



Numsa Media Monitor

Tuesday 17 May 2016

A daily compilation of local, national and international articles dealing with labour related issues

Numsa

Numsa welcomes silicosis and Aurora judgments

TimesLive, 17 May 2016

The National Union of Metalworkers of South Africa has applauded what it calls two historic court rulings in favour of “super-exploited mineworkers”.

In the one case, the South Gauteng High Court has ruled that 17,000 former mine workers and their dependents can institute a class action against the mine owners for compensation for the effects of silicosis and TB contracted while working in the mines.

Human rights lawyer Richard Spoor estimates that the total affected and entitled to claim could be 100,000 and, if successful, could receive a total of R10 billion.

In the second case, the Supreme Court of Appeal (SCA) in Bloemfontein dismissed an appeal by five directors of mining company Aurora Empowerment System.

The company, whose directors include President Jacob Zuma’s nephew, Khulubuse Zuma, and former president Nelson Mandela’s grandson, Zondwa Mandela, assumed control of the Pamodzi group’s East Rand and Orkney gold mines in 2009 when the previous owners were placed in provisional liquidation.

The SCA rejected their appeal against a High Court judgment that Zuma and Mandela had acted recklessly and fraudulently when they assumed control of the Pamodzi assets. The mines were closed, stripped of assets, and workers were left stranded, homeless and starving, with no pay for months. 5, 000 workers must now be paid their wages amounting to R1.7 billion.

“Both these long-drawn out cases finally bring some hope of relief and justice to those tens of thousands of workers suffering with terminal diseases and the 5,300 Aurora employees deprived without pay for more than five years,” Numsa said on Monday evening.

It said both stories illustrated “the utter barbarity of capitalism, made even worse in the South African mining industry by the racist super-exploitation imposed by colonialism and apartheid”.

“Numsa demands that the two court decisions must now be implemented without any delay and with no further appeals by the employers, so that all the claimants, both the workers and the dependants are paid what they are due.

The union further insists that now that a precedent has been created similar cases in future must be settled timeously, without the need for more long legal battles before workers are compensated,” the trade union added.

<http://www.timeslive.co.za/politics/2016/05/17/Numsa-welcomes-silicosis-and-Aurora-judgments>

NUMSA’s race allegation appalling – Focus on MEIBC’s managed collapse

Gerhard Papenfus, BizNews, 16 May 2016

“Are the National Union of Metalworkers of South Africa pulling an ANC trick following the comments over the weekend from general secretary Irvin Jim. Jim said the plot to have the chairman of the Metal and Engineering Industries Bargaining Council suspended is because Thulani Mthiyane is black. The Sunday Times editorial – Race Row hits Metal Pay Body – showed the letter was written by chairman of the South African Engineers’ and Founders’ Association Ross Williams. RW Johnson previously wrote that the ANC will use race as a mirror to the real issues at hand in the lead up to the elections. And following Gerhard Papenfus’ reply to Irvin Jim’s allegations, one could argue he’s saying the same thing of NUMSA.” – Stuart Lowman.

The fact that NUMSA and the general secretary of the Metal and Engineering Industry Bargaining Council (MEIBC) have made a ‘race’ issue out of the current deadlock in the Council is absolutely appalling.

The impasse in the Council has got nothing to do with the colour of the general secretary’s skin and everything to do with the way in which the MEIBC is managed. The current general secretary has succeeded in managing this Council from being a financially very stable organisation to one that is literally on the verge of total collapse.

The position of the majority of employers on the Council is that they are no longer prepared to bankroll this bottomless pit and this approach will only change once the financial management and the governance of this Council is stabilised.

Instead of deflecting from the real issue by playing the race card, the general secretary is called upon to explain why, amongst others, he allowed R90 million in

collective bargaining levies (amongst others from unsuspecting workers) to be paid illegally into the Council's coffers, and why (after three and a half years) he has failed to pay back these monies (with interest) to these workers. He is asked to confirm how and for which purpose the interest on these monies have been utilised.

The general secretary is also called upon to explain why the dispute resolution function, which is within the core mandate of the Council, has collapsed as a result of a lack of funds, whilst employers and employees have sufficiently contributed towards funds specifically earmarked for this purpose. He must explain how these monies were utilised.

NUMSA must explain why they think it is wrong for a chairman of an association to express himself in the way in which this Council should be managed and by whom. The memorandum in question was a private matter and should not have been made public. The motives of the person who leaked the contents of the memo is questionable. Is NUMSA's only problem the skin colour of the individuals in question? If this is so, this in itself is the problem and not the content of the memo or the motives of the author.

It is time that South Africans show maturity and start considering matters on its merit and not see a racial motive in everything being done. The continuous playing of the race card by NUMSA is becoming the standard fall-back position whenever faced with an indefensible position.

Unless proper governance and management structures are put in place, the MEIBC has no future whatsoever. Thus, instead of trying to blame a racist motive for the Council's woes, NUMSA will be well advised to establish the real undercurrents that placed the Council in the position it finds itself in and remedy it.

•*Gerhard Papenfus is Chief Executive of the National Employers' Association of South Africa (NEASA)*

<https://www.biznews.com/thought-leaders/2016/05/16/gerhard-papenfus-numsas-race-allegation-appalling-focus-on-meibcs-managed-collapse/>

SA workers

Sadtu mulls action over report claims

Bekezela Phakathi, Business Day, 17 May 2016

THE South African Democratic Teachers Union (Sadtu) is on the back foot after the damning findings of the final "jobs for cash" report were leaked and is preparing to challenge the disclosures on legal review, having attacked the document as "lacking credibility".

The final report, due to be released officially on Friday, was leaked to City Press. The report paints a bleak picture of "jobs for cash" being common practice, while Sadtu holds the basic education system hostage.

In addition, Sadtu's membership of the tripartite alliance entrenched its dominance and gave it "enormous power and influence" over the education system.

The union was scheduled to meet with officials from the Department of Basic Education on Monday night to discuss its inputs on the final report.

Sadtu spokeswoman Nomusa Cembali said on Monday night that the union would go into the meeting with a "heavy heart".

"We don't know if they will consider our inputs because, as it stands, the report does not contain our submissions. The meeting might just be a cosmetic exercise. We will consider taking the report on legal review," said Cembali.

In a statement released earlier on Monday, the union said: "It is extremely disappointing to note the leaking (of) the report has adversely affected its (the final report's) credibility.

"It is a hard pill to swallow and admit that we have been led astray by the highest office of education in the country with this investigation. We gave our time and resources to an investigation that had no interest in getting to the root of solving ... jobs-for-cash, but its sole aim was to tarnish our name and use us as a scapegoat for all the ills in the education system. We therefore take off our gloves in defence of our union, labour rights and human rights," Sadtu said.

The union added: "Some aspects of the report, which were published ... are defamatory and will not be left unchallenged. In addition to any other action we take, we shall pursue a (defamation) ... claim and assist those of our members who are defamed."

Department spokesman Elijah Mhlanga said that leaking the report "could have a negative impact as it has contaminated the environment due to the mistrust created". Basic Education Minister Angie Motshekga would continue with her engagements with the affected parties before the official release of the report, he said.

This month, Motshekga decided to delay releasing the report to allow teacher unions and other stakeholders implicated in the matter more time to respond.

When the scandal broke, Motshekga set up a ministerial task team led by Umalusi head John Volmink to probe allegations that Sadtu members were selling principal and deputy principal posts for R30,000 or more at schools in the Eastern Cape, KwaZulu-Natal, Limpopo, Gauteng, Mpumalanga and North West. Sadtu denied the allegations and undertook to co-operate with the probe.

<http://www.bdlive.co.za/national/education/2016/05/17/sadtu-mulls-action-over-report-claims>

Lily Mine aims to restart operations

Karl Gernetzky, Business Day, 16 May 2016

LILY Mine's business-rescue practitioner says a plan for the mine will be delivered on Monday, including the development of a new shaft to restore operations and help recovery efforts for trapped mine workers.

Business-rescue practitioner Rob Devereux said on Friday the mine was seeking to raise about R200m for a new shaft that could reopen the mine and help recover workers trapped since February this year.

Trade union Solidarity announced on Thursday that the mine was offering voluntary severance packages to enable employees to access the Unemployment Insurance Fund (UIF) and their pensions.

Operations at Vantage Goldfields' Lily Mine near Barberton, Mpumalanga, have been halted since February when a shaft collapsed, trapping 76 mine workers, who were later brought to the surface.

But three employees — Solomon Nyerenda, Pretty Nkambule, and Yvonne Mnisi — who were in a lamp room on the surface, were trapped when a sinkhole developed.

Rescue operations to recover the metal container in which they were trapped were suspended after it was determined the ground was too unstable to continue the rescue work.

A new rescue plan developed by numerous international geotechnical experts may resume only later this year.

The offer of voluntary severance packages follows the closure of the mine since February. Initially, employees were offered R650 each for the month of April. This sparked protests and picketing by about 800 workers at the site.

Devereux said on Friday that even though severance packages were being offered, the mine would prioritise rehiring those employees who had accepted the retrenchment option once operations resumed.

Agreements had been struck with various government departments to aid mine workers and their families, as well as to expedite issues such as access to the UIF, he said. "We have got various projects in that business rescue plan including the development of the new decline shaft."

Devereux said raising funds for the new shaft had proven difficult due to perceptions that the mine faced labour instability because of union rivalry, as well as illegal mining.

He said the concerns had been attended to and, that once funding was secured, mine operations could resume in six to eight months.

Solidarity appealed on Thursday for financial institutions and the state to finance a new plan, while the National Union of Mineworkers (NUM) expressed concern last week about lack of consultation over the process.

NUM regional deputy chairman Makhosonke Magudulela said the union was concerned that the mine was seeking to get rid of its workforce cheaply.

Devereux said the mine was obliged to engage with affected parties, but the NUM had not come forward.

There had been engagements with the majority union, the Association of Mineworkers and Construction Union, Solidarity — which is not a recognised union — as well as non-unionised employees, he said.

<http://www.bdlive.co.za/business/mining/2016/05/16/lily-mine-aims-to-restart-operations>

New ruling allows South African miners to sue gold mining companies over deadly diseases

Mining-Technology.com, 16 May 2016

Johannesburg High Court has ruled that gold miners who developed lung diseases from working underground in South Africa can claim compensation from gold mining companies.

It opens the way for existing and former miners to pursue a class action against mining companies for damages, for those suffering from diseases such as silicosis and pulmonary tuberculosis from dangerous underground working conditions.

Many miners are believed to have inhaled silica dust while performing drilling, resulting in incurable lung disease silicosis.

Deputy judge president Phineas Mojapelo's ruling in the South Gauteng High Court leads the way to litigation that involved miners and put pressure on the mining industry.

Speaking on the ruling, the Congress of South African Trade Unions (COSATU) said: "So many lives have been destroyed by the reckless failure of mine bosses to ensure that mineworkers are not exposed to the silica dust.

"Mining companies have been and are still the biggest beneficiaries of the colonial and apartheid capitalism that still haunts this country's economy."

"Under the constitution, you will no longer get away with treating your workers as if they are not human beings."

COSATU stated that the mining companies should not abandon their responsibilities and compensate victims of the silica dust.

They are also required to ensure that there is an industry-wide training and retraining scheme that will give miners useful skills.

Furthermore, COSATU urged restrictions of the mining industry and said that the government should also take 50% ownership of all mining companies in the country.

The Treatment Action Campaign general secretary Anele Yawa said: "For over 100 years, the mining companies have simply allowed their employees to get sick with silicosis and tuberculosis.

"They knew how to protect their workers, but they chose not to do so. This judgment says to those companies that apartheid is over. Under the constitution, you will no longer get away with treating your workers as if they are not human beings."

<http://www.mining-technology.com/news/newsnew-ruling-allows-south-african-miners-sue-gold-mining-companies-over-deadly-diseases-4893951>

Mayhem, threats as Uber storm brews

Olivia Exstrum, The Star, 17 May 2016

Johannesburg - Metered-taxi drivers have threatened to burn Uber drivers' cars in protest against what they see as unfair competition.

This after taxi drivers tried to attack Gauteng transport MEC Ismail Vadi and at least one Uber driver during a protest on Monday at the department's building on Diagonal Street against the issuing operating licences for Uber taxis.

Ruben Mzayiya, a driver at Gauteng Cabs, said: "We do not have a problem with the competition. But we must have fair competition."

The protesters confronted the MEC as he tried to exit the building following a media conference announcing the new licensing regulations. One of the groups of men pushed over the Roads and Transport banners that had been on display, as well as the table where the MEC had addressed the media.

Mzayiya, an organiser of the protest, said Uber employed mostly foreigners, while taxi services were local and employed mainly South Africans. He said the government unfairly favoured Uber.

"Taxis are not being cared for by the government," he said. "There are no workshops, no nothing for us. They put Uber on a pedestal."

Mzayiya accused Uber of benefiting only top executives, not the "people on the ground".

Tensions between the provincial government and metered-taxi operators have been simmering since Uber was launched in Johannesburg in September 2013. As the mayhem threatened to escalate into violence on Monday, security had to intervene and escort Vadi out of the building.

The police later confirmed that he had left the premises, while his department confirmed that the MEC was safe.

After speaking to protesters in the building's entrance, another man was attacked and chased out of the building and down the street after he told them he was an Uber driver. Officers from the Johannesburg metro police department, its tactical unit and other officers blockaded the street and issued tickets to drivers for illegally parking their vehicles.

The police did not at first allow drivers to move their vehicles and brought in a tow-truck to forcibly remove them, but as the protesters dispersed, they allowed cars to leave.

“Let them shoot us,” one protester shouted. “Let them kill us like Marikana!”

The aggrieved metered-taxi operators said they would protest until Gauteng Premier David Makhura arrived and listened to their demands. Makhura was, however, quick to condemn the protest action and intimidation of Vadi.

“We will not be deterred from building an integrated, affordable and modernised transport system by any groups or individuals who want to use intimidation and violence to put their perspective across,” Makhura said.

At the briefing, Vadi said Uber drivers would be required to register as public transport operators within 30 days or their vehicles would be impounded. He said 116 licensing applications had been submitted so far, 20 of which were being processed on Monday.

Accountability

Lebo Smith, chairwoman of the Gauteng Provincial Regulatory Entity, said formally registering drivers would help hold them accountable and enhance Uber’s service.

She said Parliament would hear arguments on Tuesday for proposed amendments to update the National Land Transport Act’s rules about metered-taxi services.

Uber general manager for sub-Saharan Africa Alon Lits said: “There are about 4000 Uber drivers across the country, with more than 2500 in Gauteng.”

He said last week that the company wanted to hire 15 000 more drivers in the next two years.

Although the changes would not have an impact on Uber’s everyday operations, Lits said: “Uber sees this as an extremely positive step forward. Any ambiguity that previously existed is lifted.”

Vadi said the government had a responsibility to protect all transportation providers, and suggested metered-taxi services emulate aspects of Uber’s business model.

“Technology is changing,” he said, “and the world is changing.”

<http://www.iol.co.za/motoring/industry-news/mayhem-threats-as-uber-storm-breeds-2022449>

South Africa

Court showdown over Good Hope Centre

Lindsay Dentlinger, Cape Argus, 16 May 2016

Cape Town - The Southern African Clothing and Textile Workers' Union (Sactwu) is expected to approach the Western Cape High Court on Monday to stop the city council from turning the Good Hope Centre into a film studio.

The union has applied for an urgent interdict to restrain the council from making any changes to the 40-year-old venue.

Sactwu says changes to the layout and structure of the centre have already begun and if allowed to continue, would be irreversible and render the space unusable to the public.

Sactwu also wants the city council to be prohibited from entering into a new lease with anybody other than with a member of the public for a short function and that the council be prevented from allowing any other person from making changes to the building.

The interim interdict is being sought for three months to give Sactwu, the Bo Kaap Ratepayers and Civic Association, the Cape Malay Choir Board and the District Six Working Committee time to prepare another court application to review the city council's decision to make the Good Hope Centre a private venue.

Monday's court action follows a more than year-long battle between Sactwu and other civic groups who are opposed to the city's intention to lease the Good Hope Centre as a film studio for the next three years.

Mayco member for tourism, events and economic development Garreth Bloor confirmed on Sunday night, that the city council intended to oppose Sactwu's interdict application.

The city council held a briefing meeting with potential bidders last month in preparation for issuing a tender after council approval was granted in March.

The council said the centre had fallen into disrepair which would cost R16 million to fix and was only generating revenue of about R3 million a year.

Last July, the city council entered into a short-term lease with a film company to use the venue as a film studio, extending the lease until March this year, and putting the centre off limits to community groups who have been using the venue for decades.

Sactwu had used the venue for the annual Spring Queen Pageant.

In court papers, the union said it had hosted its 40th pageant at the Athlone Stadium last November under protest because it had no other choice.

It was far from public transport and attendees had been robbed at knifepoint.

The Cape Malay Choir Board held its annual singing competition at the Bellville Velodrome over the weekend having used the Good Hope Centre in every year, except on two occasions since 1978.

People were turned away from attending earlier rounds of the competition last month, because the City Hall could not accommodate them.

In an affidavit filed with the court, Sactwu co-ordinator Fachmy Abrahams said civic groups who supported the union had not joined the interdict application due to the urgency of the matter. There had not been enough time for them to hold meetings to take a formal resolution.

Abrahams said the city council's decision to close the Good Hope Centre had affected the hosting of the Spring Queen Pageant as part of its "Buy Local" campaign.

When held at the Good Hope Centre, it had attracted up to 10 000 people.

In 2014, only half this number of attendees could be accommodated because the mezzanine level had been closed off.

"It is the only facility of its sort near the heart of the city and has always been in great demand.

"Over the years it became the venue of choice for large cultural and social events among the citizens of Cape Town," said Abrahams.

He alleged that the mayor had ignored a memorandum of demands from workers in April 2015 to initiate a public participation process for citizens to decide on the centre's future.

The matter was then referred to the CCMA for arbitration.

Abrahams contends that the union learnt through hearsay in August 2015 that the centre would be leased as a film studio.

"The decision to lease out the centre was taken without due concern for the rights and expectations of the public in general and the applicant in particular, and without proper consultation with the interested parties," Abrahams said in his affidavit.

Since there was already a film studio in Cape Town, Sactwu said it was not necessary to close a public facility for this purpose.

<http://www.iol.co.za/news/south-africa/western-cape/court-showdown-over-good-hope-centre-2022094>

'Fiscal Dumping': Calls multiply for top Parliament administrator's suspension over bad trip

Marianne Merten, Daily Maverick, 16 May 2016

Parliament's presiding officers are being drawn deeper into the controversy over the institution's top administrator, Secretary to Parliament Gengezi Mgidlana. On Monday the National Education and Allied Workers' Union (Nehawu) parliamentary branch said they will receive a letter calling for Mgidlana's suspension pending an independent investigation into the "fiscal dumping" of R1.8-million for overseas trips to three parliaments, accepting a R71,000 ex gratia payment just four months into the job and other allegations of financial shenanigans. Meanwhile the clock is ticking

on the demand by Nehawu national leaders for Mgidlana to be removed over his “selective” implementation of last year’s bargaining agreements.

The overseas benchmarking trips last year to the parliaments of the UK, Scotland and Turkey at a cost of about R1.8-million, and the R71,000 ex gratia payment, were raised by the Economic Freedom Fighters (EFF) and the DA alongside the fraught state of labour relations at the institution during last week’s debate on Parliament’s budget in the National Assembly.

In closing Thursday’s debate, Speaker Baleka Mbete said there was “nothing untoward” about the tours, which had been according to prescripts and approved by her and fellow presiding officer, National Council of Provinces (NCOP) chairperson Thandi Modise. Mbete said MPs were acting “unfair” to raise issues that should be referred to other parliamentary structures such as the internal audit committee.

On Monday, Nehawu said such a statement was tantamount to provocation.

“We are very much disturbed how much people can defend someone doing wrong. He (Mgidlana) is doing wrong,” said Nehawu parliamentary branch chairman Sthembiso Tembe after the union’s general council meeting.

United Democratic Movement (UDM) Chief Whip Nqabayomi Kwankwa on Monday said he was surprised by Mbete’s response in the debate: “Her letter to me says something completely different.”

Kwankwa wrote to her last month requesting an investigation. Seen by Daily Maverick, Mbete’s reply says, “kindly note that the matter is receiving attention by the executive authority (presiding officers). A response will follow in due course.”

On 14 April Kwankwa wrote to the Speaker to raise serious financial management and internal control concerns over the trips to the UK and Scottish parliaments in late September 2015, which cost R940,622.04.

“In our close scrutiny of the trip, we discovered that the financial controls of Parliament are extremely weak. For example, it boggles my mind that a junior manager (acting executive manager), who reports to Secretary to Parliament, authorised the trip. This occurred despite Parliament’s procurement delegation of authority policy giving division managers/deputy secretary/chief operations officer the mandate to procure goods and services up to the value of R250,000,” said the UDM chief whip. “I put it to you, Madam Speaker, that it is incredibly irregular to allow junior managers to approve expenses for their superiors.”

The trip to the Turkish parliament from 12 to 17 October 2015, followed by the Inter-parliamentary Union meeting in Geneva, Switzerland, cost another approximately R900,000.

Parliament has dismissed news reports as “baseless allegations” regarding these trips by Mgidlana and four senior managers, including five-star hotel stays, business class flights and chauffeur driven transport.

Daily Maverick has seen documents in which Mgidlana outlines “exchange visits” not only to the UK, Scottish and Turkish parliaments, but also to Germany, the US (“Institute of Futures”, “the Capitol Hill” and “UN compound”), Ghana, Tanzania,

Kenya and Mozambique. Dated 16 September 2015, Mgidlana said the international trips had been budgeted for by the Office of the Secretary to Parliament, and warns: "The activities are budgeted for and if the exchange visits are not undertaken it will lead to under expenditure."

The document emerged just days after Mbete told MPs Parliament had received R956-million less than requested, leaving it with a budget of R2.189-billion for the current financial year.

"We thus have insufficient funds to implement in full, the annual performance plan as per Parliament's strategic plan. Continued budget cuts undermine the effectiveness of Parliament to deal with increasingly complex oversight tasks," said Mbete in her budget speech.

On Monday Nehawu described Mgidlana's approach to the overseas tours as "fiscal dumping", or the practice to spend allocated monies before the end of the financial year so that unspent funds do not have to be returned to the national coffers. The practice is generally frowned upon. "That is not a proper reason to go," Tembe said.

If there was no action on its call for Mgidlana's suspension and investigation by an independent person, the union may turn to the public protector.

However, Parliament has fingered Nehawu for driving "a political agenda" with the assistance of "specific print and online publications". In a statement released on Saturday, headed "Notice of meeting unmasks political agenda" (in reference to Monday's Nehawu meeting), Parliament said there was a campaign under way against Mgidlana.

"This is a clear political agenda masquerading as a shop floor matter waged against Parliament and the Secretary to Parliament by individuals who have declared that they want to render important parliamentary business 'unworkable' and the institution 'ungovernable'," said the statement in the name of Parliament of RSA.

Citing Mbete's statement that there was nothing untoward about the trips (and Modise's in the NCOP in the concurrent debate), the statement said Nehawu was in a fight with Parliament's management including various "baseless allegations" targeting management overall and Mgidlana in particular to "impugn" his character.

"Their fight is not about shop floor issues but in pursuit of political agendas and campaigns," the statement said. "The revelation of 'campaigns' now gives lie to the carefully crafted media framing of what is emerging as a political campaign to destabilise Parliament and remove the Secretary to Parliament, who was duly appointed by the two Houses."

Still, Parliament's management has been hauled before the Commission for Conciliation, Mediation and Arbitration (CCMA) for failing to stick to agreements over the past five months. This includes what the union calls "unilateral" marking down of performance assessments – Mgidlana earlier this month publicly asserted management's right to "moderate" – on the basis of which scores of employees have forfeited their bonuses. Other disputes revolve around D-band employees, which Parliament's management regards as managers even though this category includes content advisors, protocol officials and legal advisors. They all report to unit and

section heads, who are defined as managers in Parliament's performance assessment policy.

These issues stem from Nehawu's unprotected strike late last year over performance bonuses and conditions of employment. The union accused management of failing to stick to their March 2015 agreements. For about three weeks until 5 December, "ePalamente sifuna imali. Asonwabanga! (Parliament, we want money. We are not happy)" echoed around the national legislature. Nehawu national office bearers arrived to take up the cudgels of its largest Western Cape branch; the union represents about two-thirds of parliamentary employees from white collar workers such as committee secretaries and those working in the document and translation services, to blue collar workers such as cleaning staff.

Parliament by its own admission has seen a worsening labour relations climate since Mgidlana took over the reins. In its performance report for the fourth quarter of the 2015/16 financial year (effectively the first three months of 2016) under the heading "employee relations incidents" it notes more than 300% increases in disputes from five to 18 and disciplinary proceedings from three to 11 in the 2015/15 financial year, compared to a year earlier. "Based on the number of external disputes lodged ... there seems to be a lack of trust in internal processes for dispute resolution where parties are not willing to reach a compromise on their mandated position," the 21-page says.

On Monday workers booed managers, who emerged from their own heated meeting in the Old Assembly Chamber, also the venue of the Nehawu gathering.

Concern abounds among parliamentary staff that the administration is simply biding time until MPs leave next week for an extended 10-week "constituency period" ahead of the 3 August local government elections. Away from the eyes of politicians, a clampdown is expected.

With the Nehawu parliamentary branch demand for Mgidlana's suspension under way, it's all eyes on the national Nehawu office-bearers to see if they will make good on their promise earlier this month to make Parliament "ungovernable", and to involve provincial legislatures in such protests. Nehawu president Mzwandile Makwayiba has met Mbete several times to try to broker a political solution to the labour relations stalemate.

How the sour state of labour affairs will turn out remains to be seen.

http://www.dailymaverick.co.za/article/2016-05-16-fiscal-dumping-calls-multiply-for-top-administrators-suspension-over-bad-trip/#.Vzq_b03lrIU

Comment and opinion

They've got Gordhan by the throat - and they won't let go

The Times Editorial, 17 May, 2016

Once is happenstance. Twice is coincidence. The third time it's enemy action.

Bond villain Auric Goldfinger's immortal words in the Ian Fleming novel come to mind in considering the appalling proxy battle being waged by top government officials against Finance Minister Pravin Gordhan.

Two months ago, as a team from Moody's Investors Service visited South Africa to review the country's sovereign credit rating, the Hawks launched an astonishing public attack on Gordhan in relation to their investigation into a so-called "rogue unit" set up at SARS under his watch in 2009.

With the apparent blessing of the police minister, the elite unit threatened legal action against Gordhan unless he immediately answered the 27 questions - leaked to the media - they had sent him as he was preparing the Budget.

The rand plunged, as it had done in December when President Jacob Zuma fired Nhlanhla Nene as finance minister and replaced him with ANC back-bencher Des van Rooyen, who promised to make the Treasury "more accessible".

This week, on the eve of a visit to South Africa by rating agency S&P Global - which has the country one notch above junk status - senior unnamed Hawks officials told the Sunday Times that the unit was poised to arrest Gordhan for "espionage" related to the activities of the "rogue unit", and that it was simply waiting for the political go-ahead.

Needless to say, the rand plunged again despite denials from the Presidency, the Hawks and the National Prosecuting Authority that Gordhan's arrest was imminent.

Is the latest attack on Gordhan merely coincidence, or does it amount to Goldfinger's "enemy action"? In many countries, deliberately collapsing a currency or ruining an economy for narrow economic or political ends would be regarded as economic sabotage.

Prosecutions would follow.

Gordhan is the government's point man on turning the economy around. What is it doing to protect him in the country's hour of need?

<http://www.timeslive.co.za/thetimes/2016/05/17/Theyve-got-Gordhan-by-the-throat---and-they-wont-let-go>

Gupta hidden hand behind Gordhan 'arrest' and how Zuma could be co-accused on SARS 'rogue unit' case

Ranjeni Munusami, Daily Maverick, 16 May 2016

The manoeuvre by the Hawks and National Prosecuting Authority to arrest Finance Minister Pravin Gordhan was exposed by one of the Gupta brothers in a business

meeting over a week ago, Daily Maverick has learnt. The arrest of Gordhan, together with former Finance Minister Trevor Manuel and the former SARS acting commissioner Ivan Pillay, is allegedly being plotted to enable another takeover of the National Treasury. But as part of the fightback by former high-ranking government officials, information has emerged that could implicate President Jacob Zuma in the development of intelligence capability at SARS.

If Finance Minister Pravin Gordhan and others, including former minister Trevor Manuel, are arrested, President Jacob Zuma might inadvertently be drawn into the case. Daily Maverick has established that Zuma, then deputy president, was at a training course for senior intelligence heads at the intelligence academy in Mahikeng in 2001 where the restructuring of the state intelligence services and co-operation between the agencies were discussed. Representatives of the South African Revenue Service (SARS), Ivan Pillay and Gene Ravele (both have since left the tax authority), were at the meeting that Zuma addressed. Former SARS strategic planning risk group executive Peter Richer, who resigned at the same time as Pillay, was one of the facilitators on the course.

Manuel's deputy in the finance ministry at the time, Mandisi Mpahlwa, was assigned to assist Zuma to improve co-ordination among the intelligence structures. This included military intelligence, police crime intelligence, the then National Intelligence Agency (NIA), the former South African Secret Service, the National Communications Centre and the National Intelligence Co-ordinating Committee. At this early stage, SARS was seen to be an integral part of the intelligence machinery that required collaboration to crack down on organised crime. This later paved the way for the signing of an MOU to facilitate intelligence co-operation between NIA and SARS, and fund intelligence capability within the tax authority. The "rogue spy unit", as it came to be known, was born out of this co-operation.

Officials who were at the 2001 meeting say if arrests were to be made about the intelligence capability developed at SARS, it would mean Zuma would have to be a co-accused for being one of the initiators of the idea. Alternatively the president would have to be a witness for the defence about why he encouraged intelligence co-operation between the various agencies in the state, including SARS. It is believed that neither the Hawks nor the National Prosecuting Authority (NPA) are aware of Zuma's involvement, or the repercussions for the head of state should they go ahead with the arrests of Gordhan and others.

Zuma was the former head of ANC intelligence in the underground, and this has always been his area of special interest. During the exile years, he worked with many of the officials who were at the Mahikeng meeting, including Pillay. Under Zuma's presidency, the intelligence agencies were collapsed into the Department of State Security, to give effect to his plan for co-ordinated intelligence within the state.

The information about Zuma's role in the long-running saga emerged as rumours intensified in the last week about the Hawks' plans to make high-profile arrests. It appears that the politically connected Gupta family had special insight into the Hawks investigation and possible changes to the Cabinet as a result of the imminent arrests.

Members of the Gupta family were back in South Africa last week to deal with their troubled business empire, following the decisions by South Africa's four big banks to close their accounts. At a meeting in Johannesburg on 6 May, Ajay Gupta allegedly informed people dealing with his family's companies that the Hawks would soon be making a number of arrests in connection with the SARS spy unit. He said those who would be arrested included Gordhan, Manuel and Pillay.

Daily Maverick understands Gupta claimed President Jacob Zuma would have to remove Gordhan as Finance Minister – it is apparently untenable and bad for the country's image to have a finance minister facing charges, but not a president – and Eskom chief executive officer Brian Molefe would be appointed to the portfolio. Member of Parliament Sifiso Buthelezi, who resigned his business interests two months ago to join the ANC caucus, would then become Molefe's deputy. Buthelezi's appointment as Deputy Finance Minister was meant to take place in March but this was scuppered when the incumbent Mcebisi Jonas confirmed publicly that the Guptas offered to promote him to replace Nhlanhla Nene as Finance Minister.

The appointment of Molefe and Buthelezi would apparently relieve the pressure on the Gupta companies and allow them to transact again in the country. The move to have Gordhan removed appears to be another attempt by the Gupta family to make changes to the Cabinet to benefit their business empire. Attempts to get comment from spokespersons for the Gupta family about the claims allegedly made by Ajay Gupta were unsuccessful.

The Sunday Times reported this week that the Hawks want to prosecute Gordhan for espionage for activities of the SARS "rogue unit" when he was the tax agency's commissioner. The paper said that according to their sources in the Hawks, a case docket had been handed to the NPA for a decision to prosecute. NPA spokesman Luvuyo Mfaku told the paper: "The case is prosecutor-driven as the Hawks approached the NPA for guidance". He denied a decision had been taken to prosecute.

The status of the Hawks investigation into the SARS unit, which they claim had operated illegally, has been unclear after Gordhan responded at the end of March to the 27 questions they sent to him on the eve of the budget speech. It is also not clear which laws Gordhan or anyone else broke that might lead to their arrest. The Sunday Times named a number of former SARS and NPA officials who might face arrest in connection with the case.

The presidency issued two statements on Sunday in reaction to the Sunday Times report. In the first statement, the presidency said it condemned the actions of “information peddlers who keep spreading rumours about alleged changes in the Cabinet”.

The statement said it was only the president who had the prerogative to hire and fire ministers at any time. “Despite that, the Presidency issued a statement recently communicating that there were no plans to change the Minister of Finance. Information peddlers have also been spreading false rumours about changes in the Department of Trade and Industry (DTI). A statement was also issued recently rebutting the DTI rumours.”

The statement said the president and government were “focused on the goal of uniting business, labour, government and the whole country behind the mission of strengthening the economy and reigniting growth during the current difficult economic climate”.

The second presidency statement “noted” the Sunday Times report that Gordhan faced imminent arrest. “We have also noted the response of law enforcement agencies which have swiftly denied the rumour. It is clear therefore that the story is the work of dangerous information peddlers who wish to cause confusion and mayhem in the country,” the presidency spokesman Bongani Ngqulunga said.

“President Zuma and the whole of government are focused on the goal of reigniting economic growth, preserving existing jobs and creating more jobs through working together with business and labour. A lot of progress is being made in this regard as was seen in the outcomes of the meeting convened by President Zuma last week,” the statement read.

It is not known whether the statements meant that Zuma was unaware that the Hawks were intending to make arrests. It is also unclear how the Guptas received insight into the case and were able to speculate about changes to the Cabinet.

Zuma appeared to deflect the political heat from the Guptas when he addressed the Gauteng ANC provincial general council (PGC) on Friday night. Zuma told the meeting that there was no such thing as state capture and people just used the term in soundbites for the media.

“If you talk about state capture, you’re misleading people. You’re taking a small issue and making it a big issue. Is the judiciary captured? Is the legislature captured? Politicians love it – state capture, state capture, what is the state?” Zuma asked in a mocking tone.

This is contrary to discussions at the last ANC national executive committee (NEC) in March, ironically at the very same venue where the Gauteng PGC took place, about “the serious allegations surrounding the Gupta family and its purported

influence in the appointment of ministers, their deputies and other positions in key state owned entities in their interests”.

As a result of these discussions, the NEC mandated the party’s top six officials and national working committee “to gather all pertinent information about the allegations to enable the ANC to take appropriate action on this matter”. The NEC also called on all ANC members who had information to bring this to the office of secretary general Gwede Mantashe’s office.

The term “state capture” was introduced into the lexicon by the South African Communist Party and is now used repeatedly by ANC leaders including Mantashe and Deputy President Cyril Ramaphosa.

As part of the rearguard action against the Gupta family’s capture of the state, a group of former top civil servants have called for a public inquiry into the family’s involvement in state affairs. The group, which includes 27 former directors-general, wrote to Gordhan and Public Service and Administration Minister Ngoako Ramatlhodi requesting investigation into “all senior political and administrative officials who may, in their dealings with the Guptas and associated companies, have contravened the Constitution, the PFMA (Public Finance Management Act) and the Public Service Act”.

“As former DGs we are concerned about reports that public officials, including heads of state-owned entities, are being pressurised by private interests to wilfully break procurement rules and the rules pertaining to transparent, fair and competency-based appointments. In particular, we express concern at recent revelations of alleged ‘state capture’ by the Gupta family, their apparent influence over political and administrative appointments, and their alleged involvement in the irregular facilitation, securing and issuing of government tenders and contracts,” the officials said.

Zuma appears to have underestimated the enormity of the movement developing against him, including officials and comrades who used to work with him. He appears to be overly confident that as president, he would command unfailing loyalty from people who served in the ANC and the state. But this could be a major mistake on his part and those of his allies.

With Zuma already facing a legal headache over the spy tapes case, the last thing he would need is to be drawn into the SARS spy unit matter. And with the public protector already probing the Guptas, another public inquiry could lead to the unearthing of evidence about his own knowledge and role in state capture.

It appears that more and more people are willing to speak out about Zuma, his friends and their activities. For anyone with dark and deeply buried secrets, this spells trouble.

<http://www.dailymaverick.co.za/article/2016-05-16-gupta-hidden-hand-behind-gordhan-arrest-and-how-zuma-could-be-co-accused-on-sars-rogue-unit-case/#.VzrFnU3lrIU>
