



NEDLAC CONNECT

NEDLAC NEWSLETTER OCTOBER/NOVEMBER 2022

National Economic Development
and Labour Council



Introduction

Nedlac's work continues unabated, with social partners diligently dealing with critical pieces of legislation, unpacking their implications, and debating issues that will have a lasting impact on the lives of ordinary South Africans.

In this edition of Nedlac Connect we highlight two significant pieces of legislation placed before Parliament: the Public Procurement Bill and the Electricity Regulation Amendment Bill, both of which will have far-reaching implications countrywide.

The incorporation of the Presidential Climate Commission under Nedlac has meant a slight revision of the organisation's five-year Strategic Plan and the Annual Performance Plan, and the creation of a new programme.

October also saw Nedlac and the National Institute for Occupational Health (NIOH) launch a training programme aimed at educating and managing health and safety practices – including COVID-19 – in the workplace.

Travel was possible for Nedlac officials, which saw Chief Financial Officer Farhaan Samsodeen attend the Italian Association of Finance Executives (ANDAF) CFO international Alliance Summit in Italy. This was at the invitation of the South African Institute of Business Accountants (SAIBA).

Nedlac Executive Director Lisa Seftel attended the annual general assembly of the United Council of Economic and Social Councils and Similar Institutions in Africa, held in Morocco.

And last but not least, we pay tribute to Dr John Purchase, who has served in this organisation as the Organised Business Convenor for Trade and Industry Chamber since January 2016 and who is now retiring. At the same time, we welcome Theo Boshoff, who takes up the same position. We bid farewell to long-serving employee Judy Blom, who is also retiring after working in the organisation for more than five years.

As always, we would like to thank our social partners for their continued support and valuable input.

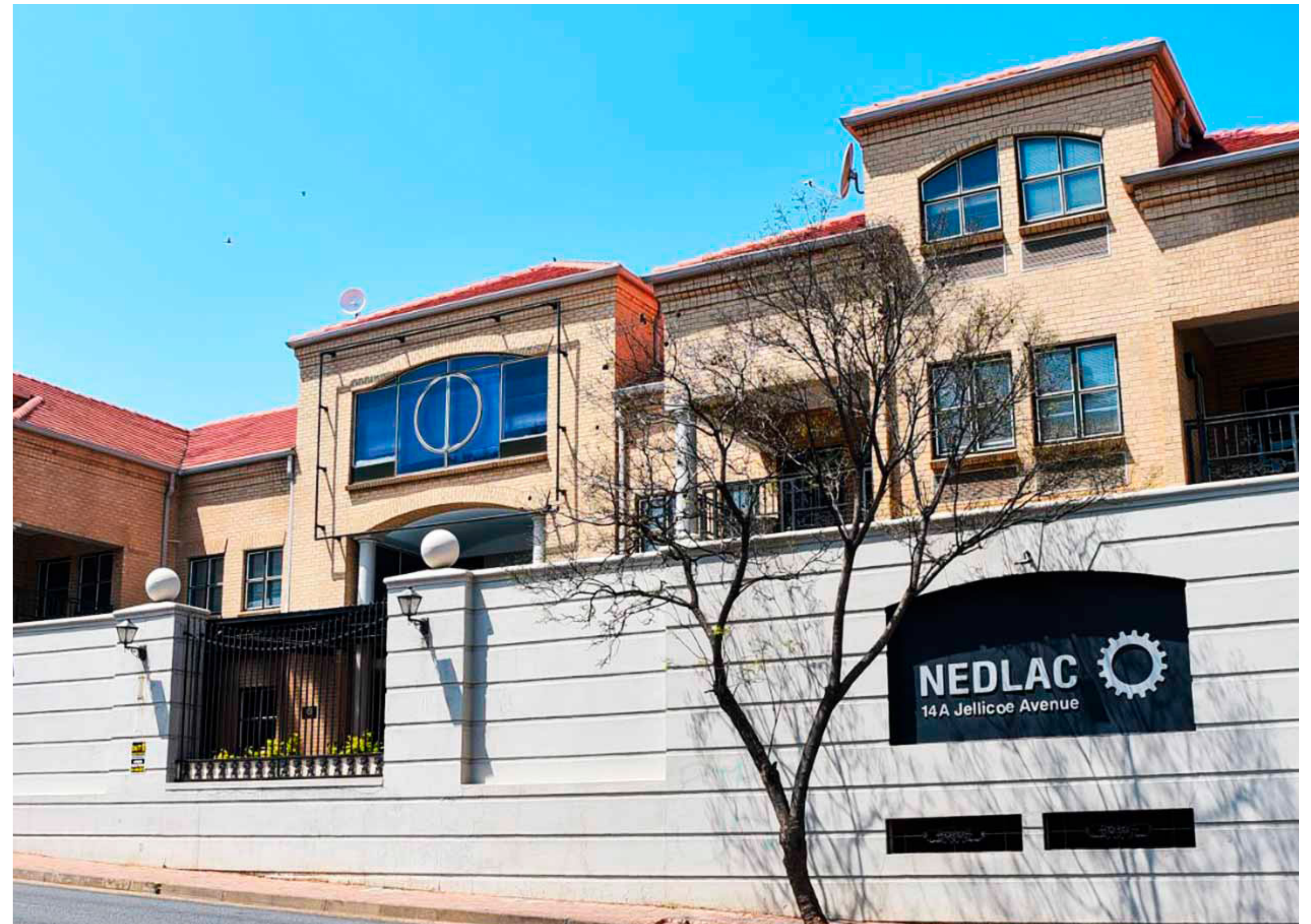
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Now sit back and enjoy the read.



Key Achievements

In this section we provide feedback on key achievements, developments and changes at Nedlac during October 2022.



The National Economic Development and Labour Council (Nedlac) is the vehicle by which Government, labour, business and community organisations seek to cooperate, through problem-solving and negotiation, on economic, labour and development issues and related challenges facing the country.

Nedlac deliberations on Public Procurement Bill concluded

The Nedlac Report on the Public Procurement Bill, aimed at creating a single regulatory framework for public procurement and eliminating other fragmentary laws relating to the same process, has been concluded.

The Public Procurement Bill, when enacted will encompass all issues of procurement and supersede the Public Finance Management Act provisions on procurement. Engagements at Nedlac were finally concluded on 26 October 2022 after deliberation over numerous key areas.

When it was first tabled by the government on 2 June 2022 at Nedlac, a task team was established under the Public Finance and Monetary Policy Chamber.

The question of whether a statute or Bill should provide greater guidance around procurement or if this should rather be dealt with as part of sub-ordinate legislation, like regulations and instructions, was discussed in detail.

Business and labour believed it would be better if the Bill contained more substance in key areas that would lead to greater harmony and more coherence around public procurement rules and laws. They felt it should not be left to subordinate legislation which was the view of government.

The task team also considered aspects of the Bill that included issues of institutions, and governance, principles, the implications of centralisation vs decentralisation, the bidding process, dispute resolution, and oversight, taking into account the Zondo Commission recommendations.

A team of experts referred to as Joint Strategic Resources or JSR was asked to provide advice. They comprised representatives from the Public Affairs Research Institute (PARI), Corruption Watch, the University of Stellenbosch, and the University of the Witwatersrand. They provided



PUBLIC PROCUREMENT BILL



The Public Procurement Bill creates a single regulatory framework for public procurement processes

guidance on anti-corruption measures and enhanced service delivery, among other things.

The Nedlac Report on the Public Procurement Bill has made further recommendations in areas of disagreement that may allow the same task team to reconvene when appropriate.

Electricity Regulation Amendment Bill awaits green light

The Nedlac Report on the Electricity Regulation Amendment Bill is now before Parliament for further consideration and debate, after the government tabled the first draft to Nedlac and the Manco task team on 6 May 2022. The deliberations in Nedlac were difficult for a variety of reasons.

Concerns were raised around the complexity of the Bill's design, about the institutional arrangements and envisaged end state of the supply of electricity from the industry.



The Nedlac report on the ERA Bill is before Parliament for consideration

One of the issues was the removal of sections dealing with the unbundling of Eskom from the Bill and the establishment of a Transmission System Operator (TSO) as a subsidiary of Eskom Holdings SOC Ltd. The government said these changes must be made by amending the Eskom Conversion Act (Act No. 13 of 2001). In this regard, the task team asked the Department of Public Enterprise (DPE) for updates on the progress and envisaged timelines of the Eskom Conversion Act Amendment Bill.

Business recorded concern about the lack of clarity of the roles of the various institutions (such as the CPA) and that the envisaged end

state of the electricity supply was not clear. This could cause unnecessary confusion and delays. Business was also concerned about the expansion of the Minister's discretion over many areas of the energy supply industry and did not support the clarification of fundamental issues through future regulations. Business felt the design of the market should be posited in the statute.

Labour disagreed with the unbundling of Eskom. It viewed this as an attempt to privatise Eskom, with a negative impact on its employees. Labour, therefore, opposed unbundling, based on the impact on Eskom jobs and Eskom's sustainability.

Nedlac CFO attends international summit in Italy

Nedlac Chief Financial Officer (CFO) Farhaan Shamsodeen attended the Italian Association of Finance Executives (ANDAF) CFO international Alliance Summit in Capri, Italy from 3-13 October, at the invitation of the South African Institute of Business Accountants (SAIBA).

The event was aimed at identifying and analysing, from a global perspective, the key components of a successful economy for the 21st century.

Farhaan Shamsodeen, Nedlac Chief Financial Officer at the conference hosted by the Italian Association of Finance Executives (ANDAF)



Under discussion were topics such as the role of CFOs and managing finance in uncertain times. The consensus of the meeting was that CFOs have to be more aware of what is happening on a global scale and be open to external events that could have an impact on the business.

Delegates also unpacked the future of reporting sustainable related practices and processes for corporates. While currently there are no standard metrics for these reports, CFOs will have to sign off on them and will have to decide on how to incorporate them as asset valuations.

Also discussed was the importance of data for CFOs and the importance of

understanding employees' needs in the digitalisation process. It was noted that automation does not necessarily mean cutting costs and reducing staff.

Other issues included:

- The significance of global events such as the war between Russia and Ukraine and the need to remain flexible.
- The competency of public administration officials is key to ensuring that finances are allocated efficiently and responsibly.
- The importance of young people in the future growth of an economy.
- The adjustment of job requirements to the new skills and competencies.

UCESA Annual General Assembly

Lisa Seftel, Executive Director of Nedlac, attended the United Council of Economic and Social Councils and Similar Institutions in Africa (UCESA) Annual General Assembly and a workshop on climate action in Rabat, Morocco on 17-18 October 2022.

UCESA has about 17 members from bodies similar to Nedlac, mostly from French-speaking African countries. Nedlac used to be a member but over recent years it has lapsed.



Nedlac Executive Director Lisa Seftel attended the annual general assembly of the United Council of Economic and Social Councils and Similar Institutions in Africa (UCESA) meeting in Morocco.

The role of UCESA is to:

- Support the establishment of economic and social councils and similar institutions;
- Strengthen cooperation and promote information exchange between members for the benefit of African citizens;
- Advocate the values of ethics, solidarity, social justice, and equity in economic and social fields; and
- Carry out studies on subjects of common interest.

UCESA recently developed a Sustainability Charter, which it would want member

organisations to adopt, and surveyed perceptions by African citizens of climate change.

The survey covered about 8 000 respondents across Africa, including 503 in South Africa: 50% of South Africans said they were experiencing the consequences of climate change, the biggest issue being increased temperatures.

A report on the Annual General Assembly and workshop will be prepared by the Executive Director for the Nedlac governance structures to consider if UCESA membership should be renewed.

NEDLAC workstream on energy hears Eskom's plans

Loadshedding is a reality with which we will have to contend for the next 18 to 24 months, said Eskom Group Chief Executive Officer Andre de Ruyter at a joint meeting of the Nedlac EXCO and the energy workstream on energy security.

The meeting with the Nedlac energy workstream discussed how Eskom plans to resolve the chronic power supply shortage and identify the role social partners can play in support of Eskom.

The meeting took place on 31 October 2022 in the context of President Cyril Ramaphosa's announcements in July about interventions needed to resolve the drastic situation in the country.

De Ruyter said the Just Energy Transition (JET) that deals with the replacement of coal-fired generation with environmentally friendly renewable energy have been put in place. This is precipitated by the investment in additional generation capacity to replace the decommissioned coal-fired capacity.

Eskom estimates that between 50GW and 60GW of renewable energy will be required to replace decommissioned coal-fired capacity - at a cost of around R990 billion. The new capacity has to include both renewable energy and load-following capacities, such as gas, battery, and pumped storage.

Social partners emphasised that the JET needs to be a Just Transition for all and no one should be left behind.

They welcomed an Eskom initiative to stimulate investment in renewable energy capacity in areas with grid access and available capacity through a land leasing scheme for renewable energy projects. The first phase could realise over 2000MW of new renewable energy capacity in Mpumalanga and other historically coal-mining towns.

Eskom plans to expand this scheme by making 31 000 hectares of land potentially available for lease, with a possible solar PV capacity of more than 7GW.

Meanwhile, the business constituency of Nedlac is also working on initiatives to assist in the electricity supply shortage in the short to medium term.

It is estimated that about 1200MW of embedded generation capacity may be available to supply to Eskom next year. Several large users are investing in embedded generation projects, which could see more than 7800MW of capacity made available after 2024.

De Ruyter warned against the immediate implementation of the minimum emissions standards, which might result in an immediate loss of 16GW of capacity. This would also require an investment of more than R300 billion to be fully

compliant, and take up to 10 years to complete.

Another Eskom initiative is to reduce electricity consumption through various demand-side management schemes and initiatives. In the short term, initiatives including power alerts and other behavioral measures were expected to reduce demand by 1 450MW cumulatively over three years.

While this was welcomed, social partners said the electricity demand is expected to fall as prices continue to rise.

Social partners called on Eskom to continue to make a coordinated effort to address the challenges and emphasised the need for alignment between all stakeholders.

NEDLAC reviews planning documents

Nedlac's planning documents – the five-year Strategic Plan and the Annual Performance Plan – had to be amended after the Presidential Climate Commission (PCC) became a programme of the organisation.

This will be the case for two years until the Climate Change Bill is implemented.

All public entities in South Africa are required to have a five-year Strategic Plan and an Annual Performance Plan, setting out the plans, indicators, targets, and budget for the forthcoming periods.



In line with this, on 28 October 2022, Nedlac Exco approved a revised Strategic Plan for the 2020-2025 financial years as well as a revised Annual Performance Plan for the 2022/23 financial year.

The plans reflect a revised theory of changes that include the PCC and the imperative for a just transition towards a low-carbon future. A new programme was adapted to accommodate the PCC. The PCC indicators and targets are related to the work done on research, stakeholder engagement, and policy advice responding to climate change and ensuring a just transition.

The Nedlac budget for 2022/23 has increased to just less than R100 million to accommodate the PCC and the surplus from the last financial year. The PCC funds have been transferred via

National Treasury from the Department of Forestry, Fisheries, and the Environment. Donor funds, some of which will come into the coffers of Nedlac, and other in-kind donor funds, will contribute to the work of the PCC. Some of the surplus funds will go to the CCMA Project focusing on COVID-19-related disputes.

The Nedlac Exco also approved the draft Annual Performance Plan for 2023/24 financial year. This will now be sent to various government departments for comment. Not many changes were made to the plans for the last year of the current government cycle. It is envisaged that the Governance Task Team's work will be concluded in this coming financial year.

Nedlac-NIOH COVID workplace project rolled out

Nedlac and the National Institute for Occupational Health (NIOH) have collaborated in rolling out a training program to manage COVID-19 in the workplace and improve the protection of employees' health and safety.

It was launched on 16 August 2022 and attended by health and safety experts and practitioners, as well as business, labour, and government representatives.

With the ending of the Disaster Management Act and the subsequent easing of COVID-19 restrictions, Nedlac identified the need for companies to have ongoing occupational health and safety training and access to pertinent information, including specific COVID-19-related issues.

The National Institute for Occupational Health (NIOH) was brought in to assist with the training as well as coordination and facilitation.

The first webinar was held on 6 October 2022, under the theme OHS/ COVID-19 Policy updates: The Code of Good Practice, in the form of a panel discussion with input from the Department of Employment and Labour

senior specialist in the Occupational Health and Hygiene Department Bulelwa Huna, and Dr. Jane Lapere, a medical doctor and independent OHS consultant specialising in social labour law.

The webinar dealt with the regulatory framework as well as the Code of Practice: Managing Exposure to SARS-COV-2 in the Workplace and its practical application. More than 700 participants took part.

As the free program continues to be rolled out over the next 12 months, technical occupational health and safety content will be packaged in various formats such as webinars, fact/infographic sheets, and short videos, dependent on the topic, target audience, and messaging, that should be conveyed to employees/employers countrywide.



The first Nedlac and NIOH OHS Covid-19 Workplace Training Programme was held in the form of a webinar that was attended by more than 700 participants

Recognition for Dr John Purchase

Nedlac bids farewell to Dr John Purchase, who has been with this organisation as the Organised Business Convenor for the Trade and Industry Chamber since January 2016.

September was his last working month.

Dr Purchase used his wealth of knowledge and skills to significantly contribute to enriching engagements at Nedlac on various socio-economic policy and legislation matters.

He served on numerous Nedlac task teams, Management Committee (MANCO), the Executive Council (Exco), Technical Sectoral Liaison Committee (TESELICO), and most notably, the Trade and Industry Chamber, as one of the strongest pillars in advancing the interests of the business community on matters of trade and industrial policy.

His initiative, humility, and commitment to reaching consensus and striving to timeously resolve bottlenecks whenever they arose during the Nedlac engagements are highly appreciated.

Nedlac wishes him a happy and restful retirement.

While Nedlac says goodbye to Dr Purchase it welcomes Theo Boshoff, who fills this vacancy.

He will assume the position of the incoming Trade and Industry Convenor. Boshoff has previously served on various structures within Nedlac, including the Development Chamber, TESELICO and Trade and Industry Chamber.



Dr John Purchase, who has served as the Organised Business Convenor for the Trade and Industry Chamber



Theo Boshoff will assume the position of the incoming Trade and Industry Convenor.

Farewell to Judy Blom, ex-manager: Trade

Nedlac's manager of the Trade and Industry Chamber is retiring after having worked in the organisation for more than seven years.

She joined Nedlac in 2015 temporarily in the coordination of the engagement processes on wage inequality and labour market instability in SA. This process culminated in, among others, social partners reaching an agreement on the national minimum wage.

She managed the process very well and displayed the ability to efficiently respond to the needs of social partners and Nedlac at large. When her employment contract term ended in 2016, she was employed by the National Research Foundation (NRF).

It wasn't long before she took up a permanent position at Nedlac as the Ccoordinator for the Trade and Industry Chamber. The role is now referred to as Manager: Trade.

As Nedlac bids farewell to Judy, Nedlac expresses its deep appreciation for her contribution to the organisation. She became a "solid rock" that kept the Trade and Industry Chamber stable and focused on tackling critical issues.

The Nedlac Secretariat and social partners would like to applaud her for her passion, knowledge, mentoring, and commitment to driving smooth engagements towards the realisation of Nedlac's mandate.

We wish you a wonderful, well-earned retirement!



Ms. Judy Blom who served as Co-ordinator (Manager) for the Trade and Industry Chamber goes on retirement

In the Media

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to clean energy**

Read full article [here](#)



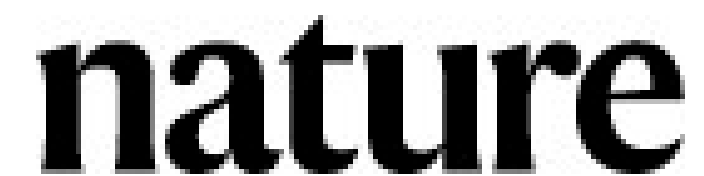
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government and business**

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Upcoming events

17 – 25 November 2022

17 • 11 • 2022

EMERGING ISSUES

Cost of Living Increase Rapid Response Task Team Meeting

22 • 11 • 2022

DEVELOPMENT CHAMBER

Development Chamber Meeting

23 • 11 • 2022

LABOUR MARKET CHAMBER

Labour Law Reform Task Team Meeting

25 • 11 • 2022

GOVERNANCE

Management Committee Meeting (MANCO)

30 • 11 • 2022

TRADE AND INDUSTRY CHAMBER

Trade and Industry Chamber Meeting

ABOUT US

The National Economic Development and Labour Council (Nedlac) is the vehicle by which Government, labour, business and community organisations seek to cooperate, through problem-solving and negotiation, on economic, labour and development issues and related challenges facing the country.

USEFUL LINKS

- ▶ [Nedlac Act](#)
- ▶ [Nedlac Constitution](#)

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