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HYBRID PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 15:01.

House Chairperson Ms M G Boroto took the Chair and requested members to observe a moment of silence for prayer or meditation.

ANNOUNCEMENTS

The HOUSE CHAIRPERSON (Ms M G Boroto): The first item on the Order Paper is questions addressed to the Ministers in Cluster 5, Economics. There are four supplementary questions on each question. Parties have given an indication of which question their members wish to pose a supplementary question on. Adequate notice was given to parties for this purpose. This was done to facilitate participation of members who are connecting to the sitting through the virtual platform. The

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members who will pose supplementary questions will be recognised by the presiding officer.

In allocating opportunities for supplementary questions, the principle of fairness, among others has been applied. If a member is supposed to ask a supplementary question through the virtual platform and is unable to do so due to technological difficulties, the party Whip on duty will be allowed to ask the question on behalf of their member.

When all supplementary questions have been answered by the executive, we will proceed to the next question on the Question Paper. The first question has been asked by the hon Gondwe to the Minister of Public Enterprises. Maybe I should go through this before and say that the Deputy Minister of Public Enterprises will respond to the questions. And then, on Public Works and Infrastructure - I will call you now, now, Deputy Minister. No, you can sit here. On Public Works, the Deputy Minister will also respond to the questions.

On Small Business Development, the Minister will respond to the questions, but on the virtual platform. I hope that hasn't changed. Deputy Minister Majola will respond to the questions

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on Trade, Industry and Competition here in the Chamber. On Tourism, the Minister will respond to the questions on the virtual platform. And on Transport, we have the Deputy Minister in the Chamber to respond to the questions.

I hope we agree. I have letters that have been approved for the delegations that the Ministers have made and those that are unable to be here physically. I'm not going to read them. Now I will welcome the hon Deputy Minister of - what is this?

Mr A H M PAPO: Chair, I just wanted to clarify that the reason some of the Ministers are answering on the virtual platform is because there's physical Cabinet meeting in Tshwane. That's why the arrangements are like this, and we've done it before. Just so we don't have a rumour on anything.

The HOUSE CHAIRPERSON (Ms M G Boroto): Okay. I don't have a pen here. The hon Deputy Minister, the question now is Question 247 asked by the hon Dr Gondwe to the Minister of Public Enterprises. It's your opportunity now.

QUESTIONS

Cluster 5 - Economics

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Question 247:

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela):
House Chairperson, in November 2019, Cabinet decided that SA Airways, SAA should be restructured, and that Strategic Equity Partner, SEP should be sought. Due to the SAA's financial difficulties, SA Airways entered voluntarily into business rescue in December 2019.

The COVID-19 pandemic exacerbated challenges further leading to SSA being placed in care and maintenance. Repatriation flights were conducted during that time, but government acknowledged it lacked funds for ongoing support, despite its commitment to saving SAA. While SAA was in business rescue, the department received expression of interest from parties interested in SAA.

The department appointed the transaction adviser to evaluate the expressions of interest. After evaluating the expressions of interest, the transaction adviser could not identify a suitable SEP for SSA. The department then evaluated the further expressions of interest that were received, and Takatso Consortium was appointed as a preferred Strategic Equity Partner.

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On the 4th of June 2021, the department entered into a memorandum of understanding, MOU with the Takatso Consortium as the preferred Strategic Equity Partner and gave approval for the Department of Public Enterprise to proceed with the preferred SEP.

Cabinet also instructed the department to conduct due diligence processes and finalise the sale and purchase agreement at the appropriate time. On the 11th of June 2021, Takatso Consortium was officially announced as the preferred SEP.

Following the announcement, the department began its due diligence on Takatso consortium, where they are obviously in terms of their financial capabilities while the consortium commences due diligence on SAA. After the due diligence processes were completed, all parties signed the sale of shares agreement on the 22nd of February 2022.

The transactions required approval from the Competition Commission based on the recommendation of the Competition Commission as it exceeded the commission's approval threshold. The measure was submitted to the Competition Commission in

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June 2022. However, the assessment process was prolonged due to requests for information and objections from interested parties.

Finally, on the 25th of July 2023, the Competition Tribunal approved the measure with certain conditions. These conditions included requiring minority shareholders of Takatso Aviation (Pty) Ltd to divest their respect shareholdings in Takatso and ensuring that SAA refrains from retrenching employees due to the measure for a period of five years.

Two evaluations were conducted for the airline. The first occurred during the COVID-19 period when the airline was grounded utilising a liquidations asset valuation methodology. This asset valued the property at R2,4 billion while the business was appraised at the bench between zero and negative value.

However, over the last three years, market conditions improved, and the economies saw advantages leading to a resurgence in demand of the travel. Consequently, a new evaluation was necessitated, and the revised business

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evaluation stood at R1 billion, while their property evaluation rose to R5,5 billion.

Following the second evaluation negotiations between the Takatso and the government to revise the transaction structure, considering public interest and fair market pricing, however, these requirements were not met leading to the termination of the sale of shares agreement by mutual consent. Thank you very much.

Dr M M GONDWE: Deputy Minister, one of the things that the cancellation of the protracted and secretive SAA Takatso deal has shown is that this ANC-led government is not serious about introducing private sector investment into our beleaguered and ailing state-owned enterprises, SOEs such as SAA and weaning them off completely from a chronic dependence on taxpayer funded bailouts.

That having been said, Deputy Minister, your department went to great and at times extreme lengths to keep the terms and conditions surrounding the SAA Takatso deal, as well as how it was structured a secret. The details surrounding the deal were not only kept secret from members of the public, but also from

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Parliament, National Treasury and the Auditor-General, despite the fact that the subject matter of the deal related to the sale of shares in a public or state-owned asset.

Now that the deal has been cancelled and is no longer a live transaction, we're expecting you Deputy Minister, to be transparent and open about the details surrounding the deal. My question to you Deputy Minister is, what are the relevant details of the due diligence that the department undertook or conducted in relation to both the valuation of SAA by Rand Merchant Bank, RMB and the ability of Takatso Consortium to provide the equity needed to consume and conclude this deal? Thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela):

Thank you very much, hon Gondwe. The privatisation matter is not the ANC policy as you would know that even the sale of SAA, for private people to take a 51% stake was because of the conditions that existed at the time where the airline was under business risk. It could have gone liquidated, or anything could have happened like SA Express, it no longer exists simply because of similar conditions.

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So, when the negotiations took place, the bidder was Takatso and they negotiated very hard to say either we take 51, you take 49% or the deal is off and that was the only available bidder at the time. The department's request was 60% for the state and 40% for a for an equity partner. But that unfortunately could not be achieved because the airline was in trouble, was grounded and was almost liquidated.

Therefore, privatisation was not our first option. It could not have been. The details as you said that they were kept secret, those are the issues of the negotiations when you go into some of the transactions against other competitors not knowing, they are not secret simply because they will not be known later to anybody in the public.

Should you need those details now, I know that you are a member of the committee and you have seen them. So if you are asking that they should be published because the deal is no more and the public still wants to know, then that is something that we can look at. Thank you very much.

Ms J C N MKHWANAZI: Minister, considering that achieving that unfulfilled transaction closing conditions, precedence to the

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SAA Takatso Consortium deal were unlikely to be met on the on the specified date, Minister, what will the government be doing to ensure the sustainability of SAA post the cancellation of this transaction? Thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): Hon Mkhwanazi, as you know that the Minister indicated at the press conference when the deal was cancelled and in the statement by the Department of Enterprises that between 12 to 18 months, we don't need any person or any strategic partner. The SSA is doing well, and we will continue to do so.

However, we need them to begin to say what happens beyond those 18 months, whether we'll definitely be needing any or not. So, the analysis in the market that the information will have to be looked at and obviously the seventh administration Parliament will then begin to look at the matters and the new government that is going to be set at that particular time.

For now, for at least 18 months, they SAA will be running solo and it will continue to do so, but it does not mean that they may not face troubles, but should they and then the analysis indicates otherwise, we will then have to engage, and the

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matters will be brought forth for further engagements. Thank you very much.

Ms Y N YAKO: Chair, just one second for me. I will just get to the question now. Okay, we have heard the explanations surrounding the cancellation of the Takatso deal, which fails to address the more pressing concerns. We pose the question that targets significantly more specific issues. Without telling us about stories of the past freedom struggles or your struggle credentials, can you explain the difference between the allegations against former President Jacob Zuma, involving the Guptas and your actions with Harith General Partners on attempts to privatise SAA and friends and cronies?

Furthermore, why should there not be a broader investigation into Harith General Partners, especially if their business model seemingly relies on politicians like you to engage them without their submission of tenders and proposals, by specifically that? Thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): Hon member, I think the question is raising no issues that are about certain people that are mentioned, allegations that are

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there as you say. However, if you can go to reports by Standing Committee on Public Accounts, Scopa, they have given a very elaborative report about their own investigations on certain people and individuals. Almost 104 cases that they've listing in that report.

Just go to Scopa and ask them to share that report with you. It will then indicate what actions and what proposals are there. Unfortunately, I don't have that information with me now as I'm standing on this podium, but Parliament has the information, it was submitted by the Special Investigating Unit, SIU and I think you will get to know who was involved in what. For now, let's leave it there.

Mr A M SHAIK EMAM: Deputy Minister, I have done absolutely everything to get answers why we initially sold our 14 aircrafts for R35 million each and rented it back for R44 million. It doesn't really make financial sense. However, now given the fact that this agreement is now cancelled, and you say you've got 18 months and where we could run, I think as a going concern, are we going to wait for 18 months to establish, Deputy Minister that we might need a partner or do you believe that there will be a need soon to relook at that,

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given the performance of SAA so that we don't find ourselves in a difficult position 18 months later when we have to now look for a new partner? Thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): Hon Shaik, definitely when one looks at airlines that are owned by states across the global platform, you then begin to realise a new trend of Strategic Equity Partners but the state remains a majority in all of those airlines because their timing was perfect in terms of beginning to realise some troubles in the market, and then they then crowd in private sector and there's nothing wrong in doing so in some concessions and so forth. And that is not privatisation.

However, it's now involvement of that, but the state must remain with 60%. And that has been the initial decision and the position of the department even then, and not allow an airline to go into liquidation stage because that's where negotiations become very difficult if it's beginning to fall.

Therefore, we'll definitely be looking at that. It will be a transparent process and we have learned lessons from the previous one so, that everyone can then see and then begin to

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do their own analysis and see why we needed this strategy. We will not wait until there's trouble. Thank you.

Ms M S KHAWULA: Chair ...

IsiZulu:

... ngokukhulu ukhlonipha. Esontweni uma kufika umfundisi omusha liyatshelwa ibandla. Lo Ngqongqoshe mina angimazi. UNgqongqoshe oqhamukaphi lo? Asimazi nokuthi ubani, musani ukudlala ngathi nina.

USIHLALO WENDLU (Nk M G Boroto): Mam' uKhawula ngiyaxolisa, yimi. Kushelele ulimi, ngiyaxolisa.

Mr M MANYI: Chair, I'm just rising on a point of privilege. Noting that these proceedings are public, all of us sitting here know the question, but when you deal - and I know this has been tradition in the House here that you just simply say Question 228 and the Minister or an executive launch into an answer. But a person watching from home does not have these questions. Does it not make sense that the question that is an original question here, maybe you repeat it there as the Chair for the benefit of the public?

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The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you. Maybe that is a good suggestion that might be spoken about later and not now in this session. You can propose that to the Rules Committee to deal with it, but for now this is how we are working. Thank you. Hon Deputy Minister, I'm sorry for that. And, you can take your seat when there points of order so that you don't just stand. Question 228 by the hon Maotwe.

Ms M S KHAWULA: Sorry my lovey.

IsiZulu:

USIHLALO WENDLU (Nk M G Boroto): Cha, bazongishaya.

Nk M S KHAWULA: Uxolo, Radebe musani ukudlala ngathi.

English:

We are not here to play.

IsiZulu:

Sicebeni ukuthi uNgqongqoshe lo ungubani wakabani. Nithatha noma ubani azokwenza ... nidlala ngathi yingakho kuhamba izikhwama zezimali.

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The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Khawula, I said to you ...

IsiZulu:

... ngesiZulu ngathi ngiyaxolisa ukumbiza uNgqongqoshe. Uma ngiqala la ngishilo ukuthi wobani abakhona lapha eNdlini. Ngasho ukuthi kuneSekela Ngqongqoshe Wamabhizinisi Omphakathi. Ngakho asiqhubekeni. Qhubeke Sekela Ngqongqoshe.

Question 228:

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): Hon House Chairperson, two evaluations were conducted for the airline. The first occurred during the COVID-19.

[Interjections.]

Ms O M C MAOTWE: This Deputy Minister of yours must not lie here.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): The first occurred ...

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The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Maotwe, do not repeat that! Proceed hon Bapela.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): The first occurred during COVID-19 when the airline was grounded utilising liquidation asset valuation methodology. This assessment valued the property at R2,4 billion, while the business was appraised at range between zero and negative value because there were no sales, no tickets and nothing was moving at that time.

However, over the last three years market conditions improved and the economy slow advancements leading to a resurgence in demand for air travel.

Consequently, a new valuation was necessary. The revised business valuation commissioned in 2023 stood at R1,4 billion, while the property valuation rose to R5,5 billion. In total it is R6,5 billion.

Following the second evaluation negotiations ensued between Takatso Consortium and the government to revise the initial transection structure considering public interest and fair

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market pricing. However, these requirements were not met leading them mutually agreed termination of their transactions amongst others. Despite the termination of the negotiations, there is optimism regarding the future of the airline and the idea that it will depend on government bailouts going forward it will be disregarded. With SA Airways, SAA, showing an improved financial position there is confidence that it can remain self-sustaining. And I think I did give a period on that more over alternative avenues for immediate financing are available and are currently being explored. However, it is crucial to emphasize that SAA will not receive funds from the fiscus in the foreseeable future.

The focus must be on running operations as efficiently and profitably as possible ensuring the airline self-sustainability going forward. I thank you.

Ms Y N YAKO: Hon House Chairperson and hon Minister, everything we are hearing from you does not add up. Especially after the director-general's bombshell in Parliament. Dodging around public documents and blocking every attempt to hold you accountable. Plus, your acts of being untouchable is too much.

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Plus, we can only see it as corruption we have tried to warn everyone. So, Minister, straight up: Are you corrupt?

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela):

What did you say?

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Yako! What is your question to the Minister? Sorry, I did not get it.

Ms Y N YAKO: Hon House Chairperson, I am not stuttering. We are asking: Is he corrupt?

The HOUSE CHAIRPERSON (Ms M G Boroto): Alright.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela):

Thank you very much for the question. However, to ask if somebody is corrupt without any investigation has been done on them I do not think we should then conclude on that. So, I cannot say ...

Ms Y N YAKO: Answer the question!

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The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Yako, do not do that!

You cannot take a mic and start speaking without being recognised and start speaking!

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): If there are any other things that people know, they are free and can go to the nearest police station and lay charges so that such can be investigated by those who have the authority to do so.

The HOUSE CHAIRPERSON (Ms M G Boroto): Order!

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): So, it is unfair to be asking in Parliament if somebody is corrupt or not, hon members.

The HOUSE CHAIRPERSON (Ms M G Boroto): Order, hon members.
Order!

Ms O M C MAOTWE: Hon House Chairperson, on a point of order.

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The HOUSE CHAIRPERSON (Ms M G Boroto): Order, hon members. Hon Maotwe.

Ms O M C MAOTWE: Yes, hon House Chairperson.

The HOUSE CHAIRPERSON (Ms M G Boroto): Order, hon members. Hon Maotwe, we do not do that.

I told you to not do that from the beginning.

You must raise your hand I have gadgets in front of me. You hand is not up you just switch on the mic and start ask questions. I am not going to allow that to happen. Please.

What is your point of order?

Ms O M C MAOTWE: Hon House Chairperson, thank you very much for that indulgence.

The question is simple: Are you corrupt? Why can't the gentlemen answer the question?

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The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Maotwe, thank you very much.

Ms O M C MAOTWE: Why is he dealing with wrong investigations!

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Maotwe, you are out of order!

That question has been responded to and I am not going to allow you to do that again!

Ms O M C MAOTWE: He is corrupt!

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Maotwe, if you continue speaking information and communication technology, ICT, please remove the hon Maotwe from the platform!

Ms O M C MAOTWE: He is corrupt!

The HOUSE CHAIRPERSON (Ms M G Boroto): Order, hon members. Hon Maotwe, I am not going to have this debate with you.

Please, ICT, remove the hon Maotwe from the platform!

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Thank you, let us proceed.

The hon Phiri.

Sepedi:

Moh C M PHIRI: Ke a leboga, Modulasetulo.

English:

Hon Deputy Minister, can I prophesy? Hon Deputy Minister, can you receive to be a Minister today actually, you are being prophesied.

I am drowned.

Hon House Chairperson my question is that since the evaluation of the value of the airline and its properties was not the sole reason why the airline consortium had to be cancelled: What is the Department of Private Enterprises is doing to make sure that the airline is seen as the potential partner and the cancelled deal does not affect its reputation in the evaluation industry?

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And really receive Deputy Minister, you are going to be a Minister. I prophesy!

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): Hon Phiri I will not respond to your prophesy for now. Certainly, we will be looking at the airline to make it profitable as earlier indicated in the main response and ensure that it grows because it was able to demonstrate since this deal was not happening and there was no money that Takatso Consortium has put in. However, SAA can rise and is now on the sky. It is growing and new routes they are covering.

Currently, we want to see more of the domestic routes and also in other international routes. Recapture the market slowly but surely on its own. Unless obviously the issues of the market volatility do happen. And again, a strategic equity partner possibility remains just there. As I have said, we will do it transparently taking lessons from the recent. However also, in the negotiations there is what we call respecting whatever confidentiality that are there. Confidentiality does not mean that it is a secret. It is just to say for that moment of the talk's things are kept in rap and then at a point when the deal is over then the deal goes public again.

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Can I assure South Africans that that is how the model is and we will keep it in that behaviour. Thank you very much.

Dr M M GONDWE: Hon House Chairperson and Deputy Minister, Minister Gordhan's assertion that notwithstanding the cancellation of the SAA Takatso deal, SAA will not collapse and nor will it need the taxpayer-funded bailout to keep it afloat for the next 12 to 18 months. Really does not make sense because according to the Auditor-General, AG, the airline is in a financial mess. Further according to the AG, although the airline has been at the receiving end of billions of rand in taxpayer-funded bailouts from 1 April 2018 to 3 April 2023, it still managed to sustain loses totalling R20,9 billion over this period.

Deputy Minister, please provide details on how SAA is going to be able to sustain itself for the next 12 to 18 months following the cancellation of the deal in the absence of it being granted additional taxpayer-funded bailout or acquiring another strategic equity partner with very deep pockets you alluded to it will be able to sustain itself? I want details on how it is going to sustain itself. Thank you.

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The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): I think as you know, the past two financial years it was recapitalised with certain conditions.

Alright. No, no. Let me answer please, hon Essack!

And that was to deal with creditors who were hovering around so that it can then clear its books.

Secondly, the second money that went into it is now able to buy four additional aircrafts as was announced in the committee by the Minister here in Parliament. Now that is why new routes are being opened and expanded. They will soon be taking over those routes.

Why they have not done so by now is because the airline industry has not been manufacturing airlines and they are looking in the market to buy so that then we are able to take those long-term routes. And some are targeted to be opened in December and others early next year.

So that obviously it is business, and you make money out of the travels and the more tickets. However, the more you have

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more airlines, and the more routes are being opened that is sustainability.

I think let us take what they have done so far and say we are now assured that it is on the sky and it does not need money now except that recapitalisation that was necessary at the time.

However, as indicated earlier hon Gondwe that at the point towards 12 towards 18 months we will not relax we will be looking at the market volatility but at the same time begin to look at a strategic equity that might be necessary. Therefore, we are not ruling out that possibility. So, it will be there, but the state will remain the majority not to privatise where we are a minority. We just want to assure South Africans on that one. Thank you.

Inkosi R N CEBEKHULU: Hon House Chairperson and hon Minister, could you please provide detailed information with regard to the identity of other bidders who participated in the process to acquire a stake on SAA, furthermore, is the department actively considering these other bidders in light of the now collapsed deal and if so, what criteria will be used to access

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their viability as potential silent partners of SAA? Thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): As the question is almost new though connected. The information on other bidders was submitted to the portfolio committee as to who are the other bidders and what happened to those bidders; that information was also presented. However, I do not have it as I am standing at the podium now. I would not want to shout names and only to find out that I misled Parliament to some extent. So, therefore if that information we can provide it in writing to you and ensure that it can then be in your hands at a particular point. Thank you.

Question 212:

The DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (Ms B Swarts): Thank you, House Chair. The refurbishment of Telkom Towers is not focused on the *Occupational Health and Safety*, OHS, compliance issues due to budget constraints and these were attended to. The delaying appointment of the total facilities maintenance contract exasperated the condition of the tower. The total facilities management, TMF, has now been appointed from the 19 February 2024 and the maintenance

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challenges will be responded through both preventative and corrective maintenance. The Property Management Trading Entity, PMTE, has developed the *Refurbish, Operate and Transfer Programme*.

The ROTP aims to collaborate and form partnerships with the private sector, wherein the private sector will invest their resources to refurbish these facilities, operate them for a period of 20 to 25 years, including maintenance and hand over the facilities back to government after this period. The government will repay the private investor for the duration of the lease through the user accommodation charges collected from the client departments aimed at partnering with the private sector to engage. The Property Management Trading Entity has prioritised and engaged the SA Police Services for the roll-out of the ROTP for all the remaining towers. The roll-out is planned for the implementation before the end of this calendar year. Thank you, Chair.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you. If you don't mind, as I call you, you may sit but it's up to you. Okay, hon Mjobo?

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Ms L N MJOBO: Thank you, Chairperson and thank you Deputy Minister for the clear response. What will be the timeframes and cost to ensure that Telkom Towers building is revamped and fit for purpose. And how will it be funded? Thank you, Deputy Minister, and thank you Chairperson.

The DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (Ms B Swarts): Hon Mjobo, the Department of Public Works and Infrastructure has done refurbishment of the Telkom Towers, and due to budgetary constraints, we were unable to complete the rest of the towers. A total facilities management has now been appointed from the 19 February 2024. The maintenance challenges will be responded through ... Sorry for that, Chair.

The HOUSE CHAIRPERSON (Ms M G Boroto): No problem. Proceed. You still have time.

The DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (Ms B Swarts): The timelines for starting the ROTP process and Telkom Towers will start from April till October, whereby the service providers will be appointed subject to National Treasury endorsement. The construction and refurbishment will

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be estimated around 18 to 36 months to complete the construction activities. The technical team will be concluding the actual refurbishment estimate by the end of April 2024. Thank you, Chairperson.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you. The next question will come from the hon Seithloho.

Mr I S SEITLHOLO: Thank you very much. I'll pose the question as directed to the Minister. Telkom Towers has been a mess for the entire Sixth Parliament. There have been at least two oversight visits, and the issue has been raised consistently with promises having been made. Implementing agents were appointed with enormous amounts of money spent, while there has also been a duplication of costs in terms of rent that has to be paid to house SA Police Service, the SAPS, members outside Telkom Towers.

The Minister has been appointed as the Department of Public Works and Infrastructure's Minister for well over a year now and is in Cabinet with Minister Bheki Cele, which then begs the question, why are they not talking to each other? No one has taken full responsibility with blame shifted towards

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implementing agents, the SAPS, etc. Is the Minister willing to man up and take responsibility for the collapse of Telkom Towers? What consequence management will be implemented for all those responsible for the mess that has cost taxpayers well over R1 billion. Thank you.

The DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (Ms B Swarts): Thank you very much, hon Seithloho. I must say that the Minister of Public Works and Infrastructure has been meeting with the Minister of the SAPS, Minister Bheki Cele, and that ever since arriving at the Department of Public Works and Infrastructure, the Minister has been engaging with the SAPS. I must say, hon Seithloho, that I think that Telkom Towers has been a problem for over years, but the biggest problem as well is that the SAPS was in the building and then you are trying to fix the building at the same time. Now, moving around from different sides - from the north to south of the tower, trying to fix the towers with tenants already in the building was also a problem on its own. You have said that there are several service providers that have been appointed like Coega and all the people that have been appointed to fix the towers. As a member of the portfolio committee, you will know that time and again the portfolio committee has posed

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questions to the department. I think that implementing the rehabilitate-operate-transfer, ROT, and the build-operate-transfer, BOT, is going to assist us to solve the problems of the towers because indeed, with the ROT and the BOT, that is the solution that exist now. Over the years, trying to renovate and fix a property with tenants inside was never going to work at all at the same time. Whether you say they must move from the south tower to the north tower, I think that was a mistake in the beginning after all, to say that you will try and fix a building of that magnitude with tenants inside it. Thank you very much.

Mr A M SHAIK EMAM: Thank you very much. Deputy Minister, almost all departments raised concerns about the capacity at Public Works to address the challenges they face in their buildings, whether it's Police, Health or many others in terms of maintenance and things. What really is the problem at the Department of Public Works that they cannot deal with this effectively and in a satisfactory manner, including Telkom Towers? And I think you have given a comprehensive explanation on Telkom Towers, but many other buildings are experiencing the same problem. Please advise on this matter. Thank you.

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The DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (Ms B Swarts): Thank you very much. I think that we must take note that as the landlord of government, we have got 88 000 buildings that Public Works oversees. These buildings include the whole of government. I think that what is going to assist us - which we did not find on the table and are trying to do now and through the oversight of the portfolio committee is that we are implementing a total facilities management plan. This is a plan that is going to assist us because we know that with the magnitude of the buildings we have and not to have maintenance issues is that each building should have a maintenance person who oversees the buildings.

It has been a negative part to not have maintenance people who are always there. Through the workshops that we are implementing throughout the provinces and trying to build our own capacity as Public Works and not relying on consultants and service providers to maintain the buildings, we are going to build our internal capacity. This is possible because we have the National Youth Service Programme which is training youth in plumbing, carpentry and painting and all that so that in each and every region and province in the country, we have a workshop so that when we need to do maintenance, we are not

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calling a service provider to give us quotations, but we will call a person who is employed at Public Works to go and to maintain. Thank you very much, Chair.

Mr P A VAN STADEN: Thank you, House Chairperson. Deputy Minister, it is clear that the Department of Public Works and the government have been dragging their feet with the maintaining and upgrading of its buildings and Telkom Towers is one of them. According to the head of a Property Management Trading Entity, it will cost approximately R32 billion to repair and upgrade these facilities.

During the Sustainable Infrastructure Development Symposium South Africa held in Cape Town earlier this month, it was indicated that government wants the private sector to become involved in the refurbishment of state-owned buildings and Telkom Towers is one of them. The private sector would operate these buildings through the total facilities management and after a certain period transfer the buildings back to them. My question to the Deputy Minister is, "Can the Deputy Minister indicate if the private sector is willing to become involved in these projects, and if not, why not? Thank you, House Chairperson.

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The DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (Ms B Swarts): Thank you very much, hon Van Stadden. The private sector is willing to partner with us because we must know that BOT is not a new system that we are bringing in. We know that the N3 was built a BOT system and that this year the private sector will hand over that road to the SA National Roads Agency SOC Ltd, Sanral. So, it's not something new that we are inventing. The BOT and ROT has been part of government. And indeed, we have done consultations, and the private sector is willing to partner with us and operates the properties for 20 to 25 years and hand it back to government. So, we are not reinventing something new. The living proof of that is the N3. Thank you very much.

Question 213:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: House Chair, good afternoon to all the hon members on the call and physical with yourself. Hon members, you would recall that as the department we recently ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Order! Order! Wait Minister, no, no, no, we must listen to the answer. Otherwise, you would be asking new questions. What is it? It is not her,

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it's this gadget. No, proceed and keep quiet please. You all want to listen. Proceed, Minister.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: House Chair, as I was saying that the National Assembly recently are adopted the National Small Enterprise Amendment Bill, are which amongst the objectives that it serves is to establish the Office of the Ombud, and what will this office do, is to also focus on late and nonpayment of service providers for small enterprises by both the private and ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members, order. Hon Minister? Hon members, the person who asked the question needs to know what to say when he makes a follow up question. What is your problem. It's not burning, it's the gadget and the network. What's your problem? Keep quiet, please. Hon Minister, as you come back, you will switch off your camera because that's what they are concentrating on. What is it, hon Mcpherson?

Mr D W MACPHERSON: No, we don't know whether she is kidnapped, or she is being held hostage. It is not normal to do something like that.

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The HOUSE CHAIRPERSON (Ms M G Boroto): ... [Inaudible.] ...
You are wasting my time. Hon Minister, there is something wrong with your picture and that's why they are making noise. Just switch off your video and answer the question. Order! Order! Order! Hon Minister, they have been making noise. I am giving you your full four minutes to risk that you reply. Thank you.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: House Chair, the department had presented to the National Assembly, the National Small Enterprise Amendment Bill, which provides for the establishment of the Office of Small Enterprise Ombud Service that will amongst other thing functions focus on the late and nonpayment of legitimate invoices for small enterprises by both public sector and the private sector.

Now in the same Bill that has now been adopted by the National Assembly, we also say in certain provision for unfair trading practices and in those the Bill describes the rights of small enterprises and one of this right is the right to a reasonable payment date and interest on late payments.

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Furthermore, hon members, as the department, we are busy finalising an IGR framework for small, medium, and macro enterprises, SMME, and co-operatives development. The framework aims to provide adequate IGR structures for our portfolio to co-ordinate and direct the policy discussion, SMMEs development and across the three spheres of government. The framework further introduces an SMME to advance a co-ordinated, planning, implementation and reporting on the impact of government interventions on SMMEs. This tool is composed of indicators that are aligned to the Medium Term strategic Framework, MTSF, and introduces indicators to monitor the easy of doing business for SMMEs.

The 30-day payment matter is included in the tool as an indicator for all three spheres of government to report on. Further, we are following consultations with the National Treasury and the Department of Planning, Monitoring and Evaluation. We have made recommendations to the Standing Committee on Appropriations on the Adjustments Appropriation Bill to strengthen the enforcement of compliance to the 30-day payment obligation to ensure that all organs of state will pay invoices to small enterprises within the require time frame of the 30 days.

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We are also working with National Treasury to strengthen regulations on the reporting requirements for the late payment of legitimate supplier invoices to differentiate between small enterprise suppliers and large enterprise suppliers.

These, therefore, hon members, means that the department will be enabled to specifically follow up on the late payment of legitimate small enterprises. Thank you so much, House Chair.

Ms N MULLER: Thank you, Minister, for that comprehensive response. My question is, please provide us with the implementation plan based towards resolving the matter of nonpayment and to late payment with small businesses for products and services rendered and delivered to clients who mainly state organs. Thank you.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: House Chair, as I respond to the hon member that has asked the question, we are not able to put specifics, but we outlined earlier that the Bill that we have submitted seeks to establish an office that will be dedicated to look at this. I am highlighting this, hon members, because as things done the department does not have the regulatory powers until the Bill is passed and signed into

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law then the Office of the Ombud will be able to deal with that.

In the earlier response, I did mention that we are working closely with the National Treasury and the Presidency to strengthen existing relations that we have and the regulations, therefore, that are in place.

Now this means that what we have proposed in the interventions that we are engaging this department on is that the Treasury instruction that requires the department and municipalities requires to submit information on compliance with 30 day payment obligations be strengthened to allow for the differentiation of payment of small or large enterprises as I said.

I mentioned again that we are busy trying to ensure that the current systems that are in place that look at the national government, the provincial government and the local government must, therefore, be integrated in a manner that allows them to be able to report this and we be able to make amendments when necessary.

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Now the differentiation of the information according to the different size categories of enterprises will therefore enable the assessment and further analysis on noncompliance. As things stand, Chairperson, I would like to end there.

Mr J N DE VILLIERS: Minister, the number of invoices add to SMMEs by the ANC government itself is older than 30 days and not paid by national department at the end of June 2023 amounted to 1 406 invoices. That's a regression of 42% from the previous year, the end of 2022. Nonpayment of invoices is not just unethical behaviour, it is unlawful.

Treasury Regulation 8.2. 3 provides that "Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement".

Minister these payments are not being done. There are ANC deployed state officials who are clearly breaking the law and creating hell for SMMEs. We don't need new Bills. We don't need fancy reporting mechanism.

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Minister, will you lead by example and stand up for small business and start laying individual criminal charges against the ... [Inaudible.] ... Thank you.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: House Chair, it is a great concern that is being raised by the hon member without playing politics around it. To start with, when we put laws as the ANC government because even payment within 30 days was a law that was a policy that was put by the ANC government, not any other person.

Now because of lack of clear regulatory mechanism it is difficult to charge officials. As much as the hon member is quoting a piece of a section but this new Bill that we are bringing is what therefore will be able to enforce all these obligations that we are talking about and be able to charge those that undermine what we are talking about.

It is a serious offence indeed not to pay small businesses because most of them are suffering. Most of them have been taken out of business because of the negligence of our officials' times and certain measures that are beyond the control.

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I as the Minister, as the hon members argues or request that I stand up for SMMEs, this is what I am doing. we all know especially as the people who make the law that this country functions in a regulated manner. A law is what you can utilised to give effects to your policy intention. Now to act like we can willingly go and charge officials, it is malicious and as I said this is a serious matter for us in government. We don't need anyone to play politics around it.

We continue to apologise to the SMMEs that are affected by this, which is why we make sure that we write to the responsible executive authorities to hold their accounting officers accountable and this matter we said it must also be included in the performance agreement. Thank you once more, Chairperson.

Mrs K N F HLONYANA: Minister, has your department undertaking any study on the impact of nonpayment and delays in payments of invoices that it has on a small business? If so, are you able to tell the disproportionate impact this has on small businesses owned by Africans in particular? And if not, why has such study not been taken? Thank you.

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The MINISTER OF SMALL BUSINESS DEVELOPMENT: Thank you so much hon member for that question. Because we are working with other entities in government, the Public Service Commission did conduct a study on this. And as we work together of course we do look at ensuring that where there are gaps that have been identified of findings that have been made with then make follow up on those.

So, yes, we did get on the findings that most small businesses are affected by the lack of payment or nonpayment in 30 days. This is why we then went all out from province to province issued consultations to all stakeholders to please support the Bill that we are bringing because we realised that if we leave things where they are at, we are not going to be able to grow this economy that clear it can only grow, it can only create jobs when small and medium enterprises are striving.

So, hon member government has although not through the department has done the work that we are look for and this is why we are providing the remedial action to address those findings. Thank you so much.

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Mr K P SITHOLE: Chairperson, I am reading this on behalf of Inkosi Luthuli. Hon Minister, considering that late payment has a rest factor of SMMEs leading to financial strained and in some cases business closures, what role does the Department of Small Business illusion of technology and digital solutions mitigating payment challenges in improving financial management process for SMEEs? Thank you.

IsiXhosa:

UMPHATHISWA WOPHUHLISO LWAMASHISHINI ASAKHASAYO: Sihlalo weNdlu, njengoko benditshilo, isebe eli, alikabinawo amandla, ngokoMthetho, okuba likwazi ukufaka izibonelelo zale ngxaki sithetha ngayo. Yiyo loo nto sisithi masilinde uMthetho usinike ilungelo lokwenza njalo. Okwangoku, masibe sincedisana neSebe leziMali leLizwe (National Treasury) elinikwe amalungelo okwenza loo nto. Kwimpendulo yam yangaphambili, nditshilo ukuba sisebenzisana neSebe leziMali leLizwe...

English:

... in the Presidency for Planning, Monitoring and Evaluation.

IsiXhosa:

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Sikhangela iindlela zokuba iSebe lezamaShishini asaKhasayo libenazo iziseko ezingundoqo ezinobuxhakaxhaka emaphondweni nakoomasipala khona ukuze likwazi ...

English:

... to feed into a reporting framework which will help identify and force to account...

IsiXhosa:

... abo bafunyenwe benetyala. Sisayiqala le nkqubo uthetha ngayo, lungu elihloniphekileyo, kwaye siyayibulela ukuba kanti nani niyayicinga le ngxaki. Siyathemba ukuba xa sele siyiqhuba, amaLungu ePalamente aza kuyixhasa kuba ngenene iza kuncedisa ezi ngxaki zikhoyo koosomashishini abasakhasayo. Enkosi, Sihlalo weNdlu.

Question 214:

The DEPUTY MINISTER OF TRADE, INDUSTRY AND COMPETITION (Mr F Z Majola): Hon House Chairperson, the leadership of the ANC Caucus knows where our Cabinet members are ...

[Interjections.] ... Yes. They are preparing for the 7th Administration of President Ramaphosa.

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Small, Medium and Micro Enterprises, SMMEs, remain a vital cog in economic development to build sustainable livelihoods especially in impoverished rural and township communities.

The Limpopo provincial government and Musina-Makhado Special Economic Zone, SEZ, have developed an SMME empowerment strategy ... [Interjections.] [Inaudible.] ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Dlakude, please mute.

The DEPUTY MINISTER OF TRADE, INDUSTRY AND COMPETITION (Mr F Z Majola): ... as catalytic drivers of job creation by providing them with opportunities in terms of the development of the Mussina-Makhado SEZ.

The SEZ is currently funded by the Limpopo provisional government for infrastructure development phase of the project. Other forms of empowerment such as skills and enterprise development are being introduced.

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The SMME empowerment strategy has benefited 448 SMMEs which have provided goods and services to the SEZ valued at approximately R250 million.

Just to give some breakdown, hon Chairperson, in the 2019-20 financial year 70 SMMEs were empowered to the value of R12,7 million, in 2020-21 87 SMMEs were empowered to the value of R26,6 million, 2021-22 100 SMMEs were empowered to the value of R58,1 million, in 2022-23 112 SMMEs were empowered to the value of R80,9 million and R76,7 million for the 2023-24 financial year.

The Department of Small Business Development, the Department of Trade, Industry and Competition, DTIC, and its agencies, Industrial Development Corporation, IDC, and National Empowerment Fund, NEF, have a range of programmes for SSMEs, this includes financial and non-financial support, namely funding, market access, supplier development, exporter development and support for black industrialists, among others.

With regard to Part 2. Musina-Makhado has two sides, which is the north side in Musina and the south side in Makhado. There

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are no challenges of land ownership or control on the south side of the SEZ. The north side is located on a piece of land extending approximately 3 500 hectares which belongs to the South African government but is currently a subject of a land claim.

In the case of the north side of the of the Musina-Makhado SEZ, the legitimacy of the land claim has already been verified, the recognized claimants have no objection to the Musina-Makhado SEZ development and have taken a community resolution and subsequently signed an agreement with the SEZ company, the Department of Agriculture, Land Reform and Rural Development, the Regional Claims Commission and the claimants are currently working together to facilitate a land development right.

So, hon member, I would say that we are making good progress in the development of the Musina-Makhado Special Economic Zone. Thank you, hon Chairperson.

Mr M D MONAKEDI: Chairperson, thanks to the Deputy Minister for that elaborate response.

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My follow up question is: Which other SEZs have contributed towards growing the industrial capacity of South Africa and what has been their impact in terms of job creation? Thank you.

The DEPUTY MINISTER OF TRADE, INDUSTRY AND COMPETITION (Mr F Z Majola): Hon Monakedi, at the moment we have 11 designated Special Economic Zones. There are four that are proposed, being the Namaqua SEZ in Northern Cape, Bojanala in North West, the Vaal Special Economic Zone in Gauteng and Tubatse in Limpopo.

The total entities that operate in these investments are currently 193 and we have an investment value of R30 billion.

These SEZs directly employed 25 000 workers and in the last few years we have been ramping up the programme to ensure that we can expand the SEZs and create more jobs.

I'm quite certain that with what we have seen with the implementation and the construction of the Tshwane Special Economic Zone within record time, that if we apply the same model to other economic zones, that will rapidly increase the

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size and the quality of these Special Economic Zones and double employment in the next five years.

And I'm quite certain - as I said earlier - the administration that President Ramaphosa would lead would take forward this challenge to ensure that we double employment in Special Economic Zones. I thank you, hon Chair.

Mr D W MACPHERSON: Deputy Minister, for the last eight years the Department of Trade and Industry has spent roughly R1 billion on industrial parks across the country, from fixing fences to fixing lights and tarring roads.

We were told that, that investment in industrial parks would attract new businesses and new entrants into those parks, except they haven't. Those industrial parks are filled with funeral stores, spaza shops and all other businesses except industrial businesses to drive industrialization within South Africa. This has been a policy of your government under former Minister Davies and Minister Patel.

Do you exceed and accept that the industrial parks development programme has been an utter failure because you have refused

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to receive concessions from provincial government and local government to attract businesses to those parks? Thank you.

The DEPUTY MINISTER OF TRADE, INDUSTRY AND COMPETITION (Mr F Z Majola): Hon MacPherson, the industrial parks should not be seen in isolation. So, we've got to see industrial parks working together with Special Economic Zones as interventions at the district level to revitalize local economies.

Our national industrial parks programme has put a lot of money into the revitalizing industrial parks, and you would know that there are many of these that existed, including in the previous government.

So, we have taken a view that where it makes sense in local communities, where employment is required, that will revitalize these industrial parks.

So, you say, hon Macpherson, that the these have attracted salons and small businesses like those who find in township economies? We are not shy about this. Those economies are important, they provide livelihoods to rural and township economies. So, yes, they are not industrial, accept that. But

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we must not belittle the role that those small businesses are playing in the economy and in the industrial parks.

So, we combine that intervention on the industrial parks together with what we are doing in Special Economic Zones. So, we think that we're building anchors in districts to drive economic development. Thank you, hon Chairperson.

Mrs K N F HLONYANA: Deputy Minister, given the significance of the small enterprises in rural economies and the pivotal role of the SEZs and industrial parks: Could the Deputy Minister provide a detailed update on the progress of support provided to small enterprises within the Musina-Makhado SEZ, including the total number of beneficiaries thus far?

And further, can you elaborate on the steps taken by the department to overcome the obstacle related to the land transfer for the development of this specific SEZ, including how far the progress of the claimant of the Makhado SEZ land is so far?

Furthermore, can the Deputy Minister give us the report on the damage and the theft that was reported? Can you give us an

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honest account of what has been done moving forward to avoid such from happening in the future in the SEZ?

Can I get more time?

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you. Your time has just now lapsed.

Mrs K N F HLONYANA: They are disturbing me ... [Inaudible.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Don't worry about them. I will ... [Interjections.]

Mrs K N F HLONYANA: ... but I don't think he heard me ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Take your seat. He heard you ...

Mrs K N F HLONYANA: I don't think he heard, Chair ...

The HOUSE CHAIRPERSON (Ms M G Boroto): He heard you. Sit down, hon Hlonyana. Don't worry about what ... please switch off your mic. Please switch off your mic.

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Hon Radebe, why are you rising?

Mr B A RADEBE: Chairperson, I'm rising on the issue of the follow up question. The follow up question must only be one. It must only be one, it cannot be bombarded with 20-elenteen questions. Thank you.

The HOUSE CHAIRPERSON (Ms M G Boroto): [Interjections.] No, no. that's not how we work. Hon members, listen. He stood on a point of order and I have to respond.

Listen, hon members. If you read Rule 1427, it tells you exactly what should happen when you do a follow up question, especially in terms of the numbers. And again, in terms of the specifics, because if you are going to ask statistics and the numbers that must be a question. We don't want thumb sucking in the House.

So, I rule that. It is up to you, Deputy Minister, if you are going to respond to all the questions.

Hon Manyi, before you respond Deputy Minister. Yes?

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Mr M MANYI: House Chair, I'm rising on a point of hon Radebe co-chairing this session. I think this Chair is quite competent to chair.

The HOUSE CHAIRPERSON (Ms M G Boroto): Order! Hon members, it is the work of the Whip to do that. There's no co-chairing and he's not disturbing my role here, as I'm seated here now. He's actually assisting me.

Let's proceed, hon Deputy Minister.

The DEPUTY MINISTER OF TRADE, INDUSTRY AND COMPETITION (Mr F Z Majola): House Chairperson, I'm quite happy to reply to the question.

The only challenge, hon member, is that I had already responded to the questions in the written reply. I have said the Musina-Makhado SEZ has supported 448 Small, Medium and Micro Enterprises in Limpopo. I have said that the total amount that has been allocated or that was used to support the small businesses is R255 million.

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You have now asked a new question. So, let me complete by saying that you underline the important role of Small, Medium and Micro Enterprises. So, the approach of the ANC government is that if we are to grow the South African economy, we've got to expand the size and the quality of the small business sector.

It's in fact President Ramaphosa who counsils us all the time that in an economy like ours, we can't grow at a faster rate unless you expand the size of the small business sector. So, it is something that we are focused on, hon member.

So, on the last step, new question that you asked about some damage that I have no knowledge on. We are prepared to get the information from you so that we can look into it. I thank you.

Mr M G E HENDRICKS: Deputy Minister, it is commendable that your department is assisting the rural areas with enterprises in so many ways and one of the ways is industrial parks.

My question is: One of the industrial parks is the halal park, and we've also always been told that, that will bring a trillion rand to South Africa. I want to know what progress

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has been made and whether you're optimistic that halal parks will work? Thank you.

The DEPUTY MINISTER OF TRADE, INDUSTRY AND COMPETITION (Mr F Z Majola): Hon Hendricks, firstly, let me commend you for your constructive engagement all the time during the sessions.

Let me start by saying that if you take the Saldanha Bay Special Economic Zone, or what is called legally the Industrial Development Zone, IDZ, here in the in the Western Cape. So, there's a portion of it that is dedicated to aquaculture. So, it would ensure that it accommodates what hon Hendricks is talking about. And I must say that the Special Economic Zone in Saldanha is doing quite well, including the one in ... [Inaudible.] ... employs 423 workers by the way.

So, the challenge we have, hon Macpherson, that you've got to address is the fact that your government here in the Western Cape doesn't want to provide support to the Special Economic Zones, leaving the weight on national government.

As a matter of fact, I have been to this SEZ many times. We have invited the provincial government of the Western Cape;

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you simply don't pitch. So, I do want to ask you that if you want these Special Economic Zones to work, you've got to speak to a provincial government to give more support. They need operational funding; we have given money to the extent that we can as national government. So, the Western Cape government should come to the party. I thank you, hon Chairperson.

Question 241:

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela):
Chairperson, progress since June 2019 ... one, on board interventions and governance measures 2019 to 2021. Following governance breaches, measures, including lifestyle audits and enhanced commercial governance processes were implemented. The Zondo Commission's investigation into state capture led to increased scrutiny and an ethics focus, ministerial interventions and strength in governance structures.

In terms of leadership changes and stability, 2019-23 ... leadership transitions, including the resignation of Mr Phakamani Hadebe, prompted an interim appointment and eventually a permanent replacement. Mr André de Ruyter's appointment as group chief executive officer, CEO, in January 2020 provided stability, although his later

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resignation in December 2022 necessitated further leadership changes.

In terms of continued governance enhancement in 2021-23, despite transitions, governance efforts persisted with the appointment of the new board members, bringing diverse expertise. Mr *Mteto Nyati*'s appointment as chairperson ensured continuity and stability. The current board comprising 14 directors remains focused on addressing governance challenges and enhancing operational efficiency. Recent appointments of the group CEO, Mr Dan Marokane, and group chief financial officer, CFO, Mr Calib Cassim, underscores Eskom's commitment to stability and effective leadership.

With regard to Transnet, progress since June 2019 showed the intervention and governance measures ... 2018-23. Minister Gordhan aborted an interim board in May 2018 to address governance issues. Leadership changes ensued, including the termination of former group CEO, Mr Siyabonga Gama.

In terms of strategic repositioning and governance enhancement, governance reforms involved restructuring and appointing prescribed officers for regularity compliance.

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Strategic efforts focused on customer service, asset utilisation and cost controls, backed by ethical leadership. Board composition was periodically refreshed for enhanced performances. In terms of the current state in 2023-24, a new board was appointed in July 2023 to bolster corporate governance. The board features diverse directors. February 2024 saw the appointment of group CEO, Ms Michelle Phillips, and group CFO, Ms Nosipho Maphumulo, ensuring stability and effective leadership at Transnet. Thank you very much.

Mr F ESSACK: Chairperson, this being the last oral session of questions to Ministers in the Sixth Parliament, surely it would have been expected that Minister Pravin Gordhan should be here in this House to face and answer for his dismal failures. So, Mr Deputy Minister, having noted that the Minister will be resigning of course caps a disastrous tenure. Both you and he have left behind a trail of destruction within state-owned enterprises, SOEs. Deputy Minister, perhaps a serious indictment to the legacy that both you and Minister Gordhan have left behind ... Eskom, Transnet and many other SOEs are in a much worse state than we found them, with some on the verge of collapse. Since your and Minister Pravin's

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appointment as Ministers of Public Enterprises, South Africans have spent more days in the dark than at any other time since the crisis began some 17 years ago. It is under both your and Minister Gordhan's custodianship that SOEs have become dependent on taxpayer-funded bailouts. I'm sure you're full ... well digested, hon Deputy Minister, because you see colleagues, in 2023, Thabo Mbeki said, and listen carefully, nothing has happened to renew the ANC. He was not lying. Minutes from the ANC's cadre deployment committee show that the ANC's cadre deployment committee is still meddling in the appointment process at Eskom and Transnet. All of you know that.

So my question, Deputy Minister of Public Enterprises, is why have both of you ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Essack, you've wasted time on the preamble. Your time is now up.

Mr F ESSACK: ... allowed the cadre deployment policy to continue?

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The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela):
Unfortunately, you didn't go to your question but I'll respond to some of your preliminary remarks. One is that we should not undermine the period of state capture that took place, particularly in three or four entities of the department ... Alexkor, Eskom, Transnet, and there's a fourth one, yes, the SA Airways, SAA. Therefore, that magnitude of state capture had indeed collapsed the majority of those particular SOEs. This state capture started even before Gordhan arrived and even before I arrived. However, you inherit whatever you as a deployee being deployed in that environment find, to go and fix and correct. Under the circumstances, we did what we could to revive the SOEs. Amongst them all, it's only the SAA that was difficult. That's it.

In terms of the issue of South Africans spending more days in the dark, we really know and are aware of the challenges. They did not only start now. They started at the time when my ANC government ... and it has acknowledged it ... to say, when Eskom came to say you are busy telling us to connect every citizen in South Africa ... where we have reached the 95% target for that matter ... of villages, homes in urban areas, in rural areas, in towns and cities ... we are going to have a

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crisis because the source that generates ... is limited. It was designed for a few people under apartheid. We remember that. Therefore, by connecting so many people ... they said build and we did not take the immediate decision to build. Building started later, and hence this shocking problems of load shedding. However, we are now dealing with load shedding and indeed, it will soon be resolved in South Africa. The Minister has been saying that we are in progress. We are definitely going to do so and the ANC, which after the elections will still be in power, will then begin to finish our work of resolving load shedding.

Mr S N SWART: House Chair, the ACDP shares the concerns about the state of Eskom, and if the load shedding crisis isn't bad enough on its own, the dysfunctionality at Transnet undermines economic growth, with some estimates that Transnet's logistical problems are costing the country a staggering R1 billion per day.

Hon Deputy Minister, going forward, are you of the view that the involvement of the private sector will assist matters at Transnet, together with the appointment of Transnet veteran

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Michelle Phillips, and others to the board, given the crucial role that Transnet plays in the economy of the country?

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela):

Thank you very much for the question. Indeed, we really need to ensure that the logistics sector is resolved soonest. We are also looking at other options, other than just being dependent on the fiscus. However, the money that was allocated by the Minister of Finance in the recent Budget to Transnet will help a lot in beginning to push ... maintenance, repairs and replacement, because a lot of vandalism and theft has taken place in a number of aspects there. We will then definitely use it to the maximum and ensure that the ports operate maximally. One, if we look at Mozambique and Namibia, they've been roped in ... the private sector. GreenRoad, our own South African company, operates in Maputo and all the trucks are now being diverted from our ports to go there. It's something that is not very good for an economy of our size. So we'll definitely ensure that we optimise those ports, and then really maintain and bring in new equipment because one of the issues that kills Transnet is old equipment that is very slow. We are also beginning to look at those targets. So, the management of Transnet is going to focus ... with the money

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that will now start to flow in on the 1st of April, they will definitely be rolling that money to ensure that, indeed, our ports operate optimally.

We definitely need to have concessions, to also allow for the concessions as they did in Mozambique and as they're doing in Namibia. We could do so but the infrastructure will remain 100% state owned. Then the concessions will come in for 25 years or 30 years ... leave the infrastructure after the return of the investment to allow for the modification and modernisation of our infrastructure, so that the logistics can then perform and not affect the economy as it has done.

Mr K E MAGAXA: Deputy Minister, in a nutshell, actually these other members asked a question before me. They tried to ask you to share with us the progress that has been made by both Eskom and Transnet since the debt relief and the debt guarantee we advanced to Eskom and Transnet respectively.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): Hon Magaxa, with the money that Eskom received, it has helped a lot in terms of the liquidity of Eskom. It is now able to procure the transformers that need to be replaced across all

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the power stations. I think you can see the trucks that come in from the ports, loaded with that equipment, on the roads. They need to travel only on Sundays ... to go and replace the old machinery that is there in our power stations. So, it's now beginning to yield that. The liquidity issues are also helping Eskom to go to the market, but under the Treasury's conditions as put to them, so that they can also begin to really ensure that their balance book is perfect ... they're able to maintain and wrap up the maintenance of these particular stations and perform as a company across ... including dealing with the new three company separation that is taking place ... the generation ... the transmission company and also the distribution company, flawlessly, without any challenges going forward.

However, as you know, Eskom is owed billions and billions of rand by South Africans and also the private sector. I really think we ought to tackle that particular issue so that going to the fiscus becomes minimal, because South Africans are now contributing by paying for their services and ... ensuring that municipalities and also the private sector pays Eskom. Government also owes Eskom billions of rand. They are also able to pay. However, there are obviously challenges in terms

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of billing within that but we hope that we will resolve that so that the liquidity challenges of Eskom can then be resolved.

In terms of Transnet, it's the same thing. The money will only be flowing in now, in April, and therefore we hope that the plan with regard to the turnaround strategy, which has been approved by the department, will then be rolled out. In a few months to come, we will see changes which are now beginning to see logistics taking up and then being enhanced.

Mr D W MACPHERSON: Chair, I'm rising on a point of order. The Deputy Minister previously said ... and I'd like you to go back and look at the Hansard because he misled Parliament when he said that the Western Cape has not given a single cent to the industrial park. I've just checked with the MEC and they have given ... [Inaudible.] ... million rand. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, huh-uh! Hon Macpherson!

Mr D W MACPHERSON: So, he has misled Parliament and he should be sanctioned for that because he knows it.

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The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Macpherson, please don't do what you are doing. Don't do it. You know what the processes in this Parliament that you can use are when you are dissatisfied. You don't expect me to do that. I'm here making sure that there is a process. You know the rules and the processes of this Parliament. Stick to that. Don't put me in those things. That is not my role. And, that's not a point of order.

Inks R N CEBEKHULU: Hon Deputy Minister, missing out on such a large portion of economic activity is something the country can ill afford in terms of our unemployment rate and high cost of living. The question will then be whether the department has any strategies that are being employed to attract and retain skilled talent within Eskom and Transnet to drive improvement, performance and efficiency, especially amongst the youth that are funded under the National Student Financial Aid Scheme, NSFAS. [Inaudible.] ... your response, Deputy Minister.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): Indeed, we do have programmes within Eskom, including Denel and also Transnet, to ramp up skills development. However,

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there were challenges with the National Skills Fund, NSF. I just came from a meeting with the Deputy Minister of Higher Education and Training, hon Manamela this week, where we had to bring all the entities ... to say why the programmes are no longer going ... They indicated that Eskom had decided to abandon the programme because of the challenges that they have experienced. We are now looking at those so that we can ramp up their skills.

Transnet and Denel are also owed millions of rand by the NSF but there were issues of compliance with the Auditor-General's audits, which they needed to comply with. The issues will definitely be resolved by the end of this April and new programmes will be rolled out to ramp up the skills.

Retention of skills does happen but competition is very high. We have people who get better offers from overseas or elsewhere or within South Africa. So, it's very difficult to contain them because they are offered better than what the government is paying. Some of these skills, which are skills that we need, are a necessity. However, at the same time we are developing new skills that can be fused in. Thank you very much.

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Question 229:

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): Hon Mhlongo, at each point in time, Eskom considers what maintenance is required in the future. This is aligned to what we call life of plant plan, LOPP, and refined into a five-year maintenance plan. Outages are then scheduled on an annual basis taking all constraints into account.

The generation recovery plan has identified specific interventions to gain megawatts. This work has been prioritised so that as of January 2024 a total of 3 510 megawatts had been recovered. So therefore, this plan is really working and is now beginning to produce results. Thank you.

Ms N MHLONGO: Hon House Chairperson and hon Deputy Minister, without referring to independent power producers, while keeping in mind the maintenance backlog that we have even though you explained that there are now few megawatts that you put into the system. Could you explain the steps taken by Eskom to enhance its power generating capacity to ensure a reliable electricity supply to meet the current demand? When

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you speak of load shedding it is always said that it is going to end, there are no time frames. That is very problematic.

Lastly, before I sit down, there was earlier a prophesy that you are going to be a Minister. Let us give you facts Deputy Minister. After May 29 you will not be a Minister. Tell them to quickly remove Pravin now before the elections then they can only make you a Minister because after that your political party will be on the opposition benches.

The HOUSE CHAIRPERSON (MS M G Boroto): That is personal. Thank you. Proceed, hon Deputy Minister.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela):
[Laughter.] Earlier, the hon Phiri prophesied. I do not know what that prophecy is. I was counselled here that when a prophesy comes you do not postpone it. And then I was told that I must go back to the podium and say I receive!

So, meaning therefore that the ANC is going to be in power again and then indeed whether the prophecy will be real or not so long as the ANC is in power, I will be happy. [Laughter.]
In terms of the statistics, I think the Minister of

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Electricity is busy with the power station ...

[Interjections.]

Mr F ESSACK: House Chairperson, on a point of order.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Deputy Minister, please take your seat. What is the point of order, hon Essack?

Mr F ESSACK. Hon House Chairperson, I just wanted to check through you, if hon Deputy Minister has a hut at the back of his house also?

The HOUSE CHAIRPERSON (Ms M G Boroto): No, man!

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): A what?

Mr F ESSACK: A hut!

The HOUSE CHAIRPERSON (Ms M G Boroto): No, man! Hon Essack, I do not even understand what you are talking about, and I am not going to go deeper into that. You are just out of order!

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That is a frivolous point of order! Proceed, hon Deputy Minister!

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): I wish Parliament was not coming to an end. I was going to get you in the portfolio committee, hon Essack! So, you are lucky.

I was just saying therefore, the Minister of Electricity was visiting and almost done eight or 10 of them. Now, the whole of this week he has to go and look at that particular maintenance plan, and the results are beginning to yield. Besides, the yielding of results of the 3 510 megawatts, also speaks to the preparations for winter.

At the same time, whether we can at an epic point announce that we are now ready to end load shedding by which date. You want the date. Can he finish the maintenance and the progress and, but load shedding is going to end.

So, that will then come, and we will announce at the right time because we are working with engineers, people who understand and people in the market. There is one engineer who said it will end during this period, but I am not going to

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repeat it here. Otherwise, load shedding will definitely come to an end South Africans! We are working harder on it. The improvements in the few months and now people will realise that indeed something is fundamentally happening.

Yesterday we had no loadshedding and today we had none. It is suspended. So that is good news coming. Let us wait until the whole package is done. The Minister of Electricity will make the announcement. Thank you.

Mr N E DLAMINI: Hon House Chairperson and hon Deputy Minister, since Eskom has prioritised the execution of reliability maintenance across power stations following the announcement of the Energy Action Plan. What impact has it had on the energy availability factor if others understand the plan, of course? Thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela):
Alright. It is maintenance, firstly. The replacement of the old machinery and the transformation that we are buying. However, in the market, it is not easy to get the transformer readily available for you. Other countries buy them in bulk.

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So, the manufacture will then say you are on a queue because you only want two or three.

There are countries that buy 25 to 40, they will be considered first. So, it takes time. For majority of the transformers are not manufactured here in South Africa. We buy them elsewhere. As a result of that the maintenance plan had gone with the procurement plan of buying. The delivery gets aligned to the maintenance plan that are a five-year-plan and so forth.

Secondly, the procurement with Mozambique for an additional 1 000 megawatts is now happening, since it was announced early last year. We have been asking the Minister of Electricity as when is it happening? There were a lot of issues between the two countries. Legal issues, laws and what a view.

Since that has been resolved and soon, we will have those 1 000 megawatts coming on stream as part of the elimination of load shedding, but also ensuring that there is energy availability factor going forward. We hope therefore that other countries that still has capacity to sell to South Africa will do so. However, we are ready to really buy and ensure that we resolve load shedding. Thank you.

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Mr F ESSACK: Hon House Chairperson, the question is to the Deputy Minister; VGBE Report on the poor performance on the country's 14 coalfired power stations noted that Kusile Units 4 which is operated by the original equipment manufacturer is the power stations best performing unit with an energy available factor of 90%.

The question is what steps has the government taken to allow the original equipment manufacturers to operate all Kusile and Medupi generation units? Thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES (Mr K O Bapela): Well, noting the VGBE Report and I think it has been in circulation and publicised and you might have read it, it bodes extensively obviously on the performance of our stations. That is why the Minister of Electricity was on the road now to go and begin assessing that report against what he sees on the ground.

Indeed, it does confirm certain elements but at the same time there is better performance at some of the stations that were supposed to be at 90%. For an example Lethabo Power Station in the Free State was supposed to be at 90%. It is one of the

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best power stations that used to produce but because of the coal factors and the wrong coal that had gone in there, those issues ought to be eliminated. You remember cartel that was in that coal belt had really impacted on our capacity to maintain and breaking of all that.

So, therefore, when the report has been assessed against the VGBE a pronouncement will then be made public because Parliament will not be in session, but government is still functioning. The Minister will then give accurate report *vis-à-vis* of what he found on the ground. Thank you.

Question 215:

The DEPUTY MINISTER OF TOURISM: Chairperson, the response to the question asked by hon April is as follows. It is important that we should reflect that safety and experience is a key factor for the success of any destination. Therefore, as the department working together with the South African Police Service whose mandate is to ensure safer communities, we are collectively determined to do all we can to ensure that tourists have a safe and memorable experience in South Africa.

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The measures that we have put in place in 2018, the department working together with business developed a Tourism Safety strategy which addresses a number of safety issues. The bulk of the initiatives form part of the proactive measures which are those initiatives that are to be put in place even before the incidents to minimise the risks. Some of the initiatives that are operational include, but not limited to the Tourism Monitors Programme. This programme entails the recruitment and training of the unemployed young people who are then deployed to various identified attractions to assist the tourists with basic related and safety information. The tourism monitors are deployed to strategic ports of entry, national parks, other various attractions across the country to assist tourism and safety related information matters.

In this financial year, the department has put aside R174 million with the deployment of 2 305 tourism monitors. These monitors are deployed in all the nine provinces, including entities such as Ezemvelo Nature Reserve, Sunbee National Park, Isimangaliso and Sanparks. To date, the programme it is at its 96 implementations.

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The second one is identification of hot spots. The process is about understanding some of the key areas where most of the crimes or attacks against tourists are taking place. Such information does not only assist in putting measures in place, but it also assists in countering the attacks in some of the identified areas to ensure that the risks of tourists is minimised.

The department is also running a Tourist Awareness Programme together with the South African Police Service. We have also facilitated the establishment of provincial tourism safety forums. In terms of community's involvement, as we indicated that the tourism strategy was developed working together with the private sector as well as labour and civil society. The department is also running an awareness programme in communities to provide safety tips to our tourists and our communities. Thanks.

Afrikaans:

Mnr H G APRIL: Agb Adjunkminister, ...

English:

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The Deputy Minister, I would like to bring it to your attention that since unemployment is so extremely high, is there any intention by the department to employ more tourism monitors in the sector? Because we have realised that the scourge of attacks on tourists, especially the ones coming from airports in Gauteng, Cape Town and KwaZulu-Natal, KZN, is out of hand, are there any kind of plans like that?

The DEPUTY MINISTER OF TOURISM: We have already expanded the number of tourism monitors that we have put in place. We started at a very small number in the last financial year. We have now increased them to 2 305. And if budgets allowed will continue to increase as we identify more hot spots that might arise because, as you know there is continuous shift from criminals. When they see that this site is closed, they open another site. So, as they do that, we will then be able to then employ tourism monitors to be able to deal with that situation. This is an ongoing programme but as we are saying, we are working with the South African Police Service. The more the South African Police increases their numbers, it also assists in deploying more police in some of these hot spots, areas so that we are able to make sure that we prevent the tourists' attacks. However, we should all understand that the

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most important thing is how we create an environment that is safe for the entire population of South Africa. Because if we reduce crime and create safer communities across the entire population of South Africa, you will no longer need to focus particularly on the tourists because the entire society will be safe and will also be able to take care of the tourists. Thank you.

Ms H ISMAIL: Minister, the crime index in South Africa is 75,4. We have had many reports of tourists being attacked within our country. This does not promote tourism nor investment. You just stated that the department has a record of all key crime tourism hotspot areas, does the department have a database of crime against tourists? And please specify what type of countermeasures or proactive steps has the department with the Minister of Police implemented? I am looking for the proactive steps that you have actually taken to empower tourists that actually come into our country to look out for certain potential crimes in the country. Thank you.

The DEPUTY MINISTER OF TOURISM: Crime statistics are not our job. The South African Police Service is responsible for

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publishing the crime statistics. Unfortunately, they do not publish the statistics in relation to tourism or tourists being mugged. They publish statistics on crimes committed in the country, regardless of whether a tourist was involved or not. So, we are not able to provide accurate statistics on how many tourists have been killed and so on. We can only report on the incidents that we know have been made public.

But more importantly, the proactive activities, as I have indicated, we have established a National Safety Forum, which is made up of the South African Police Service, the National Prosecuting Authority, private sector, labour and civil society, which is able to say what strategies, plans and activities we should put in place to combat attacks that target tourists and that could potentially take place. We have the Memorandum of Understanding, MOU, which, as you may know, was signed in 2019 between the National Commissioner of the South African Police Service and the Director-General of the Department, and we then started implementing that strategy.

As I mentioned earlier, most of the activities are proactive. This means that we provide tourists with information that

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gives them tips on how to behave in South Africa so that they are less at risk of being attacked by criminals. Thank you.

Mr A MATUMBA: Hon Matumba, Minister, you only talk about crime in the tourism sector when a European tourist is a victim. Tourism destinations have become a far cry situation for our African brothers and sisters who are hired to be exploited because they are scared to report to authorities. What is your department doing to protect workers in the industry, mainly those that are far away in the bushes. Chair, it is very much worrisome that Ministers send their deputies to come and answer, knowing very well that deputies are not responsible for these questions, Ministers must come and answer for themselves and stop sending Deputy Ministers because Deputy Ministers are not responsible for these things. Thanks.

The DEPUTY MINISTER OF TOURISM: No, it is incorrect and very much misleading that when we deal with the issue of tourism safety, we only focus to Europeans. We don't look at who is being attacked. We don't identify people by colour and by origin. The tourism safety is targeted to all tourists.

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But what we must also understand is that 80% of the tourist's arrival in South Africa are from the continent. So, there is no way we will then prioritise the 20 over 80%, because the region is the one that sustain our tourist arrival. Therefore, we prioritise them firstly. But we prioritise any tourists that come into South Africa so that we make sure that they are all safe.

I said we, we identify hot spots areas regardless of where that hot spot area is located, whether is located in the bushes, in the deep rural areas, in the towns, in the cities. No, as long as it is identified as a hot spot area, we then put resources there. For example, most of the hot spot are in two provinces, Western Cape in Cape Town and Mpumalanga. That is where most of the hot spot are and in Mpumalanga most of the hot spot areas are in the bushes ... [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Matumba, what is your problem now? The Deputy Minister is busy responding.

Mr A MATUMBA: Chair, my question was very much specific. It is talking about what the Ministry is doing in protecting workers who are being beaten by the employers in the bushes there.

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The HOUSE CHAIRPERSON (Ms M G Boroto): Okay, hon Matumba.

The DEPUTY MINISTER OF TOURISM (Mr A F Mahlalela): How workers are treated is not the issue of safety in tourism. That is not relevant at all. We are talking about the safety of tourists, we are talking about how workers are treated in their workplaces. Workers belong to trade unions and if they are being harassed, then it is the responsibility of the trade union organisation to ensure that the rights of the workers are not undermined by the employer. This has absolutely nothing to do with safety in tourism. Your question is misplaced.

IsiZulu:

Mnu K P SITHOLE: Angibonge kakhulu Lungu elihloniphekile Sihlalo, neSekela likaNgqongqoshe engicela ukukubheka lapha ukuthi phakathi kwamaphoyisa noMnyango wakho Wezokuvakasha lukhona yini uhlelo eninalo lokufundisa umphakathi ngengozi izwe elilengela kulo ngenxa yobugebengu uma kuhlukunyezwa izivakashi nokuthi kuzogcina kungasengeni imali nokuthuthuka komnotho ezweni? Ngabe lukhona yini uhlelo uma kunjalo, likuziphi izifunda uma lukhona uma lungekho kukhona into engenziwa?

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Siswati:

NGCONGCOSHE WELITIKO LETEKUVAKA: Ngiyabonga Sihlalo.

Mhlonishwa, njengoba bengishilo ekucaleni kwekutsi siLitiko leTekuvakasha sine-Tourism Awareness Campaign, lesiyenta nemaphoyisa abambisene netisebenti telitiko. Lomkhankhaso siwenta kuto tonkhe tifundza takulelive, kuya ngekutsi ngukuphi lapho kunenkinga khona. Uma ngabe inkinga iseNshonalanga Koloni siyeta silitiko sitowenta umkhankhaso wokutsi bantfu bacaphele. Uma ngabe inkinga iseLimpopo noma KwaZulu-Natal ngalokunjalo siyaya kuletotifundza.

English:

So, we have an annual plan in line with our annual performance plan, APP, that we presented to the portfolio committee, that we will be running so many campaigns in a year. These campaigns will be directed to where there is a high level of safety issues for our tourists. So that is how we are going to handle it so that way we can reach as many people as possible. We also distribute newsletters and magazines and developing websites and different materials to inform tourists about the dos and don'ts. We also work with embassies and pass on information to them so that they can also pass it on to their own tourists coming to South Africa so that we can ensure that

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everyone is included. As I said earlier, we have programmes in the communities where we want to engage the communities and make sure that they do their part. To prevent attacks on tourists in the country.

Question 249:

The DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (Ms B Swarts): Hon House Chair, I've been informed by the Department of Public Works and Infrastructure, has embarked on a program to refurbish existing buildings through the renovate, operate, transfer program. Which is a partnership with the private sector that allows the private sector to manage and operate a state-owned facility for an agreed period after renovating it at their own cost.

This enables the private sector partner to recover the capital injected through rental income while they continue with the required maintenance. At the end of the contract period, the facility is returned to full management by the state in a well-maintained condition.

The private-public partnerships, PPPs, is in their current form require multiple approvals at various stages of

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implementation, making the process long and cumbersome. This long and complicated process is discouraging for private sector partners, as it takes long to reach the implementation stage to see their return on investment early enough.

The Department of Public Works and Infrastructure, DPWI, is already working with National Treasury in this program through the Government Technical Advisory Centre to ensure that identified projects are approved and implemented.

The establishment of the Infrastructure, Finance and Implementation Support Agency, seeks to expand work being done by Government Technical Advisory Centre, GTAC, and make the process of engaging in troubled peace much easier. Though through this agency, the DPWI will most likely benefit from a combined project preparation and technical advisory from a single agency rather than the current practice of having separate entities providing these functions.

The department is highly appreciative of the move to establish this agency as it will enable access to support in this critical program, at a central point, ensuring efficiency and quick turnaround times for approvals.

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The agency will play a critical role in the successful implementation of PPPs, which are central to the department's plan to revitalize dilapidated facilities.

The new agency will also assist the department in fast tracking projects by providing exemptions that will be in line with the revised PPP framework, making it easier to implement projects.

The new agency is also going to assist with mobilizing private sector funding, for the project pipeline, this will reduce the time it takes for departments to advertise and secure commitment from private sector funds. This will at the same time provide access to property development expertise that is not readily available in the private sector, ensuring that the DPWI achieves optimal and best use of state properties. Thank you, House Chair.

Mr K P SITHOLE: Hon Deputy Minister, National Treasure has stated that with regard to public private partnership regulatory framework, the red tape will be reduced by granting investors exemption of project value below 2,2 billion for obtaining multiple approval. Considering that this will fall

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under ... [Inaudible.] ... and responsibility of infrastructure, of finance and implementation support agency. How will your department ensure oversight of approval granted for project below 2 billion to ensure that investor proposal aligned with your departmental criteria installation to public infrastructure? I thank, House Chair.

The DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (Ms B Swarts): Thank you very much, hon member. The oversights will ensure that oversight will be done, because it's DPWI, you must remember that we have our own CPM, which is the contraction and project management team, which has its own professional team. So, for us to oversee that on the project and you must know that we also work with Infrastructure South Africa in the preparation of projects.

So, it will be manageable and easier for us to oversee that oversight through our own teams and at the same time, using also the Council for the Built Environment, which oversees all our councils, which has all the professionals we need.

We have created a database through Council for the Built Environment, CBE, so that we build our own internal capacity.

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So that we make sure that we will do oversight on those projects that will be implemented, which are below the 2 billion, mark. Thank you.

Ms A GELA: House Chair, I will take question for Miss Schalkwyk. Deputy Minister, how will Infrastructure South Africa and the Property Management Trading Entity, PMTE, work with the infrastructure, finance and implementation support agency to support infrastructure development? I thank you.

The DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (Ms B Swarts): Hon Gela, closing the infrastructure investment project delivery gap, Infrastructure South Africa coordinates the registration of major infrastructure projects, including that of state-owned corporations, SOCs, public entities, municipalities, provincial government, national government, departments and private sector-led capital projects.

They help to develop a comprehensive and reliable infrastructure project pipeline. Given that the dissemination of technical and financial engineering capacity in the public sector to bring infrastructure projects to financial close procurement and implementation.

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General Agreements to borrow, GAB, lessen over reliance on the fiscals in terms of public sector infrastructure investment programs, therefore, focusing on preparing and packaging infrastructure projects. Such as they can be blended, finance candidate projects and private public partnerships. In this regard, Infrastructure South Africa is utilizing its allocation of 200 million per year to prepare package unfunded infrastructure projects and programs such that they are viable and bankable and can therefore attract funding from the fiscals and financing from debt capital markets.

These projects are part of the state's asset optimization strategy which will enable the entity to enhance its revenue from upgraded properties that will generate market related income, besides providing technical advisory services to the PMTE to asset optimization strategy.

The PMTE will present the strategy for infrastructure. So that to implement projects that can be implemented and will be viable and will be able to be completed in time. Thank you, House Chair.

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Mr I S SEITLHOLO: Hon Deputy Minister, it's all good and well to establish mechanisms to fixing problems relating to restoring dilapidated DPWI infrastructure. The reality, however, is since 2015, this department has spent well over 100 million attempting to establish an immovable asset register to keep record of all state-owned properties and land parcels. The DA has consistently raised the failure of the department in managing government properties through the Property Management Trading Entity.

Properties such as those in Waterloo Green and Wynberg, Socio Court in Berea, Durban, and others have consistently been raised with your department. How then Minister do you anticipate restoring dilapidated buildings when you don't know where your buildings are and if you don't know where your buildings are, how can you repair them in the context of triple PP Partnership in relation to infrastructure development? Thank you.

The DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (Ms B Swarts): Hon Seithloho, we do know where our properties are. The only problem that we do have is that we've got an inconclusive asset register and to mitigate and fix that, we

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are acquiring a prop tech solution that we are going to implement, which you yourself we have presented to you in the portfolio committee that you are acquiring that system.

Because, you know, Mr Seithloho that as a member of the portfolio committee that Archibus has not assisted us that much. Having since 2015, you are correct, that since 2015, we have an Archibus system that was supposed to implement 10 modules, of which we have only done 1 1/2 to be correct, and with the type of properties we have.

But acquiring the new property tech solution is going to assist us. So that when we are maintaining the buildings, the buildings would have been fed into the system. That will exactly tell you when and when and a property has been maintained. Thank you very much, House Chair.

Adv B J MKHWEBANE: House Chairperson, *siyacolisa* [we are sorry], I think there was a mix up. Minister, your department has dismally failed to maintain its own properties through PMTE. According to you, public private partnership will ensure that the dilapidated buildings are restored. With the introduction of the agency, how much is the department

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budgeting to contribute towards this partnership? Then, in the past, your department could not even achieve your goals of maintenance. And during the day I was even speaking to one prisoner who's been in prison for 11 years, and in one or most of the postponements is because the court's buildings are so dilapidated that even magistrates cannot operate in them. So, I think this is very critical for the department to deal with. Thanks.

Siswati:

LISEKELA LENDVUNA YELITIKO LETEMISEBENTI YESIVE
NETAKHIWONCHANTI (Mk B Swarts): Ngiyabonga kakhulu,
kungakhatsaliseki kutsi sewubute lomunye umbuzo ...

English:

The DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE (Ms B Swarts): ... but to respond to you is that PMTE in the Department of Public Works and Infrastructure ... we have not had a permanent deputy director general, DDG, at PMTE, we only employed the permanent DDG of PMTE in December of last year. The reason for that is that we have had acting director generals, DGs and we've only also appointed a permanent DG at DPWI last year.

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So, what we had at PMTE is that you would have the DG acting as the head of PMTE because the positions are both on level 16. But I think now that we have a permanent DDG at PMTE and the strategies that have been put in place. Surely yes, but I won't agree with it that there are magistrates that are not functioning because of the state of the buildings. I will not agree with that because that for we will need proof from your side because I don't know about that, where I'm standing.

But to answer your question on maintenance, I've previously said this before when I was responding to questions, that we are implementing a total facilities management program. Now through the PPPs, it is going to work. Like I said that the build, operate and transfers, BOTs, and the refurbishment, operate and transfers, ROTs, are going to assist us. And it is not a new thing, it's a thing that has been then government. But it was not being used anymore.

And I also made an example of the N3 that if you may ask me that has BOT and ROT ever worked before? Yes, it has worked with the with the N3 but the long and short of it is that we are putting a first phase. We are not just going to jump in and do a whole lot of buildings. We are doing three buildings

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as the first phase of ROT and BOT. Thank you very much House Chairperson.

Question 216:

The DEPUTY MINISTER OF TRANSPORT (Mr L N Mangcu): House Chair, and good afternoon to all the hon members. Hon Ramadwa and hon members, yes, the department is certainly responding to the plight of workers, the poor, and the vulnerable in terms of transportation. Maybe to be more specific, we must put it into context that a recent transport survey, which was published by the Statistics SA gave the following results: That of households who used a taxi, there's been an increase from 98 million to 11,4 million per annum. A significant decrease was recorded by households using buses from 2,9 million to 2,1 million and trains from 1,4 to 0,5 as their preferred mode of transport. What does that mean? It means, therefore, we must pay particular attention to subsidizing the taxi industry, as you have asked in your question. So, what are we doing? We have put through Cabinet a policy proposal that is going to change the current fragmented system of subsidizing public transport. It's fragmented in the way that most of the money that we spend is going on buses rather than taxis or

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even the trains as the figures that I have just shown you indicate that most people prefer to use taxis.

We are developing a public transport subsidy policy that is going to replace the current policy that we are using which has resulted in the figures that have already given you. And this is something that we are dealing with as we reorganize the things that are coming from the past. So, the policy has gone through Cabinet, as I said, and it is currently out for public comments. It was published on 23rd February. So, the viewers and South Africans who are interested in looking at what we are proposing can see it. The deadline for comments on that policy is 31st March.

What is the policy seeking to reverse? The policy seeks to address that subsidy on public transport must be based on modes. If it is a train, it is a train across, buses, or taxis, it does not discriminate against taxis, which are transporting most of the people. Thank you very much, House Chair.

Tshivenda:

Ms M M RAMADWA: Ndo livhuwa Mudzulatshidulo wa Nnḽu ...

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English:

Hon Deputy Minister, thank you very much for the comprehensive response. Deputy Minister, what considerations are being made to subsidize the taxi industry in a manner that buses are being subsidized, noting that most commuters and workers rely on taxis? Thank you.

The DEPUTY MINISTER OF TRANSPORT (Mr L N Mangcu): As I already said, hon Ramadwa, the figures I have given you, which are coming from Statistics SA Household Travel Survey indicated the figures that have shown that there's been an increase in the usage of taxis by households, a reduction in the usage of the normal bus, if I may call it that and also trains. So, that is what has triggered, amongst other things, the department's position to review the policies that are there. So, the policy that is out there currently, which was gazetted on 23rd February, is seeking to address exactly what you are raising hon Ramadwa so that the regime of subsidizing public transport is not based on a taxi or a bus or any kind or form, it is going to level the playing field so to say. So, that will speak to the workers because most of them are using taxis and trains, the industry which is currently being subsidized. So, the taxi industry is being taken care of. As part of our

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process of relooking at it, the whole taxi recap system is also seeking to make sure that we formalize this industry, we can know where they are, and they must be properly registered so that when the subsidy comes to them, we can account for who is receiving it, and what benefit is it to the commuting public? Thank you, House Chair.

Mr T B MABHENA: The DA is deeply saddened and sends our heartfelt thoughts and prayers to all the victims of yet another Putco bus fire that happened this morning at 5:00 in the morning on Moloto Road 573 in Mpumalanga. We wish them a speedy recovery. Many of the workers who were on that bus, on average, spent about 38% of their earnings on transport against an internationally acceptable benchmark of less than 10% of total earnings. This is mainly because of the total failure and refusal by this corrupt ANC government to implement the Moloto railway corridor.

Hon Deputy Minister, the DA proposes that the subsidy be passed on to the consumer and allow the consumer to exercise choice in terms of the mode of transport they use instead of giving these subsidies to bus companies. When will you implement this rational solution by passing down the subsidies

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to the actual consumers instead of bus companies or taxi operators, or are you waiting for the new DA government to implement it in June 2024, led by President Steenhuisen? Thank you.

The DEPUTY MINISTER OF TRANSPORT (Mr L N Mangcu): Hon Mabhena, we also join you in sending our well-wishes to those who got injured. However, the question is dealing with subsidizing taxis, and not the issue of the Moloto rail. So, it has been brought in through the back door. However, we might assist in saying the issue of subsidizing Putco and Golden Arrow in the Western Cape, where we are, is also not servicing the people in deep Khayelitsha and other areas, it's an issue that we said we are addressing through the policy that I said is out there. It is truly not acceptable that you have more than 800 buses that are running on Moloto Road, but those people are subsidized already. So, I don't know what difference it will make and how we will identify who needs the subsidy. Are we going to stand at the door and say, are you going to a taxi or a bus and give them money? So that is why the reconciliation of subsidy counts on how many passengers were on a bus. We can then compute and be able to pay those who have rendered that service. In essence, the main question is how are we going to

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address it with the taxis? We are saying whilst we do not celebrate the number of people that are using their money every day ... but as I said already and you will know, hon Mabhena that those who are using buses are much better off than those that are using taxis. So, it is sad that the people of Moloto must hear you say that they must not be subsidized in taxis because it looks like you are not worried about the taxis, but more about Putco. Thank you very much.

Mrs M R MOHLALA: The question is: Why did the government announce that the taxi subsidy will kick in on 1st April 2021, yet you knew that you were not ready to do so? Did you do this to get votes for the 2021 local government election? Why did it take the government 30 years to consider the taxi subsidy having known they have a bigger share of the market? It seems like every time there are elections, there's a norm in the ANC that they announce things, but those things aren't implemented. Can you please tell us why you did that in 2021 but did not implement it? Thank you.

The DEPUTY MINISTER OF TRANSPORT (Mr L N Mangcu): Well, if you are in government one day, and God forbid it shouldn't be when we are around because we don't know what we will see. You will

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notice that as a government you continue to govern whether there are elections or not. So, we continue to govern. So, the pronouncement of 2021 is being implemented through what I have already explained. There is a *Government Gazette*. Maybe, let me repeat what I said that pronouncement was not just a pronouncement because there were elections, it was based on an outcome of a Statistics SA Household Travel Survey, which showed us this distortion, which I alluded to earlier on of what is happening. Hon member, the survey went further to tell us that in terms of the expensive or the cost of transport, the taxis are too expensive. Interestingly, 7,6% of households across the country indicated that, and proportionally Northern Cape came out higher at 11,5%. Why is it that? Because of the traveling distances that we know. It's a vast province. So, the 2021 announcement was based on the survey and then the response to that is a policy that I said we have already published on 23rd February. It's closing on the 31st of March, and I invite you hon member, and all other interested people to comment on that policy so that we can close any possible gap. Thank you, hon House Chair.

IsiZulu:

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Mnu K P SITHOLE: Angibonge Sihlalo, ngibonge impendulo eqhamuka kuSekela, lo mbuzo oqhamuka kwilungu elihloniphekile uRamadwa awuqali namuhla futhi nawe lo mbuzo uwazela ekomidini. Manje ngicela singabhulashani ake sibhekani nesimo sokuthi abantu abaningi abantu abahamba ngabatekisi futhi abantu abashona ngobuningi abantu abahamba ngamatekisi. Uma kuxhaswa, kuxhaswa abagibeli hhayi inkampani yamatekisi. Umbuzo uthi: Njengoba kusematasa nengqubomgomo engathatha iminyaka emihlanu noma eyishumi yini njengamanje ekhona enganceda ukuthi abantu abagibela amatekisi ngoba bayakhula bakwazi ukuncedwa kungehliswi uxhaso lwabantu abahamba ngamatekisi namabhasi?

IsiXhosa:

USEKELA MPHATHISWA WEZOTHUTHO (Mnu L N Mangcu): Ewe, Jobe unyanisile, ayonto entsha le. Loo nto ibonisa ukuba singurhulumente okhathalayo ongafuniyo ukubonakala esenza njee, ingathi sehla emthini. Kungoko senze olu phandu, sikhangelela izinto ezifuna ukulungiswa. Emandikubuze kona Jobe kukuba yintoni esiyenzayo ngoku? Uya kukhumbula ukuba sinike onotekisi ama-R5000, unotekisi emnye ukuzama ukukhawulelana nabo ngenxa yesimo ebebekuso kubhubhane we-COVID-19. Sibonile njengorhulumente okhathalayo ukuba baye basokola kakhulu kuba

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iitekisi bezingahambi. Loo mali siyikhuphile isezitasini zabo ngoku. Asingeni ndawo ke ukuba le mali iphelile, sebeyisebenzisile.

Kule veki iphelileyo, Jobe, senze uchatha kula mali besiyinike oonoteksi ngama-R3500 njengorhulumente okhathalayo. Sithi mabeze oonoteksi ngoku. Bayazazi izinto ezifunekayo xa besiza ngaphambili. Bayayazi ukuba kufuneka ubenesazisi, ubenemvume kwaye waziwe ukuba ungumntu othutha abakhweli ukuze sikwazi ukunika le mali. Sithetha nje ngoku, siyabanika le mali, kwaye sinayo, ukuhlangabezana nale ngxaki singekafikeleli kuyo, yesibonelelo (subsidy). Ndifuna Jobe, uyijonge kakuhle le nkqubo, uyigoca-goce, ungethethi nje ngento ongayaziyo apha ePalamente. Ndifuna xa uthetha ube kanti uyifundisisile ukuze uthethe ngento oyaziyo, usixelele ukuba singayilungisa ndawoni.

Sihlaba ikhwelo koonoteksi abalapha ngaphandle, ooGogo Dlamini nabakhweli beeteksi abaphaya kuBilatye, sisithi sikhona singurhulumente siyakhathala. Sithi, jongani le nkqubo nisixelele ukuba siyilungise ngawoni. Sikhona siyakhathala. Enkosi, Sihlalo.

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Question 240:

The DEPUTY MINISTER OF TRANSPORT: Thank you very much to hon Hunsinger for the question. The question really is talking about something that bothered us all and maybe to come close to what hon Manyi was saying earlier is, how do we address the current general bad road services across the country or the republic? And that is the question we are really responding to.

Hon Hunsinger, firstly, maybe the context is to say that we have in the region of about 248 road authorities in this country. They are distributed at the local, provincial and then there is one being South African National Roads Agency Limited. So that then says each and all of these spheres has got a responsibility in their own area of control to fix the roads and the terrible conditions that we find ourselves.

So the question is, what are we doing as national government? Firstly, we have developed guidelines regarding the road asset management which is enforced by making sure that we have made it a condition under the Provincial Roads Maintenance Grant. The second issue that we have done is that the provision of the Provincial Roads Maintenance Grant itself is an

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intervention of national government to these other two spheres of road authorities to assist them in terms of maintaining of fixing their roads. The program of Welisizwe bridges, which is implemented through the Department of Public Works, is also amongst other interventions that we are doing.

Now Sanral directly is also assisting various road authorities with road projects as part of their community development portfolio projects. An example physically is like Msikaba bridge, which is being built as part of the N2 new road that is being built. The community is there in Lusikisiki in Flagstaff. Their municipal roads are being fixed as we speak now, as part of the injection by that project that is around. So that is what Sandral does in many other areas where they've got major projects. They don't just only look at this, they go around the municipal or provincial roads to assist those communities in that area. So, where there are specific requests made to Sanral to assist roads authorities and that has funds for that, maybe they don't have technical capacity, Sanral does through entering in Memorandum of Agreement, MoA, assist these authorities to be able to fix those roads.

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On the second part of your question, hon Hunsinger, on potholes. What is it that we are doing? We will recall that there is a nationwide intervention which is dubbed Operation Vala Zonke, which was launched, and it is still continuing as a direct intervention. However, the context of these authorities that I have mentioned is that it is the responsibility of those authorities to fix potholes. But this is just an intervention to try and assist.

What has happened so far? Out of the 46 693 potholes that have been reported to date, we have record of 7 842 that have been closed that excludes black top patching. By that I mean those that are beyond just a normal or ordinary pothole that have been fixed. So, the indications are that there are much higher because some authorities are not reporting. Thank you very much, hon House Chair.

Mr C H H HUNSINGER: Thank you, Deputy Minister. Deputy Minister, shockingly, the 2023-24 road program budget shows a decrease of 32% from R60 billion to R42,6 billion. Looking at what is planned for the next financial year and allocations intended for each funding category across the three spheres of government, it appears that 80% of the R17,4 billion cutback

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will directly affect road funding to provinces and roads funding to municipalities. Will you please explain the reasons for such a distrustful decision? Thank you.

The DEPUTY MINISTER OF TRANSPORT: As you would know, hon Hunsinger, thank you very much first for those specific questions. As you would know that the function of budgeting or apportioning budget is really not the function of the Department of Transport. We do put our wish list and we put our dreams, and unfortunately these get cut amongst others, in the way that you have just said. But we do not just fold our arms and say the budget has been cut, what then do we do? We have gone on an aggressive campaign to invite private sector to partner with us, to partner with authorities to try and alleviate or meet us halfway in that. In which sense? In the area for instance, of mining, you'll find that many of these roads being provincial, national or local, there are damages coming directly from trucks that are going into mines. And those miners are definitely benefiting for that. So, we are saying to these people, they need to adopt a route. By that we mean they must take responsibility or part thereof to maintain that road because they are contributing to that. We have seen a very good response, particularly around the mining sectors

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to say we have knowledge that we are also part of this, so we will come to the party.

On the other side, we are now saying to Treasury, as part of our allocation of the grant money, we must be able to force the authorities to put aside the required maintenance budget because most of these roads, part of the problem is that they do not maintain them, or they do not budget for them. So we acknowledge that yes, there is a shortfall of money, but we are saying what can we do to try and alleviate that. Thank you very much, hon House Chair.

Ms M M RAMADWA: Hon Deputy Minister, you have indicated that Sanral is involved in assisting both province and local government in refurbishing and also fixing potholes. Can you tell us which provinces Sandral is doing that. Thank you.

The DEPUTY MINISTER OF TRANSPORT: Well, from the top of my head I can say there has been in the last year more than 17 000 kilometres of roads, there about, which have been transferred to Sanral and of the provinces that have made this particular request, I'm acutely aware of the Free State, which I think is the most with about 800 kilometres that they have

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transferred. I'm aware of the Eastern Cape. Those two comes to mind immediately, hon Ramadwa. But all provinces - the Minister has been on the road to all provinces meeting MECs and premiers, indicating that certain strategic roads - by strategic we mean those that will go towards improving economic activity, tourism or all other strategic things - where they are battling, they should consider transferring them to Sanral for their assistance.

So, the direct answer is all provinces have been invited. All provinces at different levels are considering that request. But from the top of my head, the Free State as we speak now has had the most kilometres of roads being transferred to Sanral for them to continue doing that. Thank you very much, House Chair.

Ms C N MKHONTO: Deputy Minister, how much has been spent in dealing with potholes so far? And why did you not employ artisans directly instead of doing it through the tender system? We are asking this question because it is cheaper to employ people directly, meaning that more jobs will be created. Thank you.

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The DEPUTY MINISTER OF TRANSPORT: Thank you to the hon member on behalf of hon Nolutshungu. It is not correct that we are doing closure out of potholes through a tendering system. I have just explained, which I will repeat, but more truncated than what I said earlier that our role in the operation we called Vala Zonke is co-ordination. Co-ordination in the sense that we've developed an app where people can download it and report there and then where they steer a pothole. That is then transmitted to a central point in Midrand where there are engineers and there are people. By the way, jobs have been created there to collect this information and redirect it to the particular authorities where that recording would have come from. It is the responsibility of either that local authority or the province to fix that pothole.

Where I am hon member, I am not able to say what means do they use to close that pothole. Do they use their own employees, or do they have tenders because as I said earlier in explaining the distribution of authorities, it would be either the local sphere or the provincial sphere which have got autonomy to manage their roads. But our intervention must be seen as an intervention because of the failure of these authorities, either local or province.

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In the instance of Sanral, which is directly under the Department of Transport, I am not aware that there is a major problem of potholes. But where there is, the response time is much quicker. So, we do not employ private people, as national departments, to close potholes. Thank you very much, hon Chair.

Question 218:

The DEPUTY MINISTER OF TRANSPORT (Mr L N Mangcu): House Chair, I am earning my salary today for standing here and listening to hon Macpherson. The Passenger Rail Agency of South Africa, Prasa, last provided a full service in the 2015-16 financial year which at the time we were able to run all 40 lines or what we commonly know as corridors and transported around 450 million commuters during that time.

The various commuter rail service corridors, which are highly subsidised by government, are in eThekweni Metropolitan Municipality, surrounding areas in KwaZulu-Natal, Gauteng province, Cape Town particularly and surrounding municipalities in the Western Cape, and lastly, Buffalo City and Nelson Mandela Bay Municipality in the Eastern Cape.

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We do all know that there has been a lot of lapses within Prasa where we saw vandalism and the decline in terms of people using the service. The department and Prasa are hard at work to recover these corridors. So, the figure that I gave you was the last credible figure in that financial year that we have. As of the 2023-24 financial year, Prasa has moved 35 million commuters against the 40 that I said at the time that they had moved. This is out of 40, as I've said, of these during this financial. This has been recorded since there has been the revitalisation, the recovery and the building programme to recover these corridors that were vandalised through the lapses that I already alluded to earlier on. Now these are not numbers that we are happy with, but as we recover these corridors, we are able to see an increase in the numbers of people.

There are major challenges, as you have asked hon member, in doing this recovery and rebuilding programme. Amongst others, is the consistent community disruption, especially through the so-called construction mafias, who are masquerading as business forums and community representatives and communities that are occupying strategic railway reserves and building

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settlements in certain areas in the road reserve and lines, as we have seen in the central line here in the Western Cape.

This process of resolving these informal settlements in the city of Cape Town, for instance, is continuing and we are sure that we will resolve it very soon. In terms of making sure that we address that programme, Prasa has developed a long-term strategy to curb occurrences. So, we have developed a long-integrated security strategy which we are seeing yielding results because we are not seeing any increase in terms of vandalism. Where we have recovered lines of corridors there has not been any reported incidents that we know of that is a redress in those areas. This strategy involves, among other things, security services, drone technologies, building security walls along the hotspots and so forth. Thank you so much, House Chair.

Ms F E KHUMALO: House Chair, to the Deputy Minister, thank you for the detailed answer. However, I have this question: How many commuters is Prasa transporting per annum compared to what it was when it was at its peak? Thank you, House Chairperson.

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The DEPUTY MINISTER OF TRANSPORT (Mr L N Mangcu): Hon House Chair, thank you to the hon Khumalo. As I already alluded to in my primary response to the original question, as at 2015-16 financial year, there were 450 million commuters that were moved across 40 corridors - across the areas that I already alluded to.

In terms of where we are now, 2023-24, where we have 25 lines or corridors, we are seeing approximately 35 million people that are being moved. That number is not where it should be. I must say that there has been quite a lot of restrictions in terms of the movement of these trains because part of the vandalism crippled the communication system which is called the signalling system. So, as a matter of intervening such that we don't have crashes on these tracks, the trains speed is being reduced and the number of the trains that can be on a particular route is also limited through the Rail Safety Regulator's, RSR, instruction. So, that has caused a reduction in those numbers, but we are seeing a good increase in terms of numbers as we recover. In fact, by the end of this month there will be four more corridors or lines that will be added on.

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These are certainly coming in very handy in terms of assisting the working class, students and people who are vulnerable as we experience that many people we come across and speak to on those trains, they say as they commute through the train, they pay almost three times less than what they pay in either a taxi or a bus. Thank you so much, hon House Chair.

Mr T B MABHENA: Hon House Chair, I tried to say supplementary number four in the previous round, but you didn't recognise me ...

The ACTING HOUSE CHAIRPERSON (Ms R M M Lesoma): No, hon Mabhena, let us correct that - you have to book. The Presiding Officer must know upfront. You may proceed.

Mr T B MABHENA: Over the past 14 years, Prasa has lost a frightening 90% of their passenger numbers. In 2009, Prasa was receiving revenue worth almost R300 million annually. However, currently Prasa is bleeding and behaving like any other typical ANC state owned entity and not making any profit.

The truth of the matter is that these supposed recovery corridors are not in fact full recoveries because your

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department and by your answer, the department is trying to pull a fast one on citizens. For example, when you say you have recovered a corridor, if any line has about four stations, the train will only stop at only two stations and then it will jump the other two stations. However, you report that as a full recovery, which is not true, and that needs to be corrected because you are in fact reporting on something that has not happened.

A full recovery is when the entire line has been recovered and all the stations are active and then you can now be in a position to say that you have recovered those. So, now can you make a commitment in terms of when are you going to be making these comprehensive recoveries and reporting them correctly or are we waiting for a DA-led government to do it for you? Thank you.

The DEPUTY MINISTER OF TRANSPORT (Mr L N Mangcu): House Chair, you know somebody said yesterday that there is fourth or fifth season called a silly season. I know my colleague, hon Mabhena, is a very good listener. He didn't even hear me now saying here publicly that albeit there are recoveries, but they have limitations. I said it here and acknowledged it.

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Now you come here and want to make it as if it is a new fact that you have just discovered from a DA-run non-existent government that will come from the moon. It is not true. I have acknowledged that these corridors that have been recovered are not fully recovered. I mentioned reports of Rail Safety Regulator that for instance ... I made an example ... you see, that is the problem. When you ask a question, you must allow me to answer. That is why I listened to you. So, would you just learn to listen if you are going to be in government. It is going to be critical.

I mentioned an example of RSR which limit speed. I acknowledged that and said this is not where it should be. So, when will that be? I cannot give you an exact date because there are many aspects. Now, when you are not in government you just see a rail running and you don't know what goes into it. Now we can educate you those who are in government, that there are a lot of aspects that goes in. There is what we call a signalling system. Outside I will educate you what it is so that you can understand.

There is also maintenance of rolling stock that I'm sure you do not know. I said to you that at the end of this month there

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will be four trains that are coming. It is something that is ongoing that we are recovering and I'm sure every time we announce what we are doing ... because we want to go back where we were ... we are not where we were, and we are not proud of it at all. Thank you very much, House Chair.

Ms C N MKHONTO: Hon House chair, to the Deputy Minister, whilst you are dealing with the restoration of commuter rail transport infrastructure, what is it that you are doing or have done to ensure easy access and safety of wheelchair users?

The DEPUTY MINISTER OF TRANSPORT (Mr L N Mangcu): House Chair, as part of us recovering these corridors, we are also doing station modernisation - it is a specific project. This is in line with the electric multiple units, EMUs, Isitimela Sabantu, which is being rolled out.

As we roll out these new trains, you'll discover that the platform at the station is uneven to do this. So, we are gradually adjusting the platforms to make sure that they are in line to give proper universal access to all those. Where there is a serious problem, we have our marshals or security

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which would put up a ramp as a temporary measure to assist those that need assistance.

However, as part of our overall strategy of dealing with universal access across public transport, including trains, we are at the end of April, if I'm correct 19 or 29 April, holding a universal access summit where we want all people who are affected by this universal access limitations to come and speak for themselves so that we do not only address the Prasa issue, as you have asked hon member, but we address universal access in taxis, in buses and in all other modes of transport. Thank you very much, House Chair.

IsiZulu:

Mnu K P SITHOLE: Angibonge Sihlalo ngibonge ilungu elihloniphekile uSekela, ukubuyiselwa kwabantu kujantshi kuhamba ngonyawo lonwabu kuhamba kancane. Kuthi kuhamba kancane nje, ukucekelwa phansi impahla kumi ngenhla nokuntshontshwa kwengqalasizinda kumi ngenhla. Umbuzo wami uthi: Ngoba kulezikhulu zakwaPrasa kukhona abathintekayo ekuntshontsheni kuzokwenzeka kanjani ukuthi ukubuyiselwa kwabantu ezitimeleni kube nomphumela omuhle uma kungekho oboshwayo kulaba bantu abantshontsha izimpahla zikahulumeni?

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IsiXhosa:

USEKELA MPHATHISWA WEZOTHUTHO (Mnu L N Mangcu): Ndichulumance kakhulu xa ingathi uyabazi aba bantu bangamasela phaya kwaPrasa. UMongameli welizwe ukhuphe iCandelo loPhando eliKhethekileyo, (SIU) ukuba liye kuqonda ukuba konakele phi. Sithetha nje ngoku, liphaya eli candelo. Ukuba uyabazi aba bantu phaya kwaPrasa, badlulisele kweli candelo. Ukuba uyazazi iinkcukacha zabo, kungcono uye kwisikhululo samapolisa uvule ityala lorhwaphilizo.

Singurhulumente okhathalayo, asifuni ukuhamba sisithi abantu bayaba. Yiyo loo nto uMongameli eze neli candelo ukuba liphande nzulu ukuze sazi. Zininzi izinto ezithethiweyo kwiKomishoni kaZondo ngoPrasa. Zininzi izinto ezathethwa nguMkhuseli woLuntu wangaphambili ezifana noo...

English:

...Project Derail at Prasa.

IsiXhosa:

Yonke loo nto uMongameli uthe masiyithathe, siphose phaya kwela candelo. Ela candelo liyayazi ukuba kufanelwe kwenziwe ntoni. Thina, njengeSebe lezoThutho asinawo amandla okubamba

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abantu kodwa sisebenzela ukuba umntu obileyo, wabhaqwa, ahambe aye kuvalelwa eziseleni. Enkosi, Sihlalo.

CONSIDERATION OF EXPROPRIATION BILL [B 23D - 2020] (NATIONAL ASSEMBLY - SEC 76) AND OF REPORT OF PORTFOLIO COMMITTEE ON PUBLIC WORKS AND INFRASTRUCTURE THEREON

Ms L N MJOBO: The Portfolio Committee on Public Works and Infrastructure brings to the House the Expropriation Bill for the second reading. The Bill was passed in the National Assembly on 28 September 2022 and sent to the National Council of Provinces for concurrency, as the Bill was tagged as a section 76 Bill. The NCOP processed the Bill and approved the Bill with the amendments on 20 March 2024. The portfolio committee has processed the amendments and supported the amendments inserted by the NCOP, and therefore, able to present the Bill to the House for the second reading. These amendments have strengthened the Bill to be approved by the House and enables implementation.

Chairperson, it was imperative that the old apartheid Expropriation Bill of 1975 was repealed through the drafting of a new Expropriation Bill as the Bill in line with the

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section 25 of the Constitution of the Republic of South Africa. This means that it is in accordance with the democratic values of the Constitution of the country. The Bill empowers the Minister of Public Works to execute expropriation for public purpose or in the public interest. This means that the expropriation of property for public purpose and in the public interest is based on the rules of law, as our Constitution does not, for arbitrary expropriation of property. It abstracts following its expropriation on the relation in other countries, and it is based on the international practice.

These amendments of the Bill by the NCOP enhances the Bill, and therefore, the portfolio committee approved the Bill with the amendments. The ANC supports the committee's expropriation and seeks the approval of the House for the Bill during this second reading. Thank you, Chairperson, for the opportunity.

Question put.

The ACTING CHIEF WHIP OF THE MAJORITY PARTY (Ms G K Tseke):
Chairperson, I move that the Bill as amended be approved.

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The HOUSE CHAIRPERSON (Mr M L D Ntombela): I will now recognise the political parties wishing to make the declarations. The usual times for the declarations will apply. The DA.

Declarations of vote:

Mr I S SEITLHOLO: Chairperson, following the failure by the ANC to obtain the required majority to pass the Constitution's 18th Amendment Bill, which sought to amend section 25 of the Constitution to allow for expropriation of land without compensation, the ANC have gone to extreme lengths to try and explain the expropriation goal as a land reform instrument of which it is not. After suffering an embarrassing defeat in the National Assembly, the ANC has attempted to continue its obsession with expropriation without compensation through an ordinary Bill which is effectively an attempt to expropriate through the back door.

No ordinary legislation can trump the provision of the Constitution, and the DA has fought this method from the beginning and will continue to do so even after today. The ANC has missed its majority in the National Assembly, and now the National Council of Provinces. The Bill has only one purpose

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and that is to be used by the ANC in a bad faith attempt to stop their freefall decline in voter support which now places them well below 50%. Essentially, the ANC is trying to bulldoze no compensation into section 12 of the Act, which deals with the issue of compensation of expropriated property. This exposes the ANC's gross disregard for the constitutionally enshrined principle of property rights and the impact that this violation of this principle will have on people's property and ownership. During the public hearings, the ANC took advantage of the fact that most participants did not understand the purpose of this Bill. They continue to lie that the Bill would result in wholesale expropriation of land without compensation. This was nothing more but than a cheap electioneering tool.

In addition to the constitutional infringement by the Bill's no compensation provision which elicits, the DA warned that some clauses were vague and open to subjective interpretation by an expropriating authority, which placed a property owner at a disadvantage. Clause 3,1 gives the Minister of Public Works the power to expropriate property in public interest. The public interest is not clearly defined, but the reference to land reform as part of the definition further underscored

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the idea that the ANC wanted to package this particular Bill as land reform instrument. The DA made the point that clause 15 was prejudicial to property owners in favour of the expropriating authority. The Expropriations Bill section 12(3) eliminates consensus and usurped the authority of the judiciary by predetermining the amount of compensation to be known in defined circumstances. This is a clear contravention of the doctrine of the separation of powers.

My colleague, Hans-Jurie Moolman, is of the view that what the ANC is trying to do is to circumvent the Constitution and its interpretation by our courts over a period of almost 30 years, by means of legislation and legislative processes. He says that it will be interesting to see how two distinctive interpretations of just and equitable compensation in terms of section 25(2) and 25(3) as opposed to the manner of redress via restitution in section 25(7) will be justified.

Significantly, section 2(a) of the restitution of Land Rights Act 22 of 1994, refers explicitly to section 25(3) of the Constitution as a yardstick to determine whether just and equitable compensation was paid to persons who were unfairly deprived of rights and land because of past racial laws and practices.

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There should be consistency in the application of the use of terminology in the same section of the Constitution. At the end of the day, we must place the fault in terms of the failure which is aptly described by the Constitution or the matter of Mwelase where it helps the following, and I quote.

In this, the department has jeopardised not only the rights of land claimants, but the constitutional security and the future for all. The South Africans have been waiting for more than 25 years for equitable land reform. More accurately, there have been waiting for centuries before. The department's failure to practically manage and expedite land reform measures in accordance with constitutional and statutory promises has profoundly exacerbated the intensity and bitterness of our national debate about land reform. It is not the Constitution, listen carefully, it is not the Constitution, nor the courts, nor the laws of the country that are at fault in this. It is the institutional incapacity of the department to do what the statute and the Constitution require of it that lies at the heart of this colossal crisis.

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As the DA, we are prepared to instruct our lawyers to write to the President, and we are equally going to make sure that the President refers to this particular unconstitutional Bill to the Constitutional Court. ... [Interjections.] ... We need to do so, we will certainly meet incourt, as is always the case. Thank you.

Mr W T LETSIE: You must win the elections first.

Sesotho:

MODULASETULO WA NTLO (Mong M L D Ntombela): Ntate Letsie, o seke wa etsa jwalo, ntate.

Mr W T LETSIE: I am sorry, Chair.

IsiZulu:

Nkk K N F HLONYANA: Sibonge kakhulu Sihlalo ...

English:

... when this Bill was tabled here for the first time, we rejected it and correctly termed it a sell-out piece of legislation. It is premised on two very strong assumptions. The first one is that it is a constitutionally permissible to

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expropriate land without compensation at the moment. Secondly, it is misdiagnosed as the hunger for land in this country by portraying the land that could potentially be expropriated without compensation. In so doing, the Bill even more draconian than the current property clause of the Constitution because it identifies specific pieces of land that could potentially be expropriated at nil compensation, and those pieces of land will offer little to no value for our land expropriation restoration ideals.

For the first part expropriation in this country under the present constitutional provision is compensation centric. One of the most vocal advocates of this nil compensation ideal advocate Ngcukaitobi had in his argument that compensation for expropriation could even be lower than the market value shot down by the Supreme Court of the appeals in the Msiza judgement. It is, therefore, a red herring that expropriation will be without compensation, without changing the property clause. Secondly, African people want their land, all of it. The present bill proposes that expropriation could be without compensation for a very limited category of the land. This is unacceptable and the Economic Freedom Fighters reject this assertion.

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This Bill is not meant for poor, marginalised masses of South Africa who worked the land on a daily basis. The Bill is meant to protect the interests of current landholders, the settlers, colonialists who acquired the land through conquest and deceit. The EFF rejects this amendment of this Bill, and we call upon all South Africans to vote for the EFF and let us govern you and let us show you proper government. Let's get rid of ...

IsiZulu:

... lamasela lawa ...

English:

...and let us take the country forward through our President Julius Malema. Thank you very much.

Mr S S ZONDO: Hon Chairperson, I want to reiterate that the IFP is in full support of meaningful and fair land reform in South Africa. However, after extensive discussion with stakeholders, citizens, civil society organisations and senior city councils in this matter, we remain of the decision that we cannot endorse the current version of the Expropriation Bill. The legislation before us has taken 16 years to get to

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this point and is a highly technical and contential piece of legislation that the Parliament can ill-afford to get wrong. This should be dealt with in the 7th Parliament. However, in an attempt to score another own goal, the ruling party may see it as a quick populist win come May 29 election, but the ratification of South Africa will be discovered in its wake.

The IFP argues that the Bill must be sent back to the portfolio committee for thorough assessment of its constitutionality and then send to the Constitutional Court by the Parliament for declaration of the order of its lawfulness. Additionally, they may be procedural irregularities that have been arising regarding the obtaining provincial mandate in the NCOP and other matters, and this must be ratified.

In conclusion, we believe that this Bill before us is the poorly drafted attempt by the ruling party to hide inaccuracy in effecting meaningful land reform in South Africa since taking power in 1994. The IFP does not support this Bill or the current version of this Appropriation Bill. I think ...

IsiZulu:

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... kufanele abantu bavotele nje iqembu leNkatha ngoba iqembu leNkatha linomlando wokukwazi ukubuyisela umhlaba kubantu. Siyazi ukuthi umhlaba weNgonyama Trust, okuwuwona namanje iqembu elibusayo elibanga umsindo ngawo, wabuyiselwa yiqembu leNkatha eliphethe uHulumeni wakwaZulu. I-state land kufanele sibuyiselwe kubantu, kubanikazi baso ukuze bakwazi abantu ukusebenzisa umhlaba nangendlela efanele futhi babe nobuniniwo bomhlaba. Ngathi sekuyisikhathi sokuthi kunikezwe uhulumeni ozokwazi ukwenza izinto ngendlela efanele futhi one...

English:

... good track record...

IsiZulu:

...yokwenza izinto ngendlela efanele. Abantu abavotele iqembu leNkatha ngomhlaka-29, ukuze bakwazi ukuthola umhlaba wabo, iNingizimu Afrika yonke, umhlaba ubuyiselwe kubantu. Ngiyathokoza kakhulu, Mphathi wohlelo.

Mr P A VAN STADEN: Thank you, Chairperson, the Freedom Front Plus rejects this Bill in its entirety again. The National Council of Provinces can sugarcoat amendments of this Bill as much as they want to, but the fact of the matter is that this

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Bill remains unconstitutional. The FF Plus hereby challenge this government to go and test the constitutionality of this Bill in the Constitutional Court and the Constitution makes provision for that.

The FF Plus is strongly opposed to expropriation without compensation and is of the opinion that there is enough land available for redistribution, but that administrative stalling is causing delays to the detriment of a country. This Bill which makes provision for expropriation and no compensation, should be stopped. The FF Plus is also of the opinion that the land which has already been obtained through land reform, of which 90% of the projects have failed, and unused state-owned land should be redistributed immediately, and after that, the principle of willing-seller willing-buyer should be followed. In the case of expropriation for public use, the compensation should be market related.

Land is used as a populist political weapon and the FF Plus reject the myth that owning land creates wealth. Land reform projects have become nothing more than a breeding ground for corruption.

Afrikaans:

Hierdie wetsontwerp hou ernstige ekonomiese gevolge vir Suid-Afrika in. Die ANC moet eerlik wees. Die ANC moet erken dat die wetsontwerp nie vir hul oor grondhervorming gaan nie, maar oor die mag wat grondbesit bring.

Buitelandse beleggings gaan die land uitstroom, want onteiening gaan handelsbanke, finansiële instellings en private eienaars negatief raak, en dit gaan beteken dat ons ekonomie totaal en al vernietig gaan word.

Hierdie wetsontwerp kan en mag ter wille van Suid-Afrika en die toekoms van ons land en sy kinders nie aanvaar word nie.

'n Gesonde balans moet verkry word tussen die ontwikkeling van behuisingsprojekte, die beskerming van eiendoms waarde en die bewaring van produktiewe landbougrond. Die VF Plus verwerp weereens hierdie wetsontwerp in sy geheel, sowel as die verslag van die Portefeuljekomitee oor Openbare Werke en Infrastruktuur. Kom ons herstel en bou. Kom ons neem die mag uit die ANC se hande by die stembus op 29 Mei. Dankie.

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Mr S N SWART: House Chair, the ACDP notes the amendments that were made and wishes to state that it objected to the report of the committee in that committee. Now, it must be remembered that an attempt was made by the majority party to amend section 25 to provide for expropriation without compensation, and that the ACDP along with most other opposition parties, voted against the proposed amendment as we believed it was not necessary.

Furthermore, we believed that amending section 25 to provide for no compensation would cause capital flight, impending foreign and domestic investment. The view of the ACDP and many other South Africans, this Bill is yet another attempt to provide for expropriation without compensation, particularly when one considers sections 12(3)a, c and d which targets private property.

We note that 12(3)e deals with property considered to be a health risk, and this was omitted as an amendment from the NCOP. These sections allow for no compensation. The ACDP precautions, as it did with the attempt to amend section 25 of the Constitution, whilst acknowledging the need for

reformation and restitution on the land that expropriation without compensation is not the panacea.

Property rights in our view, must be protected because a failure to do so destroys the value of such property. As in any business, if a product loses its value, it becomes nontradable, and business will move to places where they can trade. The ACDP argues that what investors seek and what their economy needs is policy certainty, and this amendment Bill does not provide for that.

The ACDP believes that this Bill in its current form is nothing more than a populous political tool to consolidate and hold on to power, regardless of the consequences. We will not support it. I thank you, House Chairperson.

Mr A M SHAIK EMAM: House Chairperson, this Bill seeks to address the Expropriation Act of 1975. Let us be honest, there cannot be freedom in South Africa unless you deal with the issues of land. Some of my colleagues are very comfortable. They want to oppose this because they are used to the idea of stealing something that belong to somebody else and holding on

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it, and any attempt to address that, they are not comfortable with it.

It is no difference to the Zionists' state of Israel and the land that they stole from the Palestinian people. The apartheid government ... of course let's not forget that the DA were part of the National Party, and we know what they have done. Some of the most prime land was stolen from black South Africans. And we have not yet addressed that. It is up to this very day, and it is something I think we need to accelerate. That is why we would support this Bill here today. We will support this Bill because we need to accelerate the process of land restitution.

To the EFF, I want to say to you that, yes, you don't want to support the Bill, but I will tell you where you are going to regret that. Whilst you are opposing this Bill, today at the moment these people on my left are selling a lot of tracks of land to the foreign nationals, to the West and to the Zionists. And when you realise it, it's going to be too late. They have neglected the first thing, diginisation. You can see what has happened in District Six.

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Whilst you have your own reason for opposing it, but what you are doing is playing into the hands of these Zionist supporters here on the left. As a result, the people in the Western Cape are going to suffer the most. That is why I say that proceed with the process that you have put in place. Accelerate that process.

Let's pass this Bill, let's give back to our people what they rightfully deserve. Let's take back the land from those that have stolen it. Can you imagine, you come and steal the land and you come and say we must negotiate the price to give it back. What a nonsense is that? What a nonsense is that? Let's take that land, and let's take it back by force.

I do agree the willing-buyer, willing-seller has never worked, and it will never work. Take those lands and give them to the millions of people that do not have homes. Give them that land. Subdivide it and give it to the South Africans, and not those foreign nationals. [Time expired.] We support this Bill.

Mr T LOATE: Hon Chairperson, as I said, we support the Bill as it is.

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Mr M G E HENDRICKS: Hon Chair, Al Jama-ah supports the Bill. Thank you very much, hon Chair.

Mr T V MASHELE: House Chair, the ANC supports the second reading of the Appropriation Bill, and it wishes that the House will support the Bill as it did in its first reading. The Bill has already passed the master of both the National Assembly and the National Council of Provinces. It is anticipated that this afternoon the National Assembly will do so again.

This Bill, when passed by the House, seeks to replace the Expropriation Bill 63 of 1975, as it repeals the apartheid era legislation. The apartheid era Expropriation Bill was not keeping with the democratic Constitution and the legislative transformation. The Bill does not allow for the arbitrary expropriation of property and enshrines the role of law in terms of the Constitution. This is in accordance with the democratic Constitution of our country. This means that the Bill is in consistence with section 25 of the Constitution. Like all legislations, the Bill followed a very thorough process through public consultations from both the National Assembly and the NCOP. There was an extensive public

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participation in shaping the legislation both on the side of the National Assembly and the NCOP.

In fact, both the portfolio committee and the select committee engaged in a public participation over the above normal processes which normally occur. Therefore, this final Bill with amendments is appropriate as the process of appropriation. The Bill represents a balanced perspective in protecting the rights of the expropriated holder and the public interests. The amendments to the Bill still enable a fair process that regulates the procedures for the expropriation of property for public purpose in the public interest including payment of the compensation which is just and equitable set out by the process to achieve that. It also enables the identification of certain instances where the provisions of nil compensation may be just and equitable for the expropriation for public purposes and public interest.

Therefore, it does not allow arbitrary expropriation and ensures that dual legal processes are followed in expropriation. The Bill represents the aspirations of the majority of the people of our country. It envisages economic transformation, infrastructure development and inclusive

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economic development for the majority of our people. It also seeks to correct the historical injustices of the past, and to correct the forced expropriation of property of the majority of the black people in our country through the Land Act of 1913, the Land Act of 1936 and the notorious Group Areas Act.

These draconian Acts of expropriation of property occurred at nil compensation and with many sufferings of the indigenous people of our country. It is now left to the victims to correct the historical injustices of the past. This is the reason that we stand before this House with this Bill.

The public interest includes the nation's commitment to land restitution, land reform and the reforms to bring about equitable access to all South Africa's natural resources and the interest of people based on the democratic values enshrined by the Freedom Charter.

In this regard, the Bill suggests that a person or a community whose tenure of land is legally insecure as a result of the past racially discriminatory laws or practices, is entitled to the extent provided by the Act of Parliament either to tenure which is legally secured or to a considerable redress.

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Fundamentally, this suggests that no provision of this section may intricate the state from taking legislative and other measures to achieve land, water and related reforms in order to redress the result of the past discrimination.

Our forebearers imagined a democratic South Africa which will vigorously tackle landlessness, inequality and poverty. Therefore, it is imperative that expropriation for public interest must ensure inclusive economic development as part of the economic reconstruction and recovery plan. This must enhance the delivery of infrastructure programme, local industrial development and agricultural reforms that enhances food security. This Bill, like any other legislation, must ensure that government is able to defeat the challenges of poverty, inequality and unemployment as well as the historical economic exclusions.

Both the portfolio committee and the select committee have taken extensive legal advice from the legal team of the department, the state law advisors, parliamentary legal services even legal academics who ran workshops for the select committee as well as the portfolio committee. We can confidently declare that the Bill passes the constitutional

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and legal master. The committee is therefore convinced that the Bill, with its amendments, was crafted with our constitutional framework.

In conclusion, the committee recommends that the passing of the Bill, with its amendments, should happen as a matter of yesterday. The ANC seeks support of the Expropriation Bill. The people of Pilgrim's Rest in Thaba Cheu are waiting for us to pass this Bill such that the government can expropriate land and build houses for them. The people of Kennedy Road informal settlement in Durban also yearns for that to happen. The people of Winnie Mandela informal settlement in Tembisa cannot wait for the House to pass this Bill such that houses can be build for them. The people of Mabopane in Tshwane cannot wait for this Parliament to pass this Bill such that the government can build health facilities in their area.

House Chair, we are not surprised that these ones, sitting on our left, joined by their newly acquired girlfriends in red, will always oppose this. President Mandela has warned us about such people that any man who changes his principles on the basis of whom he is dealing with, cannot be trusted to lead any revolution. It is therefore, upon all of us to pass this

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Bill so that government can rescue the people of the Western Cape who languish in informal settlements. [Time expired.]
Thank you very much, House Chair.

Question put: That the Bill, as amended, be passed.

Division demanded.

The House divided.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon members, the Speaker had determined that, in accordance with the Rules, manual voting procedure would be used for this division. Firstly, in order to establish a quorum, I will request the Table to confirm that we have the requisite number of members physically present in the Chamber and on the virtual platform to take the decision. Party Whips will be given an opportunity to confirm the number of their members present and indicate if they vote for or against the question. A member who wishes to abstain or vote against the party vote may do so by informing the Chair.

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Having confirmed that we have the requisite quorum, we will now proceed. The question before the House is that the Expropriation Bill as amended, be passed. Voting will now commence, and the doors to the Chamber will be locked and members will not be allowed to enter the virtual platform until the voting is concluded. Whips, could you confirm the number of your members present in the Chamber and on the virtual platform and indicate if they vote for or against the question. The Table will assist if needs be. Are party Whips ready to record the vote of their members who are present?

A quorum being present in terms of Rule 98(1), voting commenced.

YES - 205: [TAKE IN FROM MINUTES]

NOES - 108: [TAKE IN FROM MINUTES]

Motion agreed to.

Bill, as amended, accordingly passed.

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CONSIDERATION OF REPORT OF STANDING COMMITTEE ON FINANCE ON
PENSION FUNDS AMENDMENT BILL [B 3 - 2024] (NATIONAL ASSEMBLY -
SEC 75) (ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS, 22
MARCH 2024, P 105).

Ms G K TSEKE: Hon House Chair, I move that the report be
adopted. Thank you.

Motion agreed to.

Report accordingly adopted.

PENSION FUNDS AMENDMENT BILL [B 3B - 2024] (NA - SEC 75)

(Second Reading Debate)

The DEPUTY MINISTER OF FINANCE: House Chair hon Ntombela, hon
members will recall that previously we tabled the Revenue Laws
Amendment Bill, which introduced the two-pot system by
providing the creation of the savings component, retirement
component and the vested component in our retirement system.

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We are doing this because the current rules governing pension and provident funds only allow members to access their retirement savings upon retirement. As a result, in times of dire financial distress, members of pension or provident funds tend to terminate their employment to withdraw from their pension or provident funds.

The two-pot system does two things. Firstly, it introduces the preservation of retirement savings when members change jobs. Secondly, it allows limited access to retirement savings by allowing for a savings withdrawal benefit before retirement without resignation.

To enable this, the House passed the Revenue Laws Amendment Bill. Today, we are tabling the Pension Funds Amendment Bill to enable pension funds to implement the amendments that are contained in the Revenue Laws Amendment Bill. This Amendment Bill will enable the amendment for the following acts: The Pension Funds Act of 1956, Post and Telecommunications-related Matters Act of 1958, Transnet Pension Fund Act of 1990, Government Employees Pension Law.

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In summary, the amendment provides for the member's pension benefit account to be appropriately divided in terms of the pots that I've just mentioned, which is savings, retirement and vested pot. The amendments provide for the deduction that can be withdrawn from the three pots. The Divorce Act currently provides for a narrow definition of pension interest for ex-spouses meant to benefit from the pension funds.

The definition is narrow because it only provides for the dissolution of civil and customary marriages. The Divorce Act definition of ex-spouses excludes religious marriages. Therefore, the Amendment Bill is meant to correct this by recognising the dissolution of religious marriages.

The Bill also stipulates that the calculation of the pension benefits due to ex-spouses must apply the deduction proportionally from all three pots. The Bill provides for clean-break principle, meaning the pension interest must be paid to ex-spouses on the date of the court order. The Amendment Bill also provide for an overriding course, a trumping clause in an event of a conflict of Divorce Act, and the pension laws on the application of the definition of pension interest or ex-spouse.

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According to this trumping principle or clause, the pension laws will prevail in terms of the general rules of interpretation of statutes. Hon members, this is the first phase of the retirement reform which we identified and muted in the Government Paper in 2012. The next phase will deal with access to the retirement component in an event of retrenchment.

Setswana:

Ke a leboga.

English:

Thank you very much.

Xitsonga:

Nkul M J MASWANGANYI: Ndza khensa, Mutshamaxitulu.

English:

Ministers, Deputy Ministers and hon members, the Pension Funds Amendment Bill aims to amend the Pension Act to incorporate retirement reforms. This system was initiated by the Cosatu, an alliance of the governing party, the ANC in 2020. The

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Cosatu and the ANC are concerned about the plight of the workers. What is the rationale of this amendment?

The Bill amends the Pension Funds Act of 1956, the Post and Telecommunications Related Matters Act 1958, the Transnet Act 1990 and the Government Employees Pension Laws 1996, so as to insert certain definitions in order to provide for the introduction of the savings withdrawal benefits, to provide for the appropriate account for a member's interest in the savings, retirement and vested components in the savings retirement investment components to provide for deductions that may be made. These amendments were not provided for in the Revenue Laws Amendment Bill that has already been adopted by the National Assembly in February 2024.

The proposed two-pot retirement system, as Tabled by the Deputy Minister, addresses the primary concerns by the workers. The system will provide relief to workers in both public and private sectors who would soon be able to access limited portions of their pensions without having to resign from their jobs or to cash out their funds. By the way, this Bill also covers the Members of Parliament. The workers are drowning in debts due to a struggling economy, rising cost of

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living, interest rates hike and employers who pay their workers peanuts.

The current pension laws allow workers access to their pension funds when they retire or in the event of losing their job or resigning. Consequently, many workers opt to resign and cash out their entire pension funds leaving them to retire in poverty. The two-pot reforms offer a positive balance where workers will be able to access 10% of their existing savings up to a maximum of R30 000 when the law comes into effect and from then access a third of their future annual contributions once a year. The withdrawal will help settle short-term debts and other financial needs.

These forms will help to boost savings in the longer term as workers will no longer resign to cash out their entire pensions funds but would rather access their savings pot instead. This system will come into effect on the 01 September 2024, as agreed with the Minister of Finance, hon Godongwane, who understands very well the plight of the workers as he is the former general secretary of Numsa-Cosatu affiliate. He has been deployed by the ANC to implement the pro-poor policies.

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The Bill aims to tackle the lack of preservation before retirement which often results in individuals accessing their funds upon changing jobs. It addresses the issue of limited access to funds in cases of financial distress. Under this system, retirement savings will be preserved when members change jobs. Limited access to these savings will be permitted before retirement without the need for resignation. The implementation of the two-pot retirement system involves several key components. Additional retirement funds will be required to create a savings component to which members will contribute one third of their total individual retirement and contributions.

Asset in this component will be available for withdrawal before retirement subject to certain conditions. Further retirement funds will establish a retirement component to which members will contribute a two third of their total individual retirement fund contributions. A vested component will also be created containing amounts subject to the current retirement regime. Contributions to the vested component will cease upon the implementation of the new regime except for Provident Fund members aged 55 or older on 01 March 2021, who can continue contributions until retirement or leaving the

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fund. Additionally, Provident Fund members aged 55 or older on the 01 March 2021, can choose to participate in the new regime but will no longer contribute to the vested component if they do so.

Public participation in the legislative process of the Pension Funds Amendment Bill, PFAB, is integral to ensuring transparency and inclusivity. Subsequently, on 06 February the committee received a briefing from the National Treasury. From there, we held the public hearings on 12 March 2024 overview of the key proposals. The main objective of this Bill is to facilitate the implementation of the policy objectives related to the two-pot outlined in the Revenue Laws Amendment Bill. The Revenue Laws Amendment Bill, RLAB, primarily focuses on amendments to the Income Tax Act of 1962, which are aimed at introducing the two-pot system.

Clause 1 of the Bill proposes the insertion of a new definition to assist in the interpretation of the Bill. One significant addition in the definition of pension interest which encompasses various elements such as recognising marriages according to religious tenets applying the clean break principle on the date of the court order and allocating

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divorce order settlements from all three components. Clause 4 proposes the substitution of section 37(d) of the Pension Funds Amendment Bill, PFAB, to enable retirement funds to make deductions from retirement fund benefits in line with the provisions and requirements of the Revenue Laws Amendment Bill.

These deductions include amounts to members employer, payments under maintenance orders, portions of pension interest assigned to nonmember spouses and other allowable deductions. Additionally, it specifies conditions under which a member may or may not take a savings withdrawal benefit and outlines restrictions for funds ... [inaudible.] ... of orders against the members. The committee commends the National Treasury for facilitating a robust public participation process on the draft Bill which now substantial engagement from stakeholders representing various sectors and interests.

The committee knows the interdependence between the Pension Funds Amendment Bill and the Revenue Laws Amendment Bill particularly in facilitating the implementation of the two-pot retirement system. It acknowledges the necessity of aligning amendments proposed in the Pension Funds Amendment Bill, PFAB,

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with corresponding changes in tax legislation to ensure coherence and effectiveness in achieving policy objectives. In response to concerns raised by stakeholders regarding potential conflicts with the Divorce Act, the committee noted the need for clarity and consistency in the Bill. To address this issue a solution was reached to insert an application clause in the Bill.

This clause ensures that in the event of any conflict between the Pension Funds Act and the related pension funds laws and the Divorce Act, the provisions of the Pension Fund Act and related pension funds laws would prevail. This solution is aimed to alleviate the stakeholders concerns and ensure coherence between the proposed amendments and existing legislation particularly in matters related to divorce proceedings and the division of pension interest. The committee commends continuous monitoring and evaluation of the implementation process post enactment to identify any unforeseen challenges or gaps that may arise ensuring that they intended objectives of the two-pot retirement system are effectively realised.

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In conclusion, the committee acknowledges the significant progress made in refining the Pension Funds Amendment Bill, [B3-2024] through extensive stakeholder engagement and interactive consultation process. The committee recommends the adoption of the Amendment Bill. I move, hon Chairperson, for the adoption of the Report and the Bill. The ANC lives, the ANC leads. Thank you very much.

Dr D T GEORGE: Hon House Chairperson, this Bill fundamentally changes the retirement industry in South Africa and is the step in the right direction with much that still remains to be done. After implementation on 01 September, a savings component will accumulate at one third of contributions and a retirement component will accumulate the balance. At implementation, 10% of the fund value to a maximum of R30 000 will be allocated to the savings component and members can access a minimum of R2000 per year from the savings.

A compulsory preservation will apply to the retirement component that cannot be accessed until retirement. Tax on withdrawals will be deducted at the members marginal rate and this is too high given that the purpose of the Bill is to provide relief to members by accessing their own assets in

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times of financial distress as was experienced during COVID-19 and continues under a broken government that does not care and is unable to facilitate the economic growth that will generate the jobs that are desperately needed to alleviate the growing poverty, as reflected on a declining GDP per capita.

All South Africans are getting poorer and the ANC-led government could have cut the tax on fuel, expanded the 0 Vat, rated basket of food to include bone and chicken, beef and beans, margarine, wheat flour, peanut butter, tea, coffee, baby food and soup powder. Also, it could have agreed a lower or 0 tax on withdrawals from the savings component.

The ANC-led government has mismanaged our public finances to the brink of collapse, like it has done with our electricity, railways, ports, international reputation and vital components for a vibrant economy. The DA has set out an alternative budget and comprehensive economic policy. How it is possible to rescue our economy? In 2008, when I arrived at Parliament, Trevor Manuel was the Minister of Finance. We had a surplus on the budget and debt was 27% of GDP.

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Now we do not have a Parliament. The Speaker is desperately avoiding arrest. The President hides money in his sofa. We are on the Financial Action Task Force, FATF grey list. The ANC gets dirty money, debt is 75% of GDP and we have a massive deficit. The current Minister of Finance told us last week that the National Health Insurance, NHI that will cost over a trillion Rand is unfunded and government will plan when the president eventually finds a pen to sign it into law.

What is the plan? The ANC-led government has already raided the SA Reserve Bank and increased taxing in February by not adjusting the tax brackets for inflation. The Minister is quoted as saying that government can never run out of money because it can always increase tax. No, Minister, you cannot. There is a ceiling on how much tax you can, in this instance, embezzle from hard working households who bear the brunt of taxation in South Africa today.

I would suggest that you do not bite off the taxpayer hand that feeds government with policies that drive more and more taxpayers out of the tax net to other jurisdictions or into the illicit economy. Tax is theft when government mismanages the people's money and that money tap can run dry like the

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water taps are, across the country. With the exception of the DA-led governed in the Western Cape that is now rescuing Knysna Local Municipality from the filthy water brought to it by the ANC, EFF, Patriotic Alliance coalition of corruption.

Having run out of taxpayer's money with the new hopes of failing state-owned enterprises, SOEs that it refuses to offload around its neck, the ANC election manifesto says it will introduce legislation to compel pension fund managers to invest in public projects through prescribed assets. You will stop a raid on your pension fund when you vote DA on 29 May. The fundamental reason for this bill is to provide relief to households already battling a government induced cost of living crisis and compounded by the current...

Mr A H M PAPO: Hon House Chairperson, on a point of order: The speaker says that the President hides money in his sofas without any substantive motion. He knows that it is a lie He says the President hides money in his sofas. Now, is that allowed without substantive motion because this cannot be. Even if we debate let us not conform the characters of fellow members because he knows it is not true.

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The HOUSE CHAIRPERSON (Mr M L D Ntombela): Thank you, hon Papo. Hon George, there is a rule provided for that. If you made an allegation of that sort, you have got to bring it in a substantive motion before you can go ahead.

Dr D T GEORGE: The President allegedly has money in his sofa.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon George, that was unparliamentary, could you please withdraw that?

Dr D T GEORGE: The President may not have money in his sofas -

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon George, please co-operate with us. Could you please withdraw the comment that you have made? Hon George, could you please withdraw your statement? I am addressing the point of order, hon member. I will recognise you but I am still addressing the point of order. Hon George, could you please withdraw your statement?

Dr D T GEORGE: I have already withdrawn Chair. I withdraw it.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Thank you, very much.

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Dr D T GEORGE: The fundamental reason for this Bill is to provide relief to households who are already battling.

Ms Y N YAKO: Hon House Chairperson on a point of order: I really do want to understand. Where does the EFF enter in the Knysna Local Municipality? Where do we enter there? Why does the EFF find itself in the Knysna Local Municipality in his speech?

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Yako, that is not the point of order.

Dr D T GEORGE: Thank you, Chair, the EFF is in coalition with the ANC, Patriotic Alliance coalition of corruption in Knysna Local Municipality and nothing is working obviously. The fundamental reason for this Bill is to provide relief to households already battling a government to reduce the cost-of-living crisis and compounded by the COVID-19 pandemic. The pandemic has come and gone, yet the crisis continues, and our economy is not recovering. Five million children are starving in South Africa today and 81% of households skip at least one meal a day. This is the result of a dysfunctional, incompetent

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and corrupt government positioned in the wrong place in our economy.

On 29 May, the ANC will lose its majority and the people will get another opportunity to start on a different path that enables everyone to become everything that they can become with the government that does its job and serves the people, not itself. That government is a DA-led government. You can rescue South Africa. That time is now. Thank you, Chairperson. We support the Bill.

Mr M MANYI: Hon House Chairperson, as the EFF we approach the recent Pension funds Amendment Bill with a mix of recognition for its immediate relief for potential and we also have a concern for the underlying systemic issues that it highlights. The dire economic conditions imposed by the ANC-led government have left workers in a state of financial desperation eagerly awaiting any opportunity for relief, including the ability to make withdrawals from their pensions. Yes, what a pity. Thus, any delay, really, in the implementation of measures that could alleviate their suffering, such as the September date as stipulated in the Bill, would simply be unacceptable.

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However, it is deeply lamentable that the ANC's neocolonial economic policies have pushed workers into such dire straits, forcing them to prematurely dip into their hard-earned pensions just to make ends meet. The sluggish economy, plagued by corruption, mismanagement, and lack of vision, has failed to provide the necessary conditions for sustainable job creation and economic growth.

Had the EFF been in power, our commitment to the massification of industrialization and the redistribution of wealth would have propelled the economy forward through the multiplier effect, creating meaningful employment opportunities and lifting workers out of poverty. While the Pension Funds Amendment Bill may offer temporary leave to some to address the root causes of the economic hardships. I beg your pardon.

While the Pension Funds Amendment Bill may offer temporary relief to some, it does little to address the root causes of the economic hardships facing workers. The EFF believes that a fundamental restructuring of the economy is needed to ensure long-term prosperity for all South African. This includes implementing policies that prioritize the interests of workers over those of corporates.

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In conclusion, while the EFF acknowledges and supports the immediate need for relief provided by the Pension Funds Amendment Bill, will remain steadfast in our commitment to addressing the systemic inequalities perpetuated by the ANC-led government. Only through transformative economic policies that prioritize the needs of the people over profit can we build a truly just and equitable society.

The EFF has thought long and hard about what we will do differently when you take over post 29 May elections day. The EFF government will consolidate all the municipal pensions to be administered under the new state-owned company. The EFF-led government will increase the mandate of the Public Investment Company, PIC to include businesses that make their money through the state. The EFF-led government will further amend the Pension Funds Act to increase their investment in private equity for infrastructure development and land transformation. The EFF-led government will ensure that 80% of all private retirement funds are administered and run by black-owned entities. We will do this by giving retirement fund licenses to black entities.

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The EFF-led government will open access to pensions and retirement fund management sectors to black-owned entities. During the public consultations, not even one black firm made any presentation in those hearings. This is despite the fact that Government Employees Pension Funds, GEPP for South Africa held more than R2,5 trillion in pensions of teachers, nurses and police, who in the main are black people. The EFF-led government has very ambitious plans for South Africa to wrench it out of control of the imperialists who are using the ANC as their administrator.

Hon Emam, there are two things that you do not know. The first one that you do not know is that the section 25(7) of the Constitution is very clear that the issue of land that must be dealt with has got a cut-off date, and the cut-off date is 19 June 1913. So, all this hype is nonsensical because the bulk of the land that was stolen is not part of this excitement that these ones are excited about. The second thing is that these people here that you think you are supporting, they have undermined their own resolution. Their own resolution in 2017, talks about expropriation without compensation and they come here to sell out. These are sellouts. They sold out. They busy talking to the nation with a fork tongue. They lied to the

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nation. The ANC are liars. They are misleading the people. We support the Bill. Thank you.

Ms C M PHIRI: You are a liar yourself.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Order, hon members.

Inkosi R N CEBEKHULU: Thank you, Chairperson, for allowing me to stand in for hon Buthelezi who sits on the committee. While we understand the aim of this Bill seeks to assist the working class in accessing a portion of their pension funds before retirement where the need arises to obtain a cash injection to assist where necessary. Perhaps in instances where people seek immediate medical relief or access to health procedures, or wherever is of immediate concern at the given time.

It does, however, paint a very clear and good picture of the shortcomings of the government in safeguarding the interest of the wellbeing of our people. The extent to which people are feeling the pinch of the dwindling economy is evident by the very existence of this Bill. It is literally intended to grant people more access to their pension funds during financial distress without them retiring. As the IFP, we do not believe

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that this is the route the government ought to have taken in an ordinary course of business.

This stance is a clear indictment of the ruling party having failed to provide people with decent employment opportunities and adequate access to health, amongst other things. It is common cause that the whole point of a retirement annuity fund is to safeguard people's livelihood well into their most advanced years when they can no longer participate in economic activities. So, for the government to seek to advance its legislation that presents people with an opportunity to access these funds ahead of retirement, may seem noble in its intention due to the fact that it addresses immediate challenges and the proposed savings plan, but in the long run, it will yield disastrous outcomes.

Even though there are mechanisms in place to promote limited access to the funds, we are not entirely convinced that this is indeed the best way to go about things. Unfortunately, it is the poorest of the working class that will fall victim to this outcome. The majority of whom are black, yet the few that are already enjoying privileges will be unscathed. As the IFP, we believe that it is the responsibility of the government to

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ensure that the conditions that citizens work under should enable them the ability to save for rainy days and to access health care services without having to tap into their savings. The IFP supports this Bill. Thank you.

Mr W W WESSELS: House Chairperson, pension fund reform has been long overdue and, as the Deputy Minister mentioned, started in 2012, and with a nearly 40% unemployment rate, a lot of South Africans suffering due to that, but then there is a majority of employed South Africans that are also struggling financially, and that is why the two-pot system is a good reform and much needed. But the fact of the matter is that the economy has been destroyed and that the cost of living, interest rates, inflation and everything that is happening at this point has made it and is making it very difficult for South Africans to survive financially.

That is why this is needed, but it is not a sustainable solution because we need to balance the need for South Africans to save sufficiently for their retirement with their dire current financial distress. The fact of the matter is also that if we go ahead with certain other reforms, especially proposed by the EFF, such as prescribed assets,

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then a lot more South Africans will have to do what Mr Ramaphosa did and hide money under a mattress because savings won't mean anything.

Mr B A RADEBE: Hon Chairperson, on a point of order: I'm rising on Rule 85 again. The member is casting aspersions on the President because you've already made a ruling before around that issue.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Thank you, hon Radebe, I think the point of order is sustained, hon Wessels.

Mr W W WESSELS: May I address you on that ... [Inaudible.] ... ?

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Just before you do that, hon Wessels, maybe for the benefit of your good self and other members, I will read Rule 85 and what it says:

A member who wishes to bring any improper or unethical conduct on the part of another member to the attention of the House may do so only by way of a separate substantive motion, comprising a clearly formulated and properly

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substantiated charge that in the opinion of the Speaker prima facie warrants consideration by the House.

So, it is on the basis of that, I'm saying, that is unparliamentary and I would request you to withdraw that.

Mr W W WESSELS: But if I may address you, Chairperson? No!

If I may address you. What is the allegation?

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Wessels!

Mr W W WESSELS: What is the crime of hiding money under ...

[Inaudible.] ...?

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Wessels, I would kindly request you not to go into that. [Interjections.]

Just withdraw. If you have a problem, address it with the other necessary processes.

Mr W W WESSELS: But if the shoe fits. It is not a crime to hide money.

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The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Wessels!

Mr W W WESSELS: ... many people ... that's not a crime? It's not an allegation.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Wessels, you leave me with no option but to take some action. Please, don't do that. Could you please withdraw?

Mr W W WESSELS: I'll withdraw but I don't understand how that is a crime. It's not a crime to hide money. Why is it an allegation? It's not a crime. But okay, I withdraw.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Wessels!

Mr W W WESSELS: I withdraw.

Ms B MATHULELWA: And you will never call the bouncers! I know you.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Wessels, please, now I have warned you ... failing to understand. You

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don't want to understand, I'll be left with no option but to leave the House.

Mr W W WESSELS: I withdrew.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): No, you did not. You continued making your allegations. You continued doing that. I have warned you not to do that. But you continued doing that, hon Wessels.

Mr W W WESSELS: I withdrew, Chair.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): You withdrew that, but I did not give you the latitude to do what you are doing. [Interjections.] I am not prepared to converse with you, hon Wessels. Could you do what I am asking you to do?

[Interjections.]

Mr W W WESSELS: I withdrew!

The HOUSE CHAIRPERSON (Mr M L D Ntombela): No, hon Wessels. Hon Wessels, just leave the podium. Please, hon Wessels, just leave the podium.

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IsiZulu:

Nk C M PHIRI: Biza onogada, biza abelungu. [Ubuwelwele.]

English:

Mr W W WESSELS: But then I don't withdraw anymore.

[Interjections.] It's unacceptable because the fact of the matter is it's not a crime to hide money. Why is it an allegation? Why must I bring this substantive motion?

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Wessels!

Mr W W WESSELS: It is not a crime.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Wessels, just leave the House.

Ms M S KHAWULA: Call the bouncers! Why are you not calling them?

Mr A H M PAPO: House Chairperson, on a point of order: Whilst you were making a ruling and talking to Mr Wessels, member Khawula opened the mic and screamed without you giving her permission to do so. That is also not allowed in the House.

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IsiZulu:

ILUNGU ELIHLONIPHEKILE: Hhayisuka!

English:

Mr A H M PAPO: You can't correct one wrong with another wrong.

AN HON MEMBER: What is this?

Mr A H M PAPO: If all of us opened our mics, what would happen to the sitting?

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Thank you, hon Papo. That is unacceptable of course for anyone to do.

Ms M S KHAWULA: Sorry, Chair!

The HOUSE CHAIRPERSON (Mr M L D Ntombela): But now that I did not hear it, okay, let sleeping dogs lie and proceed with the debate.

Ms M S KHAWULA: Chair, on a point of order:

IsiZulu:

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Ngiyabonga, Sihlalo, ikhona into ebuhlungu la. Lana ngathi liyasebenza ibala. Okwesibili, ngiyaphakamisa, okwesibili ngithi mgxoshe ngonogada awufuni. Yini, usabani? Manje kwalona okhulumayo ungenaphi? Useka abelungu wena. ... [Akuzwakali.] ... wena. Uyabesaba abelungu?

English:

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Khawula, hon members, please, is it necessary? Please don't do that. Ma'am Khawula, please. Hon Yako?

Ms Y N YAKO: Chair, on a point of order: We don't need a prefect in the House who's going to monitor how we speak in the House. If we are respectful to you, we ask that you respectfully remove the member, because he was debating with you when there was no need to banter back and forth and you allowed him to do that. Ma'am Khawula was well within her right to say to you, "Ask the bouncers" because if it was us as the EFF, you would have asked the bouncers to remove us. So that member there must sit down with his two hands. Sit down. Gosh!

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The HOUSE CHAIRPERSON (Mr M L D Ntombela): Hon Yako, I have ruled on the matter, and it is done. Hon Singh had his hand up. Hon Singh, are you still there?

Mr N SINGH: Yes, thank you very much, hon House Chairperson.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Order! Order, hon members! Hon Singh!

Mr N SINGH: You know, thank you very much. Now that hon Wessels has withdrawn, I think my point of order would expire, but the point is the rules talk about section 85 and a member of the House, the President is not a member of the House. That's what I wanted to bring to the attention of the Table. Thank you.

An HON MEMBER: On a point of order.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): A ruling has been done, hon Singh. Therefore, I will not go back to it.

An HON MEMBER: On a point of order, House Chair. Rule 85 applies to nonmembers too.

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The HOUSE CHAIRPERSON (Mr M L D Ntombela): A ruling has been done on that, hon Singh, and we're done with it. Shall we please proceed. Shall we please proceed. Shall we please proceed, hon members? There's a hand from the hon Swart.

Mr S N SWART: House Chair, I couldn't unmute myself, but now I can. Therefore, it's fine if I may proceed, House Chair.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Thank you very much.

Mr S N SWART: House Chairperson, Cornelius Sebothoma, in his late 50s, has been a teacher for more than 20 years. In 2021, he expressed his severe disappointment that Treasury then would not allow government employees who belong to the government pension fund to make emergency withdrawals. Speaking in 2021, at a time when there was widespread unemployment and poverty caused by the long and hard coronavirus disease, Covid-19, lockdown, he said that such a withdrawal would have helped his family and many others at the time.

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Regrettably, many employees would have resigned at that time to access the pension funds to make ends meet. This would have been a very short-term solution as those members and those workers would have joined the ranks of the unemployed. The situation for households now has gotten worse with severe cost of living increases. At least he would have been pleased with today's Bill. However, I'm sure he would not have been pleased with the high tax rates that he will have to pay when he withdraws his funds. It is also not sustainable in the long run where savings in the country are already at a very low level.

However, the ACDP does believe that the Bill is a step in the right direction and that the focal point of the Pension Laws Amendment Bill is the two-pot retirement system whose primary objective will be to provide flexibility for fund members to access their retirement savings during such emergencies without necessitating resignation. We note that the effective date was initially to be March 2024, but after consultation between the portfolio committee, stakeholders, National Treasury and the Minister, it will now be September 2024.

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The ACDP notes that a robust public awareness and education campaign to inform retirement fund members about the features and benefits of the proposed two-pot retirement regime is necessary as this will empower individuals to make informed decisions about their retirement savings. Therefore, we also support the note in the report that regulatory agencies should heighten their monitoring of the implementation of this new retirement system and ensure compliance with the proposed rules to ensure that it undergoes periodic reviews and adjustments with the need to adapt to changing economic conditions, demographics, and member needs. The ACDP will support this Report and the Bill. I thank you.

Mr A M SHAIK EMAM: House Chairperson, well, I think my only concern in terms of this Bill is that if abused, those that go into retirement will find themselves finding it very difficult to survive financially. However, I think the Bill seeks to alleviate some level of poverty, and forcing those that are in financial distress from seeking relief from these financial institutions who basically suck the blood out of the bones of vulnerable people in the country with their high interest rates. Now, it is very clear that they will have access to 10% or up to R30 000 of their pension fund. It is also very clear

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that they can draw further one third of future benefits, but at all given times two thirds of their benefits will be retained by the fund. Therefore, I think that provisional that we have in this Bill will to some extent protect them.

On the issue of the access that they will get, which is up to R30 000, that amount could be withdrawn immediately with no further delay. Of course, with this thing coming into effect if adopted today, which I think would be on the 1st of September 2024. Therefore, I think it will give much relief to our people that are already hard pressed. Also, I want to say to our people, I've heard many comments on issues of corruption and a whole lot, which I thought was irrelevant, but it's now become relevant, I want to warn all South Africans, there is a Bill that is being implemented by the DA, which they call the Responsible Spending Bill, it technically means that all public sector workers will be losing an approximately 10% in the next four years of their salaries. In other words, you will be 10% worse off, that in terms of this Bill that they're introducing.

Therefore, I am calling on you all to reject the DA with the contempt they deserve. Health care workers, police officers,

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they do not care about your well-being. It's all about them. Therefore, please reject them because if you don't reject them, you will find yourself in financial distress.

Coincidentally, they don't talk about corruption when they talk about the issues of pension funds and many other things. Why wouldn't they want you to stop the corruption rather than taking away 10% from yours? We support this Bill, but I call on you to reject them with the contempt they deserve. [Time expired.]

Mr T B MABHENA: You are obsessed with the DA ... [Inaudible.]

Mr M G E HENDRICKS: Hon House Chair, Al Jama-ah ...

[Interjections.]

The HOUSE CHAIRPERSON (Mr M L D Ntombela): Order! Order, hon members! Order, please! You may proceed, hon Hendricks.

Mr M G E HENDRICKS: Thank you very much. Al Jama-ah supports this Report and the Bill. Therefore, we would like to congratulate Congress of South African Trade Unions, Cosatu, for the efforts they have made over so many years, a job well-

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done. We like to thank the African National Congress for supporting Cosatu. It is ironical that many of the parties who support the Bill are also had a lot to say, criticising everything under the sun, and that has spoiled the excitement that must exist amongst many workers.

I think it is necessary for the trustees of pension funds to make a provision in their rules that when there are better times that workers can repay back the money that they have taken from their pension fund so that when they do retire, they are better off, also that the trustees ... [Inaudible.] ... that the employers will make an employer contribution to the kitty or to the pension fund that they consider increasing it, so that especially maybe just for workers under a certain threshold so that it softens the blow and the impact that the withdrawal from the pension fund will have on their workers that will show that they are best practice employers.

Therefore, Al Jama-ah would like to appeal to employers to increase the employer contribution to provident and pension funds, and also once again to trustees to make provision in their rules that when they have better times that the workers can restore their position, South Africa is going to have

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better times. The Intercontinental African ... [Inaudible.]
... will bring prosperity to Africa and to South Africa.
Therefore, we must be very positive. Thank you very much, the
hon House Chair.

Mrs W R ALEXANDER: Good evening speakers, fellow members and
most importantly South Africans. The reform and the
modernisation of the Pension Fund Law will grant individuals
the flexibility to access a portion of their retirement funds,
without the need to cancel the policy or resign from their
jobs to access emergency funds, providing critical financial
support while still ensuring savings for retirement.

Under the new two-pot system in the savings pot, individuals
will be allowed to withdraw once in a 12-month period. While
this may offer immediate relief in terms of financial strain,
it is essential to grasp the long-term consequences of dipping
into these savings. The pension funds and administrators are
diligently working to implement these changes before the
reform that takes effect on 01 September this year. We believe
that this two-pot system will greatly benefit South African
pension contributors.

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But as I stand here before you, a mere 64 days ahead of the elections, one of the most pivotal elections in South African history, our nation yearns for a brighter future. Yet we find ourselves heading in the wrong direction. We are not only here to seek the modernisation of laws to meet the current needs, but we also aim to create opportunities through job creation and prioritising the safety of the residents and ensuring justice for the victims of crimes.

The DA has a comprehensive plan to rescue South Africa from the grip of unemployment, load shedding, crime and corruption. We offer tangible solutions, steering this country towards prosperity. Our vision is one of hope and opportunity for every South African. Together we can build a nation where all individuals can reach their opportunity's potentials. Together we possess the strength to diminish the ANC's hold below 50% and prevent the further regression with an ANC-EFF coalition. However, this victory hinges on the participation of every voter on 29 May. Thank you.

IsiXhosa:

Nksz P N ABRAHAM: Niza kuyeka EFF ukulala ngengubo enye notshaba nithengise ngomhlaba. Niyabeva ngoku, baphezu kwenu?

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English:

House Chair, I just want to say that the ANC ...

IsiXhosa:

... imele amalungelo abasebenzi kunye neempula zikaLujaca.

English:

That is why today we stand tall as the ANC because we have listened to the workers. We have listened to the people of South Africa and have unpacked the clause in the Freedom Charter that says, "The people shall govern." Therefore, we are still to see what the DA can do, because in the Western Cape where you already govern, black people are shoved to their corners of poverty, while white people have the privileges.

So, as the ANC we are not going to stand here and proclaim that you can do better, but rather have as the ANC, the country and the world for that matter have had our setbacks. We have had our challenges. But more often than not, we have listened to the millions of South Africans. We have listened to the millions of workers.

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Tata (Mr) Cebekhulu, we are not necessarily addressing the unemployed here. We are addressing those who are employed but the issue of the cost of living is just too much for them, and they end up resigning halfway through,

Hon Manyi, let me tell you that when the global and domestic economy opened up, many companies that suffered losses during the pandemic inflated the prices of goods in order to recover lost profit. This led to the increase in the cost of living. Again, workers had to navigate those difficulties.

IsiXhosa:

Ngenxa yaloo nto, iANC iza nento eza kubaphungulela abantu bethu ...

English:

... because even back in 2019, we came with the National Minimum Wage. Do not forget DA that you were the ones who were saying when you come into power, you will end social grants. But I hear ... [Interjections] ... yes, okay. I hear now that you have changed your language. I hear that for electioneering purposes you have changed the language, because fundamentally, that is what you said. But the ANC does not abandon ordinary

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people, we find solutions. Hence with this Bill, the ANC has found a solution.

IsiXhosa:

Le ngxowa yomhlalaphantsi yeembiza ezimbini esele zichaziwe nguMphathiswa kunye nosihlalo yindlela iANC ebonisa ngayo ukubakhathalela abantu baseMzantsi Afrika ngamandla abasebenzi.

English:

Furthermore, retirement funds will establish a retirement component to which members will contribute two thirds of their total individual retirement fund contributions, so that when they actually come to retirement, they still have some funds to tap on. Access in this component will be preserved until retirement with withdrawals only allowed upon retirement on this second pot.

Additionally, retirement funds will be required to create a savings component, because the ANC-led government knows the difficulties that the people of this country have on saving. Hence, they will be withdrawals on the one third but no

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withdrawals on the two thirds. The ANC has an impeccable history of advancing the cause and rights of workers.

We have made incredible strides since the dawn of our democracy. We call on South Africans to walk the journey with the ANC. To continue the journey towards a better life, with equal opportunities to all South Africans now and into the future, because we see what is happening in the Western Cape. It is not what South Africans would like to have, because freedom in the Western Cape is for whites only.

Throughout our years of governance, we have emphasised that ours is a plan about you South Africans.

IsiXhosa:

Thina sinecebo ngani bahlali baseMzantsi Afrika, nokuba nimhlophe nokuba nimnyama.

English:

Because after all, the ANC fought for the liberation of even the white minority. And now the ANC is leading everybody. The ANC is fighting even for the white minority, young and old,

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rural and urban. None of the political parties represent such a diverse plan for all South Africans. Vote ANC on 29 May.

The DEPUTY MINISTER OF FINANCE: I really want to thank the committee led by Hon Joe Maswanganyi, Cosatu, civil society, the industry for leading this process. I do think that this Bill is a very responsible Bill in many respects.

Firstly, the pot where you can't withdraw from until you are retired, simply means that we don't want people to retire poor for them to depend on the state, because they will have blown out their retirement by withdrawing that money.

Secondly, this is in the interest of the economic growth because the economy can only grow if you've got savings, capital money. Capital comes from savings which we utilise to deploy in the economy in order to grow the economy.

It's out of that economic growth that workers earn more money and our savings increase in that regard. It is when businesses make profits and are able to save some of the money that they generate through economic growth.

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So, this Bill is not in contradiction to economic growth. It is actually reinforcing and supporting economic growth. Yes, in the budget, we've indicated that these savings can't only go towards the government bond. That is why we're doing our best to make sure that we manage the public debt. The second reason why we're saying this is a very responsible Bill, is because workers can access a portion of their savings.

I really want to warn again and advise workers that they need to withdraw this money when they are in dire need because it will be taxed. But secondly, the ... [Inaudible] ... savings from the point of view of interest ... This only shows that the ANC is responsible and is the only party that can responsibly govern this country. Thank you very much.

The HOUSE CHAIRPERSON (Mr M L D Ntombela): That concludes the debate. Are there any objections to the Pension Funds Amendment Bill being read the second time? No objections. Agreed to. The Secretary will read the Bill the second time.

Bill read the second time.

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The HOUSE CHAIRPERSON (Mr M L D Ntombela): The Bill will be sent to the NCOP for concurrence.

Order hon members. Members are reminded to please note that the sitting tomorrow morning starts at 9:00 am and it is fully virtual. Thank you very much. Order! I request members to stand and wait for the Chair and the Mace to leave the Chamber. That concludes the business for the day and the House is adjourned.

The House adjourned at 19:55.