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Schreide



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

Co-operatives
Amendment
Bill, B17-2011

2012.11.27

Facilitation of Public Participation



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OF THE REPUBLIC OF SERBIA



Financial / Reporting / Legal Aspects

Organisation	Comment	Amendment
IRBA, SALGA, SALPA and Pretorium Trust	Definitions relating to auditing / independent review and financial reports and records not aligned with Companies Act / Auditing Professions Act / Accounting practice / International standards	1. Definitions aligned 2. S47(4): Co-operative reporting system framework
Pretorium Trust; SALGA	Application of “surplus” and “reserve fund” in Co-operatives: - Isn't it limiting savings? - Is it good practice? - Isn't it too bureaucratic (prescriptive)?	1. Defined 'surplus' 2. S3(1)(e) and S44(5) gives more clarity 3. International practice followed (Kenya - 10% of surplus in an indivisible reserve)
SALGA	Aren't the financial requirements too onerous?	1. Different categories : different reporting requirements 2. Intergovernmental co-operation will be very important – Chapter 12C



Financial / Reporting / Legal Aspects

Organisation	Comment	Amendment
IRBA, SAICA and SAIPA	Is requiring compliance with the principles of corporate governance not too onerous?	1. S3(6) provides for regulations setting out these principles. It will thus be clear and aligned to the needs of co-operatives
IRBA, Pretorium Trust	Archive documents after 7 years too onerous	1. S21(2): 5 years, or such longer period as the Minister may determine
IRBA, SAICA and SAIPA	Role of the Board vs the Auditor / Independent reviewer appears confused	1. S48 (Consideration of audited report or independent reviewed reports) Corrected
SAICA	Appointments of auditor / independent reviewer restricted (interim / higher level of governance)	1. S50(7) and (8): Interim appointments allowed so that a co-operative can choose to change level of governance at any point



Financial / Reporting / Legal Aspects

Organisation	Comment	Amendment
Houers Koöperatief Beperk, Malelane Sitruskoöperasie Beperk and Steinberg & Kie	S24 re Withdrawal of membership. Need a maximum period for repayment of membership value	1. S24 amended to include a maximum amount
NUMSA, SACTWU	7 principles for the establishment of cooperatives to be included in the Bill	1. Defined 2. S3: Made an obligation
NUMSA, SACTWU	Co-operatives to be subject to labour laws to avoid bogus co-operatives	1. Done: Schedule 1, Part 2, Worker co-operatives



Setting up of Co-operatives

Organisation	Comment	Amendment
NUMSA, SACTWU	Juristic persons as members?	1. Followed example of International Co-operative Alliance (ICA)
NAFECOSA, SANACO, SAWICO	Set up of secondary / tertiary co-operatives	1. The number and nature of members for each have been reconsidered.
SALGA	Disconnection between apex and primary co-operatives	1. Minimum membership of functional co-operatives prescribed – functionality will avoid the disconnect
Pretorium Trust	Liability of all co-operatives registered under the Act limited?	1. Yes to ensure that members are not misled in joining a co-operative with unlimited liability.



Transition

Organisation	Comment	Amendment
SALGA	SS32 and 38: Management of co-operatives – will change require existing constitutions of co-operatives to be amended	1. S97: A two year transition period is provided for
SALGA	The administrative costs (both for state and co-op) in the process of amending the names to include “co-op Ltd”	1. Only for newly registering co-operatives
Wine Cellars SA	Concerned about wording of S97 (transitional provisions) as well as impact	1. Amended



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Advisory Council / Agency / Tribunal / Intergovernmental co-operation

Organisation	Comment	Amendment
SANACO, SAWICO, SALGA	S87: Proposed alternate membership composition of the Advisory Council	1. Prerogative of Minister in line with requirements as stipulated in the Act
SALGA	S91A: Co-operatives Development Agency: A duplication of work?	1. The aim is not to duplicate but to align and complement existing support agencies
Rural Housing Loan Fund (RHLF)	S91E: Fees of the Agency	1.No fees. S91E deals with loans offered to co-operatives.
SALGA	Independence of the Agency (available to all spheres, or a national agency under dti?)	1.National oversight, with IGC 2.Preferred to a juristic person outside the public service.
SANACO, NAFCOSA, SALGA	Opposed to the establishment of a Tribunal	1. Imperative to ensure good governance
Lesiba Mudau Transporting Consulting (Pty) Ltd	Concerned about dispute resolution mechanisms	1. The Tribunal will assist



Other

Policy

-Co-operatives strategy :incentives; BBBEE; communication;

Operational

- How will a co-operative progress from category A to B to C?
- How will the MOU work between the Agency and Municipalities?
- Structures such as Mimmec suitable for monitoring? (formal Government structures are important for IGC)

Technical

- Conflicting provisions;



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Thank you

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