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PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

COMMITTEES

PO Box 15 Cape Town 8000 Republic of South Africa
Tel: 27 (21) 403 2597 Fax: 27 (21) 403 3205
www.parliament.gov.za

**Formal consideration of the Co-operatives Amendment Bill [B17B – 2012]
Points for Consideration
27 February 2013**

Reasons for Review

Essentially the exercise to review the Co-operatives Act of 2005, according to the dti, was to achieve the following:

1. Streamline the support of coops and alignment across the 3 spheres of government,
2. Create conducive space and environment for the growth and development of Coops,
3. Enhance accountability and transparency in Coops, and
4. Enhance sustainability and admin, coordination and compliance of coops.

Broader Issues the Committee should seek clarification and assurances:

1. That the compliance / admin costs required by the Coop Bill are not prohibitive especially for primary coops. The dti should do a cost modelling exercise to have a clearer picture of the compliance requirements;
2. Institutional overlap / duplication / coordination issues between SEDA, SEFA, Rural Development Support Agencies and the proposed Co-operatives Development Agency;
3. How does the Bill deal with resources double dipping?
4. Linked to the above is the minor question of physical access to the Agency and its geographical spread across provinces. Initially the idea was to use municipal infrastructure; has this proposal been finalised with local government? What are the anticipated occupational costs to municipalities?
5. Cooperatives are central in Local Economic Development Programmes for municipalities and local authorities to the extent that they have support initiatives via their budgets. Yet the similar initiatives are proposed and offered by the national and provincial structures. This creates expectations across the 3 spheres of government – are such expectations and obligations precisely clarified in the Bill.
6. Broader (ideological and political) issues as raised by SALGA:

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- a. SALGA argues that there is a very thin line to a possible 'privatisation of Coops' in that the Bill borrows a lot in terms of principles from the Companies Act.
- b. Although this is beyond the competency of the Bill, SALGA seems concerned that there is a strong perception within the policy makers that coops are a panacea to dealing with issues of job creation and poverty alleviation.

Consultation Concerns

There's a question mark about the thoroughness of debate and consultations. The NA has had over a year to consult on the Bill. The same cannot be said about the NCOP. In addition, an absence of discernible provincial and local governments' consultation is evident in the process as reflected in the matrix on public consultations— only organisations views appear to have represented via NAFCOSA, SANACO, SAWICO, RHLF and broader reflections by SALGA.