Cabinet Statement

DID YOU KNOW?

Cabinet Meeting of 5 September 2018

SEND ME THUMA MINA

Cabinet met on Wednesday, 5 September 2018 at Tuynhuys, Cape Town.

1. ISSUES IN THE ENVIRONMENT

Economy

Cabinet calls on all sectors of South Africa to rally behind government-led initiatives to boost economic growth following the release of growth figures showing our economy contracted by 0.7% in the second quarter from a revised -2.6% in the first quarter.

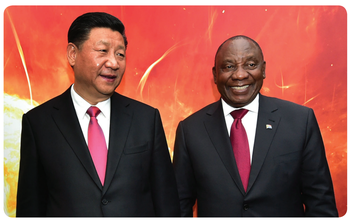
- Although some sectors of the economy, such as mining, construction and finance, recorded an improvement in growth, this was insufficient to offset fully the contraction in other sectors, in particular the agricultural sector.
- From the expenditure side, net exports recorded a strong recovery, however this was offset by a contraction in household expenditure and very large draw down in inventories. Investment growth by private companies increased, while investment by the public sector contracted.
- The rising volatility in global markets and the gross domestic product outcome require that government accelerates efforts to unblock constraints to economic growth while providing support to vulnerable groups.
- Economic growth has slowed down significantly over the last four years. This reflects factors such as drought conditions in the agricultural sector and low commodity prices but also domestic structural constraints, which have discouraged investment and employment creation.
- Government has committed, to amongst others:
  - ✓ a complete overhaul of the visa system to support the tourism sector;
  - ✓ the finalisation of key mining legislation to support the mining sector; and
  - ✓ further stabilise the finances of state-owned enterprises.
- The upcoming job and investment summits, as well as the proposed government stimulus package, will provide details on reforms needed to drive growth.
- Cabinet affirms government's commitment to fiscal sustainability and a revised fiscal framework will be presented in the Medium Term Budget Policy Statement.

United Kingdom (UK) and Northern Ireland visit

- Cabinet joins President Cyril Ramaphosa in welcoming the successful working visit by Prime Minister Theresa May of the UK of Great Britain and Northern Ireland. It will yield improved benefits for South Africa through strengthened bilateral trade and investment.
- The UK is one of the largest foreign investors in South Africa, with over 650 British firms present in our market. During the bilateral engagements, potential partnerships and efforts were discussed.
- Prime Minister May also handed over the SS Mendi Bell to South Africa's Commander-in-Chief, President Ramaphosa, and the people of South Africa, to commemorate the sacrifice of over 600 South Africans who perished when the SS Mendi sank in the English Channel over 100 years ago.

Forum on China-Africa Cooperation (FOCAC) Summit

- Cabinet considered the Beijing Action Plan (2019-2021), which details the outcomes of the FOCAC Summit co-chaired by President Ramaphosa and Chinese President Xi Jinping.
- To build the China-Africa comprehensive strategic and cooperative partnership, China committed to implementing 10 cooperation plans with Africa. These are in the areas of:
  - ✓ industrialisation;
  - ✓ agricultural modernisation;
  - ✓ infrastructure;
  - ✓ financial services;
  - ✓ green development;
  - ✓ trade and investment facilitation;
  - ✓ poverty reduction and public welfare;
  - ✓ public health;
  - ✓ people-to-people exchanges; and
  - ✓ Peace and security.
- Over the period, cooperation between the two sides will be underpinned by the theme: "China and Africa: Towards an even stronger community with a shared future through win-win cooperation".



Fuel price

- Cabinet welcomes the unchanged fuel price for this month as a once-off temporary relief for users of public transport, motorists and consumers, while other measures are being sought by the Department of Energy.
- Global factors, including the increase of the price of crude oil and the negative sentiment around emerging markets, have led to the cost of fuel rising rapidly in South Africa since April this year.
- Cabinet has expressed concern about increases and the detrimental effects on the general consumer, including amongst others, effects relating to the inflationary impact as producers pass on the increases to the retail sector.
- Taking this into account, the Minister of Energy, Mr Jeff Radebe, made a special intervention on behalf of government to cushion the public against yet another steep increase in the fuel price, with the exception of the 4.9 cents per litre increase in the retail margin of petrol to cater for the annual salary increases of employees, such as petrol attendants, at fuel stations.
- At a time when the economy is being impacted by global headwinds, Cabinet is pleased that this intervention has no impact on the fiscus as it uses funds that are already in the fuel-pricing structure.

Land reform

Cabinet calls on all South Africans to use the debate around the issue of land reform to strengthen nation-building and social cohesion.

- The unfolding parliamentary process will bring clarity and allow us to move forward as a nation. The transparent, rules-based and constitutional process is in keeping with our commitment to jointly arrive at solutions for the betterment of society.
- Cabinet is convinced this process will allow us to determine a land reform model that works for everyone.
- By working together, we can build a better nation where the dreams and aspirations of all our people are realised.

Water

- Cabinet is pleased that the Department of Water and Sanitation has completed the construction of the Cornelis River Dam in the Free State. The dam, which is set to benefit 2 690 households and an estimated 10 674 people, will ease water challenges faced by the community of Warden and Ezenzeleni under the Phumelela Local Municipality.
- South Africa is still experiencing water shortages as a result of drought conditions and Cabinet appeals to all people to use this resource sparingly and to remain water wise.

Education

- Cabinet congratulated the Department of Basic Education (DBE) for successfully handing over the Delft South Primary School, outside Cape Town in the Western Cape.
- The school was built through the department's Accelerated Schools Infrastructure Delivery Initiative (ASIDI) at a cost of R75 million. It consists of:
  - ✓ 45 classrooms;
  - ✓ computer and science laboratory;
  - ✓ library; and
  - ✓ nutrition centre.
- The new state-of-the-art facility will provide a conducive learning and teaching environment to about 1 578 learners from the Delft community.
- This is the final school out of 25 schools handed over to the Western Cape through the DBE's initiative.
- To date, the ASIDI programme has built 205 state-of-the-art schools nationally. A total of 685 schools have been provided with reliable water supply, some 486 schools have been provided with decent sanitation facilities and 372 schools have been connected to the electricity grid for the first time.

2019 National Student Financial Aid Scheme (NSFAS) applications

- Cabinet welcomed the overwhelming response from prospective students following the official opening of the 2019 NSFAS application process on 3 September 2018. Over 45 000 potential and current students logged onto the NSFAS website on the first day. Progress has also been made to clear the backlog of outstanding payments to students.
- The application process is based on a new system which makes funding decisions quicker while applications are now easily filled in by students regardless of their location.

Listeriosis

- Cabinet welcomes the declaration that the Listeriosis outbreak is over and it strongly demonstrates the impact of the emergency collaborative response plan by the Department of Health (DoH) and the National Institute for Communicable Diseases, supported by the World Health Organisation, to control and end the outbreak.
- The DoH has put in place a surveillance system to prevent a recurrence. All factories that make ready-to-eat processed meat and chicken need to have food safety management systems in place, according to Regulation R607 published on 14 June 2018. Inspections of factories remain ongoing, according to the updated hygiene regulations.

Allegations of fake and expired foods

- Cabinet commends the swift action taken by the Minister of Health, Dr Aaron Motsoaledi, to look into the allegations of fake and expired foods in South Africa. The DoH has received a high volume of complaints and noted concerns about unauthenticated food-related videos that are circulating on social media.
- Since August, inspection blitzes have taken place at various food premises and they continue in different parts of the country.
- In addition, the food industry has been requested to confirm the authenticity of potential counterfeit foodstuffs while other government regulatory authorities from the departments of Agriculture, Forestry and Fisheries, and Trade and Industry, including the National Consumer Commission (NCC), are involved in confirming public claims of compromised quality standards.
- Cabinet appeals to the public to be vigilant in differentiating terms related to food:
  - ✓ The **best-before date** refers to the long shelf life of dry and canned products, and is not an indicator of safety.
  - ✓ The **sell-by date** is used for perishable food usually stored in a refrigerator and from July this year became no longer relevant, according to global authorities.
  - ✓ The **use-by or expiry date** is the expiry date and means that food bearing this mark is no longer palatable after this date. For perishable food, this means it can no longer be consumed.
  - ✓ **"Counterfeit goods"** are typically goods sold under another company's brand name while the term **"fake food"** has been used by social media to refer to food that does not contain food substances.
- Cabinet reiterates calls on members of society to produce tangible evidence of foodstuffs made from potentially harmful substances and chemicals.
- Furthermore, Cabinet condemns attacks on and looting of shops as a response to the sale of suspicious foods. Such criminal acts will not be tolerated and law-enforcement agencies will not hesitate to arrest and prosecute persons found inciting or carrying out these criminal acts.

Cabinet urges members of the public who are aware of suspicious foods to call the DoH hotline on 011 386 2003/6 and the NCC hotline on 012 428 7000.

Payment of social grants

- Cabinet welcomes the progress report by Social Development Minister Susan Shabangu, on the partnership between South African Social Security Agency (SASSA) and the South African Post Office (SAPO) to take over the payments of social grants from Cash Paymaster Services with effect from 1 October 2018.
- SASSA has so far replaced about five and a half million old cards with the new SASSA gold card but thousands still need to be exchanged. Cabinet strongly appeals to holders of old cards to make the switch.
- SAPO will also take over the payment of cash to those recipients who were unable to withdraw cash from ATMs or merchants.

For further information, social-grant beneficiaries can call the SASSA toll-free number on 0800 60 10 11 during office hours.

Train accident

- Cabinet wishes the commuters who were injured when two Metrorail trains collided at the Eloff Extension in Selby, south of Johannesburg, a speedy recovery and calls for the investigation into the cause of the accident to be fast-tracked to prevent a recurrence.

2. CABINET DECISIONS

2017/18 National Crime Statistics

- Cabinet approved for the release of the statistics by the South African Police Service.
- The annual crime statistics enable government to monitor key targets, in particular the reduction of reported serious crimes, as set out in the Medium Term Strategic Framework 2014-2019. The crime statistics could also be used as early-warning indicators to strengthen crime-prevention operations and strategies of various government departments.

Public-service employees conducting business with an organ of state

- Cabinet was briefed on progress made in the management of discipline of public-service employees conducting business with an organ of state. Promoting just and fair administration actions by senior government officials is a critical part of building an open and accountable government, as envisaged in the Constitution of the Republic of South Africa of 1996 and the building of a capable state as envisioned in the National Development Plan (NDP): Vision 2030.
- Progress has been made in terms of implementing:
  - ✓ Regulation 13(c) of the Public Service Regulations (PSR) of 2016, which prohibits public-service employees from conducting business with an organ of state; and
  - ✓ Regulation 18 of the PSR of 2016, which requires members of the Senior Management Service (SMS) to disclose their financial and other private interests.
- Cabinet also approved that the relevant Executive Authority of government departments should monitor implementation of Regulation 13(c) of the PSR of 2016, take appropriate disciplinary steps and submit a report thereof to the Minister of Public Service and Administration (MPSA) by the end of each financial year. The first report is due for submission to the MPSA by the 31 March 2019.
- In 2016 and 2017, the Department of Public Service and Administration identified public-service employees registered as suppliers on the Central Supplier Database, as supplied by National Treasury. Departments were requested to create awareness, verify information and report progress with implementation on the steps taken against transgressors.
- By the end of April 2018, 96% of all SMS members has submitted their disclosures using the eDisclosure System.

National School of Government (NSG)

- Cabinet was briefed on progress made on the NSG Funding Model and approved a suit of mandatory and compulsory training programmes to be piloted by the NSG to undertake rapid capacity development interventions and to professionalise the public service.
- The direct payment for compulsory programmes to the NSG by relevant employing departments from their training budgets was also approved.
- This will lead to a developmental public administration that goes further in attaining Vision 2030 of the NDP by "building a capable and developmental state, which working together with an active citizenry, leads a relentless drive against poverty, unemployment and social inequality."

White Paper on Science, Technology and Innovation of 2018

- Cabinet approved the publication of the White Paper for public comment. The Minister of Science and Technology, Ms Mmamoloko Kubayi-Ngubane, will provide a full briefing in due course.

National Protected Areas Expansion Strategy (NPAES)

- Cabinet also approved the publication of the NPAES for public comment.
- The NPAES is a 20-year strategic plan aligned to the NDP, focusing on expanding the protected areas estate, with specific focus on economic growth, transformation and sustainability.
- The NPAES highlights how scarce human and financial resources can be efficiently and effectively allocated to achieve cost-effective protected area expansion, ecological sustainability and resilience to climate change.
- South Africa's protected area network includes world heritage sites, national parks, nature reserves, special nature reserves, protected environments, marine protected areas, mountain catchment areas, specially protected forest areas, and forest nature reserves.

13th Meeting of the Conference of Contracting Parties to the Ramsar Convention on Wetlands (Ramsar COP13)

- Cabinet approved South Africa's Negotiating Positions for the Ramsar COP13 to be held in Dubai, United Arab Emirates, from 21 to 29 October 2018.
- The broad objectives of the Ramsar Convention are to ensure the conservation and wise use of all wetlands. In South Africa, wetlands are the most threatened of all ecosystems, with 48% of them critically endangered.
- This contributes to water resources management as part of a proactive approach to drought management.

3. BILLS

Compensation for Occupational Injuries and Disease Amendment Bill of 2018

- Cabinet approved the publication of the Bill for public comment.
- The Bill, which amends the Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993) recognises domestic workers, who were excluded from the Act, as employees for the purpose of benefits, as well as improving existing benefits.
- The amendments improve the benefits payable to employees and their dependents, and aim to assist injured and diseased employees to be rehabilitated and reintegrated into the workplace and society.

Child Justice Amendment Bill of 2018

- Cabinet approved the introduction of the Bill into Parliament.
- The Bill amends the Child Justice Act, 2008 (Act 75 of 2008) in order to review the minimum age of criminal capacity of a child by increasing it from the age of 10 to 12 years.
- The Bill goes further in upholding the rights of children in conflict with the law.
- The Bill also de-links the issue of criminal capacity from diversion, by removing the requirement to prove criminal capacity for purposes of diversion and preliminary inquiries.

Civil Aviation Amendment Bill of 2018

- Cabinet approved submission of the Bill to Parliament.
- The Bill, which amends the Civil Aviation Act, 2009 (Act 13 of 2009), will strengthen the aviation safety, security and environmental protection regulatory frameworks to ensure sustainability and stability of the civil-aviation industry.
- This will ensure that South Africa continues to meet her international obligations in the civil-aviation arena, which strengthens support to our economic development as a catalyst for increased trade, tourism and job creation.

- The Bill also provides for, amongst others, the operational independence of the aircraft accident and incident investigation, and to rectify inconsistencies and shortcomings.

4. UPCOMING EVENTS

Thusong Service Centre

Thusong Service Centre Week

- **When:** 17 to 21 September 2018.
- **Theme:** "Thuma Mina: Taking Public Services to the People".
- Within the context of Public Service Month, the annual Thusong Service Centre Week provides another platform for government to take public services to the people.
- Thusong Service Centres are one-stop centres for access to government services and information, and the 133 Thusong Service Centres countrywide are centres of hope, access, redress, equality and empowerment for those previously marginalised from the mainstream of socio-economic development.
- Government is working on installing a Queue Management System that will reduce the process flow to enable reduction in waiting time. The system will be installed in all centres countrywide with focus also on information and communications technology (ICT) connectivity, which is an enabler for service delivery.

2018 ITU Telecom World Conference

- **When:** 10 September 2018;
- **Where:** Durban
- **Theme:** "Innovation for Smarter Digital Development".
- Cabinet welcomes the 2018 International Telecommunication Union (ITU) Telecom World Conference, which is coming to Africa for the first time. This provides an opportunity for increased participation of African countries towards bolstering ICT in Africa as a driver of development and innovation.
- The annual conference attracts more than 9 000 delegates from around the world, with government and industry leaders exploring and identifying investment opportunities and best practices for socio-economic development through ICT. Key issues for discussion include:
  - ✓ 5G for smarter digital development;
  - ✓ collaborating on cybersecurity;
  - ✓ digital financial services; and
  - ✓ satellites for a smarter digital development.
- The ITU Telecom World Conference 2018 is hosted at a time when South Africa is implementing key national projects, which include the:
  - ✓ **National e-Government Strategy** focusing on digital transformation of government services; and
  - ✓ The **National ICT Small, Medium and Micro Enterprises (SMME) Support Strategy**, which seeks to unlock the potential of the South African ICT SMME sector.
- These tools are creating an enabling environment for the sector's growth and ensuring their sustainability.

ITU TELECOM WORLD '18

Durban 10-13 September

5. MESSAGES

Condolences

- Cabinet conveys its deepest condolences to the:
  - ✓ grieving family and entire Tshwane University of Technology community following the death of **Katlego Monareng**.
  - Cabinet calls for calm while the police investigation is underway to ensure that whoever is responsible for the untimely death faces the full might of the law.
  - ✓ family and friends of the **eight people who died in an explosion at the Denel munitions factory** in Somerset West in the Western Cape.
  - ✓ loved ones of **those who died in a fatal fire that broke out at a building** shared by the Gauteng Provincial Government's departments of Health, Human Settlements and Cooperative Governance.

Congratulations

- Cabinet congratulates the **people of Zimbabwe** for successfully transitioning into a new government led by President Emmerson Mnangagwa, who was inaugurated on 26 August 2018. President Ramaphosa joined other African leaders in Harare to witness the occasion. Cabinet supports President Ramaphosa's commitment to work closely with Zimbabwe to enhance the historical, political and fraternal relations, with particular emphasis on strengthening economic cooperation.
- Cabinet commends the **Council for Scientific and Industrial Research**, and specifically its female researchers, on health research being undertaken to improve the country's healthcare system. These include: (i) a diabetes-detecting chip to monitor blood sugar levels by analysing breath; (ii) development of probiotics for use in the production of broiler chickens, dusky-cob and abalone, which will assist in the production of natural animal products, free of antibiotics, chemicals and growth stimulants; (iii) and further stem cell research.
- Cabinet also congratulates **Dr Evodia Setafi**, a senior researcher at the University of Stellenbosch's Department of Viticulture and Oenology, who won the Distinguished Women Scientists Award at the annual South African Women in Science Awards held in Polokwane on 23 August 2018.
- Cabinet congratulates **Caster Semenya** on her impressive performance in winning her third Diamond League final in the 800 metre event in Switzerland.

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2030 NDP

Nelson Mandela Centenary 2018 Ba Ba Ngwaga

ALBERTINA SISULU Centenary 2018