



## **MEDIA STATEMENT ON THE SPECIAL EXECUTIVE COUNCIL MEETING**

TO: ALL MEDIA

DATE: 23 September 2015

ATTENTION: Editors, News Editors and PR Wires

The Premier of KwaZulu-Natal Premier Senzo Mchunu today on 23<sup>rd</sup> September 2015, convened a special meeting of the Executive Council to consider recommendations of the Procurement Indaba that was held on 13<sup>th</sup>-14<sup>th</sup> August 2015 in Durban. The meeting was attended by Heads of Department, Chief Financial Officers and Chief Executive Officers of provincial public entities.

The Procurement Indaba had been attended by delegates from government and economic operators from across various sectors of the economy. Its strategic objective was to create a platform for all stakeholders and the state, to position public procurement as a necessary tool to advance radical economic transformation in the Province.

Among the critical issues for the Procurement Indaba was (a) to explore the possibility for localization and ring-fencing of certain economic sectors to achieve real economic transformation in KwaZulu-Natal; (b) identifying and reaching conclusions on what are obstacles to meaningful and sustainable participation of black people (especially Africans) on procurement opportunities provided by Government and the Private sector; and (c) to discuss the possibility of linking procurement to Government strategy in the revitalization of township economy.

Whereas the Executive Council noted discernible progress that has been made at both policy and legislative level towards economic transformation, it however concluded that there is still a perception in some quarters that Provincial Government has not reached required equitable levels of distribution of economic benefits to its citizens.

To deal with such perception, the Provincial Government asserted the role of public procurement as an important tool at its disposal for state intervention that will deliver real economic transformation. The Executive Council concurred with the conclusion reached by the Procurement Indaba, that the current public procurement spend does not reflect the demographics of the province. It further agreed that there is a lack of integrated and coherent approach in the implementation of procurement policy to advance radical economic transformation per the electoral mandate.

In this regard, the Executive Council resolved that public procurement must be placed at the centre of radical economic transformation, wherein government will intervene to advance economic inclusivity. It further re-affirmed its commitment of ensuring that all suppliers of goods and services that are doing business with the state, are representative of South Africa's demographics, in particular blacks (Africans in particular), youth, people with disability, women and to cater for veterans.

In advancing this resolution, procurement opportunities in government will be disaggregated by sectors to ensure that opportunities are matched with available skills within the SMME sector. This will ensure that there is balance between the quality of service and quantity of providers that provide the service.

Furthermore, the Executive Council resolved to utilise platforms created by the KwaZulu-Natal Economic Council, to engage the private sector to ensure that stronger procurement opportunities are identified, and channelled to small black enterprises. Bearing in mind the constant need to fight fraud and corruption, the use of modern technology will be leveraged in the issuing of tenders. As a part of building a capable state, the capacity of officials on market research will be enhanced to ensure that products/services procured by government are market based. The Executive Council called for improvements in payment turnaround time for suppliers to be between 15 -30 days.

The Executive Council established an Ad-hoc Committee that will lead the process towards implementation of these resolutions. It will be tasked with effecting that agenda of radical economic transformation. Premier Mchunu appointed Mr Mike Mabuyakhulu (MEC for Economic Development, Tourism and Environmental Affairs) as a convenor of this committee that comprises of Mr Ravi Pillay (MEC for Human Settlements and Public Works), and Ms Belinda Scott (MEC for Finance). The committee was directed to convene further engagements with other stakeholders at national and municipal levels.

#### **Update in the Public Transport Operation Instability around EThekweni**

The Executive Council received an update on actions taken by the Department of Transport, in dealing with instability in the taxi industry. The interventions made thus far, were unanimously supported. To this end, the Executive Council condemned acts of violence that has characterised the industry. The Executive Council rejects any attempt to undermine the law and has undertaken to act swiftly and decisively against any elements that act in contradiction with the law. It commended the law enforcement agencies for their actions that seek to uphold the law and safety of the public. It directed that law enforcement agencies must intensify their work consistent with their constitutional mandate.

Finally, on 25<sup>th</sup> September 2015, the Executive Council will embark on Cabinet Operation Sukuma Sakhe outreach programme to Ulundi in the Zululand District Municipality. The Executive Council wished the people of KwaZulu-Natal in particular and all South Africans in general, a happy and peaceful Heritage Day.

Ends

Issued by the KwaZulu-Natal Provincial Government

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