

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 2405**

**QUESTION:**

**2405. Mrs M O Clarke (DA) to ask the Minister of Public Enterprises**

1. What percentage as a stakeholder and state-owned entity (a) does Alexkor and (b) the Pooling and Sharing Joint Venture (PSJV) hold;
2. whether, in view of the fact that Alexkor and the PSJV are reliant on Government funding and should be open and transparent to the public, the two specified entities are bound to comply with the provisions of the Public Finance Management Act (PFMA), Act 1 of 1999, when making their financial decisions; if not, why not; if so, what are the relevant details;
3. whether the PSJV forms part of a schedule 2 Major Public Entity in terms of the PFMA; if not, what is the position in this regard; if so,
4. whether he has found that the PSJV must then comply with the provisions of the PMFA; if not; why not; if so, what are the relevant details? NW2780E

**REPLY:**

**According to the information received from ALEXKOR**

1. Alexkor and Richtersveld Mining Company (RMC) Pooling and Sharing Joint Venture, known as Alexkor RMC PSJV, is an unincorporated joint venture where Alexkor holds 51% interest and RMC holds 49%.

The settlement agreement reached between Government and the community of Richtersveld directed that land-based diamond assets previously owned by Alexkor be transferred to the community and Alexkor to retain the marine based diamonds assets

The Alexkor RMC PSJV is led by a board composed of three (3) members from Alexkor and three (3) from the communities.

1. In terms of the settlement agreement, the court ordered that R200 million be expended to the recapitalisation of the diamond operations post the prolonged court proceedings.

The terms of repayment are outlined in the settlement agreement. No further funding has been provided to the PSJV nor Alexkor

Alexkor is a Schedule 2 company bound by the PFMA. Alexkor RMC PSJV is not Schedule 2 company therefore it is not bound by PFMA provisions.

1. Alexkor is a Schedule 2 company bound by the PFMA. Alexkor RMC PSJV is not Schedule 2 company therefore it is not bound by PFMA provisions.
2. The Alexkor RMC PSJV is an unincorporated entity and does not qualify as a national public entity or a national government business enterprise based on the definition of the two by the PFMA namely the Alexkor RMC PSJV is not juristic entity nor under the ownership control of the national executive. Given that the Alexkor RMC PSJV is not a public entity that it could not be listed in either Schedule 2 or 3 of the PFMA. Section 3 of the PFMA provides that the PFMA applies to departments, public entities listed in Schedule 2 or 3, and constitutional institutions. The Alexkor RMC PSJV is none of these. It is therefore advised that the PFMA does not apply to the Alexkor RMC PSJV itself, in its own name.