



**MINISTRY IN THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA**

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Cabinet met on Friday, 8th December 2023 to consider outstanding matters from its Cabinet Meeting of 29th November 2023.

A. ISSUES FROM THE ENVIRONMENT

**1. The 11th Presidential District Development Model Imbizo –
Lejweleputswa District of the Free State.**

1.1 Cabinet noted the steady progress government is making in addressing the service delivery challenges facing our people and the feedback received from communities during the Presidential Imbizos. In particular progress made by the Department of Water & Sanitation (DWS) that appointed Vaal Central Water as the Implementing Agent to oversee the fixing of sanitation infrastructure challenges in Matjhabeng Local Municipality, which had not been operational for more than 10 years. The intervention is divided into three (3) areas of scope, namely (i) Wastewater Treatment Works (WWTWs), (ii) Pump stations & (iii) Sewer Networks.

1.2 DWS has allocated funds for four financial years to complete the required work. To date DWS has spent R394 Million on:

1.2.1 The refurbishment or upgrading of the Wastewater Treatment Works (WWTWs), which totals 11 WWTWs of which 9 are dysfunctional.

- One WWTWs (Theronia) was completed in May 2023.
- Two contractors are appointed for Thabong WWTWs and Kutlwanong WWTWs.
- Refurbishment of Thabong WWTWs at 50% completion
- Refurbishment of Kutlwanong WWTWs at 23% completion

1.3 Refurbishment of the Sewer Pump stations, a total of 57 of which 52 are dysfunctional.

- 10 contractors appointed for refurbishment of 26 pump station and overall progress is 34% completion.

1.4 Unblocking of sewer network pipelines and blocked chambers. A total of 1543 km of sewer pipelines are blocked.

- 7 contractors were appointed for Kutlwanong, Thabong ext 1,2,3&4, and Henneman
- About 128 km of 463 km targeted collapsed sewer lines have already been cleared.
- The DWS is exploring the process of procuring equipment and fleet to assist the municipality with operation and maintenance to reduce sewer spillages

1.5 On the challenges of water supply to Matjhabeng and Nala Local Municipality which are due to aged infrastructure resulting in high water losses. This infrastructure has not been maintained for about 10 years due

to non-payment for services. The DWS has allocated R243, 7 million in October 2023 to refurbish the Balkfontein and Virginia WTWs including bulk water line. Five service providers already issued with orders to repair the pump station and chlorine room at the WTWs.

2. Evacuation of South Africans from Gaza

2.1 Cabinet welcomed the arrival back home of 19 South African nationals who had been stuck in Gaza. South Africa extends its gratitude, to the Government of Egypt for granting our citizens safe passage through the Rafah Crossing into its country.

2.2 South Africa calls for an immediate and permanent ceasefire and the resumption of talks that will end the violence arising from the continued belligerent occupation of Palestine and will also lay the basis for a just and lasting solution for both people of Palestine and Israel.

3. 10th year anniversary of the passing of President Nelson Mandela

3.1 Cabinet joined the nation in reflecting on the life and legacy of the father of the nation and our first democratically elected President, Nelson Mandela.

3.2 As we look ahead to the milestone of 30 Years of Freedom in 2024, along with our seventh National and Provincial elections, in his memory and honour, we can proudly say that our democracy remains strong.

B. UPDATES TO CABINET

1. Developments at the National Student Financial Aid Scheme (NSFAS)

1.1 As part of ensuring readiness when the 2024 academic year for post matric education begins, Cabinet was briefed on measures that are being put in place to avoid the challenges that bedevilled NSFSA in the 2023 post-matric academic year. The Minister of Higher Education and Training will provide details on measures to improve the performance of the NSFAS.

2. The PetroSA GTL Reinstatement Project

2.1 Cabinet received an update on progress with the process to reinstate the Mossel Bay GTL refinery as a one of the critical components of PetroSA's turnaround strategy. Cabinet was updated about the process followed by CEF to source partners with requisite technical and financial resources to support PetroSA in bringing the refinery back to full operation. The preferred partner would share in the risk and rewards of reinstatement of the refinery.

2.2 The refinery reinstatement has a potential to retain at least 2000 direct site jobs, with an additional potential fixed term employment opportunities for 4000 jobs during the construction phase.

2.3 Cabinet endorsed PetroSA's recommendation to select GazpromBank Africa as the investment partner for the re-instatement of the plant and production. Cabinet noted that this selection of GazpromBank is still dependent on the Final Investment Decision that will be informed by a joint bankable business case, as well as all the terms and conditions which are anticipated to be finalised in April 2024.

C. CABINET DECISIONS

1. Freight Logistics Roadmap

1.1 Cabinet considered and approved for publication, the Freight Logistics Roadmap, which outlines a clear path to address immediate challenges in the logistics system and also seek to reform the system in the long term. The challenges within South Africa's freight logistics system pose a significant constraint on economic growth and job creation. The impact is currently felt more in job losses in the mining and manufacturing sectors.

1.2 The immediate priority is to stabilise and improve the operational performance of the freight rail network, which presents a severe constraint on exports. The main implementation mechanism for the short-term interventions will oversee operational improvement through five (5) Corridors, with full alignment with the Transnet board approved Turnaround plan which identifies short- and medium-term actions to improve operations and stabilize the company's finances. The Roadmap outlines three areas of intervention to improve rail performance:

- 1.2.1 Operations and rolling stock improvements: This includes returning long-standing locomotives to service through agreements with Original Equipment Manufacturers (OEMs) to ensure a supply of spares, or through the appointment of a step-in OEM.
 - 1.2.2 Security and safety of the rail network- which includes collaboration with law enforcement agencies.
 - 1.2.3 Capital investment programme both for the expansion plans and also to sustain operations.
- 1.3 In addition, the Roadmap outlines a path to implement the commitments made in the National Rail Policy and the National Commercial Ports Policy and plans for the reform the freight logistics system.

2. Draft Rail Private Sector Participation Framework

- 2.1 Cabinet considered and approved the Draft Rail Private Sector Participation Framework. It aims to provide an interim approach to and a model for future decision-making to enable private sector participation in the railway infrastructure system. Given the current challenges within the railway infrastructure, the Rail PSP Framework proposes commencement of private sector participation through opportunities that are aimed at fixing the railway infrastructure first.
- 2.2 The Rail PSP Framework recommended the adoption of the cooperative governance and integrated approach to rail private sector participation for implementation. Accordingly, this approach is fully compliant to the PFMA and Company's Act and will require the PSP unit within the Department of Transport and the Rail SOC to publish a network

statement for endorsement by the Rail Economic Regulatory Capacity (interim).

2.3 With the approval of the Rail PSP Framework, the Department of Transport will establish a PSP unit that will identify and prioritise projects and develop an implementation plan to facilitate PSP initiatives.

3. The Integrated Resource Plan 2023

3.1 Cabinet considered and approved the publication of the Integrated Resource Plan 2023 for public comments and consultation. The draft IRP 2023 reviews the approved IRP 2019 and covers two-time horizons, namely the 2030 and 2050 time horizons. Several key assumptions used in the IRP 2019 have significantly changed, including the electricity demand projection, Eskom's energy availability factor, Eskom's coal fired power plants shutdown plan, as well as the cost of new power generation technologies.

3.2 The 2030-time horizon (Horizon One) focuses on addressing prevailing generation capacity constraints, whereas the 2031 – 2050 time horizon (Horizon 2) focuses on an analysis of the energy mix pathways for sustainable security of supply.

3.3 For Horizon One – five scenarios have been developed and assessed based on the state of readiness of projects in the pipeline. The scenarios considered include first the RMIPPPP, REIPPPP 5 and business projects

currently under construction. Second, all project initiatives with commercial operation date (COD) and a specified location. Third, all project initiatives include those with no grid capacity reservation, COD, and specified location. Additionally, two scenarios, one comprising the reference case and current gas programme, and another based in improved plant performance according to the generation recovery plan have been modelled.

3.4 For Horizon 2, six energy pathways were considered to assess the impact of the different energy technologies in ensuring the country's power system security of supply at the least cost to the economy. The reference pathway establishes a benchmark against other pathways and it is based on least cost. The five other pathways are based on certain guiding policy principles and they are designed to be exploratory in nature. These policy principles were formulated with a focus on decarbonising the power system, shutting down of existing coal-fired power stations post 2035, and exploring clean coal technologies including carbon capture.

4. Draft National Business Licensing Policy

4.1 Cabinet considered and approved the draft National Business Licensing Policy for public comments. The objectives of the draft National Business Licensing Policy are amongst others, are:

4.1.1 The provision of a fair, transparent and ethical allocation of business operating licenses in a manner that enables the citizens to actively participate in an economic life.

4.1.2 The assertion and clarification of South Africa's sovereign right to determine the business licensing conditions for foreign nationals in line with the country's national interests.

4.1.3 The development and implementation of smart and effective licensing arrangements that not only reduce regulatory burdens, but also drive empowerment of the previously marginalised communities, whilst reducing compliance burdens and facilitating ease of doing business.

D. BILLS

1. National State Enterprises Bill

1.1 The Cabinet has approved the submission of the National State Enterprises Bill to Parliament.

1.2 The establishment of a state-owned holding company to ensure effective oversight of State-Owned Companies (SOCs) and separate the operational, regulatory, and policy-making roles of the government.

1.3 The Bill proposes:

1.3.1 The establishment of the State's Asset Management SOC Ltd as a holding company for state shareholding of strategic SOE's, with the state as a sole shareholder

E. APPOINTMENTS

All appointments are subject to the verification of qualifications and relevant security clearances

1. CEO of the Road Management Traffic Corporation

1.1 The re-appointment of Adv. Makhosini Msibi as the Chief Executive Officer of the Road Traffic Management Corporation (**RTMC**) for a period of 3-years.

2. Members of the Vaal-Orange Catchment Management Agency

2.1 Mr Desmond Solomon Fransman (Chairperson);

2.2 Ms Tsakane Zwane (Deputy Chairperson);

2.3 Mr Hubert Thompson;

2.4 Ms Nontuthuzelo Njeza

2.5 Mr Nakana Lazarous Masoka;

2.6 Ms Ponatshego Lizzy Mothibi

2.7 Ms Doris Liana Theresia Dondur;

2.8 Ms Dichikane Rachel Mashego; and

2.9 Mr Louis Van Oudtshoorn.

3. Filled the vacancy of Non-Executive Director of the Road Accident Fund Board

3.1 Mr Khotso James Sello

4. Non-Executive Directors of the Road Traffic Infringement Agency Board

4.1 Mr Bonolo Molemo Ramokhele (Chairperson) re-appointment

4.2 Dr Dorcus Khosa-Shikwambana (re-appointment)

4.3 Adv Sibongile Mzinyathi (re-appointment)

5. Members of the Railway Safety Regulator Board

5.1 Ms Nompumelelo Sibongile Ekeke (Chairperson) – re-appointment

5.2 Mr Sisa Lunga Mtwana (Deputy Chairperson) – re-appointment

- 5.3 Adv Johannes Collen Weapond (re-appointment)
- 5.4 Ms Zamakhanya Makhanya;
- 5.5 Ms Nolitha Pieterse;
- 5.6 Prof Tshepo Herbert Mongalo;
- 5.7 Mr Lungi Maminza;
- 5.8 Mr Tawana Mopeli;
- 5.9 Ms Sibusisiwe Nomfundo Molefe
- 5.10 Ms Xoliswa Njokweni - Mlotywa

6. Non-Executive Directors of the Board of Control of the Passenger Rail Agency of South Africa

- 6.1 Ms Nosizwe Nokwe-Macamo - Chairperson (re-appointment)
- 6.2 Adv Simanga Sethene (re-appointment)
- 6.3 Mr Mukhuba Matodzi (re-appointment)
- 6.4 Ms Thinavhuyo N Mpye (re-appointment)
- 6.5 Dr Reabetswe Kgoroadira
- 6.6 Professor Jan Havenga
- 6.7 Ms Happy Ralinala
- 6.8 Mr Johannes Boy Nobunga

F. UPCOMING EVENTS

1. National Day of Reconciliation

1.1 The President Ramaphosa will address the National Day of Reconciliation celebrations that will take place on 16th December 2023 at the Thohoyandou Stadium in Thulamela Municipality, Vhembe District, Limpopo.

G. MESSAGES

Congratulations

Cabinet extended its congratulations and well wishes to:

1. Mr Dan Marokane on his appointment as the Group Chief Executive Officer of Eskom
2. Mr Othniel Tshepo Monaheng as the Group Chief Executive Officer of DENEL
3. The Blitzboks for winning the Dubai Sevens title and wish them well as they prepare for the Cape Town Sevens on 09 and 10 December 2023.

Condolences

Cabinet extended its condolences to the family and friends of

1. The 13th mine worker who succumbed to his injuries after the recent mine accident at Impala Platinum. The names of the 13 mine workers who lost their lives in this accident are: Khayaletu Joel Bhekamane, Vuyani Dangazele, Mgcineni Dlabone, Mncedisi Hukwana, Eric Fanisile Libada, Morena Mohlomi, Petrus Nare, Mandisi Nkulwana, Zwelethu Nomsuka, Reselebedi Elias Ntoi, Siyabulela Nzume, Lethola Qeba, and Marumo Shasha. May their souls rest in peace.
2. Veteran clinician, researcher and academic Prof Harry Seftel, who spent more than 50 years in the Department of Medicine at the University of the Witwatersrand, and passionately educated generations of medical practitioners and researchers.
3. Jermaine Craig, renowned media practitioner, journalist and former head of communications for the 2010 FIFA World Cup Local Organising Committee.

CHRISTMAS MESSAGE

Cabinet wishes all South Africans and visitors to our country, a restful festive season. Remember to Stay Alive on our roads by observing permitted speed limits, following distance and resting during long drives. We also wish to call on all South Africans to keep safe and protect your property but government remains confident that the plans put in place to keep South Africans and all in our shores during the festive season will be effective.

To members of the media who have enabled us to communicate the important Cabinet decisions, we thank you for the partnership in this year and looking forward to working together in 2024.

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Issued by: Government Communication and Information System (GCIS)

Date: Thursday, 11 December 2023

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