



**environment, forestry
& fisheries**

Department:
Environment, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Ref: O2/1/5/2

NATIONAL COUNCIL OF PROVINCES

(For written reply)

QUESTION NO. 576 {CW641E}

INTERNAL QUESTION PAPER NO. 27 of 2020

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Mr C F B Smit (Limpopo: DA) to ask the Minister of Forestry, Fisheries and the Environment:

- (1) Whether there were any requests and/or demands to her Department or the Waste Bureau to buy and/or hire the equipment and/or machinery that was previously purchased with state funds and utilised by the Waste Bureau following the closure of the Recycling and Development Initiative of South Africa (REDISA); if not, what is the position in this regard; if so, (a) how much was requested by REDISA for the equipment and/or machinery and (b) what are the further relevant details;
- (2) whether her Department has paid the amount that was requested by REDISA; if not, what is the position in this regard; if so, what are the relevant details; and
- (3) whether any other amounts were paid to REDISA regarding this matter; if not, what is the position in this regard; if so, (a) how much in each case, (b) for what and (c) what are the further relevant details?

576. THE MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT REPLIES:

- (1) (a) Upon the withdrawal of the REDISA Waste Tyre Management Plan, the provisional liquidators permitted the Waste Bureau to utilise their equipment/machinery in order to ensure that the waste tyre operations could continue. The equipment was purchased by REDISA utilising monies collected from the tyre industry. However, when the final liquidation orders against

REDISA and Kusaga Taka were set aside by the Supreme Court of Appeal, REDISA, on 21 November 2019, demanded payment of the following:

- Compensation for the use of REDISA's equipment by the Waste Bureau in the amount of R6 795 091.00 per month, from 1 October 2017 to date;
- Compensation for damage to REDISA's equipment by the Waste Bureau in the amount of R16 749 012.80; and
- Compensation for services allegedly rendered in an amount of R363 171 005.18.

(b) A technical opinion was obtained from the Department's auditors to determine the fair market value for the use of the equipment for the period of its use and the legal implications of the various claims as well as the litigation and costs attached to this matter were considered and advice was taken in this regard as well. The onus of proof with regard to the alleged damages rested with REDISA, however no proof in this regard was not provided. The claim regarding compensation for services that were allegedly rendered was disputed.

(2) The total amount claimed by REDISA was not paid. The costs outlined in (a) below, exclusive of the alleged costs, claims and legal costs indicated in (b) to (e) hereunder, amounted to approximately R583 772 747.98 (five hundred and eighty-three million, seven hundred and seventy-two thousand, seven hundred and forty-seven Rand and ninety-eight cents).

Without an acknowledgment of any liability in respect of any of any of the claims, a settlement with REDISA and Kusaga Taka Consulting (Pty) was entered into, in terms of which an all-inclusive total amount of R45 000 000.00 (forty-five million Rand) was paid to REDISA in full and final settlement of ALL of the following:

- (a) REDISA's demands for payment of the following:
- (i) Compensation for the use of REDISA's equipment by the Waste Management Bureau in the amount of R6 795 091.00 per month, from 1 October 2017 to 30 March 2020;
 - (ii) Compensation for damage to REDISA's equipment by the Waste Management Bureau in the amount of R16 749 012.80; and
 - (iii) Compensation for services in the amount of R363 171 005.18.

- (b) All litigation that was pending at the time, namely:
- (i) Case number 70444/2016 in the Gauteng Division of the High Court, in which REDISA claimed relief to the effect that the National Pricing Strategy for Waste Management should be reviewed and set aside;
 - (ii) Case number 97731/2016 in the Gauteng Division of the High Court, in which REDISA sought relief to the effect that regulation 14 of the Amendment Regulations and regulation 9(1)(jA) of the amended Waste Tyre Regulations, should be reviewed and set aside; and
 - (iii) Case number 3634/2019 in the Western Cape Division of the High Court, in which REDISA sought relief to the effect that the withdrawal of the approval of the REDISA Plan be reviewed and set aside; that the REDISA Plan immediately be re-instated to operate indefinitely, subject to resubmission for approval at five-year intervals; and that a determination within 10 days had to be made as to whether or not to extend approval of a revised plan.
- (c) The costs granted to REDISA and Kusaga Taka by the Supreme Court of Appeal on the discharge of the provisional liquidation orders of REDISA and Kusaga Taka.
- (d) The costs incidental to REDISA's removal of its equipment from the Waste Bureau depots.
- (e) Any other claim that REDISA and Kusaga Taka, at the time, may have had, irrespective of whether such claim may be for costs, or was premised on any other legal basis.
- (3) Since the abovementioned settlement was entered into, no further payments were made to REDISA.



MS BD CREECY, MP
MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT
DATE: 23 SEPTEMBER 2020