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8 November 2012

Mr M.E Nchabeleng, MP
Chairperson: Portfolio Committee on Labour
Office V132
Parliament
Cape Town
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Dear Hon. Nchabeleng

BUSA CONCERNS REGARDING REPRESENTATION OF BUSINESS INPUT AT MEETINGS OF THE PORTFOLIO COMMITTEE ON LABOUR

We refer to the records of the Parliamentary Monitoring Group of minutes of 16 and 24 October 2012 of the Portfolio committee on Labour and there are a number of concerning points.

1. Business has been completely misrepresented in its position. If one takes one simple example, on the 12 month in respect of a-typical employment. The Department of Labour alleges that business has never motivated why they want 12 months. This is not true as we have continually represented our position in respect of the international comparative both at NEDLAC and at the Portfolio committee. This is just one example of clear misrepresentations that are being made by the Department of Labour because they do not have a counter as to what is safe for business at all. Another example is the inaccurate reference to the business position on organizational rights, where business argued for a progression of rights for more representative unions and expressed concern where minority unions enjoyed the same rights as majority unions. This too was not conveyed by the Department of Labour, or the rationale behind the business position.
2. We are extremely concerned that:
 - a. The SBP Report on the impact of the amendments, particularly those in relation to non-standard employment, organizational rights and BCEA proposed increases on actual rates of pay have not been referred to, despite the lack of any other impact analysis having been conducted to dispute the contents of that report.

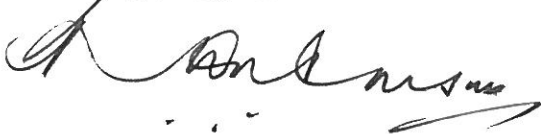


- b. There is no reference to the NEDLAC report, despite the fact that the Matrix comprehensively identifies each of the constituencies' positions after almost two years of negotiation at NEDLAC.
 - c. There appears to have been no consideration on the resources required for implementation of the proposed amendments and the capacity of the Department of Labour and institutions in the labour market to implement the proposed amendments. Particularly in relation to atypical employment, we anticipate that this will have massive implications on resources. Given the recent mid-term budget indications from Minister Gordhan, there has been no allocation of resources to implement the proposed provisions.
3. Further it appears as if the Portfolio committee has given Prof Paul Benjamin, from Government, the opportunity to correct technical amendments in the Bill. The problem with the "technical amendments" is that they go further than technical amendments and if one looks at four weeks ago at the presentation and the minutes that Paul Benjamin presented; he was alluding to making more than technical amendments, especially in relation to temporary employment services. In this regard he wanted to insert the word "permanent" in the existing 198 (a) amendment. This is clearly not a technical amendment but a complete change to a proposal that was negotiated for over a year at NEDLAC.

The matters before the Committee are of critical importance to business, the labour market and the socio-economic development in general. We request the opportunity to address the committee on these matters in order to correctly reflect our position in a manner that is constructive and conducive to a better outcome for all.

Should you have any query regarding this submission please do not hesitate to contact Ms Vanessa Phala: Executive Director, Social Policy on vanessa.phala@busa.org.za or on 071 382 7788

Kind Regards



P.P.

NOMAXABISO MAJOKWENI
CHIEF EXECUTIVE OFFICER