

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

NOTICE 618 OF 2018

MS HLENGIWE MKHALIPHI, MP

**NOTICE OF INTENTION TO INTRODUCE A PRIVATE MEMBER'S BILL
AND INVITATION FOR COMMENT ON THE DRAFT INSOURCING BILL,
2018**

Ms Hlengiwe Mkhali, MP acting in accordance with section 73(2) of the Constitution of the Republic of South Africa, 1996, intends to introduce the Insourcing Bill, 2018, in Parliament. An explanatory summary of the Bill is hereby published in accordance with Rule 276(1)(c) of the Rules of the National Assembly (9th Edition).

The South African government in all spheres, including State Owned Entities (SOE's) provides services to citizens, but in order to do so contracts third parties who provide these services and who bring their own employees to deliver these services. This includes, but is not limited to: cleaning services; security services; gardening services; municipal services; construction of buildings and infrastructure; maintenance of buildings and infrastructure; IT services; catering services; auditing services; transport services; administration services, and healthcare related services. All these services will be required on a recurring basis, and there will continue to be a need for government to provide them for an indefinite period of time.

Post-1994 the South African government embarked on a programme of wholesale outsourcing of services and functions, required or provided by government. Emphasising the principles of de-bureaucratisation of the public sector and local government; reforming and strengthening management practices in government; decentralising decision making; and outsourcing of all government functions where possible.

These reforms created many administrative problems, but to highlight two: (1) Prices for contracts are often purposefully inflated through manipulation of the tendering system. This underlies the majority of corrupt activities that are currently taking place in all spheres of government, including in SOE's. It has further to a large extent collapsed the ability of the state to deliver the necessary services to the people of South Africa; (2) Exploitation of the workers who are employed by the service providers to deliver these services – services that the state will for the foreseeable future be

required to provide on a recurring basis. By contracting third parties who provide outsourced workers, the government in all spheres, including SOE's, is often making use of persons whose labour is exploited, whose employment is on a casual basis, providing minimal job security, whose labour is under-paid, who receives minimal or no benefits and who are accordingly not properly protected by labour legislation.

The Insourcing Bill, 2018 ("the draft Bill"), seeks to provide a comprehensive legislative mechanism to bring an end to these problems and challenges, brought about by the outsourcing of services and functions provided by government.

The draft Bill will require all government departments and State-Owned Entities (SOE)'s, at national, provincial and local level to insource all services that they provide on a recurring basis. This will result in a prohibition on employing anyone who provides services for government or SOE's on a recurring basis, through a third party.

Interested parties and institutions are invited to submit written representations on the proposed content of the draft Bill to the Speaker of the National Assembly within 30 days of the publication of this notice. Representations can be delivered to the Speaker, New Assembly Building, Parliament Street, Cape Town; mailed to Speaker, P O Box 15 Cape Town 8000, or emailed to speaker@parliament.gov.za and copied to gumanitk@gmail.com.

Copies of the Insourcing Bill, 2018 may, after introduction, be obtained from:

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