



LIMPOPO

PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

For immediate release

Date: 08 December 2016

Statement on Executive Council Meeting of Wednesday 07 December 2016

The Acting Premier Jerry Ndou welcomed everyone at the meeting and on behalf of Limpopo Government send hard felled condolences to bereaved families of the 26 people who passed on over the weekend.

The Executive Council wishes all Limpopo citizens a happy festive seasons. EXCO thank the media for its support to government in communicating its programmes to the entire communities throughout the year.

Demarcation Process in the Vhembe District

A report providing feedback on the outcome of the discussions between the Department of Co-operative Governance, Human Settlements & Traditional Affairs (CoGHSTA) and the Municipal Demarcation Board (MDB) was presented to the Executive Council meeting.

The following was highlighted:-

- a) The MDB requested a meeting with the MEC to present their position on the request to redetermine municipal boundaries in the Vhembe District. The MDB indicated that they understand the sensitivities around the matter, however, it also has to take into account the Constitution, integrity of the Board and national interest in dealing with the matter.
- b) The Board raised pertinent issues and cautioned the province as follows;
- c) The determination of municipal boundaries should be based on the principle of integrating communities economically, racially including dealing with ethnicity and doing away with homelands, and avoid narrow sectional interests;

Green Paper on International Migration

A presentation providing an outline of the Green Paper on International Migration was presented to the Executive Council meeting.

The presentation highlighted the following:-

- a) The current policy on international migration (IM) is set out in the 1999 White Paper on IM and it is implemented through the Immigration Act No. 13 of 2002 and partly through the Refugees Act No. 130 of 1998;
- b) In recent past, the DHA amended the Immigration and Refugees Acts and implemented regulations and strategies to address glaring gaps in legislation;
- c) It has been acknowledged that what is required is a comprehensive review of the policy framework that can inform systematic reform of the legislation;
- d) It is against this background that the DHA has undertaken a comprehensive review of the current IM Policy;
- e) The current Policy on IM is based on an approach that is largely static and is limited to compliance rather than to managing IM strategically to achieve national goals;
- f) This Green Paper argues that South Africans need to adopt a paradigm that sees IM as enabling their own development and that of their country and region; and
- g) The purpose of the Green Paper on International Migration is thus to propose broad principles and raise key issues that need to be addressed by multiple stakeholders in each policy area.

The Executive Council commented as follows:-

- That the revised provisions in the Green Paper should find a balance between regional integration and the need for preservation of the sovereignty and security of the County;
- That there is a need to clearly outline the implementation of the White Paper on International Migration once it has been promulgated;
- That capacity constraints within the Department of Home Affairs with regard to border control and management should be addressed; and
- The Green Paper should provide more clarity on the responsibilities that the role players will be expected to play.

PSC Rules on Referral and Investigation of Grievances

A presentation providing an outline of the Public Services Commission rules on referral and investigation of grievances of employees in the Public Service was presented to the Executive Council meeting.

The presentation highlighted the following:-

- a) The purpose of the PSC Rules is to—
 - i. Determine the procedure for the referral of grievances to the PSC;
 - ii. Determine the procedure for the direct lodging of grievances by heads of departments;
 - iii. Provide for timeframes within which grievances may be referred to or lodged with the PSC;
 - iv. Determine the procedure for the investigation and consideration of grievances by the PSC;
 - v. Determine service standards applicable to the PSC in investigating and resolving grievances; and
 - vi. Provide for mechanisms to monitor grievances managed by departments;
- b) A grievance can be referred to the PSC by the following:-
 - i. **Executive authority (EA)** when requested by an aggrieved employee who is not satisfied with his / her decision (Rule 3(3) within 10 days;
 - ii. **Aggrieved employee** if the EA fails to refer within 10 days as requested, or the department failed to deal with the grievance within the timeframes stipulated in the department's grievance procedure (Rule 3(4));
 - iii. **Representative of aggrieved – trade union** (Rule 3(5) > both complete a Grievance Referral Form; or *family representative* (Rule 3(7)) > should provide statement containing proof that he / she qualifies to refer the grievance in terms of Rule 3(7);
- c) The HOD of a Department may refer the grievance if it is not resolved within 45 days of receipt thereof by the Executive Authority or within the timeframes agreed between them in writing; and
- d) Grievances lodged or referred to the PSC in terms of The Rules published by Government Notice R.1012 of 25 July 2003 and Government Notice 816 of 17 September 2010 before the gazetting of the rules shall be dealt with by the PSC in the same manner as was dealt with before the gazetting of the rules.

Public Service Regulations, 2016

A memorandum providing key highlights of the changes that have been ushered in by the new Public Service Regulations, 2016 was presented to the Executive Council meeting.

The presentation highlighted the following:-

- a) The process of revision of the Public Service Regulations which commenced in 2008, was delayed as a result of the process to enact the Public Administration Management Act, 2014 (PAM), which initially sought to repeal the Public Service Act, 1994 (PSA) in its entirety;
- b) However as the Public Administration Management Act, 2014 only repealed three sections of the Public Service Act, the process to review the Public Service Regulations was revived;
- c) The Minister of Public Service and Administration signed the new Public Service Regulations, 2016, which were brought into effect on 1 August 2016 by Gazette No.40167, Notice No. R877;
- d) These new Regulations have the effect of repealing and replacing PS Regulations 2001;
- e) The key changes made in the following sections were highlighted, namely code of conduct; financial disclosures; ethics management; planning, organisational arrangements and service delivery; employment matters; senior management service; community development workers.

The Executive Council directed as follows:-

That the Office of the Premier should circulate guidelines to Departments in the implementation of the revised Public Service Regulations so that Departments may not default on the compliance matters.

Revenue and Expenditure Report for October 2016

A memorandum providing a progress report on provincial revenue and expenditure as at the 31st October 2016 was presented to the Executive Council meeting.

The memorandum highlighted the following:-

- a) Overall provincial spending amounted to R32.7 billion representing 57.5% of the total appropriation of R56.969 billion;

- b) Provincial equitable share spending was at R28.9 billion representing 58.0% of the total budget of R49.8 billion;
- c) Compensation of Employees (CoE) spent R23.3 billion representing 57.0% of the total budget of R40.794 billion;
- d) Goods and Services spent R4.6 billion representing 58.5% of the total budget of R7.7 billion;
- e) Transfers and subsidies spent R4.2 billion representing 68.9% of the total budget of R6.1 billion;
- f) Payment for Capital Assets spent R713.1 million representing 31.0% of the total budget of R2.3 billion;
- g) Conditional Grants recorded an expenditure of R3.8 billion representing 53.8% of the total budget of R7.1 billion;
- h) Provincial Infrastructure expenditure stood at R2.5 billion representing 53.0% of the total budget of R4.7 billion; and
- i) Provincial own revenue collection was R899.7 million representing 84.6% of the total budget of R1.063 billion.

30-Day Invoice Payment Report for October 2016

A memorandum providing a progress report on the monitoring of compliance to the prescribed 30-day payment cycle as at the 31st October 2016 was presented to the Executive Council meeting.

The memorandum highlighted the following:-

- a) The percentage of invoices paid in the Province within the prescribed 30 days of receipt in October 2016 shows that 91.77% of the invoices were paid which is well below 95% compliance rate set for all departments;
- b) Only two (2) Departments, namely LEDET (1,142 invoices) and Office of the Premier (605 invoices) paid 100% of their invoices within the prescribed 30 days; and
- c) Two (2) Departments, namely Education (94.44%) and Health (73.95%), paid less than 95% of their invoices within 30 days.

Financial Assessment of Distressed Municipalities

A memorandum providing a status report on the financial status of Municipalities in the Province as per EXCO Resolution 52.4 of 28 September 2016 was presented to the Executive Council meeting.

The memorandum highlighted the following:-

- a) A detailed assessment was performed to determine the cash flow pressures that are currently being experienced by Municipalities based on monthly billing, actual receipts, monthly expenditure, bank balance, debtors and creditors within Municipalities;
- b) This assessment was performed for the following Municipalities, namely Bela-Bela, LIM368, Mopani, Musina, Sekhukhune and Vhembe;
- c) The outcomes of the assessments have revealed that above mentioned municipalities are under serious financial pressure especially in months where there are no grant transfers.
- d) It was noted that category A (High Risk) Municipalities performed bad in all indicators, and are at a risk of financial collapse should urgent interventions not be implemented namely: Mopani District Municipality, Musina Local Municipality, Vhembe District Municipality, Sekhukhune District Municipality, Thabazimbi Local Municipality and Lim 368 (Mookgopong/Modimolle).
- e) Category B (Medium Risk) Municipalities performed well in other indicators, but are at a risk of collapse. These are Bela-Bela Local Municipality and Lim 476 (Greater-Tubatse / Fetakgomo).
- f) Category C (Low Risk) Municipalities are at a low risk of financial collapse, but require close monitoring to ensure that they do not regress;
- g) Based on the analysis, it was recommended that Musina Local Municipality be granted financial assistance to the value of R20 million considering the fact that the municipality is a Provincial Growth Point, and has further been granted a Special Economic Zone, it is therefore a strategic area for the economic development of the Province, and without support, the Municipality is likely to collapse, resulting in a loss of economic potential as envisaged.

Executive Council Decisions

- The Executive Council approved that financial assistance to the amount of R20 million be granted to assist the Musina Local Municipality to service their Eskom debt and other critical financial obligations from the Provincial fiscus, as it is a

Provincial Growth Point, and that the funds should be managed and accounted for by CoGHSTA; and

- The Executive Council resolved that the Provincial Treasury, CoGHSTA together with the identified municipalities at risk, namely Mopani District Municipality, Musina Local Municipality, Vhembe District Municipality, Sekhukhune District Municipality, Thabazimbi Local Municipality and Lim 368 (Mookgopong / Modimolle) should develop financial recovery plans that take into account both financial and non-financial matters.

Mapungubwe Arts, Culture and Heritage Festival 2016: Preparations

A memorandum providing a progress report on preparations for the Mapungubwe Arts, Culture and Heritage Festival scheduled to take place during December 2016 was presented to the Executive Council meeting.

The memorandum highlighted the following:-

- a) The event has been launched on the 1st of November 2016 at the Mapungubwe world Heritage site;
- b) The cultural artists, still walkers, giant puppets, bikers, brass band, schools drum majorettes, police cultural dance group, white cultural group, have been identified and invited.
- c) Additional invitations have been made to the Council of Churches, Department of Education's Capricorn district manager for schools, SANDF and SAPS;
- d) Nomination forms for the Mapungubwe Arts Awards, Cultural Pageant and Fashion show have been developed and distributed to the Districts for communities to submit their nominations; and
- e) The challenge and risk associated with this programme, is the limited budget to execute the programme, and also the local artists demanding to be included in the line-up. To mitigate this risk, the department had since held a meeting with various arts and culture forums to discuss and get buy-in on the programmes for the 2016 Mapungubwe Arts, Culture and Heritage festival

Stabilisation of Vuwani

The Provincial Government has delivered on its promise of engaging with different stakeholders within 14 days after elections with senior traditional leadership in Vuwani and MDB. We have discussed with the MDB which made a presentation yesterday.

Establishment of Thohoyandou Inter-Modal Facility

A memorandum providing a status report on the progress made with regard to the remedial construction at the Thohoyandou Intermodal Facility was presented to the Executive Council meeting.

The memorandum highlighted the following:-

- a) The taxi rank building of the Thohoyandou Intermodal Facility has not been commissioned since its completion due to some perceived and some obvious structural inadequacies;
- b) The Department of Transport deemed it necessary to obtain a professional, independent opinion from a structural specialist due to the discrepancies in the reports and the price proposals for the proposed remedial measures which the Department received from the Consortium responsible for the designs of the building and Intersite who acted as implementing agent for the Department;
- c) A PSP (Aurecon) was appointed by the Department through an open bid process to do a detailed structural assessment on the entire taxi facility, including the retail and office block;
- d) Aurecon SA was appointed to conduct a structural assessment in two stages, to be followed by two stages for the design and implementation of remedial works. The two investigation stages were completed and the analysis was based on SANS design codes and materials used;
- e) The tender for the remedial construction and final finishes (façade) was advertised on 27 November 2015 closed 28 January 2016 after which the evaluation process started;
- f) Unfortunately due to capacity constraints in the Department of Transport due to the transfer of Engineering and Quantity Surveying Staff to the Department of Public Works, Roads and Infrastructure the evaluation process took an inordinately long time to finalise;
- g) The HOD's of Public Works, Roads and Infrastructure, Provincial Treasury and Transport put together a Bid Evaluation Committee with representatives of all three Departments for re-evaluation;
- h) Following this the project was handed to the Department of Public Works, Roads and Infrastructure to procure contractors through framework agreements with implementing agents; and
- i) The contractor will be on site in January 2017, and the estimated duration of the project is four months.

Management of Gateway Airport Authority Limited [Transport]

A memorandum providing progress report on the implementation of EXCO Decision 24 of 2015/16 on the review of the Gateway Airport Authority Limited's (GAAL's) management structure in order to stabilise the operations of the entity was presented to the Executive Council meeting.

The memorandum highlighted progress as follows:-

- a) Following the EXCO Decision a protracted process followed in which the Department of Transport prepared draft terms of reference for a Request for Proposal to implement the EXCO Decision;
- b) This was subsequently followed by the decision by the GAAL Board of Directors to formulate a counter proposal which was submitted to EXCO Lekgotla of 2015 for consideration. The Lekgotla resolution was that the matter be referred to the Economic Cluster Committee for consideration;
- c) The Economic Cluster Committee resolved that GAAL should implement EXCO Decision which states that services of GAAL must be sourced to a Public/ Private Partnership (PPP) through an open tender in terms of which a concession agreement will be entered into a successful bidder to operate the airport;
- d) Based on the Economic Cluster Committee decision of 17 August 2016, the Department of Transport will with the assistance of Provincial Treasury follow the necessary steps to register the Project with National Treasury PPP Unit as a possible PPP;
- e) Should the project prove to be a viable PPP the following processes will be implemented:-
 - i. A feasibility study of the PPP to be conducted by a Transaction Advisor appointed by the Department of Transport;
 - ii. Should the PPP prove to be feasible bids will be invited from prospective bidders on an open tender system or as advised by the Transaction Advisor; and

Executive Council Decision

The Executive Council approved that the GAAL management outsourcing project be submitted to the National Treasury PPP Unit, in order to source the GAAL services to a Public/ Private Partnership (PPP) through an open tender in terms of which a concession agreement will be entered into a successful bidder to operate the airport; and the Executive Council

approved that the Board of Directors of GAAL be appointed for a period of three years to conclude the PPP process and the winding down of the Company.

Limpopo Tourism Bill, 2016

A memorandum requesting the rescinding of the EXCO Decision No. 22 of 2016/17 on the inclusion of the CEO and CFO as voting members of the Board of the Tourism Agency was presented to the Executive Council meeting.

The memorandum highlighted the following:-

- a) The Department of Economic Development, Environment and Tourism presented the Limpopo Tourism Bill, 2016 to EXCO for consideration and approval on the 22 June 2016;
- b) The EXCO Resolution reflected that EXCO approved that the Limpopo Tourism Bill, 2016 be endorsed for introduction in the current session of the provincial Legislature, subject to the amendment of the Bill that the CEO, COO and CFO of the Tourism Agency should serve in the Tourism Agency Board as non-executive members;
- c) This resolution is clearly captured incorrectly as the discussion at EXCO was around the CEO, CFO and COO forming part of the board as executive members with voting rights;
- d) A legal opinion was obtained to advice on the preferable position with regard to voting rights of the CEO and the CFO on the Board of the Agency in light of the EXCO resolution as there is no provision for a COO in the Tourism Bill.
- e) The legal advice was that:-
 - i. One of the primary reasons to deny the CEO, the CFO, or any other executive member the right to vote at Board meetings is to preserve the Board's objectivity and independence in decision making and to guard against conflict of interest
 - ii. The role of the Board is to provide supervision and strategic direction to the Agency, and the CEO and CFO as senior management employees of the Agency have to carry out the instructions of the Board;
 - iii. If they are to participate in the decision making of the Board, they place themselves in an unethical situation in which they are party to the decisions that affect them or that they have to implement, creating a perceived conflict of interest; and

- iv. It was therefore preferable that the CEO and CFO have a right to participate in all discussions of the Board, however, they should not take part in decision making; and
- v. This was also in accordance with the trend of non-voting chief executives in other Provincial Tourism Acts as well as the National Tourism Act, 2014.

Executive Council Decision

The Executive Council rescinded EXCO Decision No. 22 of 2016/17 which directed that an amendment be made in the Limpopo Tourism Bill 2016 in order that the CEO, COO and CFO of the Tourism Agency should serve in the Tourism Agency Board as non-executive members; and

The Executive Council approved the Limpopo Tourism Bill 2016, with the CEO and CFO as *ex officio* members of the Board of the Agency with no voting rights.

Framework: Local Government Summit – January 2017

A memorandum providing a progress report on the preparations for the Local Government Summit scheduled to take place during 31 January – 01 February 2017 was presented to the Executive Council meeting.

The memorandum highlighted the following:-

- a) In order to ensure better alignment of the provincial's government activities, and further considering that the proposed summit is targeting the same audience with the Premier Intergovernmental Forum (PIGF), a decision was taken by the Governance and Administration Cluster (G&A Cluster) meeting held on 05 October 2016 for CoGHSTA to collaborate with Office of the Premier to have the two meetings synchronised;
- b) Due to various activities that involved the targeted beneficiaries since the local government elections to date, it has not been feasible to hold the Local Government Summit as initially envisaged;
- c) It was proposed during the G&A Cluster meeting of the 23 November 2016 that the Local Government Summit be held before the State of the Province Address (SOPA) in order to ensure that the discussions and resolutions serve as an input to the 2017 State of Province Address;
- d) The revised proposed date for the Local Government Summit is 31 January – 01 February 2017.

- e) The objectives of the Local Government Summit will be to communicate and share the state of municipalities in Limpopo to new councilors, to outline the priorities for Phase 2 of the Back to Basics Programme, to develop a 2016/2021 Programme of Action for local government, as well as to provide a platform for dialogue on intergovernmental responsibilities to improve the performance of municipalities and service delivery; and
- f) Given the strategic nature of the summit, and the need to ensure that all critical stakeholders contribute towards the development of the 2016/2021 Local Government Action Plan, all key stakeholders in the local government have been earmarked to attend the Local Government Summit.

Framework: EXCO Lekgotla – February 2017

A memorandum requesting approval of the proposed framework for the EXCO Lekgotla scheduled for the 16th February 2017 was presented to the Executive Council meeting.

The memorandum highlighted the following:-

- a) In line with the Planning Framework of government, the EXCO Lekgotla meetings are expected to provide guidance on policy and strategy, and to monitor the implementation of programmes and to analyse the impact thereof;
- b) The key objectives for the February 2017 EXCO Lekgotla will be:-
 - i. To assess progress on the implementation of planned programmes and projects during the 2016/17 financial year;
 - ii. To review expenditure trends to date and the budget adjustments as implemented following the November 2016 Budget Lekgotla; and
 - iii. To interrogate and approve the planned programmes and projects for 2017/18.
- c) The forthcoming EXCO Lekgotla will furthermore, make an assessment on the about prioritisation and the alignment of the provincial priorities with the budget for 2017/18 and for the MTEF period, hence it coincides with the finalisation of the departmental Annual Performance Plans for the same period (i.e. 2017/18); and
- d) The EXCO Lekgotla will thus preview the Annual Performance Plans of Provincial Departments and State-Owned Entities in the Province for the 2017/18 financial year for consideration and endorsement;

The Executive Council directed as follows:-

That the EXCO Lekgotla should be held over a period of two (2) days in order to provide sufficient time for presentations and engagement on the discussions.

Executive Council Decision

The Executive Council approved the proposed framework for the EXCO Lekgotla scheduled for the February 2017; and

Labour Strike Situation in LEDET

A report outlining the current labour strike situation in the Department of Economic Development, Environment and Tourism was presented to the Executive Council meeting

It was reported that the staff members in LEDET led by their respective Unions have embarked on an unprotected strike action against the non-payment of their retrospective PMDS pay progression since 2012. The situation has destabilised the functioning of the department as staff members are not reporting for duty.

The Executive Council directed as follows:-

That the Acting Director-General and the HOD for CoGHSTA assisted by the Legal Services in the Office of the Premier should engage to find a resolution on the LEDET labour strike situation;

That consideration should be made to interdicting the Unions against the continued unprotected strike; and

That Departments should take care not to bow to unreasonable pressure from the Labour Unions to make backdated PMDS pay-progression payments without seeking legal advise.

Announcements

Kgoshigadi Nkadimeng has passed away after a short illness, and further details regarding her funeral will be communicated in due course. EXO would like to convey message of condolence to the bereaved family. Traditional leadership plays an important role in the development of traditional communities.

The Department of Transport will be embarking on several Road Safety Campaigns and MECs were invited to support the campaigns.

The Department of Health will be co-ordinating visits to Hospitals and Clinics throughout the Province during Christmas Day to donate presents and convey messages of support to newly-born babies and MECs were invited to support the initiative.

The EXCO Imbizo that was scheduled for the 9th December 2016 at Hans / Skimming in the Mogalakwena Municipality has been postponed indefinitely.

The 2017 Matric Results Announcement will be made nationally on the 4th January 2017 and provincially on the 5th January 2017.

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Provincial Government Spokesperson

Issued by the Office of the Premier