

ECONOMIC FREEDOM FIGHTERS WRITTEN SUBMISSION TO AD HOC JOINT COMMITTEE ON PARMED ACT

DATE: 07 MAY 2018

1. BACKGROUND

- 1.1. The Economic Freedom Fighters (EFF) has raised the concerns and objected to the Parliament and Provincial Medical Aid Scheme Act No 28 of 1975 ("PARMED") for its unaffordability and compulsory association, which deprive members of freedom of association and the right not to be arbitrarily deprived of property.
- 1.2. When the EFF participated in the June 2014 State of Nation Address (SONA), President and Commander in Chief of the EFF Hon. Julius Malema called on Parliament to scrap PARMED Act, even when Parliament lawyers agreed with the EFF that the Act is unconstitutional, ANC Caucus refused the proposal to scrap the Act.
- 1.3. The EFF raised the matter in Parliament to have the Act, in particular section 1 set aside for thorough review. The process in Parliament at first did not produce any meaningful outcome as the call for scrapping of indiscriminately dismissed and it was taking far too long while Members of Parliament ("MPs") continued to suffer.

2. PARMED COURT CASE: EFF VS. SPEAKER OF THE NATIONAL ASSEMBLY

- 2.1. The EFF approached the Western Cape High Court, Case Number: 5554/2015 heard on the 16th November and judgement delivered on 8 December 2015, for the court to declare that provisions of PARMED that (a) make membership of the PARMED compulsory for certain office bearers, including judges of certain of the superior courts and members of the national and certain provincial legislatures, and (b) provide for deductions to be made from their monthly salaries in respect of their contributions to the scheme, are inconsistent with the Constitution.
- 2.2. The EFF also sought consequential relief in the form of an order directing Parliament to adopt amending legislation within 12 months to make membership

of PARMED voluntary, as well as an order directing that, pending the contemplated amendment, the current legislation should be read in a way that would render membership of the scheme as voluntary with immediate effect.

2.3. The court processes have not solved impasses, and as a result the matter remain unresolved.

3. PARLIAMENT JOINT AD HOC COMMITTEE ON PARMED ACT

3.1. On the 10th of July 2017, the EFF wrote to the Speaker to request that an Ad Hoc Committee on PARMED Act be established to look at amending the Act. The Speaker responded to the EFF letter on the 1st of August 2017 and recommended that the EFF approach the Chief Whip Forum to consult with other political parties. The EFF then made a submission to the Chief Whip on the 31st of October 2017, and all parties agreed that PARMED matter will be best addressed through a Joint Ad Hoc Committee.

3.2. On the 23rd of November 2017, the National Assembly adopted a draft resolution to establish a Joint Ad Hoc Committee as agreed by the Chief Whips Forum to enquire into and make recommendations on:

- a) The tariffs of members of the PARMED medical aid scheme;
- b) The need for, and possible options with regard to PARMED and other competitive medical aids for members of Parliament;
- c) The necessity of introducing amending legislation; and
- d) The impact on retired members of PARMED.

3.3. And a deadline of 30 March 2018 was set for the Committee.

4. EFF RECOMMENDATIONS

4.1. Parliament must amend the Section 1 of PARMED Act No: 28 of 1975 to make membership of the PARMED voluntarily for certain office bearers, including judges of certain of the superior courts and members of the national and certain provincial legislatures on the basis of competitive prices, and MPs must be allowed to look for a medical aid scheme of their choice.