



**SUMMARY REPORT ARISING FROM THE DEVELOPMENT CHAMBER WORKSHOP
ON THE SAPO SOC (PTY) LTD AMENDMENT BILL**

SUBMITTED TO NEDLAC

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1. Background and Introduction

The Development Chamber workshop on the South African Post Office (SAPO) SOC (PTY) LTD Amendment Bill took place on 01 September 2022. The workshop was convened in order to empower the social partners with the ability to interrogate, make recommendations and make proposals to enhance the Amended Bill. The bill seeks to, among others, amend the South African Post Office SOC Ltd Act, 2011, so as to provide for the revised duties and expand on the mandate of the South African Post Office as provided for in this Act and the Postal Services Act, 1998, Provide for the repurposing of the Post Office infrastructure so as to provide diversified and expanded services and exploit the infrastructure capacity to extract value and forge partnerships with other stakeholders, and Provide for the revised governance structure of South African Post Office; to provide for the establishment, appointment and functions of the Stamp Advisory Committee.

The workshop was facilitated by Dazela Holdings and was attended by representatives from the Business, Community, Labour and Government constituencies.

The following documentation was submitted for discussion by the workshop.

- i. SAPO Amendment Bill
- ii. SAPO Amendment Bill Socio Economic Impact Assessment Report
- iii. Presentation by Dazela Holdings on the Amendment of the SAPO Bill
- iv. Presentation by Government on the specific proposal made during the public comments' consultations on SAPO Amendment Bill.

2. Summary of the workshop discussions

Dazela Holdings presented the Amendments to the Bill and focused on their implications to the operation of SAPO, and further outlined the socio-economic impact of the amendments. Its key input focused on:

- a. The duties and mandate of SAPO;
- b. Section 7 of the Bill which addresses the funding of the Post Office;
- c. Section 8 of the Bill which addresses the composition of the Board of Directors for the Post Office;
- d. Section 11, and 14 – Stamp Advisory Committee;
- e. Implications of section 17 and 25; and
- f. Socio Economic Impact Assessment.

Ms. Dimakatso Mojela from government provided a detailed presentation and explained the rationale to the amendments and a government's views on the socio-economic impact of the Bill.

Annexure A and B are presentations made by Dazela Holdings and Government on SAPO Amendment Bill.

The following inputs and proposals were made by the Social Partners:

2.1. Inputs by Organised Business

It was Business's view that the mandate of SAPO should not be expanded. Based on the consultation and legal opinions undertaken by Business, it proposed that the mandate should remain. This mandate includes, posting of letters, posting of packages, renewing vehicle licenses, money transfers, registered letters, airtime, paying bills, speed service couriers, e-postal mobile, selling airtime and selling stamps.

Business stated that SAPO should be revamped in order to catch up with digitalisation. In its input, the following clarity seeking questions were sought:

- a. Rationale for expanding services for SAPO
- b. Whether will the Bill be republished for further comments.
- c. Whether there was a proposed funding mechanism for the proposed expansion of the SAPO services.

2.2. Inputs by Organised Labour

It indicated its support of the amendments to the SAPO Bill and further indicated that there was a need for SAPO to expand as it was the country's public institution that dealt with broader issues of communication. Labour proposed that a new funding model should be developed in order to support the broadened SAPO mandate as proposed in the Bill.

It further proposed that there should be a synergetic relationship between the Post Office and the Post Bank Bill which was currently before Parliament. In this regard, it requested government to table a plan that would address this synergic relationship between the two institutions.

It recommended that the current governance structure, where two Labour representation would remain in the board of SAPO. These members should be appointed by the Minister, and a set criterion of application be developed. Labour indicated that it was against any proposal that recommends retrenchments in the Post Office, as a result it requested government to confirm that there are no planned retrenchments in the Post Office.

It was proposed that government should invest more on infrastructure that would support the rural parts of the country.

2.3. Inputs by Community

Community welcomed the proposed amendments and the proposed expansion of the mandate. Its view was that the Post Office should be able to serve poor communities effectively throughout the country. It asserted that most people in the rural areas have to be transported at a cost to receive services in affluent areas, and the queues were generally long in this regard, it proposed that the Post

Office must provide services in line with the demand of the community area, including the staff compliment. This would alleviate the expenses incurred by people in the rural areas.

It agreed with Business that the new proposed amendments to the Bill must not hamstring other role players or the Post Office itself.

It was also in agreement with labour that the Board members to serve in the Post Office should be appointed by the Minister against a criterion developed by government. It further proposed that the amendments must enable the Director General or the Minister to issue directives where necessary, so as to close the gap between amendments of the and the implementation of proposed regulations.

Community further agreed with Labour that government should invest in infrastructure in order to support the implementation of amended Bill. It further proposed better coordination between government institutions.

Further recommendations made by community were that:

- i. SAPO regulate and govern distribution of information and goods.
- ii. International companies must register and pay an annual subscription that SAPO must oversee. In this way the Post Office will be economically viable.
- iii. Financial Services Board (FSB) should also be consulted in order to assist SAPO with regards to the registration of international companies.
- iv. Smaller banks like Time Bank must operate under the Post Office Bank. These smaller banks must be regulated by the Post Office in conjunction with the FSB.
- v. SAPO should serve as an information distribution hub and should use its entities, such as the Vukuzenzele publication to provide access to information.
- vi. The Post Office must incorporate digital technology services.
- vii. It also proposed that SAPO should be facilitating innovation, particularly around the development of South African based home brewed social media platforms. These can assist communities to access support from the Post Office.
- viii. E-commerce services to rural farmers and farming communities is quite critical because they travel long distances to access implements, seedling, in this regard, it recommended that SAPO must bridge the gap in terms of communities having to travel.

2.4. Government Response to the Inputs and Comments by Social Partners

Government noted all the comments made by Constituencies and responded as follows to the clarity seeking questions:

- a. Mandate of SAPO, it stated that South African Post Office is governed by legislation as the creature of statute and therefore was accountable to Parliament in relation to the implementation of its mandate. In this regard, an Act of Parliament required the SAPO to expand on the mandate legislatively, government was of the view that there was no legislation that prohibited SAPO to

expand its mandate as currently the provision of “unreserved services” was not provided for in the current legislation.

- b. Subsequent to incorporating all comments received from Nedlac social partners, those will be incorporated and the revised SAPO Amendment Bill will be submitted to the Office of the Chief State Law Advisors (OCSLA) for certification to table before Cabinet and thereafter Parliament for further processing.
- c. On the other proposals and recommendation made, Government expressed its appreciation and the support provided in with regards to the Bill, in this regard it indicated that inputs made by the workshop are noted and will be considered for incorporation into the Bill.
- d. It stated that it will be consulting the OCSLA on the 15 September 2022, on the revised SAPO SOC Amendment Bill, submit the revised Bill to Cabinet for approval in October and hopes to table the Bill to Parliament for further processing post Cabinet approval in December 2022.

3. Conclusion and agreed way forward

It was noted that Government was to:

- a. Consult with the office of the Chief State Law Advisor with the intention of incorporating workshop inputs into the Bill. This consultation will be held no later than 15 September
- b. Submit the revised Bill to Cabinet for approval in October
- c. Table the Bill to Parliament for further processing post Cabinet approval.

Given the above context, the following process was recommended by the Development Chamber:

- a. Government will convene bilateral meetings with social partners particularly business in order to address outstanding matters such as the expansion of the mandate of the SAPO.
- b. That a draft Nedlac Report which outlines inputs and recommendations made in the workshop be developed. The Report will be submitted to the workshop lead person for further inputs and approval.
- c. The report arising from the workshop will also be submitted to the workshop participants for noting.

