill had been expected since the Fourth Parliament and had only been introduced late in 2018. Given its late introduction and the delays in processing the Copyright and the Performers' Protection Amendment Bills, the Committee had been unable to process the comprehensive Bill. Therefore, the Committee resolved to limit its scope to the governance issues, which were imperative. Unfortunately, this approach may lead to further delays in receiving the substantive amendments to the gambling legislation in the Sixth Parliament. However, it also gives the Executive an opportunity to reconsider certain positions, such as merging national gambling authorities within South Africa, given further input from the public.

#### **Quality of legislation**

- In the view of the Committee, the quality of introduced legislation was not up to standard.
- This necessitated redrafting of specifically the Copyright and Performers' Protection Amendment Bills. The additional time taken to redraft these pieces added to the timeframes of processing these and led to a number of oversight priorities having to be postponed or abandoned.
- This placed additional pressure on the Parliamentary Legal Office which had to perform additional functions notwithstanding their human resource constraints within the unit.

#### **Laws on the Statute Book that are not operational**

- One of the big challenges faced while processing the Copyright, Performers' Protection and National Gambling Amendment Bills had been the existence of amendments to the principal Acts that have not become operational yet.
- This created confusion as there was no policy direction on whether these should be repealed or would still become operational.

#### **Alignment with international treaties**

- The time taken between signing international treaties or agreements and submitting these for the process of ratification within Parliament is sometimes too long and may have a negative impact on the stakeholders it should benefit.

#### **b) Issues for follow-up**

The Sixth Parliament should consider:

- Reviewing the implementation of new legislation and its impact of the broader South African society.
- Ensuring that new legislation would be aligned with international trade agreements.
- Embarking on an extensive awareness campaign, especially in relation to new legislation such as the National Credit Amendment Act, the Copyright Amendment Bill, and the Performers' Protection Amendment Bill.
- Monitoring new entities being established.
- Reviewing all legislation falling within the mandate of the DTI to ensure that all outdated pieces of legislation are amended or repealed to ensure that apartheid principles are removed and that the Constitution and new systems, including changing environments, are taken into account.
- Requesting the DTI to provide annual status reports on whether legislation had been implemented, and if not, to provide the reasons for its delay and the plans and measures to correct this.

## 5. Oversight trips undertaken

The following oversight trips were undertaken:

2014/15					
Date	Area Visited	Objective	Recommendations	Responses	Status of Report
16/10/14	House of Monatic, Woodstock, Cape Town	The House of Monatic was a recipient of Clothing and Textile Competitiveness Improvement programme and therefore the Committee's visit was to enquire to the effectiveness of the programme.	Forms part of the oversight report undertaken in 2015		
27 January – 4 February 2015	Gauteng, Eastern Cape (Coega IDZ) Western Cape (Saldanha Bay IDZ)	It terms of the entities, the Committee focused on the four technical infrastructure institutions, namely the South African Bureau of Standards (SABS), the National Metrology Institute of South Africa (NMISA), the National Regulator for Compulsory Specification (NRCS), and	<ul style="list-style-type: none"> <li>The Minister of Trade and Industry should:</li> <li>Review products, such as generators, in light of the new environmental and economic landscape to assess whether they should be reclassified as national compulsory specifications. This should include a</li> </ul>	<ul style="list-style-type: none"> <li>The NRCS has commenced with work to develop a new compulsory specification for low power generating sets. The process as prescribed by the NRCS Act and the relevant regulations will</li> </ul>	Report adopted on 11 March 2015

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
		the South African National Accreditation System (SANAS). The oversight visit highlighted the importance of these institutions as critical behind-the-scenes institutions that ensure that the Industrial Policy Action Plan (IPAP) is implemented effectively. As a collective, they enable South African businesses to compete nationally and globally and protect consumers from unsafe products and services and unscrupulous business practices.	review of safety requirements for critical components in motor vehicles.	be followed. These include conducting an impact assessment, stakeholder consultations and use of the available South African National Standard (SANS) as a basis for the technical requirements of the compulsory specifications. SABS is investigating the capacity to incorporate the testing of generators in their existing laboratories, which are not currently performing such tests.	
		In addition, the Committee conducted oversight visits to the following regulatory		Compulsory specifications for motor vehicles and their components are reviewed and amended on	

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
		<p>institutions: the CIPC, the NCC, the NCR, the NLB, and the NGB. It also visited the NEF, a development finance institution mandated to empower black individuals.</p> <p>Furthermore, the oversight visit focused on industrialisation and regional economic development in relation to SEZs, which include Industrial Development Zones (IDZs). The new SEZ Act (No. 16 of 2014) is yet to be promulgated and existing IDZ operators will need to transition their business to comply with the new legislation. The Committee</p>	<ul style="list-style-type: none"> <li>• Create decent work opportunities by encouraging technical innovation and design through programmes such as those at the Design Institute under the auspices of the South African Bureau of Standards.</li> </ul>	<p>a regular basis and are based on international technical regulations. The NRCS is improving its enforcement regime in general through increased market surveillance which includes testing at the SABS as part of the sampling process.</p> <ul style="list-style-type: none"> <li>• The Department of Science and Technology and its entities and agencies carry a constitutional mandate for science and technology, research and development.</li> </ul> <p>Nevertheless, the Director General has instructed that</p>	

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
		selected the Coega IDZ and the new Saldanha Bay IDZ as part of this visit. It also visited Aspen Pharmacare in Port Elizabeth.	<ul style="list-style-type: none"> <li>Continue to insist on a speedy resolution of the staff issues that impacted negatively on the working environment of the CIPC so as to restore a co-operative, stable and productive entity.</li> <li>Ensure that the CIPC develops and establishes adequate capacity to perform its functions in registering companies in</li> </ul>	<ul style="list-style-type: none"> <li>a budget line be requested from the National Treasury so that additional funding could be requested to support the SABS Design Institute.</li> <li>The Acting Commissioner is working closely with the unions to resolve such issues.</li> <li>Three regions have been identified for the rollout of service centres, namely Eastern Cape, Limpopo and Kwa-Zulu Natal. Two</li> </ul>	



Date	Area Visited	Objective	Recommendations	Responses	Status of Report
			<p>all parts of South Africa and this should not be limited to self-service terminals. The emphasis should be on accessible support while retaining security of information.</p>	<p>offices have been prioritized for this financial year.</p> <p>In addition, CIPEC is working towards making its software available to interested parties to provide more efficient and effective company registration services using biometric identity verification tools. Lastly, it still endeavours to rollout services to more banks to provide integrated company registration and bank account opening services.</p>	
			<ul style="list-style-type: none"> <li>• Ensure that the Lotteries</li> </ul>	<ul style="list-style-type: none"> <li>• The President has signed</li> </ul>	

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
			<p>Regulations, in respect of the allocation of grants by the distributing agencies for the art, culture, and the national historical, natural, cultural and architectural heritage category, and the sports category, prioritise and promote the development of all our people.</p> <ul style="list-style-type: none"> <li>Consider initiating an investigation into the current procedures and practices by credit providers in the sale of repossessed goods to assess the impact of shortfalls on over-indebted consumers.</li> </ul>	<p>the proclamation and the regulations and the proclamation are with government printers for publishing.</p> <ul style="list-style-type: none"> <li>The NCR will be requested to do this investigation and a report can be given.</li> </ul>	



Date	Area Visited	Objective	Recommendations	Responses	Status of Report
			<ul style="list-style-type: none"> <li>• Ensure that the NEF prioritises its resources in support of black businesses that use local content, have labour absorptive capacity, are involved in productive activity and/or will lead to other downstream and upstream economic activities. Further that the NEF fulfils its mandate of supporting broad-based black economic empowerment, and champions black industrialists.</li> </ul>	<ul style="list-style-type: none"> <li>• The Amended BEE Codes of Good Practice provides a framework to promote support for Black business, through Enterprise and Supplier Development element of the scorecard. Furthermore, priorities have been weighted more on local production and skills development. The NEF is committed to using the Amended BEE Codes as the guiding principles for implementing the fund. The NEF has developed a comprehensive package of supporting Black Industrialists, through both financial and non-financial</li> </ul>	



Date	Area Visited	Objective	Recommendations	Responses	Status of Report
			<ul style="list-style-type: none"> <li>In consultation with the Minister of Finance, pursue the NEF's motivation to establish a public-private venture capital fund which it would administer to enable further start-up capital to be raised to fund applications for productive projects/activities.</li> <li>Encourage other IDZs and future SEZs to consider constructing and</li> </ul>	<ul style="list-style-type: none"> <li>The NEF has capacity to attract more private sector funding, to develop and provide both financial and non-financial assistance for black entrepreneurs. Such provisions are embedded in the BEE Codes of Good Practice. The private sector is also willing, through the Codes of Good Practice to contribute to ensure empowerment and to have impact in the economy.</li> <li>The planning process for the new SEZs includes arrangements for energy</li> </ul>	

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
			<p>commissioning peaking power plants to secure energy requirements to maintain production levels and investments. Dedisa is a very good example of such an initiative.</p>	<p>provision and security. All SEZs are being encouraged to consider the possibilities of off-grid energy solutions including solar and fuel cell technologies. In some proposed SEZs, for example Musina SEZ, there are already plans for own its power generation capacity</p>	
			<ul style="list-style-type: none"> <li>Consider the lessons learned from the establishment of Coega Dairy and promote the establishment of similar agro-industries using this model which can impact positively on the lives of</li> </ul>	<ul style="list-style-type: none"> <li>Best practices in cluster development are being shared with all IDZs and proposed SEZs. Where there is potential for agro industries, plans will be developed and executed to exploit such potential in</li> </ul>	

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
			<ul style="list-style-type: none"> <li>people in areas receiving low-economic returns for their produce.</li> <li>Consult with the Minister of Economic Development regarding placing a moratorium on the export of all scrap metals. However, if this is not possible, then to give stronger consideration to more robust monitoring and enforcement measures of scrap metal agents.</li> </ul>	<ul style="list-style-type: none"> <li>order to promote regional development.</li> <li>The Economic Sectors, Employment and Industrial Development Cluster (ESEIDC) has considered the various issues related to the International Trade Administration Commission (ITAC) measures to encumber the export of scrap metals. This includes both the shortcomings in the framework and the fact that some scrap metal merchants conduct their business in ways which</li> </ul>	

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
			<ul style="list-style-type: none"> <li>Review the pharmaceutical industry's designation to close loopholes and make local public procurement more effective. If necessary, a premium should be factored in to the procurement process that would promote local manufacturing and the creation and retention of jobs.</li> </ul>	<p>undermine the measures. Government will announce a set of measures in this regard in the near future once due process and adequate consultation has been followed.</p> <ul style="list-style-type: none"> <li>The Designation of tenders and not sectors, subsectors and products, is peculiar to the pharmaceutical sector where issues of security of supply to public health facilities are particularly important. These Designations are done in close collaboration with the National Treasury and the Department of Health and have resulted in</li> </ul>	

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
			<ul style="list-style-type: none"> <li>• Encourage the fast-tracking of the commissioning of the oil and gas industries within the Saldanha Bay IDZ to encourage more investors.</li> </ul>	<ul style="list-style-type: none"> <li>• Under the auspices of Operation Phakisa considerable progress had been registered with respect to public sector infrastructure investment by the National Ports Authority (TNPA) in</li> </ul> <p>considerable benefits to local manufacturers. The issue of a premium for local manufacture is the subject of ongoing deliberations in government. Robust cost benefit analyses are of particular importance, particularly in a sector which is capital and not labour intensive.</p>	

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
				Saldanha Bay as well as the creation of a framework to enable private sector investment. This will strengthen the value proposition together with a range of support measures already in place through the IDZ/SEZ package. Work is well under-way to attract foreign investment into Saldanha Bay in the upstream oil and gas rig repair and logistics sector.	
<b>2015/16</b>					
2 – 4 February 2016	KwaZulu-Natal	The Committee visited companies receiving incentives from the DTI which included Unilever South Africa and Toyota	The Minister of Trade and Industry should consider: <ul style="list-style-type: none"> <li>• Providing support for companies contributing to the strategic national</li> </ul>	In a letter dated 5 April 2016, the Minister indicated that he noted the contents and that the DTI would provide	Report adopted on 16 March 2016

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
		<p>South Africa Motors (TSAM). The intention of these visits was to discuss their experiences related to any incentives they may have received from the Department. With respect to Unilever South Africa, the Committee was interested in the investment to expand the plant, the benefits of the 121 tax incentive to the investor and its contribution to the agro-processing industry. In addition, the green investment made in this plant would become more and more important for global trading in future due to global climate change concerns.</p>	<p>objectives, especially those struggling to meet the new B-BBEE criteria within the required compliance timeframes.</p> <ul style="list-style-type: none"> <li>• In conjunction with the relevant ministers, strengthening the coordination of government policies to ensure that public procurement is leveraged to support the industrialisation and localisation drives.</li> <li>• Measures to address non-tariff barriers hindering intra-African trade to facilitate the expansion of the market for locally produced, value-added</li> </ul>	<p>progress when it presents its quarterly reports.</p>	

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
		<p>With respect to TSAM, the Committee was interested in the investment to expand the plant, the benefits of the People Carrier Automotive Investment Scheme (P-AIS) to the investor and its contribution to the passenger vehicle manufacturing industry. Furthermore, the Committee also engaged Toyota on prospects to increase local content.</p> <p>The Committee visited the Port of Durban to view how the NRCS inspectors and/or the customs officials identify and intercept products that are subject to compulsory specifications and technical</p>	<ul style="list-style-type: none"> <li>• The expedition of the NRCS' process of considering and developing a preferred trader system before Parliament adjourns in June 2016.</li> <li>• Enforcing the conditional decision to increase the customs duty on certain steel products in a manner that would ensure that downstream manufacturers benefit.</li> </ul>		

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
		<p>regulations. In addition, how these products are handled when they do not meet the required standard.</p> <p>With respect to its visit to the Dube TradePort IDZ, the Committee engaged companies located within the Dube TradePort IDZ on their experiences related to any incentives they may have received from the DTI. In this regard, the Committee visited Samsung South Africa, Laser Junction, and the Dube Agrilab. It also toured Quotum Farms and Lebombo. This was to assist the Committee to assess the DTI's service delivery in</p>			

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
		terms of certain incentives offered and to determine areas which should be monitored. Furthermore, the Committee met with the DTPC to discuss the development of the IDZ, and its readiness to change its operational, funding and service delivery models to meet the new legislative requirements.			
<b>2016/17</b>					
31 January – 1 February 2017	Gauteng	The purpose of the Committee's visit was to conduct an oversight to assess the impact of the DTI's industrial development and incentive programmes on companies benefiting from these. Companies included	The Minister of Trade and Industry should consider: <ul style="list-style-type: none"> <li>Establishing a monitoring mechanism, in consultation with the Minister of Finance, and other relevant Ministers, to ensure compliance with</li> </ul>	In a letter dated 27 March 2019, the Minister informed the Committee that it would, in consultation with the Committee, arrange to brief the Committee on the issues raised in the conclusions and recommendations.	Report adopted on 8 March 2017

Date	Area Visited	Objective	Recommendations	Responses	Status of Report
		Smith Capital Equipment, Conduent (formerly Xerox), AARD Mining Equipment, Gvestro Naledi Inhlanguaniso Group Foundry and Unique Engineering. The Committee also visited the NRCS to evaluate the plan of action implemented with respect to the Letter of Authority approval process.	<p>local designations and implementing appropriate sanctions for non-compliance.</p> <ul style="list-style-type: none"> <li>Strengthening the oversight on the implementation of the audit plans and key control measures of the Department and its entities.</li> <li>Additional funding for the SABS in the outer of years of the Medium Term Expenditure Framework to upgrade critical ageing technical infrastructure.</li> </ul>		



## 6. Study tours undertaken

The following study tours were undertaken:

Date	Places Visited	Objective	Lessons Learned	Status of Report
30 April – 4 May 2018	London, United Kingdom	The purpose of the English leg of the study tour was to engage relevant role players in the consumer credit regulatory regime to understand the debt relief measures that are being implemented, in particular their debt relief order.	<ul style="list-style-type: none"> <li>Credit regulation in the United Kingdom appears to be more debtor-friendly than in South Africa, as the Financial Conduct Authority's expectation of credit providers is to show forbearance when a consumer has approached them regarding financial difficulty or appears to be in financial difficulty. They should refer the consumer to sources of free debt advice without placing undue pressure on them to pay or taking disproportionate action against the consumer in the short term. This expectation is possible given the principle-based regulatory approach the regulator follows, as credit providers are expected to apply a set of principles while taking responsibility for their actions. South Africa, on the other hand, has a more rigid, rules-based approach. The rules-based approach may disincentivise credit providers to inherently act in a manner that treats consumers fairly, as long as they can show that they have applied the rules.</li> <li>The English and Welsh debt relief system is set up to honour 'prioritised' debt, namely those that have assets</li> </ul>	Report adopted on 14 June 2018

Date	Places Visited	Objective	Lessons Learned	Status of Report
		<p>and whether there have been any determined impacts to date. In addition, the discussions considered how consumers accessed these services. Furthermore, the Committee wanted to understand how the British government intervenes to prevent or limit unscrupulous lending and over-indebtedness.</p>	<p>underlying them or have secondary consequences for the consumer should they default. It is also purported that most consumers want to repay their debts, as most of the debt relief interventions, while providing a fresh start, affects the consumer's credit record and the likelihood that they can access credit in future. Therefore, the options available to them are rarely abused.</p> <ul style="list-style-type: none"> <li>The United Kingdom has a long history of insolvency measures that involve the discharge of debt after settling debt with the debtor's assets and/or available income as far as possible. Therefore, the introduction of the debt relief order, which fills a gap for individuals who would otherwise not be able to qualify for or afford a bankruptcy or administration order, did not have an adverse effect, as there was a clear gap in the market.</li> <li>The Committee was concerned about the link between the debt advisors and debt adjusters/intermediaries, as there may be an incentive, particularly in the commercial sector, to favour interventions that provided more fees to the debt advice organisation even when the option recommended is not the most suitable for the consumer's circumstances.</li> </ul>	

Date	Places Visited	Objective	Lessons Learned	Status of Report
			<p>Currently, interventions that target the most vulnerable consumers offered the lowest fees to intermediaries and did not cover the cost of administering these interventions. This may increase the cost for consumers or keep them indebted for longer than necessary.</p> <ul style="list-style-type: none"> <li>• The English and Welsh debt relief order option for low income, low assets consumers with only unsecured debt (non-prioritised debt) has not presented any significant moral hazard, as the target group is fairly small and there are grave consequences if a consumer deliberately altered their finances to meet the strict criteria.</li> <li>• Key economic crises in the United Kingdom, such as the mining closure in the mid-80s, the credit booms in the 90s and the 2008 economic crisis, saw a significant number of people becoming over-indebted. These phenomena resulted in the establishment and evolution of the debt advice sector.</li> <li>• One of the mechanisms that enable free debt advice and financial literacy for consumers and scholars was the introduction of a levy on credit providers. Credit providers are represented through a Financial Conduct Authority panel that monitor the management of the funds in a</li> </ul>	

Date	Places Visited	Objective	Lessons Learned	Status of Report
			<p>transparent and accountable manner. However, there was concern that financial literacy training at school level was still fragmented, as teachers were not always confident in teaching the subject matter and the curriculum not always being uniformly implemented.</p> <ul style="list-style-type: none"> <li>The business model of most payday lenders in the United Kingdom was based on the premise that debtors would default on their repayment. This was mainly marketed to low-income consumers, with no affordability assessments and high interest rates being applied in an uncompetitive manner leading to a rise in over-indebtedness amongst this group. Therefore, the legislature decided that a cap on interest rates should be introduced in spite of the more flexible regulatory approach of the Financial Conduct Authority. This cap on interest rates made it less profitable for payday lenders to maintain this model; however, responsible payday lenders have subsequently managed to operate at profitable levels.</li> <li>The measures to address illegal lending were quite extensive and decisive. They provided a disincentive to illegal lenders to continue as they could be prosecuted and</li> </ul>	



Date	Places Visited	Objective	Lessons Learned	Status of Report
	Berlin, Federal Republic of Germany	For South Africa to benefit from this industrial wave, it needs to consider how its industrial policy can facilitate the integration of its industries into the global markets. The Committee has identified Germany as a case study to understand the following: <ul style="list-style-type: none"> <li>• The developmental path Germany embarked on;</li> <li>• Support provided by government; and</li> <li>• The impact of the Fourth Industrial</li> </ul>	<ul style="list-style-type: none"> <li>• their proceeds would be confiscated if caught; while assisting victims of illegal lending by offering a rehabilitation option to establish a savings fund through credit unions to curb future financial challenges.</li> <li>• In the Committee's various engagements with stakeholders, it became apparent that notwithstanding the fourth industrial revolution, the industrial sector would remain a driver for economic growth and employment creation.</li> <li>• The increased digitalisation of the global economy provides an opportunity for countries to transform their manufacturing sectors as well as being presented with new opportunities and challenges.</li> <li>• It was noted that South Africa may have an advantage compared to Germany in a number of areas, as much of industry does not need to be digitally transformed but can be developed from scratch. Therefore, the development of a digitalised economy can be crafted to meet our specific needs and conditions, rather than merely imitating the German or other international experience.</li> <li>• This provides greater opportunity for companies to innovate and transform their markets through adopting specific</li> </ul>	Report adopted on 14 September 2018

Date	Places Visited	Objective	Lessons Learned	Status of Report
		<p>Revolution on the labour force and how they mitigated against the displacement of labour.</p>	<ul style="list-style-type: none"> <li>industry applications, that are developed for the local high-tech market.</li> <li>Emerging economies, like South Africa, have the opportunity to lead and adopt Industrie 4.0 objectives thereby increasing their competitiveness.</li> <li>However, it is the country's response to the impending fourth industrial revolution and whether its current industrial strategy takes cognizance of these developments that would determine whether it can seize the opportunities presented by this revolution.</li> <li>The social compact between government, private sector and labour in Germany is historically strong and the visit reemphasised the need for these parties to effectively work together to grow the economy and mitigate the effect of the Fourth Industrial Revolution and globalisation.</li> <li>There is a need for greater coordination and collaboration with the Portfolio Committees on Economic Development, on Basic Education, on Higher Education and Training, on Labour, on Science and Technology, on Small Business, and on Telecommunications and Postal Services to effectively oversee South Africa's transition into the Fourth</li> </ul>	

Date	Places Visited	Objective	Lessons Learned	Status of Report
			<p>Industrial Revolution, as well as the mechanisms established to facilitate this.</p> <ul style="list-style-type: none"> <li>• There is a need to focus on education and vocational training starting at the elementary school level. This should include developing an understanding of the importance of vocational training in relation to university education. Furthermore, the integral role of business in taking responsibility for the provision of vocational training was noted and the importance of training individuals to fulfil a skills need for industry.</li> <li>• As the automotive industry remains an integral part of South Africa's industrialisation policy, it is critical that South Africa provides policy certainty in this regard to ensure ongoing investment in the industry and the demand for the established component manufacturing sector. Therefore, there is a need to finalise the Automotive Masterplan to close this policy gap.</li> </ul>	



## 7. International Agreements

The following international agreements were processed and reported on:

Date referred	Name of International Agreement	Objective	Status of Report	Date of enforcement <sup>1</sup>
2015				
05/08/15	Additional Protocol to the Trade, Development and Cooperation Agreement (TDCA) between the European Community and its member states of the one part, and the Republic of South Africa, of the other part, to take account of the Accession of the Republic of Croatia to the European Union	The inclusion of Croatia in the TDCA creates a number of new opportunities for South African companies to expand their exports to Croatia or to establish a new export market.	Report adopted by Committee on 9 September 2015	1 March 2016

<sup>1</sup> Entry into force of international agreement often depends on a specified number or proportion of parties ratifying and depositing their instruments of ratification. Achieving those thresholds sometimes takes long and is not under our control. What is under Government's control is the process of ratification, preparation of the Instrument of Ratification, and depositing same through formal channels.

<b>Date referred</b>	<b>Name of International Agreement</b>	<b>Objective</b>	<b>Status of Report</b>	<b>Date of enforcement<sup>1</sup></b>
21/10/15	Amendments to the SACU Agreement of 2002 to Institutionalise the SACU Summit	A new Article (7A) has been inserted on p. 9 of the Agreement to institutionalise the Summit	Report adopted by Committee on 28 October 2015	16 September 2016
<b>2016</b>				
16/02/16	Protocol Amending the Marrakesh Agreement establishing the World Trade Organisation (WTO), including Annex 1A on the Agreement on Trade Facilitation, and the establishment of the National Committee on Trade Facilitation	The Trade Facilitation Agreement is aimed at the expedition, the movement, release & clearance of goods, including goods in transit. It clarifies and improves the relevant articles Article V (Freedom of Transit), Article VIII (Fees and Formalities connected with Importation and Exportation), and Article X (Publication and Administration of Trade Regulations) of the General Agreement on Tariffs and Trade (GATT) 1994.  The Agreement is also aimed at enhancing technical assistance and capacity building and improving effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.	Report adopted by Committee on 17 February 2016	22 February 2017
30/06/16	Economic Partnership Agreement (EPA) between the SADC EPA	The EPAs were negotiated to replace the unilateral trade regime between the EU and ACP countries under the Cotonou	Report adopted by Committee on 24 August 2016	10 October 2016

Date referred	Name of International Agreement	Objective	Status of Report	Date of enforcement <sup>1</sup>
	states, of the one part, and the European Union and its member states, of the other part	Partnership Agreement (CPA). SA was excluded from the unilateral trade regime provided by EU to the ACP countries		
<b>2017</b>				
08/02/17	Protocol on the Accession to the Agreement establishing the Advisory Centre of the WTO (ACWL)	The ACWL was established to provide independent, impartial, non-political source of legal advice. The mission of the ACWL is to provide developing countries and LCS with legal capacity necessary to enable them to take full advantage of the benefits and opportunities offered by the ACWL.	Report adopted by Committee on 21 February 2017	29 March 2017, SA & the ACWL signed SA's Protocol of Accession to the Agreement Establishing the ACWL
<b>2018</b>				
25/05/18	Agreement Establishing a Tripartite Free Trade Area (TFTA) among the Common Market for Eastern and Southern Africa, the East African	To establish a Free Trade Area between SADC, EAC and COMESA to liberalise movement of goods, services as well cooperate on trade related matters.	Report adopted by Committee on dated 21 August 2018	Not yet in force. (Entry into force pending ratification by a sufficient number of Member States)

Date referred	Name of International Agreement	Objective	Status of Report	Date of enforcement <sup>1</sup>
	Community and the Southern African Development Community			
28/08/18	Agreement establishing the African Continental Free Trade Area	The AfCFTA creates a single market for goods and services, and offers an opportunity to boost intra-Africa trade. By building an integrated market in Africa, it will assist in addressing the challenges of small and fragmented markets.	Report adopted by Committee on 11 October 2018	Not yet in force.
05/04/18	Agreement Amending Annex 1 (Co-operation on Investment) of the Southern African Development Community Protocol on Finance and Investment (FIP)	The purpose of the SADC FIP is to ensure that harmonisation of investment policies among SADC Member States are in line with the region's economic integration. The Amendment seeks to balance the investor's right to protection with the right of government to regulate.	Report adopted by Committee on 11 October 2018	24 August 2017 (after obtaining 8 signatures, as provided for in the Agreement)
<b>2019</b>				
11/12/18	The Beijing Treaty On Audiovisual Performances, 2012 ('The Beijing Treaty')	The Beijing Treaty on Audiovisual Performances is a multilateral Treaty, which regulates copyright for audiovisual performances and expands the performers' rights.	Report adopted by Committee on 26 February 2019	



Date referred	Name of International Agreement	Objective	Status of Report	Date of enforcement <sup>1</sup>
11/12/18	Accession to the World Intellectual Property Organisation (WIPO) Copyright Treaty, 1996 ('The WCT')	<p>The WCT is a special agreement under the Berne Convention and it deals with the protection of works and authors specifically on the digital platform (Article 1). The WCT extends copyright protection to computer programs (whatever the mode or form of expression) and compilations of data or other material ("databases"), in any form, which, by reason of the selection or arrangement of their contents, constitute intellectual creations.</p> <p>The WCT grants authors the right of distribution; the right of rental; and a broader right of communication to the public (Article 6 to 8). Limitations and exceptions can be provided in domestic legislation in line with a three step test and provided that legitimate interests of authors are not unreasonably prejudiced (Article 10). The WCT also obliges Contracting Parties to provide legal remedies against the circumvention of technological measures (e.g. encryption) and against unauthorised modification rights management information necessary for licensing, collecting and distribution of their royalties (Article 11 to 12).</p>	Report adopted by Committee on 26 February 2019	

Date referred	Name of International Agreement	Objective	Status of Report	Date of enforcement <sup>1</sup>
11/12/18	Accession to the WIPO Performances And Phonograms Treaty, 1996 ('The WPPT')	<p>The WPPT deals with the rights of performers (actors, singers, musicians, etc.); and producers of phonograms (persons or legal entities that take the initiative and have the responsibility for the fixation of sounds) specifically in the digital environment (Article 2 to 3). Beneficiaries of the WPPT are performers and producers of phonograms who are 2 members of contracting parties that are eligible for protection under the Rome Convention (Article 3). National treatment equally applies in terms of Article 4 of the WPPT.</p> <p>The WPPT grants performers economic rights (Article 6 to 10) on their fixed or in unfixed (live) performances and moral rights (Article 5) which remain valid beyond the transfer of performers' rights. Moral rights, this entitles performers the right to be identified as the performer and the right to object to any distortion, mutilation or other modification that would be prejudicial to the performer's reputation. Producers of phonograms are also granted the same economic rights in their phonograms (Article 11 to 14). Performers and producers of phonograms also enjoy the right to a single equitable</p>	Report adopted by Committee on 26 February 2019	



Date referred	Name of International Agreement	Objective	Status of Report	Date of enforcement <sup>1</sup>
		remuneration for the direct or indirect of phonograms published for commercial broadcasting or for any communication to the public (Article 15).		

**a) Challenges emerging**

The following challenges emerged during the processing of international agreements:

- The processing of international agreements remains a concern. Notwithstanding the separation of powers, the Committee should have an oversight role over the Executive during the negotiation of trade agreements, as it must consider the impact of these on the country.

**b) Issues for follow-up**

The Sixth Parliament should consider:

- Monitoring the implementation of agreements and its impact on South Africa.
- Engaging stakeholders when considering the potential impact of agreements being considered by government.

**8. Statutory appointments**

The following appointment processes were referred to the Committee and the resultant statutory appointments were made:

Date	Type of appointment	Period of appointment	Status of Report
20 February 2017	Chairperson of the National Lotteries Commission	Appointment as chairperson of the board of the National Lotteries Commission for the remaining period as prescribed by section 3(4) of the Lotteries Act.	Report adopted on 19 May 2017

Date	Type of appointment	Period of appointment	Status of Report
16 May 2017	Commissioner of the B-BBEE Commission	Appointment of the commissioner of the B-BBEE Commission as prescribed by section 13C(1)(b) of the B-BBEE Act.	

## 9. Obligations conferred on the Committee by legislation

### 9.1 Budget Review and Recommendation Reports (BRRR)

Date adopted	Recommendations	Response to recommendations
2014		
24/10/14	<p>The Minister of Trade and Industry should consider:</p> <ul style="list-style-type: none"> <li>Increasing resources with the requisite skills to promote South Africa as an investment destination, as well as providing increase of resources for Proudly SA to encourage South Africans to buy locally manufactured products.</li> <li>Increasing the financial resources to the NCR over the MTEF period, given their additional functions and the critical role it plays in our socio-economic environment.</li> </ul>	<ul style="list-style-type: none"> <li>Funds amounting to R30 million were proposed for reprioritisation towards the Trade and Investment South Africa programme to increase the international footprint of priority foreign offices in key markets in Africa and in BRICS<sup>2</sup> countries during the 2015 MTEF period.</li> <li>The NCR's mandate will expand once the National Credit Amendment Act (No. 19 of 2014) becomes effective. Given the constrained fiscal outlook, the DTI should reprioritise funds within its existing baseline in order to fund the NCR</li> </ul>

<sup>2</sup> Brazil, Russia, India, China and South Africa.

Date adopted	Recommendations	Response to recommendations
	<ul style="list-style-type: none"> <li>Consulting the Minister of Finance to develop mechanisms to verify and enforce the public procurement of designated products so that the 75 per cent public procurement decision is implemented to underpin the Industrial Policy Action Plan.</li> </ul>	<ul style="list-style-type: none"> <li>The Industrial Development Division is engaging with the National Treasury on the public procurement of designated products to ensure that 75% of public procurement decisions is implemented. The DTI will report on progress when it present its quarter financial and non-financial performance to the Committee.</li> </ul>
2015		
20/10/15	<p>The Minister of Trade and Industry should consider:</p> <ul style="list-style-type: none"> <li>Strengthening the incentive programmes with a view to improve its impact, particularly in terms of job creation; increase industrial competitiveness; and broaden the participation of enterprises in the economy.</li> <li>Expediting the introduction of the regulations related to Credit Life Insurance Caps and on the maximum interest rate model to protect low income consumers.</li> </ul>	<ul style="list-style-type: none"> <li>The DTI notes the other concerns, recommendations and suggestions in the report and will be discussing these with our entities to agree on a joint improvement plans to address the issues raised.</li> <li>The DTI has published the regulations on 13 November 2015 for public comments and will be briefing the Committee on 3 February 2016.</li> </ul>



Date adopted	Recommendations	Response to recommendations
2016		
21/10/16	<p>The Minister of Trade and Industry should consider:</p> <ul style="list-style-type: none"> <li>• Reviewing the effectiveness of the Department and its entities plans and programmes to ensure the acceleration of industrialisation and job creation.</li> <li>• Additional funding for the NCC in the outer of years of the Medium Term Expenditure Framework to address its capacity constraints.</li> </ul>	<ul style="list-style-type: none"> <li>• The recommendation is noted and will be discussed as part of the DTI's strategic planning process.</li> <li>• The DTI, in consultation with the National Treasury, discuss additional funding for the NCC.</li> </ul>
2017		
18/10/17	<p>The Minister of Trade and Industry should consider:</p> <ul style="list-style-type: none"> <li>• Establishing a monitoring mechanism, in consultation with the Minister of Finance, and other relevant Ministers, to ensure compliance with local designations and implementing appropriate sanctions for non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>• The Auditor-General based on its engagements with the DTI has improved its audit approach and focus on local content. The DTI is meeting the Auditor-General's Office next week to further support the deepen research of local content and to discuss challenges the DTI encounters in monitoring compliance with local content.</li> <li>• Regarding the oversight on the implementation of the audit plans and key control measures of the DTI and its entities, all</li> </ul>



Date adopted	Recommendations	Response to recommendations
	<p>its entities.</p> <ul style="list-style-type: none"> <li>Additional funding for the SABS in the outer of years of the Medium Term Expenditure Framework to upgrade critical ageing technical infrastructure.</li> </ul>	<p>entities which did not receive clean audit outcomes were instructed to develop clean audit plans and report on a quarterly basis. The entities that receives clean audit outcomes were also instructed to put plans in place to ensure they maintain those outcomes.</p> <ul style="list-style-type: none"> <li>The DTI will consult with the National Treasury on additional funding for the SABS. Progress will be reported when the DTI presents its quarterly financial and non-financial performance.</li> </ul>
2018		
17/10/18	<p>The Minister of Trade and Industry should consider:</p> <ul style="list-style-type: none"> <li>Engaging the Minister of Finance with a view to making funding available for maintenance, upgrading and investment in new technology for the technical infrastructure institutions, such as the SABS, the NMISA and the NRCS, to improve efficiency and ensure modernisation during the outer years of the MTEF.</li> </ul>	<ul style="list-style-type: none"> <li>It should be noted that the capital budget appropriated for NMISA since 2013 formed part of the Economic Competitive Support Package that ended on the 31 March 2018. The DTI has continued to support NMISA with a capital budget beyond 31 March 2018 for purposed of procuring their own building. A request for additional funding was made to the National Treasury, however due to the current fiscal constraints, this was not supported. In the</li> </ul>



Date adopted	Recommendations	Response to recommendations
	<ul style="list-style-type: none"> <li>In consultation with the Ministers of Finance, of Economic Development, of Small Business Development and of Public Enterprises, developing additional mechanisms to facilitate the demand side for local, competitively sustainable goods, products and services.</li> </ul>	<p>current financial year, the DTI has reprioritised R100 million from its own budget to SABS a part of the adjustment budget process. This will enable SABS to upgrade some of its ageing infrastructure.</p> <ul style="list-style-type: none"> <li>The Department of Planning, Monitoring and Evaluation of which all the listed Departments were part of the steering committee commissioned as a research study. The purposed of the study is to evaluate the effectiveness of the local procurement policy. Local procurement is important in raising the aggregate demand and growing the South African economy by leveraging public expenditure. The outcomes of the study will provide recommendations to enhance local of goods, products, and services. The study is currently in its final stage, the next is for all the participating departments to have an Economic Cluster Workshop to discuss the findings of the study and come up with a way forward.</li> </ul> <p>National Treasury presented the Procurement Bill to the Economic Cluster on 18 October 2018 and the approval was</p>



Date adopted	Recommendations	Response to recommendations
	<ul style="list-style-type: none"> <li>Conducting an analysis of the impact of the benefits and challenges associated with existing trade agreements.</li> </ul>	<p>granted for the Bill to be submitted to the Cabinet. Once approved by Cabinet it will be Gazetted for public comment. The outcomes of the abovementioned process will inform the steering committee on additional mechanisms needed to facilitate the demand side of local goods, products and services.</p> <ul style="list-style-type: none"> <li>When agreements are tabled in Parliament, the department will outline possible challenges and the impact on trade.</li> </ul>

#### 10. Other matters referred by the Speaker/Chairperson

The following other matters were referred to the committee and the resultant report was produced:

Date of referral	Expected report date	Content of referral	Status of Report
06/06/18	September 2018	<p>The recommendations affecting the DTI's mandate fell within the scope of the first thematic area, namely "Poverty, unemployment and the equitable distribution of wealth". With respect to Trade and Industry, the HLP report highlighted a number of challenges in the sector, including the high cost of credit, access to credit for low income consumers, ease of doing business, and youth unemployment due to lack of skills which is not properly addressed in the country's transformation legislation.</p>	Report adopted on 5 December 2018



Date of referral	Expected report date	Content of referral	Status of Report
		<p>The High Level Panel Report focused on the following pieces of legislation in this regard:</p> <ul style="list-style-type: none"> <li>• SEZ Act (No. 16 of 2014);</li> <li>• National Credit Act (No. 34 of 2005); and</li> <li>• Broad-based Black Economic Empowerment Act (No. 53 of 2003) and its Codes of Good Practice.</li> </ul>	

## 11. Lessons learnt and challenges experienced

### 11.1 Processing of Legislation

#### 11.1.1 Committee Bill process

- There is a need to strengthen capacity within the Parliamentary Legal Services to facilitate the drafting of Committee Bills. This should include access to technical/legal expertise in terms of the subject matter.
- The rules in relation to Committee and Private Members' Bills (PMB) should be revisited, such as who should receive the first public comments in relation to a PMB (ideally this should be received by the person introducing the Bill).

#### 11.1.2 Sub-committees

- Sub-committees are an extension of the Committee and are established according to the rules.
- During the processing of the Copyright and the National Credit Amendment Bills, the Committee established sub-committees to more rigorously unpack contentious or technical matters related to these Bills and make recommendations to the Committee on these areas.
- Given its experience with sub-committees, the following factors affect the effectiveness of a sub-committee:
  - (i) The appointed chairperson;

- (ii) The scope given to the matter;
  - (iii) Amount of time to meet and understand the subject matter, as well as discuss issues;
  - (iv) The general understanding of appointed Members and staff members of the subject, as well as opportunities available to expand this understanding;
  - (v) The availability of Members; and
  - (vi) The stakeholders invited to participate.
- During the Committee Bill process, it became apparent that government officials were reluctant to provide certain facts or advice as they did not want to appear to be opposing or contradicting the Members during these meetings. However, their input is critical to ensure that the process is efficient and that accurate information is available.
  - Furthermore, certain stakeholders would not want it to be public knowledge that they had shared sensitive information with the sub-committee and would thus not agree to such a meeting.

### 11.1.3 Technical drafting teams

- The Committee set up technical drafting teams while processing the Copyright, Performers' Protection and National Gambling Amendment Bills.
- These consisted of the Parliamentary Legal Advisor(s), Content Advisor, relevant Government Officials and the State Law Advisor where available. In certain instances, it also included external content specialists.
- The team was mandated to work through public comments and provide the Committee with proposed amendments.
- This assisted the Committee by ensuring that most opposing views from the support teams were addressed and proposals were better thought through.

## **11.2 Oversight**

### **11.2.1 General**

- Parliament's time allocated for oversight during committee weeks is insufficient. Ideally, this should be two weeks per quarter with no interruptions in terms of House sittings and caucuses.
- Historically, the DTI's entities have had a track record of good governance and financial management. However, there had been challenges with respect to maintaining good governance and financial management systems in the NRCS and the SABS. This may be due to insufficient monitoring by the DTI and/or the Committee.
- Due to the number of entities within the DTI, it is difficult to see all 14 entities for every budget vote and annual report cycle, as well as to monitor these each quarter. Therefore, the Committee adopted the approach of selecting a few entities that were considered critical for each of these oversight activities. However, there is a need to have a more systematic approach so that each entity is monitored fairly consistently over a five-year period. This could include creating groups of entities that are seen at a time.
- Some of the critical governance areas that have been identified include procurement and tender processes, such as for leases of premises, appointments of boards and chairpersons, and conflict of interest in terms of the distribution of funds.

### **11.2.2 Co-ordination among committees/departments**

- Co-ordination remained a challenge during the Fifth Parliament, in spite of efforts to jointly meet on issues affecting multiple committees.
- This should be facilitated at a political level to ensure that these meetings are effective and that continuous, co-ordinated oversight can happen to achieve a complementary objective and requires that committees are aware of how their portfolios affect national objectives/priorities. This is especially important since a number of the Department's functions are directly affected or reliant on other departments or state-owned entities.
- It appears that as each of these institutions have a different primary objective, the bigger picture of growing the developmental economy and creating employment may be lost, leading to policy uncertainty for investors.

- Furthermore, there appears to be a lack of co-ordination within the Department. Unless a more holistic approach is taken, policies such as industrialisation and transformation cannot be implemented effectively.
- There is a need to track the development and implementation of other legislation that impacts on the DTI's mandate.

### **11.3 Operational matters**

#### **11.3.1 Membership of committees**

- Members, excluding alternates, serving on multiple committees often lose track of the deliberations and decisions which impacts on the Committee's ability to finalise its work, particularly in relation to legislation. This may be alleviated by, firstly, appointing Members to only one committee or if necessary, to appoint them to another committee within the same cluster; secondly, by diversifying the provincial spread within a committee to obtain a broader national perspective. It also ensures that when, for example, there are by-elections in a province, the quorum can still be maintained and furthermore, the coherence of deliberations is maintained.
- The lack of political institutional memory regarding committee work has been a challenge when very few previous members of a committee are reappointed and/or there are regular membership changes during the term.
- This impacts on Members' ability to sufficiently expand on their understanding of the subject matter and to effectively engage on ongoing matters such as a piece of legislation. This also requires more time to equip Members to effectively perform their legislative and oversight roles.

#### **11.3.2 Committee documentation**

- There appears to be no accessible style book within Parliament. This has led to unnecessary diversity in the formatting and language use across minutes and reports. Thus official documents are not always presented in a professional manner.
- The style of the minutes should also be similar to that of the National Assembly and the formatting should be standardised.
- A further matter that contributes to this is that not all Committee staff members have the same level of computer literacy skills.

- Document distribution prior to the meeting has been a challenge, as either the stakeholders are submitting their documents late or staff members have not distributed these upon receipt. The norm should be that documents should be distributed electronically at least two or three days prior to the meetings.
- The provision of briefing documents summarising the purpose of the meeting and prior engagements on that subject matter have not been consistently provided. This is particularly important when there has been a change in chairperson or an ongoing topic.

### **11.3.3 Broad institutional issues**

- Unpredictable changes in the parliamentary programme negatively impacted on the Committee's work and the Committee's image in relation to professionalism. While the Committee acknowledges that changes are sometimes necessary, the frequency and short notice is a concern. This leads to meetings having to be cancelled or postponed at late notice and has a cost implication for its stakeholders.
- Bureaucratic processes, such as seeking permission to cancel a meeting, is superfluous.
- There is no understanding or urgency to process urgent applications where the Committee was unaware of an event that it is required to attend within a day or two.
- Delays in political and financial approvals where the process was initiated within the time limits set or well in advance has a financial and reputational implication for the Committee and Parliament. This is particularly concerning for oversight visits and study tours where the Committee must confirm dates and/or attendance for meetings and events.
- Committees require a degree of certainty to be able to plan effectively; therefore, committees should adopt an annual plan/programme, which is also adopted by the National Assembly. This would require that the focus areas are stated annually upfront.
- The financial and human resources should be effectively allocated based on the strategic evaluation and classification of the nature and volume of work of different committees.

- There is a need to balance the policy requirement of procurement informed by good governance with the technical implications arising from choosing a different ICT system every five years, e.g. moving from GroupWise to Microsoft Outlook. This has led to glitches in distributing information electronically which impacts on the work of the Committee Secretariat.

#### **11.3.4 Travel**

- While the Committee supports the need to empower new service providers so as to facilitate transformation into an inclusive economy, the quality of the service being provided should be monitored and assessed. As an example, where chauffeur-driven transport is obtained, the drivers should be knowledgeable or have the necessary equipment to transport the Committee to the right destination within a reasonable time estimate. The Committee has on occasion been taken to the wrong venue in spite of providing the company with the correct details. These delays cut into the Committee's oversight programme and may increase the cost to Parliament.
- The House Chairperson should indicate whether there are budgetary caps for oversight visits to avoid multiple iterations of an application having to be submitted and thus delays in processing applications and securing logistics for the visit.

### **12. Recommendations**

The Sixth Parliament should consider:

- 12.1 Revisiting the rules in relation to Committee and Private Members' Bills to align it with the executive process. Currently, public participation is limited with respect to Committee Bills prior to its introduction.
- 12.2 Developing rules with respect to closed meeting in relations to sub-committees. Currently, sub-committees are open to the public and it is unclear whether the same rule for closed meetings should apply.
- 12.3 Facilitating improved co-ordination of committees dealing with cross-cutting matters to ensure effective oversight. This would require that committees are aware of how their portfolios affect national objectives/priorities.

- 12.4 Ensuring continuity within a committee.
- 12.5 Requiring committees to adopt an annual plan/programme, which is adopted by the National Assembly. This would require that the focus areas are stated upfront annually.
- 12.6 Encouraging joint meetings between the relevant portfolio and select committees to be briefed on common matters and to avoid duplication of presentations, such as for the consideration of international agreements, that both committees must consider.
- 12.7 Realigning the allocation of resources to reflect the work-load of specific committees.

Norman Kibha 28 March 2019

