



# THE 28<sup>TH</sup> NEDLAC ANNUAL NATIONAL **SUMMIT**

**Report on Nedlac's Performance  
2022/23**

**Executive Director: Nedlac**

**8 September 2023**



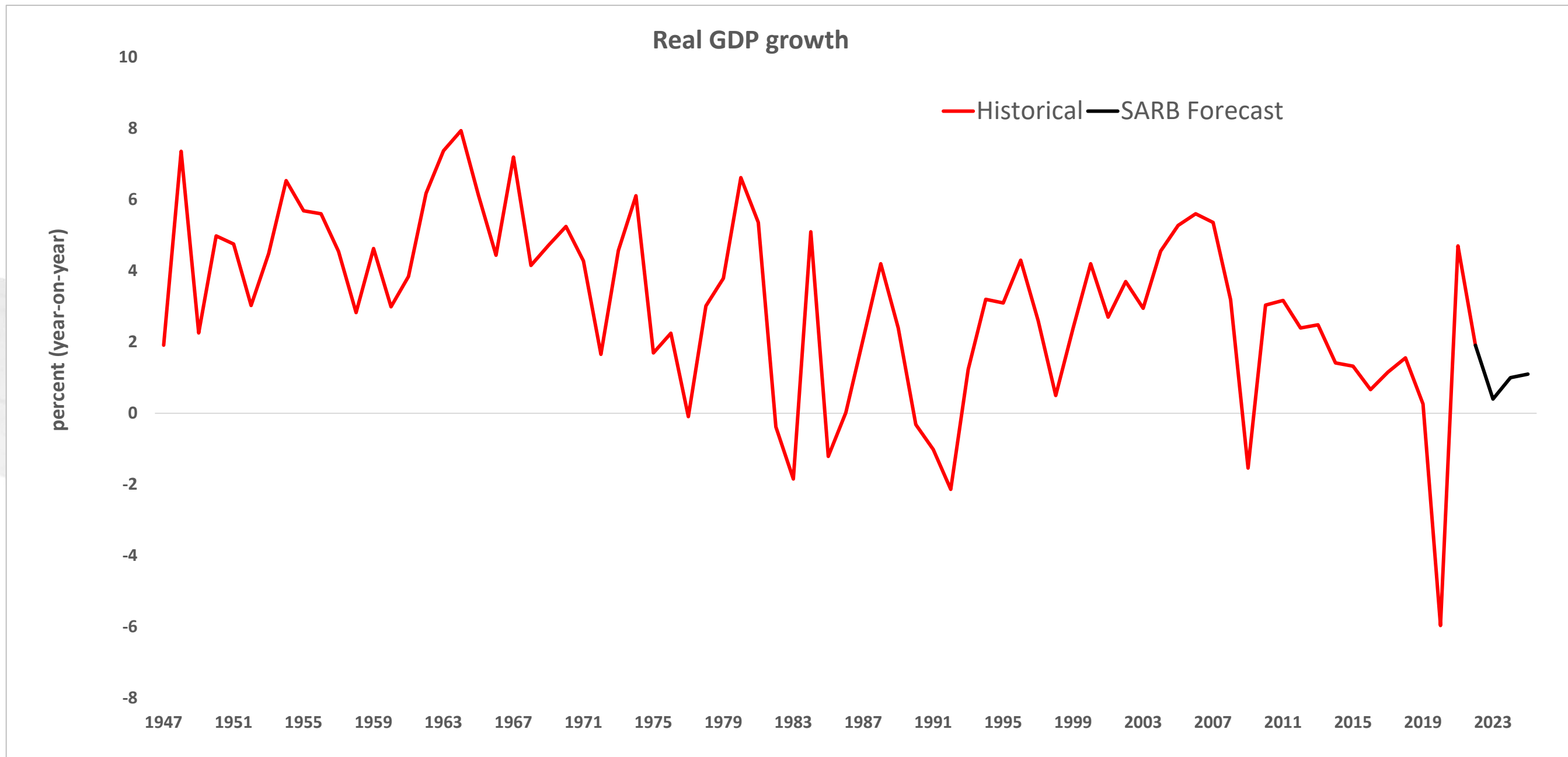




# Context

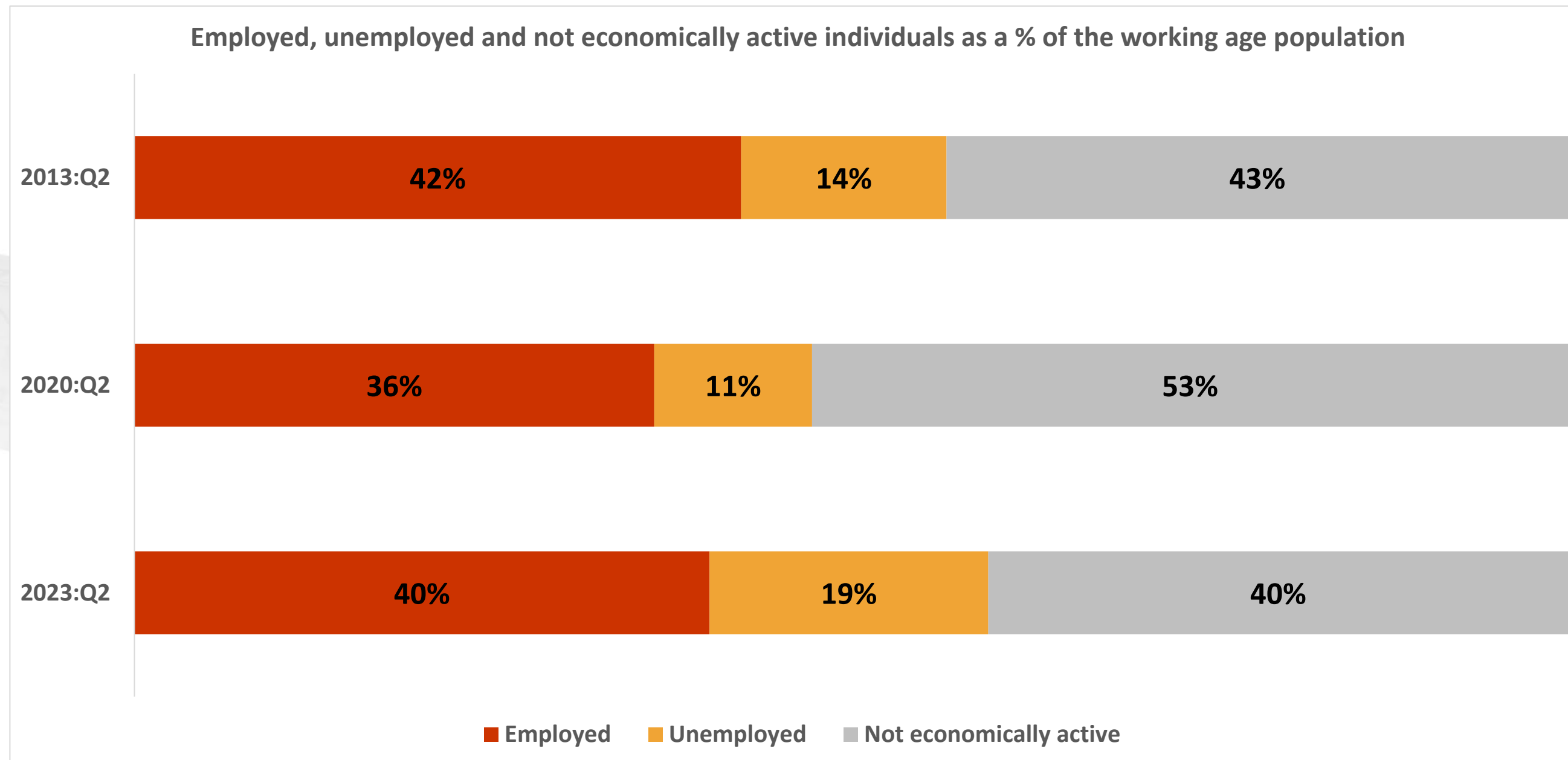


# GDP growth has declined and the prospects of improvement are low

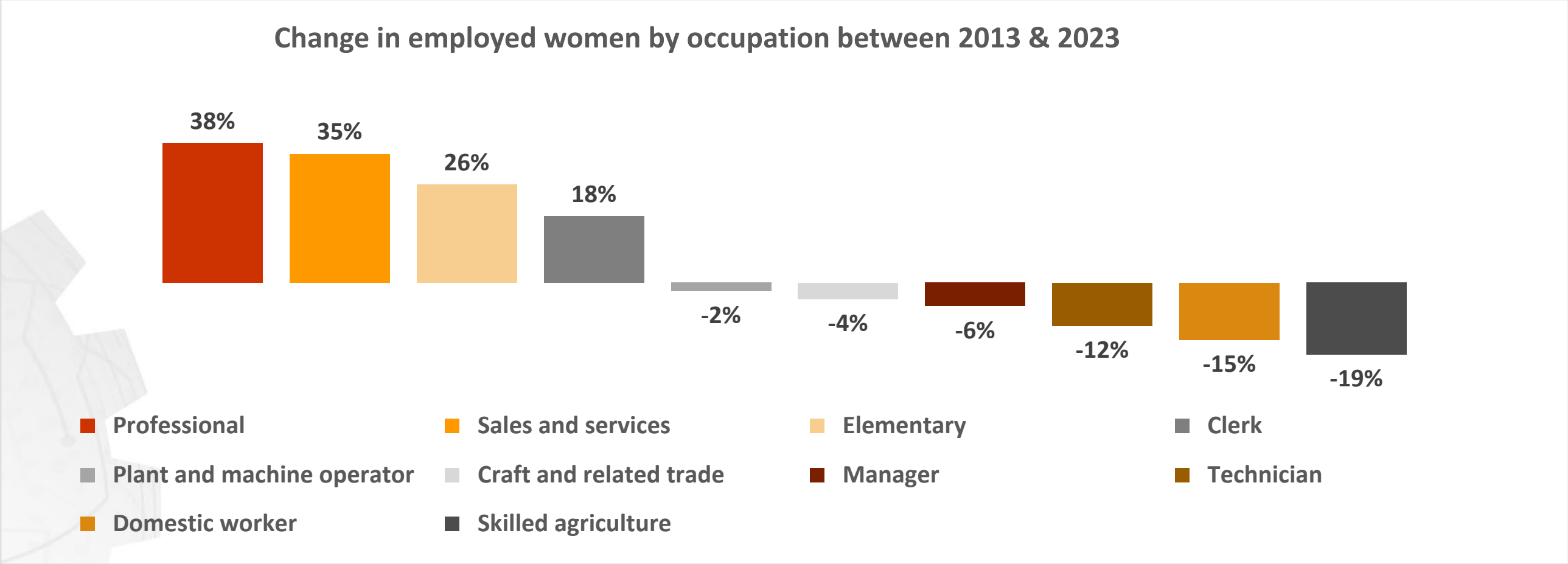




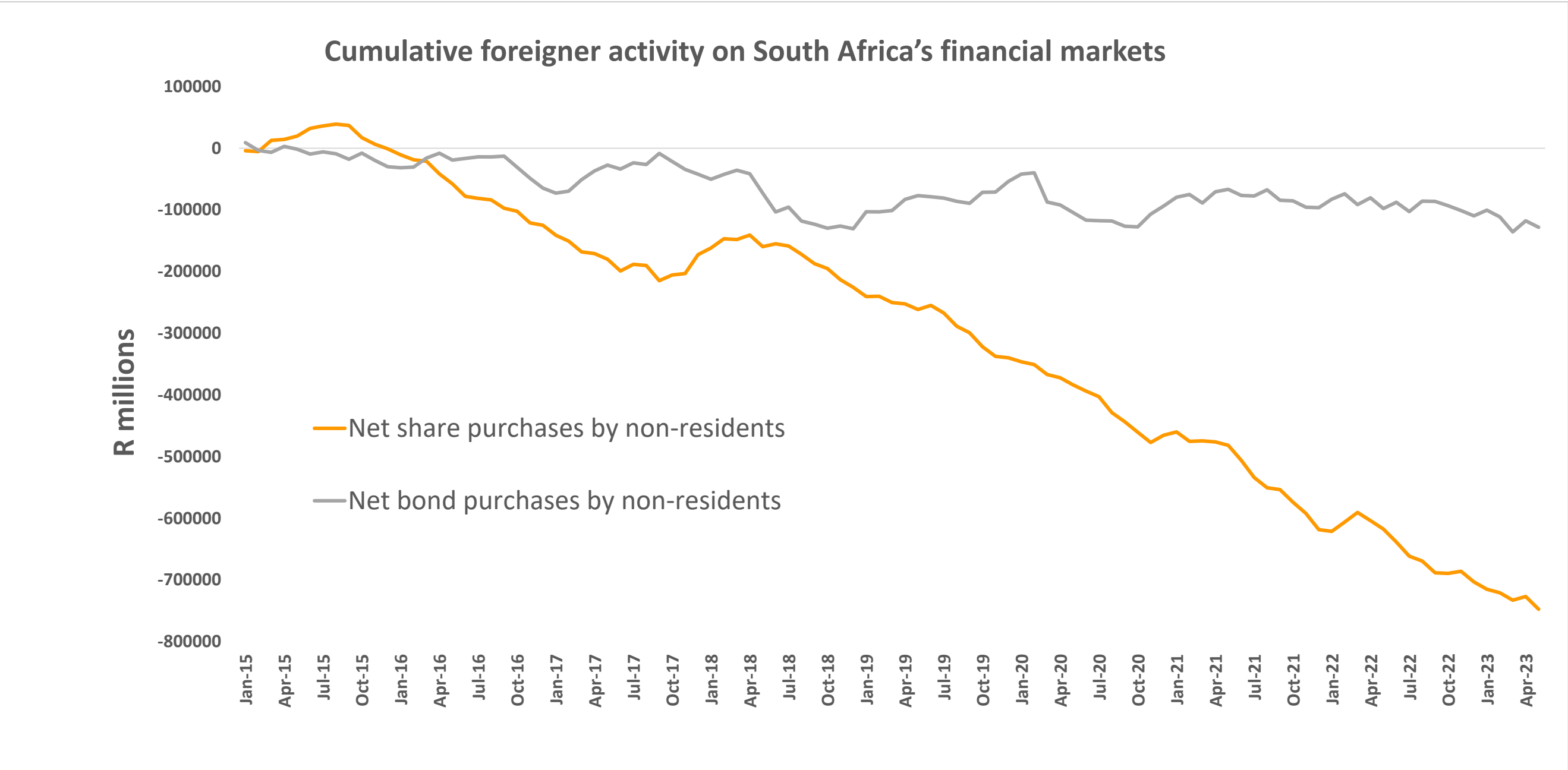
# The number of employed people in South Africa remains dismally low



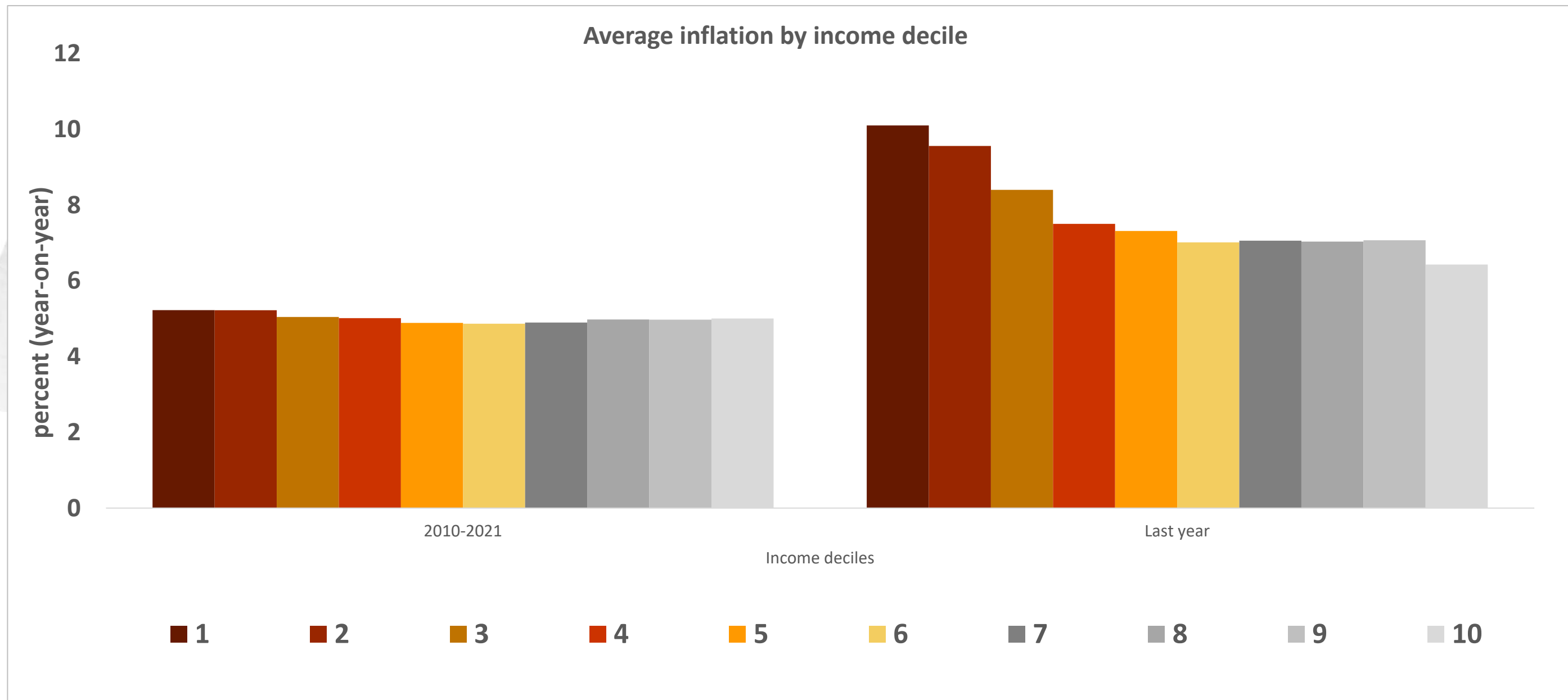
# Only half of women of working age are working. While there has been a significant increase in professional women in workforce there is a decline in the number of domestic workers



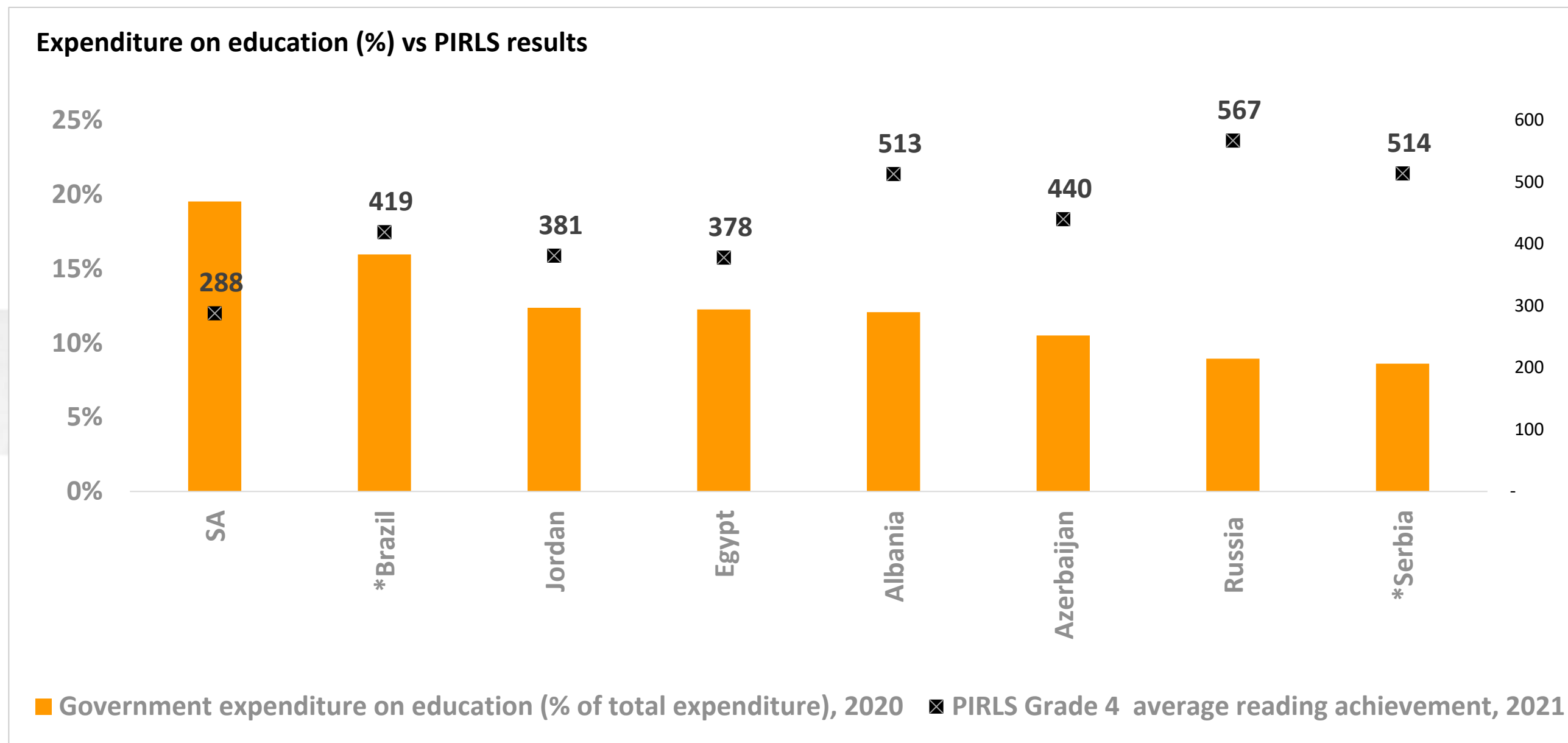
# South Africa is no longer an attractive investment destination



# Higher inflation continues to disproportionately impact the poor



# There are long-run constraints to growth such as poor educational outcomes



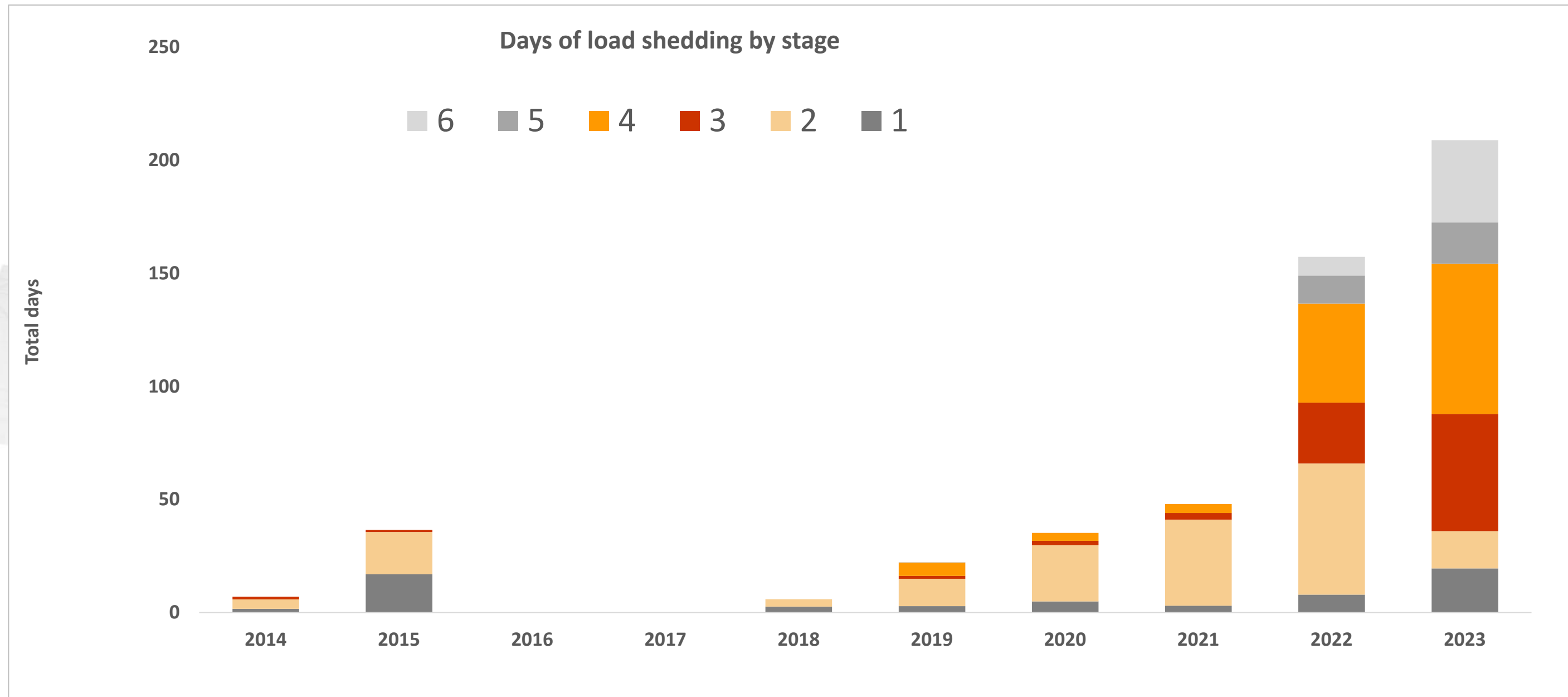
**Only 19% of Grade 4s can read for meaning**

Many countries that spend a smaller proportion of their budget on education performed better than SA

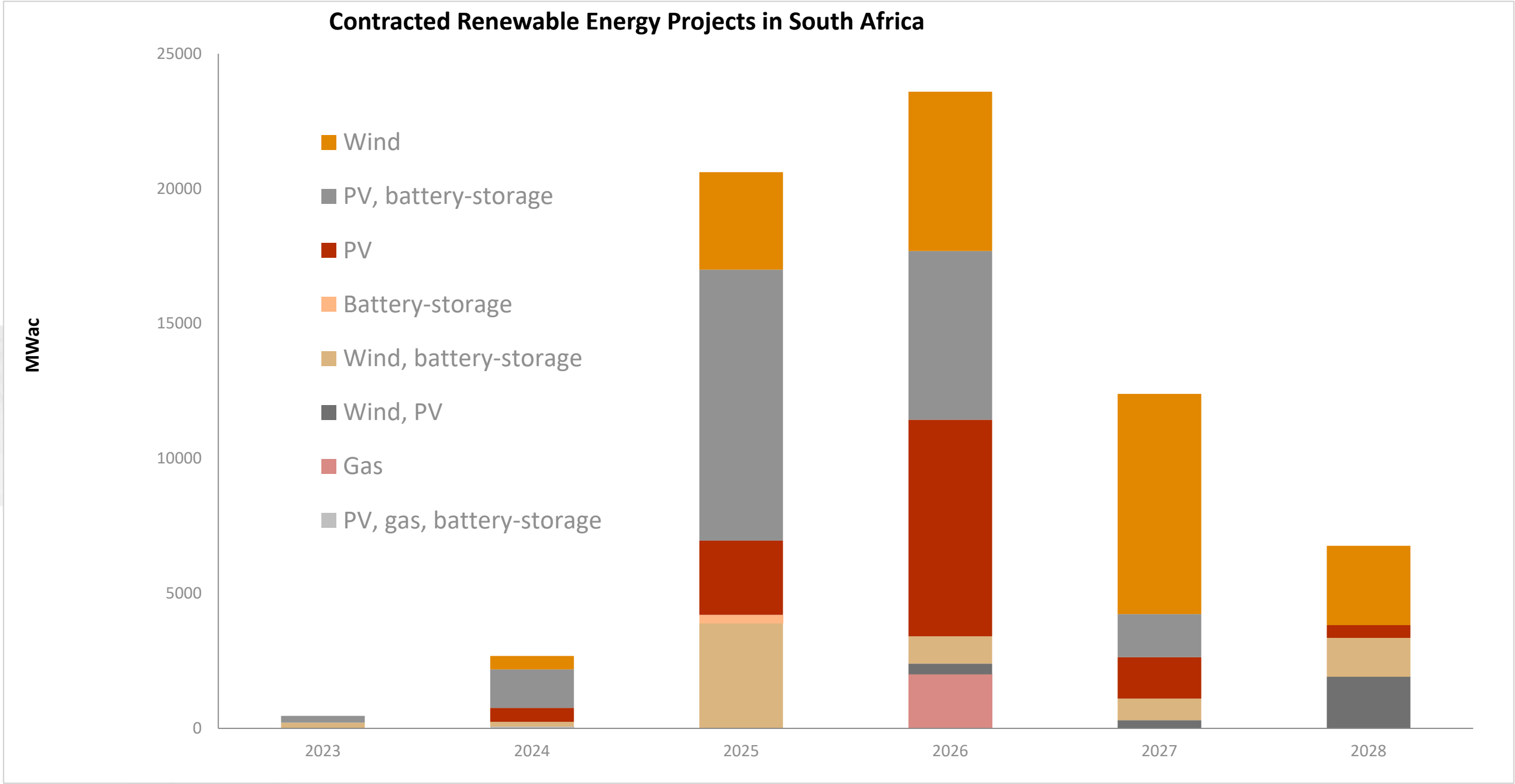




# In the short run load shedding continues to hamper growth and discourage investment



# Fortunately, energy provision is diversifying

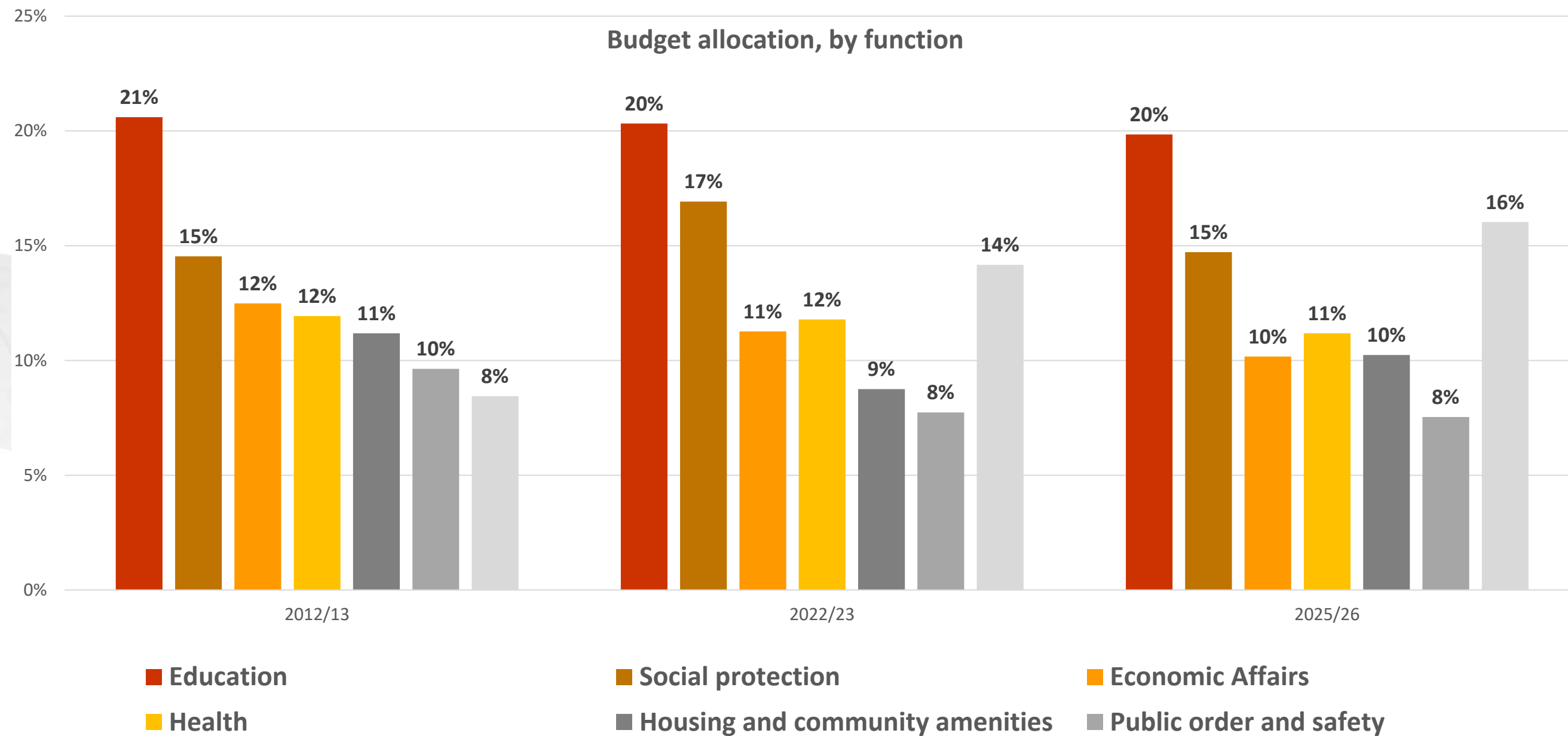


Source: South African Renewable Energy Grid Survey 2023

Source: South African Renewable Energy Grid Survey 2023. Early stage of development, under development and advanced development projects.

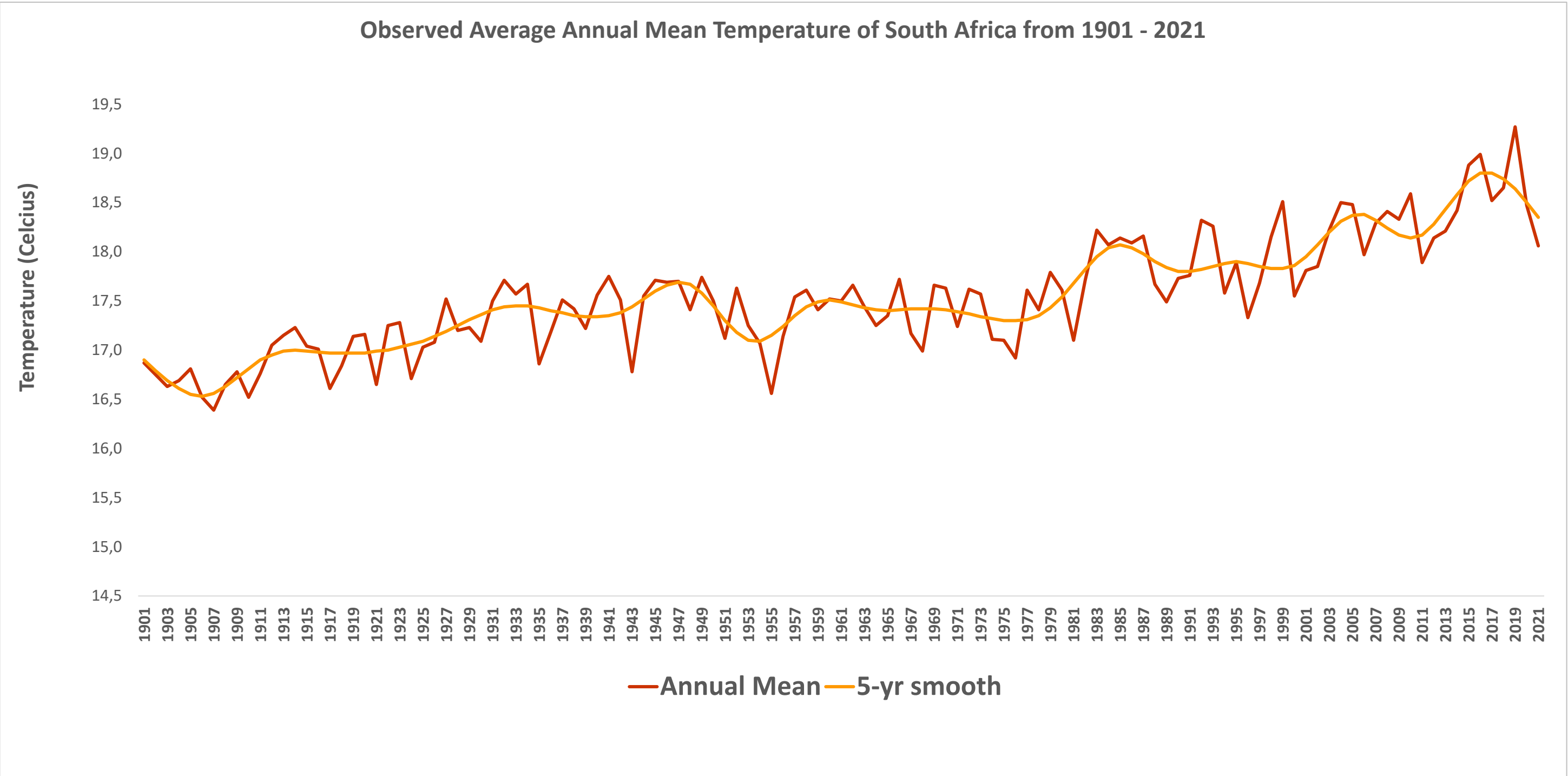


# Debt and debt service costs continue to crowd out essential government spending



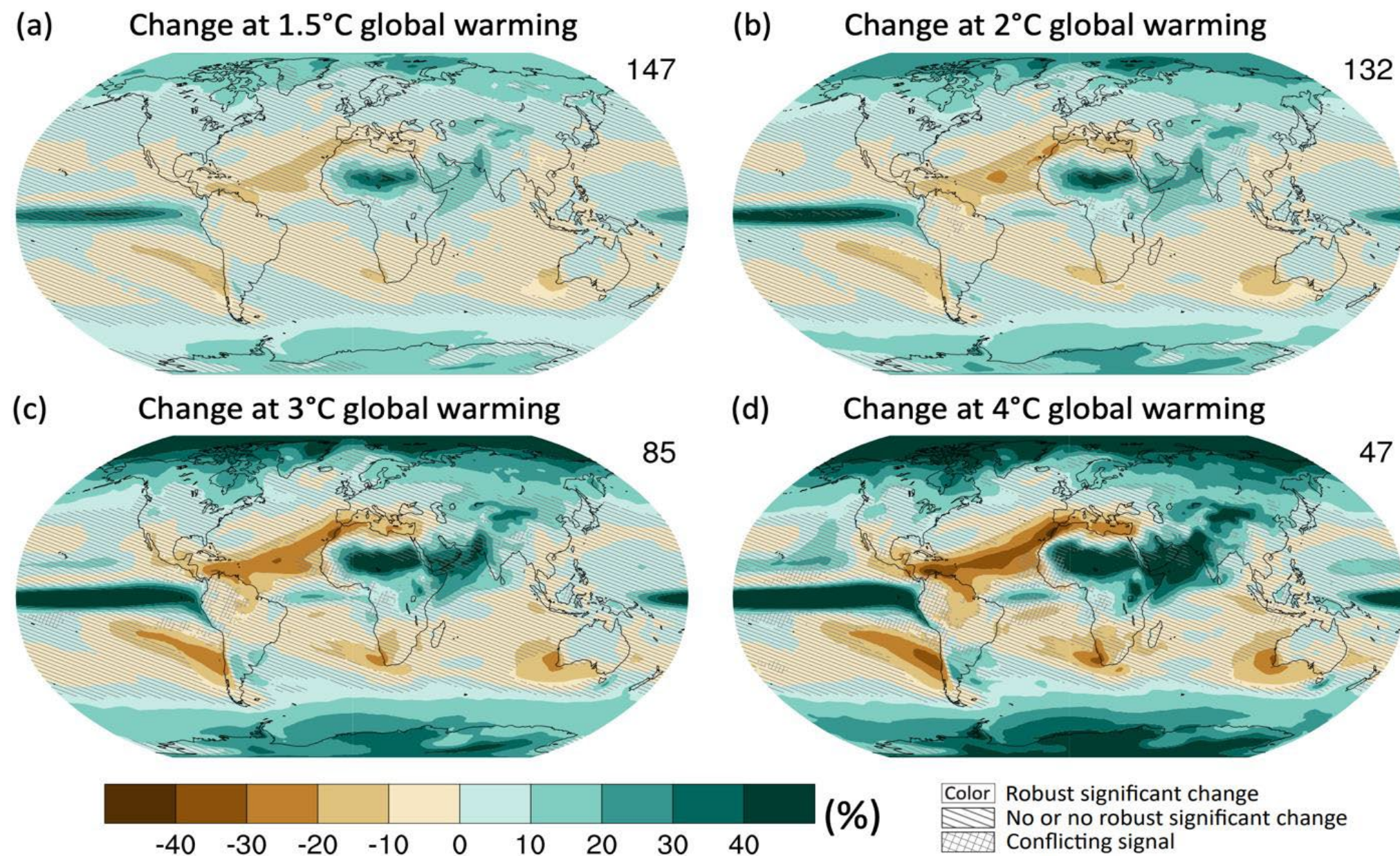


# Climate change is an ever-increasing reality





# South Africa is warming at roughly twice the rate of the global average



Impacts are:

- A 34% reduction in agricultural output
- Reduced income and growth and increased income inequality
- Over 3.6 million weather-related displacements
- A -5% impact on GDP per capita for South Africa





# We are experiencing unforeseen events with greater frequency





# Locally and internationally we face a poly-crisis

“We live in a world that is at a very strange moment in time. It has been described recently as a “poly-crisis” ... because as soon as you get accustomed to managing one crisis you’re being hit by another one and another one and another one, and that is what it has felt like in the last few years”

*Mia Mottley, Prime Minister of Barbados, at the 20th Nelson Mandela Annual Lecture, eThekweni, 12 November 2022*



# A poly-crisis requires a poly-response

As South Africans, as social partners, as individuals, and as Nedlac we are called upon to respond:

- **Systemically and proactively** to the long run constraints of education, spatial inequality, youth unemployment etc.
- **Reactively** to the crises of energy provision, logistics, high inflation etc.
- **With increased resilience and preparedness** for the unforeseen but not necessarily unanticipated crisis of flooding, slime dam collapses, earthquakes, epidemics and pandemics

This presentation focuses on what Nedlac has done in 2022/23 systemically, pro-actively and re-actively

The second session of this Summit focuses on how we can build resilience and be more prepared for crisis-type situations







# Performance 2022/23





# Characterising the year under review

**Covid-19  
responses closes  
off**

**Social compacting  
rather than a  
social compact**

**PCC joins Nedlac**

**Significant  
engagement on  
key bills**

**Focus shifts from collaboration over  
implementation back to policy inputs**



# Presidential Climate Commission is housed at Nedlac



Since October 2022, the PCC has been housed at Nedlac as a fourth programme until such time as its final institutional form has been determined through the Climate Change Bill





# Consideration of economic matters focused on the energy crisis

## Bills

- Conduct of Financial Institutions Bill
- Public Procurement Bill
- **Electricity Amendment Bill**
- National Nuclear Regulator Amendment Bill

## Policies

- **Electricity Pricing Policy**

## Dialogues

- Government Budget Planning
- Unclaimed benefits
- Preferential Procurement Regulations
- SA's Investment Strategy
- Decadal Plan
- Dtic Strategic Plan
- **Unlocking electricity generation**
- **Eskom Energy Crisis Plan**
- SMME Crisis Partnership Fund

The Energy Security Workstream met monthly to consider implementation of the various aspects of Social Compact to Support Eskom



# Activities of the Trade and Industry Chamber and work streams

## Teselico

- Trade agreements
- WTO trade policies
- Rules of origin for textiles and clothing
- Social clauses in trade agreements

## Freight and public transport

- Port congestion and performance
- Addressing cable theft and vandalism on public and freight transport
- National Rail Policy and third party access

## Energy security

- Necom and Operation Vulindlela progress
- Demand side management
- Reducing red tape and obstacles to generation from renewable sources
- Just Energy Transition

## Trade & Industry and SMMEs

- Public Space Trading Guidelines
- Red tape for SMMEs
- National Integrated Small Enterprise Development Master Plan
- Co-operatives
- Localisation
- Employee Share Ownership Schemes
- Fourth Industrial Revolution

Numerous engagement and information-sharing sessions were held



# Nedlac's Labour Market Chamber focused on bills and the labour law reform process

## Bills

- Public Service Amendment Bill
- Public Administration Management Amendment Bill
- Mine Health and Safety Amendment Bill

## Labour Law Reform Process

- Amendments to LRA & BCEA to improve the effectiveness of legislation
- Revised Codes of Good Practice (incl. dismissal)
- Research and policy proposals on non-standard employment relations, remote work, just transition and improved enforcement of awards etc.



# Nedlac also remained seized with other labour market matters

## Demarcation

- Considered 33 awards

## Unemployment Insurance Fund

- Finalisation of Covid19 Ters and Wabu claims
- CCMA Ters
- Modernisation
- Turnaround times

## Section 77 Standing Committee

- Finalised revised Code of Good Practice
- Provision of services in QwaQwa

## ILO Decent Work Country Programme

- Platformisation of work in logistics and health care
- Skills development

# Social and development matters considered by the Development Chamber were wide-ranging

## Bills

- Deeds Registries Amendment Bill
- SA Post Office Amendment Bill
- National Council on Gender-Based Violence and Femicide Bill
- National Water Resource Infrastructure Bill (ongoing)

## Policies and regulations

- White Paper on Social Development
- Amendments to Regulations Relating to Minimum Uniform Norms and Standards for Public School Infrastructure
- Admission Policy for Ordinary Public Schools

## Dialogues (included)

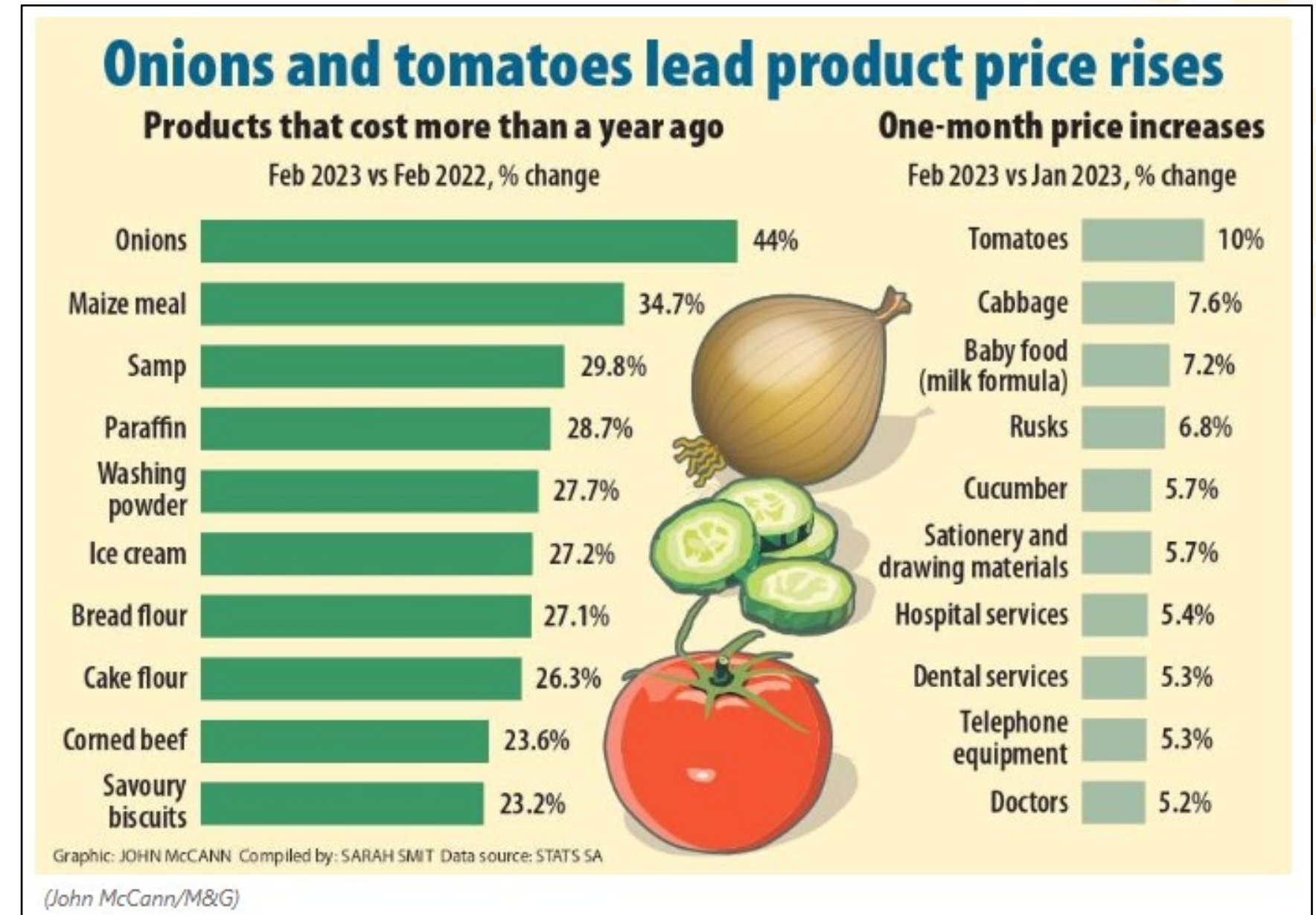
- EPWP policy
- Presidential Employment Stimulus and Presidential Youth Employment Intervention
- Phase 2 of the National Infrastructure Plan
- Firearms Control Amendment Bill
- Distribution of food to vulnerable groups and communities
- Statistics SA income and expenditure





# Social partners agreed to set up a Cost-of-Living Rapid Response Task Team

- In response to the high food and fuel prices, social partners agreed to set up a Costs of Living Rapid Response Task Team which has engaged on:
- Impact of energy on food security including a diesel rebate for food manufacturers;
- Improving food distribution, food donations and reducing food wastage by government and NGOs
- The prices of certain foodstuffs such as poultry
- Review of the fuel price formulae; and
- Proposals to minimise the cost of staple foods.



# The Covid-19 Rapid Response Task Team closed out with a report and legacy project

## Covid-19 Report: Learning the Lessons, CREATING a Legacy

- The report being launched today records the journey of Nedlac social partners in responding to the Covid-19 pandemic including in respect of:
  - Lockdowns and opening up the economy
  - Occupational health and safety
  - Vaccination
  - Relief
  - Communication and behavioural change

## Nioh, Nedlac & Compensation fund legacy project

- This year-long project aims to improve occupational health and safety in workplaces through:
  - targeting health and safety officials and shop stewards
  - through webinars, videos and information flyers
  - delivered by the National Institute for Occupational Health
  - Focusing on risk assessments and ongoing Covid-19 and respiratory illnesses mitigation measures



# Key takeaways: Covid-19 report (1)

- Agile and transparent, timeous, two-way **information sharing and communication** between state institutions and social partners can help to improve the quality and credibility of public policy.
- Non-pharmaceutical interventions (NPIs) should be carried out in a **scientific, rational and evidence-based** manner.
- Policymakers should pay attention to the evolving nature of scientific knowledge and be **willing to update their prior assumptions** and adjust course rather than rigidly sticking to their original policy choices
- Social problems e.g. alcohol abuse should be tackled through **dedicated policy responses** rather than emergency measures.
- Lessons learnt from the localisation of personal protective equipment (PPE) should be taken forward in respect of other **supply chains of critical goods**





# Key takeaways: Covid-19 report (2)

- Employers and trade unions should continue to pay more attention to occupational health and safety, especially in respect of biological hazards that require improved ventilation.
- Greater trust for evidence-based healthcare interventions such as vaccines should be developed rather than rely on enforcement approaches.
- Government should establish reliable and consistent sources of funding that can be activated in response to future crises and disaster-response scenarios.
- A coordinated national effort is required to fix and extend the UIF system to vulnerable workers.
- A whole-of-society approach to communication should continue
- The institution-building lessons, such as in respect of the Solidarity Fund, should be leveraged going forward when responding to other crisis-type situations





# The PCC focused on policy recommendations, development of scientific knowledge and advocacy



## Policy recommendations

- Updated Nationally Determined Contribution
- Just Transition Framework
- Assessment of disaster response in KZN floods and Eastern Cape drought
- Just Urban Transition Policy

## Scientific knowledge

- Carbon Border Adjustment Mechanism
- Just Transition Funding Mechanism



# The PCC championed procedural justice through its advocacy programme

## National events

- Stakeholder consultations on the Just Transition Framework
- Multisectoral Information sessions and consultation on the Just Energy Transition Investment Plan (JET-IP)
- Dialogues on energy planning and a National Energy Colloquium
- Faith Leaders Just Transition Dialogue
- Nation Youth Summit on Energy and Just Transition
- EWSETA, DHET & stakeholder workshop on Skills for a Just Transition

## Provincial events

- Workshop on Mpumalanga economic development strategy
- Community consultations in:
  - Emalahleni, Mpumalang
  - Upington, Northern Cape
  - Lephalale, Limpopo Durban South, KZN
  - Gqeberha, Eastern Cape

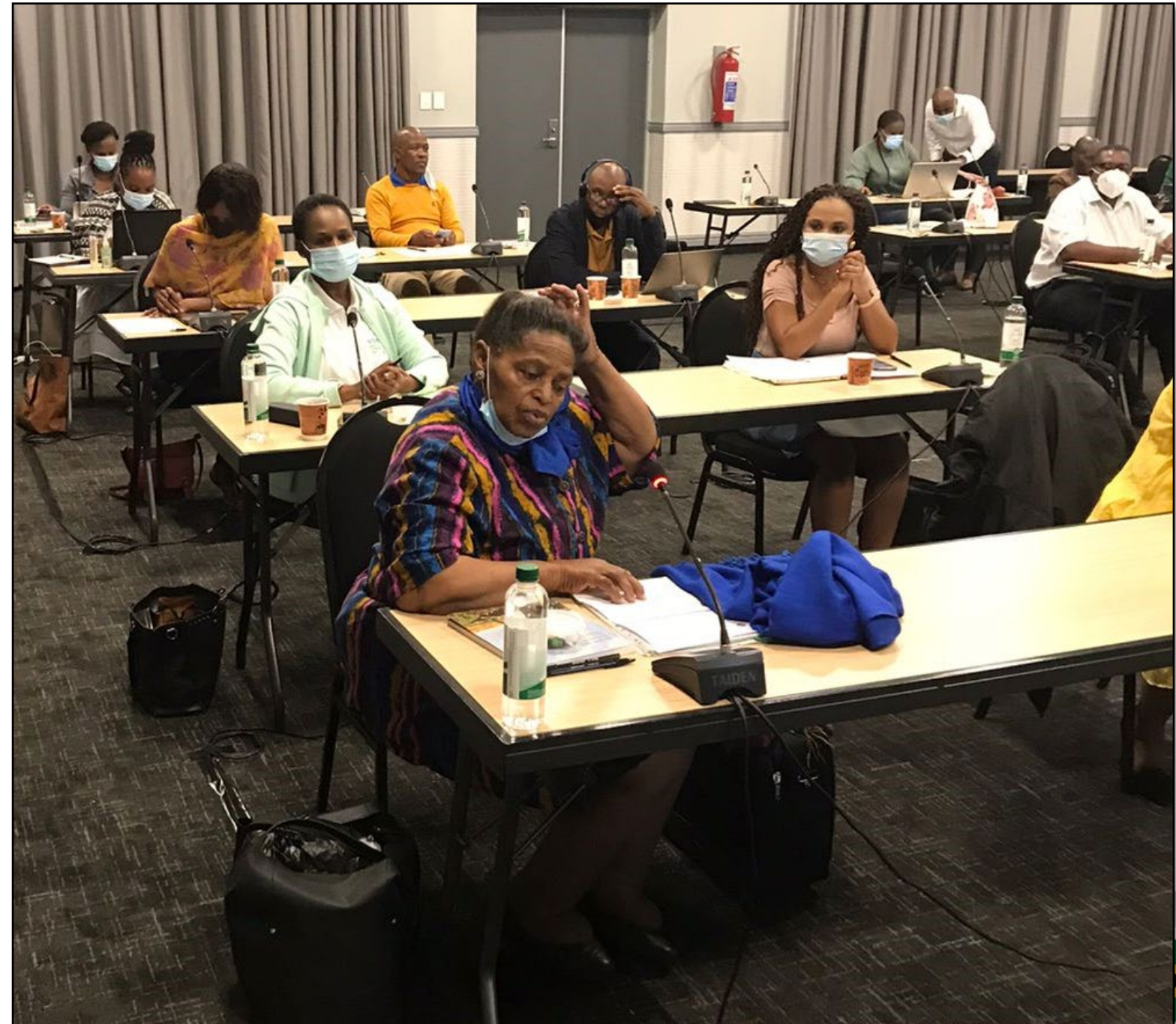




# Building the capacity of social partners through training and technical support continued

Nedlac's funds to level the playing field and improve participation in our structures this year focused on:

- Annual policy schools by organised labour and community
- Attendance of labour and community delegates at the ILO Child Labour Conference
- Leadership training at the University of Pretoria
- An electricity pricing policy for organised business





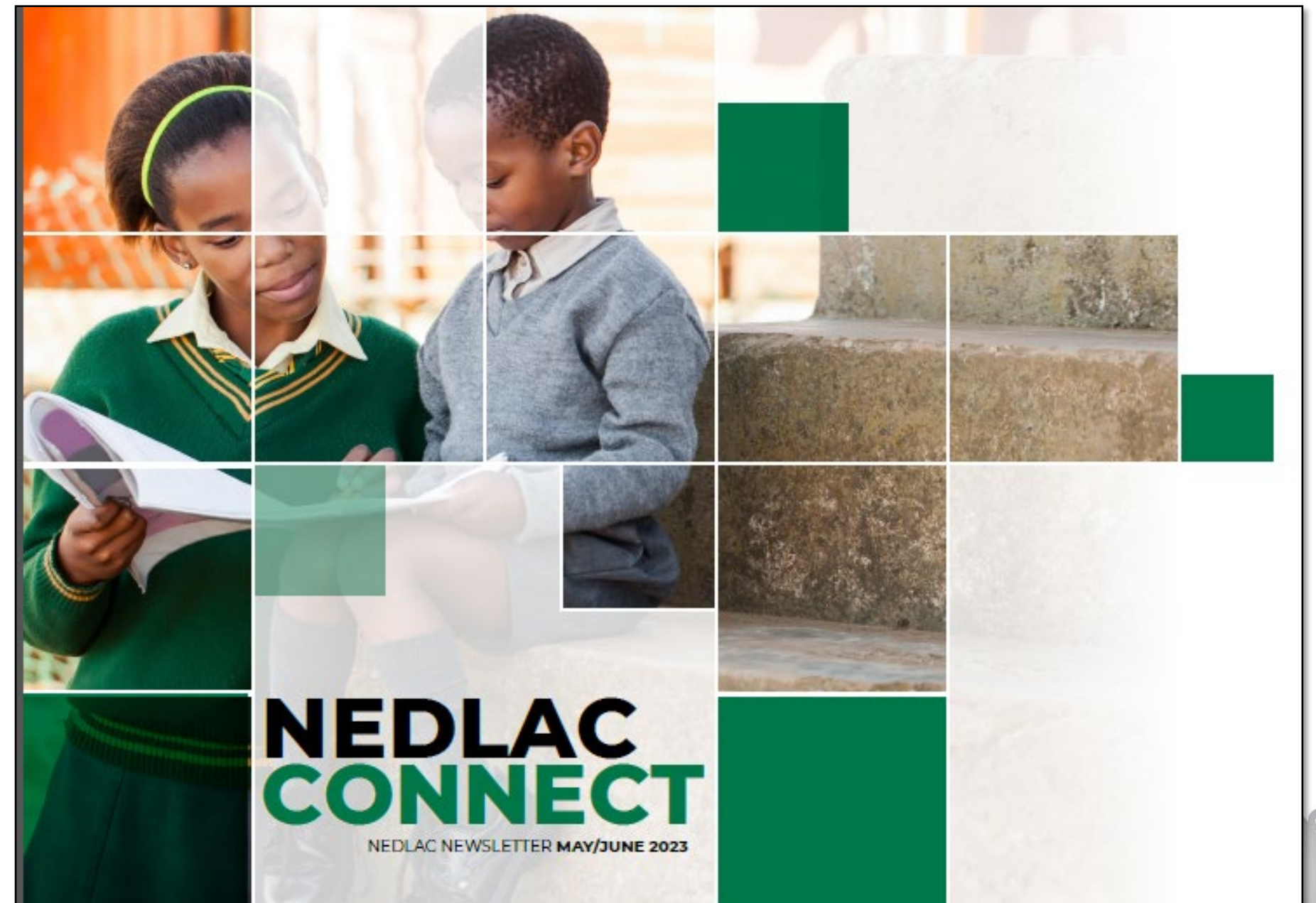
# The Nedlac secretariat continues to improve on communication and knowledge management

We have:

- Introduced a bi-monthly newsletter called Nedlac Connect
- Updated Nedlac's corporate identity

We continue to:

- Update website with reports, tenders, RFQs and relevant information
- Publish monthly economic and employment trends





# Progress has been made in approving a revised Nedlac Bill, Constitution and protocol for considering issues at Nedlac

## Bill

- Updates the functions of Nedlac
- Requires a Minister to take into account a report from Nedlac on a policy or legislation respectively
- Updates criteria for admission to Nedlac
- Shifts some matters regulated in the Act to the constitution
- Introduce a Nedlac Lekgotla to replace the Exco and given the powers of Exco to the Manco

## Constitution

- Makes provision for more structures in addition to Chambers
- Allows constituencies to appoint their own representatives
- Sets out clear admission and termination criteria and processes
- Simplifies meeting procedures
- Aligns with current PFMA, NT and DPME planning and reporting requirements.

## Protocol

- Clarifies sequences of actions, roles and responsibilities, and decision-making procedures.
- Enables participants to focus on matters of substance by clarifying process issues.
- Outlines the requirements for the completion of Nedlac processes; and
- Provides for mechanisms to track the implementation of Nedlac processes

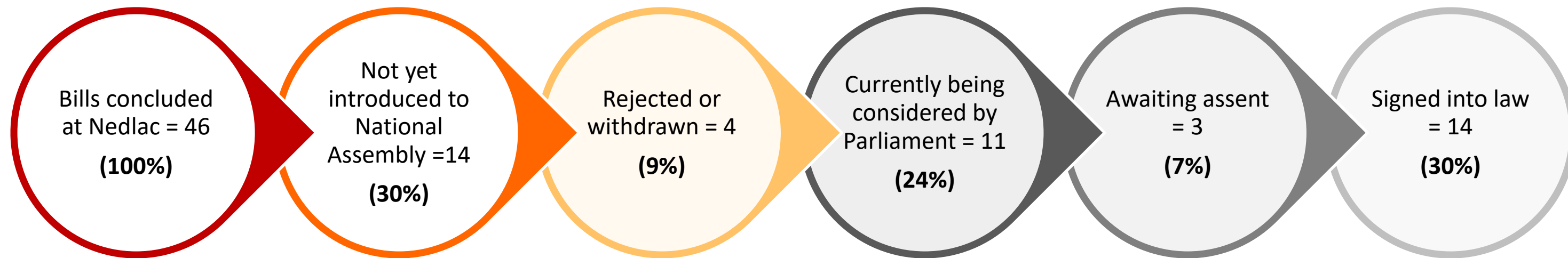




# Measuring our Performance



# Nedlac's Parliamentary Tracker shows the progress of Bills considered by Nedlac at Parliament between 2015/16 and 2022/23

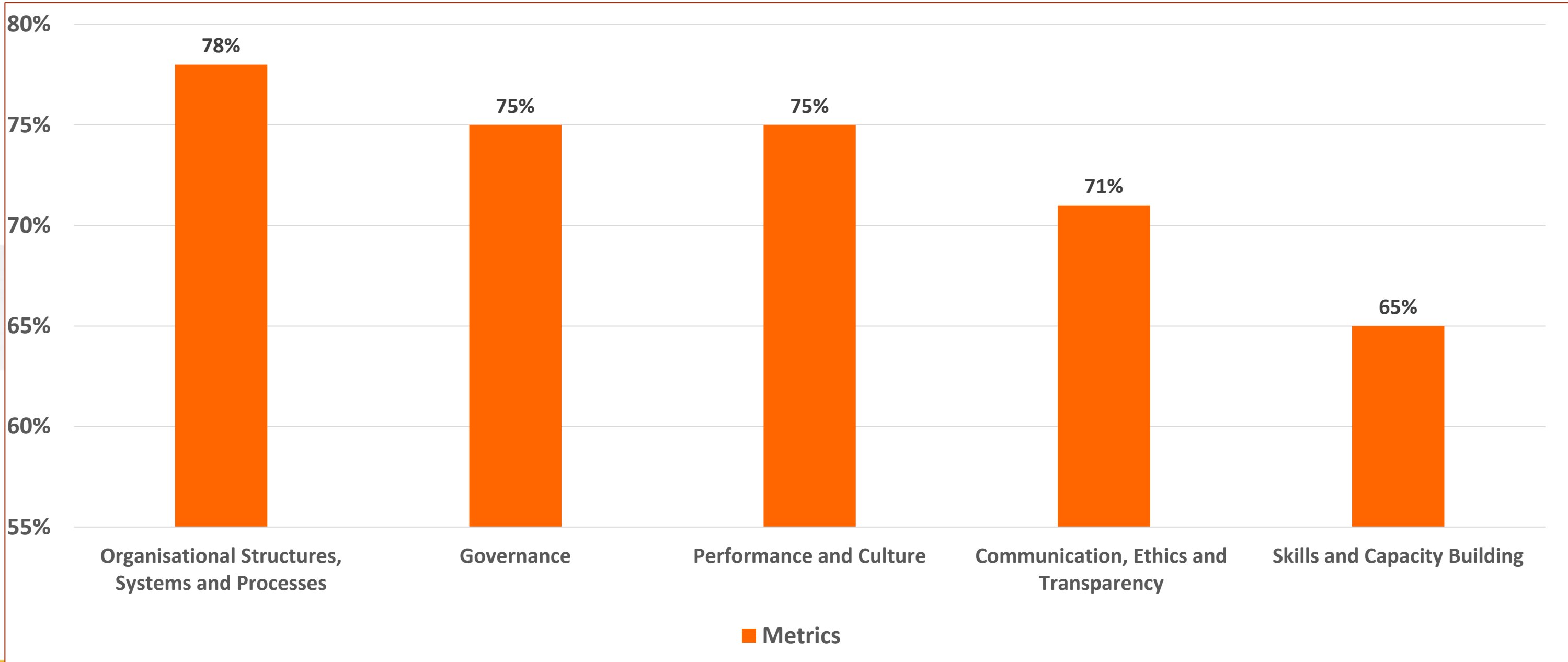


While Nedlac has shortened its time period for considering draft legislation, the time taken for Bills to be implemented is long





# Satisfaction of stakeholders in the work of Nedlac averages 73%

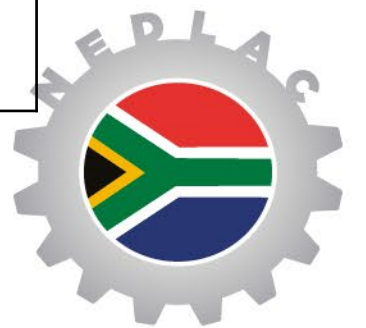


# We received an unqualified audit opinion

Outcome Area	Movement	22/23	21/22	20/21
Financial Statements	→			
<b>Annual Performance Report</b>				
Programme 2: Core Operations	↓			
Programme 4: Presidential Climate Commission	Scoped in 22/23		Not applicable	Not applicable
Compliance with legislation				
Annual financial statements, performance and annual report	→			
Expenditure management	↑			
Asset management	→			
Strategic planning and performance management	→			
Consequence management	→			
Procurement and contract management	→			

	Unqualified/ no material findings		Qualified		Adverse		Disclaimed		Material findings
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This is for the third year in a row with reduced findings







# Moving Forward





# Nedlac's faces an existential risk

At the Government Budget Planning Dialogue, the social partners could:

- All agree on the key symptoms of our economic crisis
- Mostly agree on the short-term measures to address e.g. load shedding, port congestion
- Could not agree on a systemic long-term programme to turn the economy around
- Do not have the same economic vision for the future.

But should this restrict social partners from building understanding and trust between them, responding to key issues and representing the best interests of their constituencies, especially in the context of adversity



# Moving forward Nedlac needs to be part of a poly-response to a poly-crisis

- Embrace and pursue **new forms of social compacting** – including with a diverse group of social partners
- **Share information and experiences** for better decision-making
- **Facilitate listening and understanding** the experiences of the majority of the people
- Support the building of **preparedness and resilience** in the face of increasing unanticipated crises
- Do more with less – do without, what we thought we could not do without
- **Demonstrate that trust can happen** with difference and role model such behaviour in society

“On our part, to ensure that we protect our sector from the unintended consequences of the economic challenges it faces, we have taken the initiative to create an **industry-wide resilience plan**, with a particular focus on the electricity crisis. So far, we have gathered useful information through a survey... This information will form a basis to chart the way forward and will be further discussed by our board so that we can reach consensus on an industry-wide business resilience plan.”

*Zinhle Tikwe, Consumer Goods Council of SA*







**Thanks to all who contributed to Nedlac's Performance for 2022/23**