

THE FRONT PAGE

The 2010 Budget Speech made headlines this morning. Finance Minister Pravin Gordhan's debut speech has placed R6.5 billion in tax relief in the pockets of lower-income South Africans. Gordhan presented a R907 billion Budget for the year from 1 April and said that expenditure would cross the R1 trillion mark in the 2012/13 financial year. His speech also tackled the need for job creation after last year's severe recession; and said individuals would be given a chance to come clean with their tax affairs and avoid the wrath of SARS.

NEWS REVIEWS

THE DAY IN SHORT

In the news today: much of the focus this morning has been on the 2010 Budget Speech delivered by Finance Minister Pravin Gordhan. Aspects that were highlighted were how the petrol levy was expected to fuel inflation; low-income earners will receive greater benefits; and drinkers and smokers will now need to tighten their belts. The African National Congress Youth League (ANCYL) continue to insist on the nationalisation of mines, stating that not even President Jacob Zuma can stop the debate surrounding the issue. Democratic Alliance (DA) leader Helen Zille believes the arrest of a Western Cape student was "unconstitutional". DA's MP Dianne Kohler Barnard's vulgar language has earned her a five-day suspension from Parliament. The City of Johannesburg reiterated yesterday that its doors remain open for negotiations around the contentious Rea Vaya Bus Rapid Transit (BRT) system.

NEWS REVIEWS

2010 BUDGET SPEECH

Gordhan reveals new growth path

Finance Minister Pravin Gordhan yesterday announced "a new growth path" in his maiden budget speech - starting with a "concerned effort" to reduce unemployment. He also spelt out clearly the connection between "credible" monetary policy and job growth, and tackled a number of controversial issues head on. The budget speech, the first under President Jacob Zuma, is an indication that he will not abandon the policies that earned the African National Congress (ANC) government a reputation for prudent fiscal management over the past 15 years. Gordhan said the Reserve Bank would keep its inflation target of 3% to 6%. This after years of bitter criticism from the Congress of South African Trade Unions (Cosatu) over the focus on inflation targeting and calls from some economists to raise the range to 4% to 7%, at least temporarily.

BUSINESS REPORT (Star); eNews @ 19:00

Phased-in approach for NHI welcomed

Role players in the health care industry yesterday welcomed Pravin Gordhan's pronouncements on the sector, even though he shed very little light on the proposed National Health Insurance (NHI). The proposed reform of the health care system was mentioned in passing by the finance minister. Gordhan, who announced a health budget increase to R105 billion from R84 billion in 2008/2009, said a closer partnership between the public and private health systems was a prerequisite for the introduction of an NHI system. Stavros Nicolaou, a senior executive at Aspen Pharmacare, said the fact that Gordhan mentioned the importance of public-private partnerships was "consistent with pronouncements from the government that NHI would be phased in because there is still a lot of detail to work out".

BUSINESS REPORT (Star)

Death duties set to be reviewed to reduce costs

The government would review death duties and taxes on derivatives and other financial instruments over the next two years to reduce administration costs and improve revenue collection. "The estate duty raises limited revenue and is cumbersome to administer," the Treasury said in the annual Budget, released in Cape Town yesterday. "Moreover, its efficacy is questionable. Many wealthy individuals escape estate-duty liability through trusts and other means". The Treasury also plans to release proposals on a carbon tax in the first half of this year and is investigating a landfill tax, traffic-congestion charges, waste water discharge levies and pollution charges.

BUSINESS REPORT (Star)

Health care focuses on partnerships

The government is looking increasingly at the private sector to improve the country's health system while the introduction of the national health insurance (NHI) scheme appears to be on hold owing to high implementation costs. The Health Department and Council for Medical Schemes had proposed that medical schemes be protected by risk equalisation, which would shift resources from schemes with younger and healthier members, to those with a higher proportion of older or sicker members. A risk equalisation fund would be set up to protect small funds with ageing memberships. Pravin Gordhan said in his 2010 Budget Speech yesterday that "We will continue to broaden the use of public-private partnerships in the health sector".

BUSINESS REPORT (Star)

Shot in the arm for HIV/Aids treatment

The Treasury has set aside an extra R8.4 billion for HIV/Aids over the next three years, reflecting its commitment to improving the quality of services for people affected by the disease and doubling the number of patients getting life-saving antiretroviral therapy. Conditional grants to the provinces for HIV/Aids are set to rise from R6.01 billion in fiscal 2010-2011 to R7.43 billion in 2011/2012 and R8.77 billion in 2012/2013. These are ring-fenced grants that are transferred to the provinces via the national Department of Health and cannot be used for any other purpose.

BUSINESS DAY (National)

Government looks to capital markets for shortfall

The recession has reduced the state's revenue from taxes and other sources, while spending pressures have grown over the past two years. As a result, the shortfall between the two has grown and the government is increasingly turning to capital markets to fund the difference. To meet future foreign currency commitments, the government plans to borrow \$2 billion over each of the next two years and \$3 billion in 2012/2013 in international capital markets. Government debt is expected almost to double from current levels of R690 billion to R1.3 trillion over the next three years. This will push the interest bill from R57.6 billion to R10.4 billion, according to the Budget Review.

BUSINESS REPORT (Star)

Deficit smaller than anticipated

The government's 2009/2010 budget deficit - the shortfall between revenue and spending - is turning out to be slightly better than anticipated at the time of the medium-term budget policy statement last October. Lesetja Kganyago, the Treasury Director-General, said the smaller deficit was due to the fact that revenue "did not decline as fast as we thought it would". In addition, "there was an amount of R7.8 billion in capital expenditure (that) did not take place," he said. In October the deficit on the consolidated budget was estimated at 7.6% of gross domestic product (GDP). Yesterday's figures put it at 7.3% of GDP.

BUSINESS REPORT (Star)

Government to clamp down on investment fund

The government will increase its oversight of hedge funds, private equity funds and ratings agencies in the wake of the global financial crisis, Finance Minister Pravin Gordhan said yesterday. "Although our institutions have proved to be robust, we must not be complacent," Gordhan said in his budget speech to Parliament yesterday. "We are reviewing standards in banking, insurance and securities markets. We will be expanding the scope of regulation to include hedge funds, private equity and credit ratings agencies". The government also plans to strengthen the country's financial regulators and will establish a new body to co-ordinate their work. Gordhan did not give details on the new regulations or when they would be imposed.

BUSINESS REPORT (Star)

Gordhan has 'soft-pedalled' on fuel levy this year

The fuel levy is up, but at less than 3% of the price of petrol, some believe that Finance Minister Pravin Gordhan gave motorists a let-off after he hammered them with a 40c increase last year. Yesterday, Gordhan increased taxes on fuel by 25.5c for both petrol and diesel. Included in that total is a 7.5c-a-litre increase to fund a petroleum pipeline between Durban and Johannesburg, and an 8c-a-litre tax that will go towards the Road Accident Fund levy. "All in all, it is acceptable. It is less than 3% of the price of petrol and just over 3% on diesel. In light of the large increase last year, he soft-pedalled this year," said economist Tony Twine.

STAR

Social grant recipients to keep rising

Nearly 14-million people are now benefiting from social assistance transfers from the national government, up from about 12-million in 2006/2007, with the cost to the state jumping from R85 billion to R94 billion in the past year. However, the cost as a percentage of gross domestic product remains at about 3.5% for the medium term, although it has risen from 3.3% in 2006/2007. This constitutes about 7% of the consolidated budget - of national, provincial and certain state utilities - of about R900 billion. There are some 2.5-million recipients of old age grants, up from 2.3-million in 2006/2007. Child support recipients stand at R9.4 million, up from 7.8-million or an annual 7.5% growth.

BUSINESS REPORT (Star); SAFM NEWS EXTRA @ 06:00

Social security 'lacks vision'

Pravin Gordhan's budget lacked "vision and clarity" on an "interlinking social security system", the Institute of Retirement Funds SA said yesterday. "The minister referred in a fragmented way to peripheral aspects of social security and there were indeed some positive aspects to emerge, most notably the subsidy for industry to employ unskilled workers or youth, who in theory will become contributors to the pension savings base and economically active," the institutes President Santha Padayachee said in a statement. "This, however, would not occur without a degree of compulsion regarding retirement benefits," she said. Padayachee welcomed the government's commitment to keeping inflation in check, as social benefits could be eroded by rampant inflation.

BUSINESS REPORT (Star)

Millions allotted to KZN for housing

Finance Minister Pravin Gordhan said that provinces will receive an additional R45.6 billion over the next three years as President Jacob Zuma's administration focused on improving services. Gordhan said that government wanted "better alignment" between what provinces budgeted and the national government's priorities. A special grant of R133.8 million for housing disaster relief will be allotted to KwaZulu-Natal to repair subsidised houses damaged by storms.

MERCURY

Transport and stadiums score in soccer spree

Investment to improve the country's transport systems, upgrade and construct stadiums and ports-of-entry infrastructure made up the bulk of the Treasury's R33 billion spending in support of projects complementing the World Cup. The bill for stadiums came to R11.7 billion. A Treasury official said yesterday that the original budget had allocated R8.6 billion to the refurbishment and construction of stadiums. Other costs associated with World Cup spending include a R72 million grant paid to the nine host cities over two years for operational costs, such as overtime for emergency personnel. The World Cup Local Organising Committee has predicted a 1 percentage point boost to GDP from the competition.

BUSINESS REPORT (Star)

Parastatal spend makes up R454bn of plan

Public sector investment remains a crucial component of development as it provides the infrastructure through which goods are transported, thereby powering the economy and connecting households and businesses to services and markets, according to Finance Minister Pravin Gordhan. Noting that infrastructure programme spending had risen to R846 billion from R787 billion budgeted in last year's medium-term statement, Gordhan said that Eskom's construction of power plants made up "about a third of the total". According to budget documents, non-financial public enterprises including Transnet, Eskom and the South African National Roads Agency made up the largest share of infrastructure spending: R453.7 billion, or 53% of the total. Infrastructure spending by municipalities is the second largest contributor, comprising 17.5% of the total. "Extensive planning and consultation is in progress on infrastructure programmes for the next 10 to 20 years, in recognition of our long-term development challenges," he said.

BUSINESS REPORT (Star); eNews @ 19:00; TALK RADIO 702 NEWS @ 20:00

Education chosen as 'number one priority'

Education was the "number one priority" of the government, Pravin Gordhan told the nation yesterday. Consolidated education spending rises from R148 billion in 2009/2010 - out of total consolidated budget of R835 billion - to R165 billion next year out of an anticipated consolidated budget of R906 billion. Noting that spending by the government, both national and provincial and including social security funds and selected public entities would rise to R2.9 trillion over the next three years, Gordhan said spending on education remained "our largest item of spending, giving meaning to our commitment that it is our number one priority". A particular focus of education would be the expansion and improvement of further education and training colleges. This would be a "vital" part of the country's growth strategy.

BUSINESS REPORT (Star)

Wage subsidy welcomed, but with reservations

A plan by the government to boost employment for young people through a wage subsidy could benefit 800 000 people from next year. Under the proposal, the government wants to lower the cost of hiring young people without work experience through a subsidy for employers. Under consideration is a cash reimbursement for employers for a two-year period that will be administered through the SA Revenue Services payroll tax system and subject to minimum labour standards. It will be available to tax compliant businesses, non-governmental organisations and municipalities. Finance Minister Pravin Gordhan said yesterday that, "the aim is to raise employment of school-leavers by a further 500 000 by 2013."

BUSINESS REPORT (National); TALK RADIO 702 NEWS @ 20:00

Lack of policy for new jobs draws Cosatu's ire

Pravin Gordhan rejected claims from labour unions that the Budget announced yesterday offered new policies to combat unemployment and called on them to support government actions. "We want to humbly and respectfully disagree" with criticism from Cosatu, Gordhan said. "This budget begins to signal that we are on a different growth path. We are attempting to do things differently. The appeal we are making here is to work together." Congress of South African Trade Unions (Cosatu) General Secretary Zwelinzima Vavi said that the finance minister's refusal to ease the 3% to 6% inflation target and the Budget's "conservative framework" showed that the government had not moved beyond the policies of the past 15 years, which had led to the unemployment rate of 24% in South Africa. "We are extremely disappointed that the inflation targeting policy" remains in place, said Vavi.

BUSINESS REPORT (National)

Job creation drive to focus primarily on youth

Job creation, particularly focused on the youth, has been recognised as a key priority of the government, with the state intending to subsidise youth employment at municipalities, private companies and non-governmental organisations (NGOs) to help out about 1.3-million people who would otherwise be jobless. It is envisaged that the two-year employment programme would be kick-started early next year. Treasury spokesperson Thoraya Pandy said proposals would be tabled "by the end of March" as to the quantum of costs to the fiscus. Finance Minister Pravin Gordhan yesterday noted that the state's "transformational challenge" was clear: one in four adults seeking work were unemployed "and almost half of our young people have not found work". In addition, income inequality was among the highest in the world and half the population survived on 8% of the national income.

BUSINESS REPORT (National); eNews @ 19:00

Sin tax hike no deterrent for some

Drinkers and smokers seemed nonplussed by the increase in the cost of their tittle and puff. Beer drinkers will pay 6.5c more for a 340ml bottle, wine will increase by 12c per 750ml, spirits by R2.22 per 750ml and a packet of 20 cigarettes will go up by R1.24.

Steven Setsiphane said the continued increase in the price of cigarettes had forced him to smoke fake cigarettes, while the National Council Against Smoking bemoaned the "meagre" increase and "a policy which keeps tobacco taxes low and so favours the tobacco companies at the expense of public health and government revenues".

STAR; eNews @ 19:00; NEWS24.COM - NEWS 24; TALK RADIO 702 NEWS @ 20:00; CITIZEN (Second Edition)

TOP STORIES

ANCyl still pushing for nationalisation of mines

The African National Congress Youth League (ANCyl) says it remains confident despite President Jacob Zuma's insistence that the nationalisation of mines is not government policy. Youth League President Julius Malema has led calls for government to take over control of gold and other mines. In Parliament yesterday, Zuma reiterated that government is not planning to take over mines. The ANCyl says nationalisation is not government policy but it will become that by 2012. It says it raises the debate so the ANC can adopt it as an official policy. The league's Floyd Shivambu says "nationalisation is going to happen under Zuma's Presidency because there is no serious opposition within the ANC today. Our perspective is that mines must be nationalised for the benefit of all people".

TALK RADIO 702 NEWS @ 09:00; IAFRICA.COM; SAFM NEWS EXTRA @ 12:00; CITIZEN (Second Edition)

Zille: Arrest a tactic of a police state

The arrest of a student for "swearing" at President Jacob Zuma's convoy was the tactics of a police state, not a democracy, the Democratic Alliance (DA) said on Wednesday. DA leader Helen Zille said the way the police acted was a reminder of the actions of the apartheid-era security police. "They are reminiscent of Robert Mugabe's Zimbabwe, that the ANC is increasingly trying to emulate," said Zille. Chumani Maxwele was arrested on Wednesday last week when he allegedly showed his middle finger to Zuma's convoy while he was jogging in De Waal Street, in Cape Town. He was arrested at gunpoint by police officers.

The Star added that Zille had gone to the Mowbray police station yesterday to investigate the circumstances of the arrest of the student. "It is very worrying. It seems unconstitutional to me. It seems there was a very serious abuse of power", said Zille.

NEWS24.COM - NEWS 24; IAFRICA.COM; EWN.CO.ZA; STAR; CAPE TIMES

MP in sin bin for five days

Democratic Alliance (DA) MP Dianne Kohler Barnard's vulgar language has earned her a five-day suspension from Parliament. And that's not all. When the suspension expires, Kohler Barnard will have to address the National Assembly and offer an unconditional apology for using the F-word against ANC MPs and Deputy Speaker Nomandla Mfeketo. "Her suspension means her duties as a Member of Parliament are frozen for that period and, as such, that she vacate the Parliamentary precinct and suspend her related activities," said DA chief whip Ian Davidson yesterday. He added: "We regard Ms Kohler Barnard's conduct in a serious light." A furious Kohler Barnard used the expletive when the DA and the Congress of the People (COPE) staged a walkout after Mfeketo ordered COPE MP Mluleki George out of the House for charging that the government was leading the country into lawlessness.

CITIZEN (Second Edition); TALK RADIO 702 NEWS @06:00

BRT: City doors 'open for talks'

The City of Johannesburg reiterated yesterday that its doors remain open for negotiations around the contentious Rea Vaya Bus Rapid Transit (BRT) system. This in the wake of a looming "nationwide" and "week-long" taxi strike, organised by the United Taxi Association Forum (Utaf). Utaf says the city acted in bad faith when announcing the extension of the BRT service. The complete phase 1A will be rolled out between 1 March and 3 May. Speaking to The Citizen yesterday, the city's spokesperson Gabu Tugwana said everyone who has been and will still be affected is welcome to approach the city. "There is nothing stopping them (referring to the taxi industry) to come forward and say what it is they feel unsure of or unhappy about regarding the BRT."

CITIZEN (Second Edition)

POLITICAL NEWS

Opposition parties challenge Parliament decision

Several opposition parties said on Tuesday they will challenge a decision by the deputy National Assembly speaker, which led to mayhem in Parliament. Nomandla Mfeketo ruled a statement by Congress of the People MP Mluleki George out of order and asked him to withdraw it during a house sitting. When he refused, she ejected him from the chamber, leading to a walk-out by the Democratic Alliance, COPE and Independent Democrats MPs. Despite consistent attempts by Mfeketo to get George to withdraw a statement, the MP stood his ground. The matter is likely to feature prominently when parliamentary party whips meet later on Wednesday morning.

TALK RADIO 702 NEWS @ 08:00

De Lille wants probe of hospitality pricing

The leader of the Independent Democrats (ID), Patricia De Lille, says she will lay a complaint with the Competition Commission to investigate possible collusion in the hospitality industry. De Lille says that this follows complaints from two travel agencies complaining about high 2010 World Cup accommodation prices. The two companies complaining about high accommodation prices have been arranging hotel accommodation for international tourists who want to come and watch World Cup matches. In a recent Parliamentary question, De Lille had already asked the minister of tourism whether he was aware of the high accommodation and airline prices. She says that there is evidence of accommodation prices being inflated ahead of the World Cup. The ID leader says just like the Competition Commission is currently investigating the airline industry, the hospitality industry should also be investigated.

SABCNEWS.COM

Govts accuse DA

The Democratic Alliance (DA) has been accused by the governments of KwaZulu-Natal and Gauteng of exaggerating and misleading the public. This comes after the opposition party claimed that the provinces had exceeded their budgets by billions because of poor planning. Gauteng Government spokesperson, Thabo Masebe, has refuted claims that the province's financial problems were to the extent claimed by the DA.

DAILY NEWS (Deadline)

SAFETY & SECURITY NEWS

Spy boss will testify in Selebi trial

Minister of State Security Siyabonga Cwele's application for leave to appeal to the Constitutional Court regarding the testimony of a former spy boss in Jackie Selebi's corruption trial was dismissed on Tuesday. Cwele went to the highest court in the country to try and stop Barry Gilder from testifying for the state in the former police chief's trial. Both the South Gauteng High Court and the Supreme Court of Appeal have already found against the State Security minister. Gilder will now have to take the stand. The National Prosecuting Authority NPA's Mthunzi Mhaga said prosecutors would now re-subpoena the former intelligence co-ordinator.

TALK RADIO 702 NEWS @ 06:00; SABCNEWS.CO.ZA - SABC NEWS; IOL.CO.ZA

23 000 letters 'PR exercise'

Trade union Solidarity's delivering 23 000 letters about crime to the Presidency on Tuesday was a "fruitless public relations exercise", the Police Ministry said. Carting three wheelbarrows filled with letters to the steps of Parliament "demerits" (sic) successes in the fight against crime, spokesperson Zweli Mnsi said in a statement on Wednesday. The union did so out of protest at President Jacob Zuma spending more time welcoming guests than talking about crime in his State of the Nation speech on Thursday last week. Mnsi dismissed the campaign as a publicity stunt. "So, the State of the Nation address by President Zuma last week should have been rebranded State of the Crime Situation in South Africa, if the recent public relations exercise by one of the 'concerned groups' in the country is anything to go by.

NEWS24.COM - NEWS 24; CITIZEN (Second Edition)

Govt investigates corruption cases

As the government prepares to review "fraud-proof" tender processes, it has launched an investigation into major corruption cases of more than R2 billion, with a number of arrests made in the past 10 days. Finance Minister Pravin Gordhan, said in his Budget speech yesterday, that five people linked to supply chain fraud were apprehended in KwaZulu-Natal last week and more cases have been handed over to the National Prosecuting Authority (NPA). These civil servants were allegedly attempting to defraud Ithala Bank of R2.87 million.

MERCURY

Cops urged to seek medical help

Police Minister Nathi Mthethwa on Wednesday urged police to make use of the health programmes available to those who are ill, stressed and depressed. "As we have been emphasising, we know the kind of burden on our members' shoulders and that dealing with crime is a very serious challenge," he said. "They are not objects or machines but human beings with feelings and families. That is precisely why the improvement related to their human resource issues such as correct deployment and upward mobility, form part of the priorities of the police leadership."

NEWS24.COM - NEWS 24

Cops take action after eviction unrest

Three people have been arrested after residents in Scottsdene, near Kraaifontein, retaliated against the Anti-Land Invasion Unit when it demolished their shacks on Tuesday. The officers were breaking down the illegal structures at Ashbury Court. The unit's Neil Arendse said the officers were forced to take action after residents started throwing stones. "In order to control the crowd, the officers [opened fire] with rubber bullets and two people got injured, and three were positively identified as some of those that threw stones at the officers. They were arrested on charges of public violence," said Arendse.

EWN.CO.ZA

3 held for credit card fraud

Three men have been arrested for allegedly attempting to buy groceries with stolen credit cards in Soweto, police said on Wednesday. Inspector Kay Makhubela said the men, aged 30, 33 and 49, tried to buy groceries in a store in the Jabulani Mall when they were arrested on Tuesday afternoon. "The cards had been blocked and after an investigation we found that they had been found in a car that was hijacked in Bloemfontein," said Makhubela. Before they were arrested, the men allegedly already made purchases of R4 395 on one card and R2 000 each on two other cards. The men were also linked to other crimes, including murder, robbery and hijacking. They were expected to appear on charges of fraud and the possession of stolen credit cards at the Protea Magistrate's Court on Thursday. "After that we will take them to the scenes of the other crimes to investigate further," Makhubela said.

NEWS24.COM - NEWS 24

VIP cop threatens motorist

The police are investigating a charge against an inspector in their VIP protection unit who during an argument after an accident allegedly pointed a firearm at a motorist. At least three members of this unit have been prosecuted recently for shooting at motorists. Bheki Cele, former KwaZulu-Natal MEC for Community Safety and Liaison, lay down the law to members of the unit after such an incident caused an accident. The latest incident took place between 07:00 and 08:00 in Durban North on Tuesday, when a car came to a stop in Acutt Avenue to turn right. Mthokozisi Myende, provincial chair of the COPE youth movement, stopped behind this car. A Mercedes-Benz stopped behind him. He then heard a crash behind him Myende said on Wednesday. The man apparently came running out of the car and insisted that Myende had been responsible for the accident, and also that he was drunk.

NEWS24.COM - NEWS 24

LABOUR & UNION NEWS

Solidarity clinches victory for employees at Sasol

Sasol's announcement in August last year that Sasol Nitro's Phalaborwa plant would be closed would have led to the retrenchment of nearly 230 employees. However, in a drawn-out but extremely successful process, Solidarity and the other trade unions at the company could see to the elimination of forced retrenchments at the plant. According to Solidarity spokesperson Jaco Kleynhans, the process still needs to be finalised, but the success in favour of the employees at the company is already clear. "Out of the total number of employees who would originally been affected by the retrenchment, 63 were transferred to other Sasol units, 24 will stay on to handle the rehabilitation of the plant, a further 48 took voluntary severance packages, a large number will possibly go on early pension, four took medical packages and five resigned before the start of the process."

NEWS REVIEWS; BUSINESS REPORT (National); BUSINESS DAY (National)

Whites in workplace are fine: Manyi

"White people in general are fine. I want to debunk the myth that there is no future for whites ... they are benefiting. What is this notion that they are rejected, losing jobs and that some are even going abroad?" Jimmy Manyi said in a public lecture at the Tshwane University of Technology. The lecture by Manyi, also the President of the Black Management Forum, was about "overcoming hurdles that prevent transformation from being fully implemented in the workplace". The reason why blacks were not advancing was because companies were deliberately rejecting and ignoring them, Manyi told a packed auditorium. Companies cited the education system, skills shortage and skills mismatch in a bid to exclude black people. "We have people in the workplace that are overlooked ... Let's recognise people's potential and allow them integration." Manyi has been outspoken about affirmative action.

TIMESLIVE.CO.ZA

Zuma, Cosatu to butt heads

President Jacob Zuma is heading for a possible showdown with his labour ally the Congress of South African Trade Unions (Cosatu) because it had rejected his proposal for a wage subsidy for young, inexperienced workers. The federation has also described Finance Minister Pravin Gordhan's plea for moderate salary increases for public servants as "inappropriate". Cosatu General Secretary Zwelinzima Vavi said the wage subsidy amounted to paying companies to exploit youth. He said it was unacceptable, as "it is a way of creating a third layer of a category of workers that are opened up to super-exploitation. There is no doubt that employers will jump at that opportunity and employ young people on the excuse that they are in compliance (with) the government policy. But that will keep them permanently into those lower wage levels," said Vavi.

STAR

'Large increase in fuel tax a big mistake'

Solidarity has expressed its disappointment with the decision by the Minister of Finance to increase the tax on fuel by 25.5c per litre. In addition, the trade union welcomed the minister's announcement that parastatals would be straightened out and that government departments must save more. According to Solidarity spokesperson Jaco Kleynhans, higher tax on fuel is a big mistake. "It will increase the cost of living, and consequently inflation, and will be to the detriment of consumer spending. Production costs will also increase, which will make local producers less competitive with their foreign competitors. The minister today [Wednesday] tried to take the easy way out by plugging many gaps in his budget with large tax increases. These taxes will, however, be to the detriment of all South African businesses and consumers."

NEWS REVIEWS, CITIZEN (Second Edition)

NEWS BRIEF

Zimbabwe hosts international investment conference

Zimbabwe hosted an international investment conference on Tuesday to explore investment opportunities for Africa, with special emphasis on tourism. However, the conference came amidst growing tensions in the country over a proposed law that aims to reduce every foreign investor into a minority shareholder. With the 2010 World Cup around the corner, the thrust is to bring together authorities of successful previous World Cup projects as well as encourage investment on the continent. South Africa, which is eyeing massive investments in Zimbabwe, is cautious. "In our own view it is important that countries should have basic regulations which empower their own nationals. But, we must be very careful about the nature and form in which we over regulate because if we over regulate it becomes a crowding out effect," says SA Delegation Leader, Mike Mabuyakhulu.

NEWS24.COM - NEWS 24

Storms wreak havoc in parts of South Africa

Thunderstorms in parts of the country have wreaked havoc. An hour long storm in Durban, brought the city to a standstill. Many motorists had to park their cars alongside streets as visibility was poor. Most streets were flooded and storm water drains blocked. Residents and shopkeepers spent the night trying to mop up. KwaZulu-Natal Disaster Management head, Mthokozisi Duze, said that emergency officials are visiting parts of the province that had been worst hit. Meanwhile, at least three people have been injured in the North West, following a hailstorm in Kanana near Orkney. The Amathole District Municipality in the Eastern Cape is still consolidating details of the damage caused by yesterday's storm at Mgwala village in Peddie.

SAFM NEWS EXTRA @ 12:00; NEWS24.COM - NEWS 24; SAFM NEWS EXTRA @ 06:00

Churches urge budget to focus on poor

"The 'jobs bloodbath' and the growing gap between the rich and the poor continue to be the main economic challenges facing this country. The SACC is looking forward to a budget that will speak to the harsh economic realities experienced by the poor in South Africa," a council statement read. The SACC said the inability to contain electricity hikes, coupled with leadership problems in many of the government's parastatals, might deal the last blow to the poorest of the poor. President Jacob Zuma's State of the Nation address contained many positive commitments - like extending the child support grant to children between 15 and 18, improving healthcare and commitments to affordable housing plans, it said. But, it lacked a "coherent vision of the society we wish to become". Strong leadership and political will was needed for the plans to be implemented.

TIMESLIVE.CO.ZA

Lotto to change funding regulations

The new Chairperson of the National Lottery Board, Ntshengedzeni Nevhutanda, has vowed to change lotto fund regulations to make the money more accessible to those who apply for financial aid. In the past, there have been complaints from a number of charity organisations about the slow pace of the distribution of these funds. Nevhutanda said, "We want to remove all those red tapes and make sure that the money is accessible by all who deserves. In order to bridge the gap that was caused by the previous board and the act, lets make sure that we make the regulations flexible so that at least everybody can access."

SAFM NEWS EXTRA @ 13:00

Mandoza crash car 'had faulty brakes'

The owner of the Mini Cooper S which kwaito star Mandoza apparently wrote off in an accident will not lay charges against "my friend", and says the brakes were faulty. Bobo Mncube's car was reduced to half its original size after it was crashed into a tree on Sunday morning. "I cannot open a case against my friend. It was an accident that happened," said Mncube. Police have opened a case of reckless and negligent driving but are yet to establish who the driver of the car was, after a tow-truck driver at the scene said he found the singer on the back seat. Yesterday, Mncube confirmed that the brakes were faulty and that the car was not insured.

STAR

HEALTH NEWS

WC Health MEC calls on businesses for funding

Western Cape Health MEC Theuns Botha has called on businesses to forge partnerships with the public healthcare system, saying the provincial department of health cannot deliver health services from the funds allocated by the national government alone. Speaking to private health care providers and NGOs during a public health forum meeting, Botha said that he intended to run the public health sector as a business.

CAPE ARGUS (City Late)

PROVINCIAL NEWS

Fountains Circle receiving facelift ahead of WC

One of the Pretoria's most well-known entrances, Fountains Circle, is getting a R4 million facelift ahead of the 2010 World Cup. Construction is already well under way and is expected to be completed before the capital city opens its gates to tourists. The project forms part of the city's decoration project for the football spectacular and will incorporate several major centres surrounding the circle. The design is based on the 2010 FIFA World Cup logo. With just over 100 days until kick-off, it is a scramble to get everything not only built but also planted on time. The route through Fountains Circle forms part of one of the major protocol routes to Pretoria as a host city, and will soon be branded with flags and banners to welcome visitors.

SABCNEWS.COM

CT Station upgrade close to completion

The Cape Town Station 2010 upgrade, currently being carried out at an estimated cost of R418 million, has entered the final phase of construction. The project, most of which will be completed before the 2010 World Cup, is part of a longer-term revitalisation plan, with Phase Two of the redevelopment scheduled to begin after the event. The extensive remodelling, which began in September 2008, includes substantial upgrades to the existing 1960s building, which had become seriously degraded and functionally inefficient; the relocation of the long-distance bus facility; and significant improvements to the formal and informal trading spaces. While the station will remain "a flagship transport node", there will also be a focus on creating "an exciting retail experience" through the conversion of the formal and informal trading areas into a premier retail space in the CBD, according to Lindelo Matya, Regional Manager of Intersite Property Management Services.

COMMERCIAL-PROPERTY.CO.ZA

Disciplinary charges against Max Ozinsky dropped

The disciplinary charges against the Western Cape African National Congress's (ANC's) former chief whip Max Ozinsky have been dropped. The charges were dropped on a technicality but he is still suspended from representing the ANC in the legislature.

CAPE ARGUS (City Late)

Social workers used to keep the homeless off the street

Social workers are to be used for the first time in an ambitious new plan by the City of Cape Town to keep homeless people off the streets and reunite them with their families. The initiative forms part of the city's R3 million 2010 Street People Operation readiness Plan, focused on the prevention, rehabilitation and re-integration of homeless people. Chris O'Connor, acting director for the city's Social Development Department said that the plan was part of the city's overall Street People Strategy.

CAPE ARGUS (City Late)

Heritage Western Cape working a way out

Heritage Western Cape (HWC), the province's statutory heritage authority will attempt to find a way out of legal predicament when it meets today to reconsider a controversial development proposal for Baboon Point on the West Coast. Part of Baboon Point is privately-owned with an application for a proposed residential development on the cards for several years.

CAPE ARGUS (City Late)

Special nautical rope to be used for flooding

A special nautical rope could throw a lifetime to residents of Cape Town's informal settlements in the event of flooding in the coming winter months. Six hundred meters of the huge rope have been donated by PetroSA to the City of Cape Town's Disaster Management team ahead of winter. As a pilot project, the city will use the rope in flood-prone areas, including 63 designated high-risk informal settlements.

CAPE ARGUS (City Late)

MEC to visit Mkhize

KwaZulu-Natal Co-operative Governance MEC Nomusa Dube, Head of Disaster Management in the province, will today visit Jonathan Mkhize whose family was killed when lightning struck their home in Mid-Ilovo during the storm on Tuesday. Dube has called on people affected by the storm to assist them by contacting their provincial disaster management centres as well as municipalities so that they can be counted among the people who need help. KZN Disaster Management official Mthokozisi Dube said that all figures on the cost of damaged homes were estimates as they were still assessing storm affected areas.

MERCURY

Green Guideline Series launched

The Green Guideline Series launched by the eThekweni Municipality aims to promote positive action in business, industry and households across Durban and to create a more sustainable City for all its people. Debra Roberts, Deputy Head for Environmental Planning and Climate Protection, said that the series was formed to ensure that the World Cup was hosted in an environmentally-sustainable way and that a positive environmental legacy was left for Durban. The Green Guidelines features energy efficiency, water conservation, sustainable waste management and green landscaping.

DAILY NEWS (Deadline)

N West under pressure to complete roads projects

The North West Department of Roads and Transport is under pressure to complete the stalled roads construction projects before the 2010 World Cup, in less than three months. The projects, which cover over 150km, have stalled, since last year, in the wake of the department's depletion of its 2009/2010 budget, in less than six months. The department later discovered, through forensic investigations, that some of the roads construction tenders were irregularly awarded. However, it is not all doom and gloom, as some of the World Cup projects, such as the Royal Bafokeng Sports Palace in Phokeng, and the two training venues at Mogwase and Moruleng, have been completed and are ready for the tournament. Roads that are in doubt are the Phokeng-Sun City road, code-named the FIFA Protocol Road; the Koster/Lichtenburg road; and the Lichtenburg/Mafikeng road.

SABCNEWS.COM

Service delivery protests spread to KZN

Service delivery protests that ravaged towns in Mpumalanga last week have spilled into KwaZulu-Natal, with residents of Newcastle unable to get to work and school when protesters blocked off roads. Residents of KwaDukuza also protested over the lack of services on Tuesday. Police spokesman Vincent Mdungo said about 300 residents of Shakaville, KwaDukuza, had protested that their ward councillor, Thulani Khuluse, did not live in the area and was therefore unaware of their needs, which included the lack of housing. "The KwaDukuza people wanted to protest outside the councillor's house, which is legal. However, the police warned them that they should apply for the protest to be authorised in advance. Police were able to disperse them without force," said Mdungo.

IOL.CO.ZA; NEWS24.COM - NEWS 24

Flooding disrupting the lives of shack dwellers

Flooding has once again disrupted the lives of thousands of people who live in shacks on the river banks. Residents of Alexandra have become accustomed to mopping up after every torrential downpour. People along the Jukskei river banks are at the mercy of the elements, they have been on the housing waiting list for years. The Alexandra renewal project was launched in 2001 to uplift the area, but is yet to live up to that promise. Opposition parties claim a lack of direction and financial management are hampering its progress.

eNews @ 19:00

ECape call for drought relief funds

Eastern Cape government will ask for further drought relief funds from national government. Prolonged drought in the province is crippling farmers who say they need another R51 million as conditions worsen. The Department of Agriculture has already allocated R18 million in drought relief funds but boreholes are drying up and production costs are rising. The average rainfall in the Port Elizabeth, Uitenhage region is 300mm the most the farms in the area have seen lately is around 30mm. All the farmers can do now is pray for rain and more funds from government.

eNews @ 19:00

EDUCATION NEWS

Education not essential service: Naptosa

Declaring education an essential service will not improve the quality of teaching and learning in schools, the National Professional Teacher's Organisation of SA (Naptosa) said on Tuesday. "There is a crisis in education, but it is the root problems that need to be corrected and solved," Naptosa's President Esrah Ramashela said in a statement. "Declaring teaching an essential service is not going to make dysfunctional schools and incompetent teachers any more functional or competent." He was reacting to the Democratic Alliance's (DA) call for teaching to be declared an essential service, which meant teachers would be barred from striking. Ramashela said this was "concerning and surprising". The DA contests that, given the crisis the education system is in, teaching should be declared an essential service until the system improves.

IOL.CO.ZA

KZN schools damaged in storm

A number of schools in KwaZulu-Natal were damaged in Tuesday's storm, worsening the backlog in the provision of schools in the province. Poovalan Moodley, Principal of Bonela Secondary School, said that classes had been suspended because the classrooms were flooded. In Durban, approximately R500 000 worth of damages was caused to Glenwood Preparatory School.

MERCURY

Parent upset that teacher still at school

A Pietermaritzburg woman, Nolwazi Dlamini is upset that a teacher at Scottsville Primary School - who allegedly ill-treated her 13-year old son, resulting in his suicide in August last year - remained at school despite a damning report compiled against her. In the report, it was recommended that disciplinary action be instituted against the teacher. KwaZulu-Natal Education Head, Cassius Lubisi, said that the South African Council for Educators (Sace) and the school's governing body would implement the recommendations in the report.

MERCURY

Education MEC gives a surprise visit at a school

Western Cape Education MEC Donald Grant yesterday paid the Woodlands Secondary School in Mitchells Plain a surprise visit to monitor the late arrival of teachers and pupils. Between 70 and 90 pupils and one teacher arrived late for the first class of the day. Grant suggested that pupils be kept after school to make up for class time they had missed.

CAPE TIMES

Schools urged to check on teachers

Women and Men against Child Abuse yesterday urged schools to check whether the teachers they employed were registered sex offenders. The organisation blamed two Pretoria principals for allowing a serial child molester to teach at their schools. Stephen de Wet was found guilty on Tuesday on six charges relating to the sexual abuse of two Pretoria boys. He was previously convicted of abusing a child while teaching in KwaZulu-Natal. De Wet was not registered with the SA Council of Educators nor was he listed as an offender.

TALK RADIO 702 NEWS @ 20:00

Fee write-offs hurt tertiary education

South Africa's 23 higher education institutions expect to write off as bad debt R1.6 billion of the R2.8 billion that students owed them at the end of December 2008, says the Department of Higher Education and Training. But student fees are increasingly important to public universities and universities of technology. Their state subsidy has declined in real terms over the past decade - from as much as 50% of total income in 2003, to 40% according to research by Higher Education SA (Hesa), the umbrella body for places of higher education and further education and training. This was somewhat alleviated by Finance Minister Pravin Gordhan's announcement yesterday of a R1 billion additional grant to increase higher education institutions' subsidies over the next three years.

BUSINESS DAY (National)

GOVERNMENT BRIEF

Cellphone companies accused of shady deal

Cellphone operators came under fire from MPs on Tuesday for trying to force regulator Icasa to agree not to review their rates until 2013 if they agreed to cut interconnection fees. Senior African National Congress (ANC) MP Johnny de Lange accused the companies of being dishonest and described their conduct as reprehensible, while ID leader Patricia de Lille said their behaviour bordered on undermining Parliament. The attack on Vodacom, MTN and Cell C came after the Independent Communication Authority of South Africa's (Icasa's) top brass briefed the National Assembly's Communications Committee on Tuesday on its rejection of the companies' proposal to reduce interconnection rates from R1.25 to 89c a minute during peak time. Icasa rejected the proposal. De Lange said the operators had been ill-advised by their lawyers to come up with a proposal that set down conditions.

IOL.CO.ZA

ANC disclosure of interests policy on way

The African National Congress (ANC) is completing a policy proposal spelling out how members will be required to disclose their business interests, a move designed to promote transparency and eradicate the potential for corruption and conflict of interest. Members' private business interests sit uncomfortably with some in the ANC. The party is facing growing pressure from its alliance partners to stem influence peddling and wanton materialism among its leaders. Last year, the ANC's national executive committee approved the creation of a members' business register to be managed by the office of the secretary-general. "We're almost through with the policy itself," said ANC Secretary-General Gwede Mantashe on Monday. The proposal would be presented to the national executive committee for approval "when we are done with it", he said.

BUSINESS DAY (National)

BUSINESS BRIEF

In Business news today, retail sales fell less than expected in December - a sign that the slumping consumer confidence may be bottoming out. After adjusting for inflation, the value of retail sales fell 3.7% in December from the same month a year earlier. This was a narrower contraction than the 5.6% forecast by economists and better than November's 6.6% decline. Job creation, particularly focused on the youth, has been recognised as a key priority of the government, with the state intending to subsidise youth employment at municipalities, private companies and NGOs to help out about 1.3-million people who would otherwise be jobless. The cost of extensive restructuring saw Simeka Business Group post a loss of R158.9 million for the six months to November, as the black-empowered business services company incurred a goodwill impairment of R178 million.

NEWS REVIEWS

Retail sector shows signs of stability

Retail sales fell less than expected in December - a sign that the slumping consumer confidence may be bottoming out. After adjusting for inflation, the value of retail sales fell 3.7% in December from the same month a year earlier. This was a narrower contraction than the 5.6% forecast by economists and better than November's 6.6% decline. While consumers have taken relief from the 500-basis-point cut in interest rate cuts between December 2008 and August last year, the latest figures give hope that job losses - a bigger influence on spending than borrowing costs - may be stabilising.

BUSINESS DAY (National); BUSINESS REPORT (National)

Skills 'crucial to local manufacturing sector'

Sustainable employment and skills development in local manufacturing was crucial to the sector's longevity and competitiveness in a global economy, global growth consultancy Frost & Sullivan said yesterday. The Department of Trade and Industry will unveil South Africa's 2010 to 2011 industrial policy framework action plan to the Cabinet today.

BUSINESS DAY (National)

Increase in maize deliveries

Maize deliveries to South African silos rose to 11.28-million tons last week from 11.27-million tons the week before, the South African Grain Information Service said yesterday. White maize deliveries increased to 6.558-million tons from 6.549-million tons in the previous week, while yellow maize submissions were at 4.726-million tons from a revised 4.719-million tons.

BUSINESS DAY (National)

BANKING BRIEF

In Banking news this morning, the 2010 National Budget Speech was in focus as Finance Minister Pravin Gordhan made his first budget speech under the Presidency of Jacob Zuma. He announced "a new growth path" - starting with a "concerned effort" to reduce unemployment. He also spelt out clearly the connection between "credible" monetary policy and job growth, and tackled a number of controversial issues head on. Job creation, particularly focused on the youth, has been recognised as a key priority of the government, with the state intending to subsidise youth employment at municipalities, private companies and non-governmental organisations (NGOs). Another key focus was the health sector as government is looking increasingly at the private sector to improve the country's health system while the introduction of the national health insurance (NHI) scheme appears to be on hold for now.

NEWS REVIEWS

Banks cautious on 100% bonds

The latest statistics released by ooba, South Africa's leading bond origination company, reveal that the decision by banks in August 2009 to start granting 100% bonds has significantly boosted the number of consumers applying for home loans. According to Saul Geffen, CEO of ooba, many would-be homeowners, however, will be left disappointed, as banks remain reluctant to grant the full amounts applied for. "While the granting of 100% home loans is a sign of confidence in the local property market, the implications of the National Credit Act mean that consumers still have to meet the strict affordability criteria in order to qualify." The ooba statistics show that the proportion of consumers applying for 100% bonds has jumped to 44% of overall applications in December 2009, up from 18% three months earlier.

FIN24.CO.ZA - FINWEEK

Insurance brokers confident of signing clients

More than two-thirds of South Africa's insurance brokers polled in a survey by CIB Insurance Solutions (CIB) were confident of expanding their business this year. Of the 88 respondents in the quarterly CIB Broker Confidence Index Survey, 69% said they were either confident or very confident of getting new clients this year.

BUSINESS DAY (National), Companies & Markets

Property owners should be sceptical about rental prices

Property owners thinking of renting out their homes during the 2010 World Cup should be sceptical about the rents some agents are claiming they can get - especially if, tempted by these huge gains, they are holding back on signing satisfactory long-term leases right now. This is the advice of Graham Leslie, MD of Greeff Properties, which runs an active rental division in Cape Town that has many homes which could prove popular with World Cup visitors. "My prediction is that a rent of £150 per room per night is about the acceptable price. This means that a comfortable three-bedroom home in a reasonably good area would cost the visitors £450 per night - roughly R4 500," he said.

BUSINESS DAY (National), IOL.CO.ZA, PROJECT2010.CO.ZA

SPORTING HIGHLIGHTS

SuperSport United's 1-0 win against Platinum Stars last night, which moved them to within three points of their third successive Absa Premiership title, was the latest step in their march towards league glory and another addition to their blueprint for success. The blueprint is simple: beat the teams you need to beat, try and get something out of games against rivals and drop as little points as possible. Indeed, SuperSport have only lost thrice all season and have, most importantly, won more than half their games. With the league title race inevitably down to a fight between three teams at most, maximum points must be taken against mid to bottom of the table teams. SuperSport achieved this, and in most of their games against rivals managed at least a point. This proved a simple formula for success, and is the reason SuperSport will be champions once again.

News Reviews

India in sight of victory

India reduced South Africa to 115/3 in their second innings at stumps on the fourth day of the second Test in Kolkata as they pressed for a series-levelling victory yesterday. The tourists trail by 232 runs with seven wickets in hand heading into today's final day, needing a draw to win the series and take over from India as the No 1 Test team in the world.

CITIZEN (Second Edition), Sport; eNews @ 19:00

Smit set for Super milestone

Springbok captain John Smit will reach a significant individual milestone when he becomes the first South African to earn 100 Super rugby caps for a single franchise when he runs out for the Sharks against the Cheetahs tomorrow. Coach John Plumtree has made five changes to the starting line-up which went down 19-18 to the Chiefs last week, dropping Andries Strauss, Monty Dumond, Keegan Daniel and Bismarck du Plessis. Smit will start at hooker in Du Plessis' place, with Jannie du Plessis moving to tighthead prop in his place. Ruan Pienaar and Adrian Jacobs have been brought in place of Dumond and Jacobs respectively, while, at lock, Alistair Hargreaves comes in for the injured Johann Muller.

THE TIMES

SuperSport almost there

SuperSport United placed one hand on their third successive Absa Premiership title with a 1-0 victory over Platinum Stars last night. The result means SuperSport will retain their crown with a win over BIDA Wits on Saturday, regardless of the result of Mamelodi Sundowns's match against Jomo Cosmos.

CITIZEN (Second Edition), Sport

Porto down Arsenal

FC Porto beat Arsenal 2-1 in their Champions League last 16 first leg clash last night thanks to a controversial Radamel Falcao goal in the 51st minute. Swedish referee Martin Hansson penalised a Sol Campbell back-pass to his goalkeeper and then allowed the free-kick to be taken instantly. Ruben Michel quickly took an indirect free-kick in the Arsenal box to give Falcao an easy tap in.

In the night's other first leg encounter, Bayern Munich beat Fiorentina 2-1 in Munich.

STAR, Sport

INDICATORS

Rand - Dollar \$	7.5602	(+0.1175)
Rand - Sterling £	11.8952	(+0.1143)
Rand - Euro €	10.3522	(+0.1317)
JSE Allshare	27192.5	(+252.78)
Gold	1119.0	(+3.75)
Platinum	1542.0	(+8.00)
Brent Crude Oil	75.6	(-0.07)

The figures quoted are from the close of business yesterday, along with any movement, either up or down, from the previous day.

WEATHER

Bloemfontein	14	(28)
Cape Town	15	(26)
Durban	21	(29)
East London	15	(27)
Johannesburg	15	(27)
Kimberley	12	(30)
Mafikeng	14	(30)
Nelspruit	20	(27)
Pietermaritzburg	17	(28)
Polokwane	16	(24)
Port Elizabeth	14	(26)
Pretoria	17	(29)