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NATIONAL ASSEMBLY
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PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at Nieuwmeester Marquee at 14:03.

The Speaker took the Chair and requested members to observe a moment of silence for prayer or meditation.

The SPEAKER: Order, hon members. Order! Let's not behave as if ...

IsiZulu:

... sisemgidini wakwaHadebe.

English:

I can see all of you have your zezibizo [expensive warm coats]. Can I have the First Order of the day?

RESUMPTION OF DEBATE ON VOTE NO 1 - THE PRESIDENCY

(REPLY BY THE PRESIDENT)

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The PRESIDENT OF THE REPUBLIC: Speaker of the National Assembly, Deputy President Paul Mashatile, Ministers, Deputy Ministers and hon members of this House, thank you that this debate could happen as it did. I would like to thank all those who participated in the Budget Vote on the Presidency. I have addressed this House three times in the past week, outlining the agenda of the Government of National Unity and the steps that we intend to take to place our country on a path of growth and renewal. The programme of government has also been presented and debated in detail in each of the departmental Budget Votes.

At the heart of all of the policies that we adopt and the actions that we take, running as a thread through all the debates is the question of what kind of country we want to build. Many of us in this Parliament have dedicated our lives to the pursuit of a South Africa that is free, democratic, united and prosperous. We believe in our country's potential and we believe that the people of South Africa have what it takes to build a truly great nation with a thriving economy that creates jobs and lifts millions of people out of poverty. We seek to build a society in which every person enjoys the same opportunities regardless of their race, gender or background, in which every person is free to be exactly who

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they are or what they would like to be and in which we embrace our diversity and the inherent worth of every human being. Our struggle against apartheid was not only a struggle for liberation from racial oppression. It was also a struggle for a better life, and for a life of dignity and economic opportunity for all.

Yet, for too many South Africans, despite the many ways in which their lives have improved over the past 30 years, the promise of a better life still remains elusive. This is true for every person who is forced to live on the street for lack of shelter, for every parent who is forced to forego a meal so that their children can eat, for every young person who leaves school with a certificate but cannot find a job.

It is the plight of those who are poor, unemployed and living lives of great hardship that should occupy our collective attention. It is the great challenge of our democratic government and the intention of this administration to fulfil that promise of a better life for all. We have the skills, the talent, the resources and the will to do this. We have an opportunity now through this Government of National Unity to come together to make this vision a reality. It is this belief in our enduring ability to improve our society in what we can

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achieve as a nation by working together that motivates me and that is the driving force of this Presidency.

The Constitution requires me, as President, to promote the unity of the nation and all that will advance the Republic. In carrying out this constitutional mandate, I consider it my overriding duty, with all of us, to create a society that is more just, more equal, more compassionate and more humane. Our nation will never be truly united in the absence of equality and it can never truly advance in the absence of social justice.

As political leaders gathered here today, we owe it to the people of this country South Africa just as we owe it to those who fought for our democracy to pursue this task with dedication and with a good measure of urgency.

As we roll up our sleeves and begin our work as the seventh administration and as the Seventh democratic Parliament, we should demonstrate this commitment in our deeds as well as in our words. So, let us engage constructively and with respect. Let us show modesty and humility. Let us draw closer to the people we represent, not further away. Let us show in our actions that we are here to serve our people not to enrich

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ourselves or to access positions of privilege. Above all, let us show that government will work for the people and that we can create a new era of growth and prosperity in our country.

That is the task which the Presidency will focus on over the next five years, working closely with all departments and all spheres of government to implement the priorities that we have set out. Indeed, it is this that we want to engage in working with this Parliament as well.

There are some, like the hon Hlophe, who question the role of the Presidency in undertaking this task or whether it really needs the budget that we have tabled in this Vote. Some have argued that the Presidency should reduce its responsibilities while others like the hon Malema have argued that we should take over more functions such as the Police for instance.

It is important to understand that the role of the Presidency is to provide leadership and co-ordination, to ensure that the commitments that we make as a government are implemented swiftly and effectively, and to steer the ship of government working through all its structures in the right direction.

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Some of you have correctly said that the Presidency has convening powers. However, it is much more than that. It is to ensure that there is intergovernmental co-operation and execution. It is to ensure that we break down the silo mentality or approach to work and get everyone to work together.

Some in this House have said we are building a super Presidency that subsumes the role of government departments. On the contrary, the Presidency complements and strengthens the work of government as a whole.

The role of the Presidency is to guide planning, co-ordination and oversight, and support for the agenda of government through institutions such as the Cabinet Office, the Project Management Office and Policy and Research Services.

A number of speakers have raised the issue of the manner in which Parliament exercises its oversight functions with respect to the Presidency, including the possibility of a dedicated oversight committee.

It is correct ... [no audio] ... through its relevant structures, should give this matter consideration and

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determine the most appropriate way to fulfil its constitutional responsibilities. The Presidency, like the rest of the executive, is committed to honour its accountability to Parliament.

Some of you in the debate reminded this House that the Sixth Parliament, through its Rules Committee, has for some time been seized with the question of how best the Assembly can oversee Vote No 1 which is the Presidency, as part of the national Budget, mindful of the unique and overarching role of the Presidency.

This question arose as some political parties in the Assembly suggested that the Constitution of 1996 required the Assembly to establish or mandate a committee for this purpose. Other parties suggested that the Office of the President has grown in recent years and now incorporates a host of office bearers, advisors and functions.

This matter was raised by the Judicial Commission of Inquiry into Allegations of State Capture. In raising the matter, the commission's report, which was submitted to Parliament on the 23rd of October 2023, made some recommendations. Amongst others, the commission said:

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Parliament should consider whether it would be desirable for it to establish a committee whose function is, or includes oversight over acts or omissions by the President and Presidency, which are not overseen by existing committees.

On the 25th of April 2023, the Rules Committee of the National Assembly agreed that it would be instructive for a delegation of members to undertake a study tour, as we heard reported here, to engage other counterparts in comparative Parliaments on this matter. A study tour was undertaken to the UK and it took place from the 16th to 20th July 2023. I would've loved to have seen a similar study tour to other countries on our continent rather than just focusing on a Eurocentric approach. However, it is what it is. The study tour was undertaken.

The delegation engaged political representatives and procedural experts from Westminster, as well as independent institutions, in order to establish, among other things the general procedures and conventions relating to the oversight mandate of the House of Commons in the UK and the accounting responsibilities of the Prime Minister as the head of the UK government. It also looked at the procedures and structures employed to oversee the Prime Minister and the administration of his office, and it also dealt with details of the

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structures employed within Westminster and other institutions to scrutinise the Prime Minister and his office.

Upon return from this visit, which I wish had taken place in three, four or five countries on our continent, the committee came forward with recommendations. Their recommendations, as I've gleaned through the report and which I'm sure will still be debated here, said that while the South African Parliament already has comprehensive procedures to facilitate oversight and accountability, there remain features of the rules and practices that could be enriched. The National Assembly should remain proactive and open to reforms to support its systems and practices, and in the case of oversight over the Presidency, the Portfolio Committee on Planning, Monitoring and Evaluation be mandated to scrutinise the budget and spending of the Vote on the Presidency.

As this matter has been raised by the number of speakers here, I do believe that what the delegation has recommended is in line with the manner in which the Presidency is able to exercise its accountability to Parliament. I've said to my colleagues that we have nothing to hide. There is just nothing that we can say that we want to hide. We are accountable to this Parliament and yes, this type of process will enhance the

accountability of the President and the Presidency to this Parliament.

Some speakers raised the issue around the size of the executive. While we continue to seek ways to use the resources of the state optimally and sensibly, we have also had to ensure that we achieve inclusivity as well as balance particularly now as we have set up the Government of National Unity, where having up to 10 parties participating in the Government of National Unity is an unprecedented development in the history of our country. We believe that this is important to ensure governance outcomes that serve the interests of all the people of South Africa.

Yes, the size of the executive will continue to be under review as we move on and as our democracy matures. At this moment in our history, when we face complex and urgent challenges, strong and effective co-ordination from the centre of government is critical.

We have seen in practice the value of this approach through mechanisms led by the Presidency, such as the co-ordinating committees we have set up to deal with challenges such as energy and logistics and the entire reform process through

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initiatives like Operation Vulindlela. Much as one has been criticised for wanting to rely on a number of structures, what I have sought to do is to rely on the wisdom and the insights of as many talented and gifted South Africans as possible because this is the country we are seeking to build.

[Applause.]

With just a small team of dedicated officials in the Presidency and National Treasury, working closely with a range of government departments and entities, the reforms implemented through Operation Vulindlela have had a measurable impact on growth and investment.

Through structural reforms that we have implemented, we have embarked on some of the most strategic and critical sectors ... or have impacted on the most strategic sectors of our economy, as I indicated yesterday. They are in energy, in logistics, in telecommunications, in visa reform and in water. It is worth returning to this issue once more because it is important to see the bigger picture. We need to look beyond immediate challenges towards sustainability and to what will inject growth in our economy.

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By way of example, yesterday a number of speakers rightly pointed out that communities around the country still suffer with acute water challenges, poor quality of water and such. Of course, a number of Ministers who came to speak here did put facts on the table and were able to disprove some of the statements that had been made here.

Some called for the issue of water as a key developmental issue to be located in the Presidency. The reforms that are underway in water, like reinstating water quality monitoring systems, developing a raw water pricing strategy and establishing a water partnerships office to develop water infrastructure, have direct and material benefits for service delivery.

Improved water infrastructure ensures more reliable and sustainable water supply. Water quality management systems mean cleaner water and a reduced health risk for our people. The ultimate beneficiary is the people of South Africa, and strengthening and enhancing the economy of our country.

The same can be said of the other reforms being implemented. These are not some abstract plans going on somewhere. They are laying a robust foundation, perhaps the 10 foundation stones

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that one hon member spoke about, for sustained economic and social progress.

A number of hon members also raised the important issue of the reform of our state-owned enterprises ownership model. As I indicated in the Opening of Parliament Address, we are introducing legislation to establish a state-owned holding company to oversee and co-ordinate key strategic state-owned enterprises, SOEs, to co-ordinate and ensure that there is line of sight so as to make sure that we are able to see at one glance on one ... [Inaudible.] ... a screen precisely how our SOEs are functioning, what their financial health is, what their operational capability is, what their policy frameworks are and how they are progressing in terms of meeting our overriding objectives.

The legislation will assign the functions of the holding company, which will cover issues of governance and how boards are appointed. We have found that the number of SOEs that we have, have different ways of appointing boards and yet we are the same government and we have the same one shareholder, and every SOE does as it likes. I would like to see that coming to an end. We must all be pointing in the same direction.

[Applause.] At times some SOEs don't even issue their

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financial reports for years and all this happens below the screen or even underground. We carry on and on and yet an SOE is collapsing. The holding company will have to co-ordinate to have line of sight where even Parliament will be able to see exactly what is happening at one go. When it is time for reporting, everyone will be expected to present their ... [Inaudible.] ... and their reports so that we can see how the balance sheets look like, how the income statements look like and we can see how the policies that have been approved by this Parliament are being implemented. We will also be able to have line of sight on, for instance board remunerations. There are other SOEs that have vastly different board remuneration policies and yet we are the same government and we are the same shareholder. Executives are remunerated completely differently without proper processes and procedures; not necessarily that they should all earn the same but there should be procedures and the financial reporting which is important also has to be streamlined as to enable all of us to have a clear line of sight.

This does not mean that from the holding company level we are going to be running these SOEs. It is the co-ordination. This is in line with global best practice and is the approach taken

by many countries with SOEs that successfully fulfil a social and economic development mandate.

The Department of Planning, Monitoring and Evaluation has been assigned the responsibility to finalise the process towards the establishment of the holding company now that we no longer have the Department of Public Enterprises. It will establish a dedicated SOE reform unit with the appropriate expertise to oversee this.

The SOEs that were previously under the stewardship of the Department of Public Enterprises will report to their respective line departments in terms of policy and regulatory matters so as to avoid confusion.

While some in this House might be dismissive of the work being co-ordinated in the Presidency, let us not lose sight of what these measures mean for the everyday lives of South African citizens. They mean more affordable and reliable electricity, cleaner water, efficient trains and lower data costs.

While the capacity to drive these reforms required a budget in the tens of millions, it has unlocked more than R500 billion

in new investment in our economy. We should not lose sight of that.

We must therefore not only think of what it will cost for the Presidency to play this important role effectively but what value the work of the Presidency will have for our economy and our society.

The Presidency will continue to nurture strong and good partnerships with key role-players in our economy, with business, labour, civil society and a variety of other stakeholders. All these relationships will be very, very closely and well managed by Ministers and Deputy Ministers. This will also be enhanced as we go to the National Dialogue that we will convene to forge a common vision for our country, working together with other key role-players.

We will work closely with this Parliament to drive an ambitious agenda of legislative reform and to enable Parliament to play its own important role in holding the executive to account.

Just this week I signed into law the Climate Change Act, the Public Procurement Act, the Pension Funds Amendment Act and

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the National Small Enterprise Amendment Act. [Applause.] These new laws will take our country forward by strengthening our climate change response and building climate resilience, modernising our procurement system, giving workers access to their retirement savings and streamlining support for small and medium enterprises.

We have noted calls for programmes to include young unemployed people in various forms of work, training and development. Hon Hlophe raised this matter pointedly and said we should make military training compulsory so as to enhance discipline and get young people used to the world of work. Yes, that is an admirable dream but it costs money. If we had the resources to get all those millions of young people into, for instance training in the military, yes it could be done but we don't have the resources. So, therefore we have to manage our resources carefully and deploy them as wisely as we possibly can.

Contrary to some suggestions in the debate, we do have programmes that involve young people. These include the successful National Rural Youth Service Corps, which is called Narysec, which provides opportunities to unemployed young people in rural areas. We also spoke yesterday about other

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public and social employment programmes that have a large number of young participants. Yesterday, we also spoke about how we are engaging the private sector to scale up more and more employment intake for young people and indeed unemployed people in our country. All this will happen in a sequential way as our economy grows and as the reforms that we have embarked upon take full effect. The challenge we now have is to scale up many of these programmes within available resources to ensure that they have a greater reach and impact. We want to massify as many of the programmes that we have embarked upon and we will through the various pockets of funding that we have.

On the international front, we will continue to lead South Africa's engagements with the rest of the world, including as the upcoming host of the G20 presidency next year. This year we go to Brazil and next year the world comes to us here in South Africa. [Applause.]

Most importantly, we will ensure that the machinery of government works efficiently and that it is used to advance the people's interests and improve their lives. We will ensure that we reduce waste, rationalise and restructure our SOEs and continue to direct the majority of our budget towards

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sustaining the social wage and investing in infrastructure as we have said over the past three days.

Thirty years after we brought an end to the nightmare of apartheid, we must recognise that many South Africans are disenchanted and frustrated. Many people chose not to vote in the last election. Some are turning to extremes or even turning against democracy itself. We must seize the opportunity that this Government of National Unity presents to restore these people's trust in our democracy and to realise the promise of dignity and equality that is contained in our Constitution.

Now more than ever, we must demonstrate what the people of South Africa can achieve when we work together. A society is made up of the choices that its people make every day. Time and time again, in moments such as this, South Africans have chosen the path of progress. We have chosen peace, not violence. We have chosen unity, not division. We have chosen hope and never succumbed to fear. [Applause.] We have risen above adversity and we have beaten the odds. Even as democracy comes under threat across the globe with the rise of authoritarianism and ethnic nationalism in new forms, our

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democracy proudly remains firm and that is what we should be proud of. [Applause.]

Once again, South Africa has taken the lead and shown the way. People ... many heads of state keep asking, you formed a Government of National Unity which is quite a historic event in the history of your country. Please tell us how you did it. We will tell the story of how we did it because this has been quite unprecedented. [Applause.] Five years from now, let us be able to say that we have made a difference in the lives of our people. Let us ensure that we take our beautiful country closer to the society which we have all dreamt of and let us make sure that we do not leave anyone behind. I thank you all for participating in this debate. [Applause.]

Debate concluded.

The House adjourned at 14:40.