

Cabinet Statement

DID YOU KNOW?

Cabinet Meeting of 22 August 2018

Cabinet met on Wednesday, 22 August 2018 at Tuynhuys in Cape Town.



1. ISSUES IN THE ENVIRONMENT



Economy

- The recent economic developments in Turkey have led to a large depreciation of emerging market currencies, including the South African Rand.
- Capital outflows from these markets have accelerated and bond yields have risen, slowing down economic growth and job creation.
- Turkey's large foreign currency denominated liabilities and relatively low levels of foreign currency reserves predisposed the country to large and damaging capital outflows, as monetary policy started to normalise in advanced economies.
- Cabinet notes that South Africa has a number of strengths including:
 - an independent central bank;
 - an inflation-targeting regime with inflation consistently within the target range;
 - low levels of foreign-currency debt; and
 - a clear fiscal consolidation plan.
- Cabinet is committed to maintaining these strengths.
- At the same time, government will continue to implement reforms to increase the growth potential of the economy and improve the credibility of our policy decisions.

Value-Added Tax (VAT)

- Cabinet welcomes the report by the Ministerial Panel of Experts which reviewed the list of zero-rated VAT items and recommended the inclusion of:
 - white bread;
 - bread flour;
 - cake flour;
 - sanitary products; and
 - school uniforms.

Government will continue to collaborate with business, labour and civil society to restore confidence in the economy and address the structural constraints to economic growth. Working together we can translate our plans into concrete actions to move the South African economy forward.

Justice

- In driving an inclusive economy, we are working hard to ensure the full participation of women in the economy.
- As part of celebrating Women's Month, the Department of Agriculture, Forestry and Fisheries – in partnership with the Department of Rural Development and Land Reform, and Total South Africa – will on Thursday, 23 August 2018 hold its 19th Annual Female Entrepreneur Awards in East London in the Eastern Cape.
- Government, together with its partners, will hold a National Gender Summit to forge consensus on how best to deal with GBV.
- The Minister of Police, Mr Bheki Cele, has recommended members of the South African Police Service (SAPS) to prioritise cases that involve the abuse of women and children.
- When a woman or a child reports a crime or abuse, it must be followed up with the urgency it deserves and taken to its full conclusion.

Land expropriation

Cabinet thanks South Africans who participated in the parliamentary public hearings into the possible review of Section 25 of the Constitution of the Republic of South Africa of 1996 to allow for the expropriation of land without compensation.

Parliament's Constitutional Review Committee has concluded hearings in all provinces. The deliberations on these hearings as well as written inputs will now be considered by Parliament.

Women's Month

- Cabinet calls on all citizens to continue with the drive to ensure the safety and empowerment of women in our society. We commend all sectors of society for heading up initiatives aimed at fighting gender-based violence (GBV).
- As Women's Month draws to a close, Cabinet continues to honour women in the same spirit that we honour the women of 1956 who marched to the Union Buildings in Pretoria in defiance of a brutal regime that sought to use discriminatory laws to undermine their dignity.
- Since the start of our democracy in 1994, great strides have been made to ensure that women enjoy the same rights as their male counterparts in:
 - education;
 - employment;
 - property;
 - marriage; and

Ramaphosa has appointed an Inter-Ministerial Committee chaired by Deputy President David Mabuza to coordinate and implement measures to accelerate the:

- redistribution of land;
- extension of security of tenure;
- provision of agricultural support; and
- redress of spatial inequality.

This is within a broad and comprehensive land redistribution and agricultural development programme.

Sanitation Appropriate for Education (SAFE) Initiative

- Cabinet welcomes the launch by President Ramaphosa of the SAFE Initiative, as part of government's response to the sanitation challenges facing some of the country's poorest schools.
- The SAFE Initiative is led by the Department of Basic Education, in partnership with the National Education Collaboration Trust and Nelson Mandela Foundation.
- Cabinet calls on all sectors of society, including big business and non-governmental organisations, to support the initiative that is aimed at alleviating infrastructure backlogs for schools in poor communities.

National Student Financial Aid Scheme (NSFAS)

- Cabinet was briefed by the Minister of Higher Education and Training, Ms Naledi Pandor, on the challenges facing the NSFAS. In order to stabilise and decisively address the challenges faced by the NSFAS, the disbursement of funds to deserving students, Cabinet supported the appointment of the Administrator, Dr Randall Carolissen.
- The appointment of the Dr Carolissen effectively dissolves

the current NSFAS Board. The Administrator and the management will work towards dealing decisively with backlogs and other challenges facing the entity so as to ensure student funding is administered optimally for 2019, and that all outstanding issues for 2017 and 2018 are resolved.

Retirements

Cabinet is concerned by recent announcements over possible retirements and job losses in some industries, including mining and media. We reiterate our appeal to business to consider retirement only as a last resort, and to explore other available and innovative ways to sustain jobs.

Government continues to partner with business and labour, and remains convinced that working together, we can grow our economy and create new jobs.

Broadcasting

- Cabinet welcomes the news that the SABC will screen English Premiership League games. While this may be a revenue opportunity for the SABC, government hopes that the screening of these games will not sacrifice local sports and also worsen the financial position of the public broadcaster, given its current liquidity challenges.
- Cabinet notes the invitation to Apply for the licensing of spectrum for the provision of subscription broadcasting services by the Independent Communications Authority of South Africa.
- While matters pertaining to licensing are the exclusive domain of the regulator, consistent with Section 192 of the Constitution, the licensing process should be done in a manner that does not destabilise the free-to-air platform during the transition from analogue to digital or encourages uncompetitive behaviour. It should ensure that new licensees are able to compete fairly and openly.

coordinated approach in reducing air pollution associated with fossil fuel in dense low-income communities.

- The current air circulation in these communities exceed the National Ambient Air Quality Standards set out in the National Environmental Management Act, 2004 (Act 39 of 2004).
- The strategy provides for interventions to reduce pollution and recommends an awareness programme that will highlight the health impact of continued pollution. It also provides for alternative energy options.

Green Transport Strategy

- Cabinet approved the strategy, which will contribute towards reducing the emission of greenhouse gas (GHG) in

the environment.

- Currently, the transport sector accounts for 10.8% of the total GHG emissions, with road transport being responsible for 91.2% of these GHG emissions.
- The strategy introduces a number of interventions that will provide less emissions. It recommends alternative modes of transportation that emit less GHG in the environment. The strategy has already gone through public consultations in 2017.

Charter establishing the Southern African Development Community (SADC) Aviation Safety Organisation (SASO)

- Cabinet approved submission of the charter to Parliament for approval. The charter provides a legal and institutional framework to establish SASO, to assist

SADC Member States with their civil aviation safety oversight.

- It will also facilitate the development of efficient and effective civil-aviation infrastructure in SADC Member States.

White Paper on Arts, Culture and Heritage of 2018

- Cabinet approved the White Paper, which revokes elements of the White Paper on Arts, Culture and Heritage of 1996.
- The White Paper is a culmination of the review of the 1996 White Paper, which appreciated the achievements in all the facets of arts, culture and heritage, and reflected on areas that remained a challenge in advancing nation-building and social cohesion in our democracy.
- The White Paper aims for a dynamic, vibrant

and a transformed South African arts, culture and heritage sector that will contribute towards nation-building, social cohesion and socio-economic inclusion.

National Policy Framework on Underwater Cultural Heritage

- Cabinet approved the national policy, which synergizes:
 - the National Education, Scientific and Cultural Organisation Convention;
 - the National Heritage Resources Act, 1999 (Act 25 of 1999); and
 - other relevant national legislation.
- The policy is underpinned by the principle that cultural heritage belongs to all people of South Africa. It identifies a range of stakeholders and actions to promote underwater

cultural heritage, and to create awareness of its significance and capacity building.

2018 and 2019 Annual Stamp Programme

- Cabinet approved the programme from the South African Post Office.
- The stamps reflect South Africa's diverse culture, national identity, history, rich heritage, heroes and heroines, the environment and socio-economic development.
- The stamps further serve as small ambassadors for South Africa as they travel across the world through the postal network.

Designs of the commemorative collectors' coin series

- Cabinet approved the designs, to be issued in 2019 by the South African Mint company.

3. BILLS



SOUTH AFRICA

Electoral Laws Amendment Bill of 2018

- Cabinet approved the submission of the Bill to Parliament. The Bill amends three pieces of legislation, namely:
 - Electoral Commission Act, 1996 (Act 51 of 1996);
 - Electoral Act, 1998 (Act 73 of 1998); and
 - Local Government: Municipal Electoral Act, 2000 (Act 27 of 2000).
- The Bill makes a number of amendments to adjust the Independent Electoral Commission (IEC) election processes.
- Some of the proposed changes provide that the IEC can use all available sources of data to obtain information necessary to compile and maintain the national common voters' roll.
- It also provides for the prohibition of the use of the name and its acronym, logo designs or material use or owned by the IEC.

based black economic empowerment.

- Amongst others, it provides for the lowering of the cost of communications. It also reduces infrastructure duplications and encourages service-based competition through a WOAN service.

Financial Matters Amendment Bill of 2018

- Cabinet approved for the publication of the Bill for public comment. The amendments are in five pieces of legislations:
 - The Insolvency Act of 1963, to strengthen the regulation of over-the-counter derivative market, in line with G20 commitments;
 - The Military Pensions Act of 1976, to address discriminatory provision and ensure gender neutrality to recognise different types of relationships;

The Banks Act of 1990, to allow for qualifying state-owned companies to apply for banking licences, subject to Executive approval;

- The Government Employment Pension Law of 1996, to change the clean break principle in the case of divorce, ensuring that members' pension pay outs to former spouses on divorce are not converted to a debt obligation; and
- The Auditing Profession Act of 2005, to address challenges and limitations that the Independent Regulatory Board for Auditors faces in discharging its regulatory and oversight responsibilities.

administration of military judicial system, creation and appointment of military police services, and disciplinary hearings.

- The Bill will:
 - repeat the current Military Discipline Supplementary Measures Act, 1999 (Act 16 of 1999); and
 - align SANDF Military Discipline to the UN, especially on soldiers in peacekeeping missions.

4. UPCOMING EVENTS



Tourism Month

- When:** September.
- Launched:** 16 August 2018.
- Where:** Talsikamma, Eastern Cape.
- Theme:** "Tourism and the digital transformation", which mirrors the theme of the UN World Tourism Organisation World Tourism Day taking place on 27 September 2018.

According to the World Travel and Tourism Council report released in November 2018, tourism employs 1.55 million people directly and indirectly in South Africa; and its direct contribution to the gross domestic product is R118 billion.

2018 Public Service Month Programme

- Cabinet approved the programme.
- When:** September.
- Theme:** "Thuma Mina: Taking Public Service to the People: Batho Pele: 'We Belong, We Care and We Serve'".

2018 Heritage Month Programme

- Cabinet approved the programme.
- When:** September.
- Theme:** "Thuma Mina: Taking Public Service to the People: Batho Pele: 'We Belong, We Care and We Serve'".

Heritage Month

- When:** September.
- Cabinet calls on all South Africans to participate in activities to celebrate Heritage Month.
- Heritage Month is observed annually to encourage the public to celebrate their unity in diversity, and to continue to build a country where its people care for each other and respect one another.

2. CABINET DECISIONS

CFTA #AUCitizen #AFCFTA African Union

- CREATE** a single continental market for goods and services, with free movement of business persons and investments
- RESOLVE** the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes
- EXPAND** intra African trade through better harmonization and coordination of trade across RECs and Africa
- ENHANCE** competitiveness at the industry and enterprise level

Team (IMTT) on North West:

- Five administrators for the departments placed under Section 100(1) have been appointed and formally installed as accounting officers;
- The protocols and directives between the respective National Ministers and provincial MECs have been signed in line with Section 100(1)(b); and
- An overall coordinator for the management of the North West intervention has been appointed.

South Africa to invest in a strong network of economic infrastructure designed to support the country's medium- and long-term economic and social objectives. Energy infrastructure is a critical component that underpins economic activity and growth across the country; it needs to be robust and extensive enough to meet industrial, commercial and household needs.

Government Communication Policy

- Cabinet approved the policy, which will be applicable across government.
- The policy sets:
 - norms and standards for government communication practitioners; and



compels all government departments to provide a communication budget and a fully funded personnel capacity.

- The policy will complement the current Code of Conduct for the Public Service.

Final Strategy to Addressing Air Pollution in Dense Low-Income Communities of South Africa

- Cabinet approved the Final Strategy for implementation. The strategy provides a

Agreement establishing the African Continental Free Trade Area

- Cabinet approved the submission of the agreement to Parliament for ratification.
- This agreement will result in:
 - access to new and dynamic markets in the rest of Africa, particularly in West Africa and North Africa;
 - export opportunities for South African products;
 - industrial development; and
 - investment and the creation of jobs in the continent.
- This will also be in line with the integrated development approach in the continent.

Study on spectrum licensing

- Cabinet approved the outcome of the commissioned study by the Council for Scientific and Industrial Research, which sought to determine the amount of spectrum for open access and licensing to the industry. The study

confirms that spectrum can be licensed to both the Wireless Open Access Network (WOAN) and the industry.

- This will, amongst others, achieve the national policy obligations, cost of communication, remove the entry barriers for small and medium companies, and sustain current investments.
- The Minister of Telecommunications and Postal Services, Dr Siyabonga Cwele, will hold a full media briefing to unpack this report.

Progress on North West

- Cabinet received the fourth progress report on the Section 100(1) intervention in North West. Cabinet is satisfied with the implementation stage, with several milestones reached in terms of the institutionalization of the project in the province.
- The Memorandum of Understanding between the national and provincial government has been signed from the Inter-Ministerial Task

Integrated Resource Plan (IRP)

- Cabinet approved the publication of the updated IRP for public input.
- The National Development Plan identifies the need for



Nominations for National Orders

- Cabinet reiterates President Ramaphosa's invitation to members of the public to nominate citizens and eminent foreign nationals that they believe deserve to receive the country's highest honours, the National Orders. The deadline for nominations is 7 September 2018.

Eid

- Cabinet conveyed best wishes to the Muslim community in South Africa and around the world on the celebration of Eid-ul-Adha on Wednesday, 22 August 2018.

for the freedom of all South Africans, who continued her activism into our democratic dispensation. On 28 April 2018 – and as an extension of Freedom Day celebrations – President Ramaphosa bestowed the National Order of Luthuli in Silver on Mama Sobukwe. She was also the wife of Pan Africanist Congress founding President Robert Mangaliso Sobukwe. The year 2018 also marks the 40th anniversary of the death of Mr Sobukwe. Mama Sobukwe will be laid to rest on Saturday, 25 August 2018, at

Kroomvale Cemetery in Graaff-Reinet in the Eastern Cape.

- On the passing of His Excellency **Kofi Atta Annan**, former UN Secretary-General (UNSG), Mr Annan was the first black African to become UNSG and he used his position to advance the African agenda. His death is a great loss to the global community.
- On the passing of world-renowned singer and United States civil-rights activist, **Aretha Franklin**
- to the Italian Government and people, and the families of the victims, following the collapse of the **Morandi motorway bridge** in the north-western Italian city of Genoa. Cabinet also wishes the injured a speedy recovery.
- to the family and friends of world-renowned political economist and African academic **Samir Amin** who passed away on 12 August at the age of 86. Throughout his life he



was a fearless advocate for Third World liberation, and his thinking transformed the way we understand capitalism and imperialism.

- to the government and the people of India on the **loss of lives during the recent floods and landslides in the state of Kerala**
- to the government and people of Sudan following the **drowning of 24 school children in the Nile River**.

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Together we move South Africa forward

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