



# Wes-Kaapse Provinsiale Parlement Western Cape Provincial Parliament IPalamente yePhondo leNtshona Koloni

## MINUTES OF PROCEEDINGS

### STANDING COMMITTEE ON FINANCE, ECONOMIC OPPORTUNITIES AND TOURISM

Friday, 17 July 2020 (09:00), Virtual Meeting via MS Teams, Cape Town

#### ATTENDANCE

##### Members:

##### **Democratic Alliance**

Baartman, D (Chairperson)  
Mitchell, D  
Van der Westhuizen, A

##### **African National Congress**

Nkondlo, N

##### **Absent**

Makamba-Botya, N (EFF)

##### **Additional Members**

Bans, A (ANC)(Alternate)  
Dugmore, C (ANC)  
MacKenzie, R (DA)  
Maseko, M (DA)(Alternate)  
Mvimbi, L (ANC)(Alternate)  
Philander, W (DA)

##### **Officials and Members of the Public**

##### **Ministry: Finance and Economic Opportunities**

Mr D Maynier, Minister: Finance and Economic Opportunities  
Ms C Green, Head of Ministry  
Mr R Botha, Strategic Analyst  
Ms F Higham, Media Liaison Officer

## **Department of Economic Development and Tourism**

Mr S Fourie, Head of Department

### **Wesgro**

Mr M Spicer, Acting Chairperson of Wesgro Board

Mr J Copelyn, Board Member

Mr T Harris, Chief Executive Officer

Ms L Schuurman, Strategy and Governance

### **Member of the Public**

Mr T Lepule, Reporter: Weekend Argus

### **Western Cape Provincial Parliament**

Ms Z Adams, Procedural Officer

Ms L Cloete, Senior Procedural Officer

Ms W Kamish-Achmat, Procedural Officer

## **1. Welcome, Apologies and Introductory Remarks**

The Chairperson welcomed the Minister, Members, Wesgro Board Members, officials and members of the public and media. The Chairperson noted the apologies from former Wesgro board members, Prof B Figaji and Ms J February, who were invited to attend the meeting. Prof Figaji indicated that since he was no longer a Wesgro board member, it would be inappropriate for him to attend the meeting. Ms February initially indicated that she would attend the meeting as an observer, but later issued an apology as she had another urgent board meeting to attend.

The Chairperson informed the attendees of the rules of engagement for virtual meetings and explained that the meeting would focus on the salary increase approved by the Wesgro Board for the Wesgro Chief Executive Officer (CEO), Mr T Harris. The Chairperson allowed the Minister to make a few opening remarks.

The Minister informed the Committee that Mr Harris' performance as Wesgro's CEO was not in question, nor was the considerable contribution made by Wesgro to drive the Province's economic growth and job creation. The concern was around the reappointment process, good governance and remuneration levels, which has led to a difference of opinion between the Minister and the Wesgro Board. The Minister had two concerns. The first concern was that the increase in remuneration as agreed to by the Board was significant and excessive given the current economic environment and the fiscal constraints. The second concern, which was also raised by some directors, was the manner in which the decision was taken by the Board. The total remuneration package, if the full bonus was given to the CEO, would amount to R3.5 million in 2021.

An offer was made to the Board to reduce the remuneration package, which the Board agreed to. Additionally, in the last few weeks, the Minister and Board discussed the matter and both parties have agreed to conduct an independent review on whether the process and decision to reappoint the CEO complied with applicable legislation, whether the decision and the determination of the remuneration level complied with the principles of

good governance, and whether the benchmarking exercise used to determine the level of remuneration (including the bonus) was credible and defensible.

**2. Briefing by the Wesgro Board on the process the Wesgro Board undertook to determine the remuneration of Wesgro's Chief Executive Officer, the factors the Board took into consideration when making the decision; and what the international best practice models are regarding remuneration in investment agencies**

Mr Spicer briefed the Committee on the subject at hand.

The Committee deliberated on the presentation.

**3. Resolutions/Actions**

3.1 The Committee RESOLVED that the Wesgro Board and the Minister provide the Committee with the following:

3.1.1 The written agreement between the Minister and the Wesgro Board to procure an Independent Reviewer, stating who the Independent Reviewer will be;

3.1.2 The mandate and scope of the Independent Review agreed to by both parties;

3.1.3 The overall cost implications for the Independent Review;

3.1.4 A copy of the findings of the Independent Review once completed;

3.1.5 Quarterly reports from the Minister going forward, reporting on all decisions made by the Wesgro Board for that quarter; and

3.1.6 A report on the risks in respect of leadership, governance and stability of the Entity due to the matter between the Minister and the Wesgro Board.

3.2 The Committee further RESOLVED that:

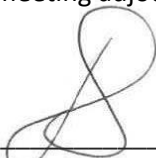
3.2.1 When legal counsel is sought by the Minister and the Wesgro Board in respect of the relationship between the two parties, that the interpretation of the role of the ex-officio person from the Department of Economic Development and Tourism serving on the Board should also be considered;

3.2.2 The Independent Reviewer selected by the Minister and Wesgro Board should consider input from ex-board members, Prof Figaji and Ms February, when reviewing the remuneration matter;

3.2.3 The Committee will revisit the request for Prof Figaji and Ms February to address the Committee once Members are given the findings of the Independent Review; and

3.2.4 The Committee must reiterate the dire need for dire economic growth in the Western Cape following the COVID-19 pandemic and appreciate the role that Wesgro will play in assisting the Province in addressing this mammoth task.

The meeting adjourned at 11h30.



**ADV D BAARTMAN, MPP**

**CHAIRPERSON: STANDING COMMITTEE ON FINANCE, ECONOMIC OPPORTUNITIES AND TOURISM**