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NATIONAL ASSEMBLY

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PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 14:04.

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

The SPEAKER: Hon members, I wish to acknowledge the presence in the gallery of teachers and learners, some of whom are attending Parliament's Language Services Section's career development programme. You are welcome.

[Applause.] We hope one day you'll be sitting here.

Welcome.

Hon members, I think the President will recognise his guests, himself; we just noted that there's someone walking with him. But, we leave it to him to do that at the right time.

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The only item on today's Order Paper is questions addressed to the President. Members may press the talk button on their desks if they wish to ask a supplementary question. And I wish to remind the hon members that the names of members requesting supplementary questions will be cleared as the soon as the hon President starts answering the fourth supplementary question, after each question.

Question 1:

The PRESIDENT OF THE REPUBLIC: Hon Speaker, hon members [Interjection.] and you too as well. Hon Speaker, it's a real joy and pleasure to welcome Trevor Noah amongst us, over there. [Applause.] Trevor, I never get this type of applause, so I'm jealous. [Laughter.] We welcome Trevor; he's come for an assignment, but he's come home as well, whilst he's on a break in the United States, US, for a while, and I had a moment to chat to him about his work; but I was particularly impressed about the foundation that he has set up, to work on education, which is run by one of his colleagues, Sharleen. So, we applaud him for ploughing back to the country, once again. [Applause.]

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But he's also here for another purpose, to come and look at me and all of you, to make fun of me. [Laughter.] He has promised that he's going to make fun of me.

[Interjections.] Thank you. So, he will stay for a while and leave at his own leisure.

Hon members, central focus of the annual meeting of the World Economic Forum, WEF, held in Davos in January this year was largely based on shaping the global political and economic architecture in the context of the Fourth Industrial Revolution.

The meeting posed the question of how, in a time of rapid technological change, it is possible to ensure that the benefits of what this technological change is yielding as well as globalisation, what the benefit will be?

Particularly when we come to the issue of how countries and the people of the world will share equitably in its benefits?

The meeting was held against the backdrop of growing trade tensions - obviously - between the United States

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and China, the revival of narrow nationalism that is emerging in a number of countries in the world and a challenge to multilateralism as the best way to manage global relations. These developments present great challenges particularly to developing countries including South Africa, which are disproportionately affected by instability in the global economy.

When the US economy weakens, we get affected; as it grows, we also get affected.

One of the clear messages from this meeting that we held in January in Davos is that South Africa needs to work with other countries, in both the developing and developed world, to promote a rules-based world order that is representative and more equitable. This is necessary to ensure that in the end, globalisation promotes inclusive growth as well as development and not create greater inequality; as some countries grow and some get poorer.

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This is particularly important as the Fourth Industrial Revolution begins to reshape industries and economies, creating new patterns of employment, production as well as investment. The Fourth Industrial Revolution is the greatest change process human civilization has ever known.

Previous industrial revolutions were able to unleash enormous forces that had a huge impact on industrial production process, but this Fourth Industrial Revolution, which is largely based and been driven by artificial intelligence, digitisation, but also underpinned by other processes like the block chain, has a far greater transformative effect; much greater than the previous revolutions that the world has seen, because its transformative power is much greater.

This Fourth Industrial Revolution is changing and reshaping practically everything that human beings do: the way we live, the way we interface with each other, the way we make things, the way we use the resources in the world, the way we communicate, the way we learn, the

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way we work and also, is having an impact on the way we govern and the way we do business. So, its scope, speed and reach are unprecedented.

Countries that do not anticipate and effectively adapt to these changes will be less competitive and have greater difficulty in achieving sustained growth as well as employment.

The clear implication for South Africa is that we need to move with greater focus and urgency to develop the skills, human capital, institutions as well as fashion out strategies that we will require to seize the opportunities of this technological change.

It is for this reason that we have established the Presidential Commission on the Fourth Industrial Revolution, which will soon begin its work to develop a national action plan to position our country as a competitive global player.

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It is also for this reason that we announced in the state of the nation address a series of initiatives to equip young South Africans with the skills they will need to thrive in the workplace of tomorrow.

For its part, Team South Africa that went to the World Economic Forum went there with a clear message that our country is on a path of growth and renewal. Whether from government, business or other sectors, we conveyed the message that South Africa's focus is on securing massive new investment, to ensure that we have growth and job creation.

We reported, to the forum in the various sessions that were there, on the intensive engagement that we are having with business to promote investment opportunities, to identify obstacles and to resolve barriers that have been identified.

We outlined the agreements that were reached with business and labour on measures to accelerate job creation, and the economic reform measures that we have

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undertaken to promote growth and to restore investor confidence in our country. [Applause.]

We also spoke about the measures we have taken to end state capture and tackle corruption. Because, those that we are interacting with, our interlocutors in the whole world, know what has been happening in our country and we informed them that we have taken measure and steps, and some of those are underway to restore good governance and financial stability, particularly at state-owned enterprises, SOEs. This message was well-received by everyone we interacted with.

Several members of Team South Africa observed that there was a new confidence and heightened interest in South Africa at Davos this year. [Applause.]

We felt that working together as a united and a cohesive team, we were able - without ignoring the substantial challenges that we face - to present a credible vision of a growing, inclusive South African economy. And let me say, Madam Speaker, that this message was well-received.

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It was so well-received that South Africa was the flavour of the week when we were in Davos, as we were being called from session to session to interact with various people. We found that people are truly attracted to our country; South Africa is a magnet, let's make it a greater magnet. Thank you very much. [Applause.]

Ms J L FUBBS: Mr President, you actually shared with this House what the international community, especially the economic community, was saying with some of the challenges and the opportunities of the Fourth Industrial Revolution.

Firstly, Mr President, given the relationship of investment to jobs and also the economy, perhaps you can share with this House and fellow South Africans, a larger ... - if you could spend a bit more - on what other companies, what was the depth of their investment commitment to our country?

Secondly, in terms of the local companies, our private sector here in South Africa, what is their commitment to

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making and taking every opportunity that comes along in the Fourth Industrial Revolution and external investment? How deep is their commitment to South Africa in making this a premier destination for investment? I thank you. [Applause.]

The PRESIDENT OF THE REPUBLIC: Madam Speaker, as I answer this question, I would like next time we go to Davos I'll ask the Minister of Finance and the Minister of Trade and Industry to extend an invitation to colleagues on my left hand side here so that they can go and learn the ways of the world; and they can see how South Africa gets into action to attract investment to our country when we are there. [Interjections.] [Applause.] [Laughter.]

Madam Speaker, yes we were able to interact with quite a number of companies ... in fact, a number of companies that we interacted with were in two categories: some had already invested in our country and they wanted comfort in knowing that they can extend their investments. There was one particular company that sought to know whether we see a future for further offshore investments in our

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country and whether they could expand some of their works, particularly in KwaZulu-Natal and we said "by all means they could" and they were very, very pleased and they immediately said "they're going to be investing US\$500 million for further expansion in one of their operation in KwaZulu-Natal. So, that was a very big, big commitment that we got. [Applause.]

And we were able to meet with a number of new ones. A number of new ones who have an interest on investing in South Africa, who have seen South Africa as a good investment destination and they wanted to know some details with regard to the various offers that we make, in terms of our infrastructure layout, our financial services, regulatory framework and whole number of others. So, there were a number of companies that we interfaced with, both invested here as well as would be investors.

So, on that score, I think Team South Africa did very well. And what helped, of course, was that we had a team of Ministers who had gone with us as well as a number of

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officials, but we also had our investment envoys, who were able to interact with a number of investors and point them in the right direction, either to talk to Ministers, departments and in some occasions also to have a discussion with me. So, that was good.

Now, South African companies' commitment to the Fourth Industrial Revolution ... I think many South African companies have realised that they have to adapt or they will lose out - as I was saying earlier on. And many - I'm pleased to say - have taken the Fourth Industrial Revolution like a fish is taking to water. They are preparing their own companies to interface with it. In fact, truth be told, the Fourth Industrial Revolution is here and they are already using artificial intelligence, they are already using digitisation, but what I found interesting as we were in Davos, Madam Speaker, was that a number of corporate leaders were focusing more on how to deal with the effects of artificial intelligence and digitisation, because they were saying we now getting into an era where machines are going to do quite a lot of the work and in fact, you are going to find that a

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machine designs everything or through software, designs everything before you go build it in the factory, and that is going to replace workers. And they were consumed by a notion which I found very comforting, which is how to ensure that there is a good transition for workers to be retrained, to be reskilled and to be upskilled, so that as artificial intelligence comes fully into its own, people don't lose jobs. And the view was also expressed that this new industrial revolution we facing is actually having the potential to create even more jobs, and that still needs to be explored.

It is for this reason that we have set up the Presidential Commission on the Fourth Industrial Revolution, so that we can begin the process of looking at job creation beyond the current revolution as we get into the Fourth Industrial Revolution.

So, great opportunities await our country, await companies in our country and our people in the Fourth Industrial Revolution. Thank you. [Applause.]

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Inkosi R N CEBEKHULU: Hon Speaker, my apology. In fact, I wanted just to register my attendance; unfortunately, I pressed the wrong button. So sorry, [Laughter.]

The LEADER OF THE OPPOSITION: Mr President, I'm sure at our next trip to Davos after the 8th of May the Minister of Finance could find the role for former Presidents who come with us. [Laughter.]

The PRESIDENT OF THE REPUBLIC: Dream on, dream on.

The LEADER OF THE OPPOSITION: But you know, Mr President, there is something that does confuse me. You go to Davos, you tell the people of South Africa that [Interjections.] Sorry Speaker.

The SPEAKER: Order! Allow the hon the Leader of the Opposition to proceed with his supplementary question.

The LEADER OF THE OPPOSITION: When you go to Davos you tell the people that you will expropriate land without compensation, within the constitutional framework. You

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come back home and those who are not in Team South Africa but are in team ANC say "no, no, no, no, we are going to expropriate without compensation and amend the Constitution."

You go to Davos and you tell the people that in fact, no, you are not going to nationalise the Reserve Bank, you are not going to nationalise mines, yet the members in your own Cabinet come out and make contradictory statements. [Interjections.] [Applause.]

Now, Mr President, I'm sure you and I would agree that if we are going to grow the economy of our country, we have to give policy certainty, what really does confuse me is "Who directs policy?" Even your greatest cheerleaders are starting to go "Who is in charge?" Can you help us understand these contradictions as to what is your government's policy on nationalisation of the reserve Bank, nationalisation of land, can you clarify so that people can come and invest in South Africa? Thank you very much, Madam Speaker. [Applause.]

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The PRESIDENT OF THE REPUBLIC: Hon Maimane, the issue of the expropriation of land without compensation, the ANC is very clear on it. There's just no question about it. What I have said to investors, which is absolutely a correct thing to say, are that we want you to come and invest, and as you come and invest we are not going to be expropriating your investments. We are not going to do that because we cannot invite you to come and invest to let us grow our economy and at the same time we then say "We are now going expropriate your investment"; it doesn't make sense. However, what we have said is that there is land in our country that was stolen from the people of our country [Applause.] and that land [Interjections.] yes, yes, our people were disposed, were disposed of their land and yes, some of the land was stolen, yes, and there is land hunger out there; that messages, we have made very clear.

Hon Maimane, the people who we interact with have gone beyond where you are now. [Laughter.] They've gone way beyond; they've gone beyond because they understand fully what our intent is as the ANC, they are very clear that

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there is historical injustice and because they also are people who would like to see justice promoted, they see that as a historical justice that needs to be addressed. Now, the question is "How are going to do it?" and "When are we going to do it?" And that is a process that we are now working through; through the constitutional amendment as well as through the amended Expropriation Bill. All those are processed that are following what we've said precisely, we are going to do everything within the rule of law, within the precepts of our Constitution and all that will follow its own programme and its own time.

[Applause.]

The issue of the Reserve Bank. The governing party has taken a very clear resolution; clear resolution that says "the reserve Bank of our country should be owned, should be owned by the people of South Africa." [Applause.] That is an important consideration. Now, what do we have? We have a situation where we have external shareholders; external shareholders who live in various countries in the world and so forth. So that ... you must never think that the ANC is smoking something. [Laughter.]

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This has been done by a number of countries in the world. There are some six countries, only in the world, that are still having external shareholding in their central banks; South Africa is one of them. The United Kingdom, UK, used to have external shareholders in the 1940s; they realised that in order to advance a whole number of things, including their economy, that - actually - the central bank should wholly be owned by the people of the United Kingdom. They went ahead and bought out the external shareholder; they bought them out in the 1940s or so and today the Bank of England is wholly owned by the state of the United Kingdom. The same thing obtains in a number of countries.

Now, I don't want you to deceive South Africans and think that this ANC wants to go ahead with the mad programme; this is the done thing around the world, this is the done thing. [Applause.] Now, what does that give us? What that will give us, it will give us sovereignty, it will confirm our sovereignty and it will confirm our sovereignty. The central bank is one of those most important institutions in the life of any country, and

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that is what the ANC resolved should be done. Obviously, we have to go through processes, that decision is there and it's got to be implemented. And we are going to go through a process of seeing how best that decision is implemented. And that is the position, there is no hidden agenda, there is no *manga manga* [fly by night] business, there is just nothing; that is precisely what the ANC is trying to do. Thank you very much. [Applause.]

Mr T RAWULA: No *manga manga* business. Mr President, the reason why for the last 25 years this country has failed to create jobs and empower the black majority is because it takes direction from Davos, London and Washington.

With the organisations like World Bank, International Monetary Fund, IMF, and World Trade Organisation dictating government policies and programmes not for the benefit of South Africans but for the benefit of multi-national companies, to appease the UK and United States.

Do you honestly believe that the economic policy of the last 25 years have brought real change to the economy and

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to the people of this country? And if not, why do you continue to pursue the same policies? Unless, of course, it is for your own personal benefit. [Interjections.]

The PRESIDENT OF THE REPUBLIC: Hon Speaker, I believe that the policies that we have pursued in the last 25 years have brought about transformative change in South Africa, in a monumental way. [Applause.]

The South Africa we live in today is very different from the South Africa we inherited in 1994. We have doubled the number of people who are employed in our economy. When the ANC government got into office, there were some eight million people working in our country, today there are 16,5 million people who are employed in our economy. [Applause.] That is progress.

The Gross Domestic Product, GDP, of our country has almost doubled and if you look at all the other social policies that we have pursued, on education, health, on caring for our people and infrastructure development, and bringing investments into South Africa and the

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foundations that we are laying for further growth and investment, are policies that are going to lead this country forward in the next 25 years.

So, those who have eyes and those who have ears would have heard that indeed South Africa has moved forward since 1994. Thank you, hon Speaker. [Applause.]

Mr J A ESTERHUIZEN: Mr President, I respect your optimism for the Fourth Industrial Revolution. But in Davos the team for the World Economic Forum was globalisation. This forum took place when there was and or is an unmistakable backlash against globalisation. Does this not make your target of 100 billion dollars investments a bit ambitious, especially in the time of global financial strains and trade wars that are happening right now? Thank you.

The PRESIDENT OF THE REPUBLIC: Hon Speaker, we did say when we launched this drive to attract 100 billion dollars of investments into our country that it is an

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ambitious target; very ambitious, we've never done it in our country before, to go for such a big amount.

However, we thought that we should be bold, we should be brave, we should exhibit courage so that we are seen by the investing world that we are seriously serious about attracting investments in our country. And we were challenged; we were challenged by the would-be investors about a whole number of things that they said we need to put right and we are addressing those issues, the spectrum issues, the regulatory framework in mining and all that, all those are being addressed.

But we believe that even that 100 billion may even be on the shy side. We believe that South Africa still offers great investment opportunities. Last night I had an occasion to address, more than 2 000 Young Presidents Organisation, YPO, executives, chief executive officers, CEOs, members of the Young Presidents Organisation who have come to our country and they were enthused with the message that we put forward and the enthusiasm started influencing a number of others to say "we want to

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consider investing in South Africa, we want to see what markets you have now.”

What we have done is to build an investment book. An investment book that covers a number of sectors and I have addressed this before, even in SONA. And we have encouraged our provinces to build their own investment books. What that does it to create and bring to fold and on to the table those investment opportunities that exist in our country to attract investors to come.

We also go out of our own way through the special economic zones to attract investors and give them incentives so that they can create jobs and make products for both the export market and our own internal market.

But the other important thing is we've been saying to would-be investors that “we are the gateway into Africa”. Africa has now adopted a free-trade area agreement, we now going to create a market of 1,2 billion people and we are hoping that the revenues that will come to Africa will be well over 1,3 trillion dollars and all that.

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So, South Africa is still the most, well-endowed country in terms of the various infrastructure layout, financial infrastructure and all that. So, that puts us right at the top; we may not be number one, but that puts us right at the top in as far as being attractive to investors. In fact, if you care to know - and we can check the figures - we are the one single country that attracted more foreign direct investment on the African continent than any other in the past year or two years. So, that is phenomenally successful. [Applause.]

So, hon member, we are hoping to build on that; to build on that and to be able to raise our R1,4 trillion to bring it to South Africa and that in itself should be able to create a lot of jobs. Thank you, Madam Speaker

Question 2:

The PRESIDENT OF THE REPUBLIC: The Zondo Commission of Inquiry has a mandate to investigate and make findings on the nature and the extent of corruption, if any, in the awarding of tenders and contracts by government entities.

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According to its terms of reference, the commission is expected to establish, in particular, whether any member of the executive, including the President, public official, functionary of any organ of state influenced the awarding of tenders to benefit themselves, their families or entities in which they held a personal interest.

It is important to note that the work of the commission is continuing. It should be allowed to fulfil its mandate and allow it to present its report on its findings on these and other matters. This does not prevent the relevant authorities though, where any instances or allegations of unlawfulness are revealed at the commission, from taking any necessary steps in terms of the law, nor does it prevent any government department or agency from reviewing any contracts entered into with companies implicated in testimony before the commission.

In doing so, public entities need to follow due process and act within the law, understanding that some of the testimony that has been provided at the commission has

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yet to be subjected either to cross-examination or further proofing and that the commission has not yet made any finding on that testimony.

In a particular instance of African Global Operations, some departments, such as the Department of Correctional Services have initiated a review of its contracts with the company.

Where there is evidence to suggest possible corruption in the award of any tenders to African Global Operations or any other company, public entities are urged to initiate a review of those contracts and provide all necessary information to the relevant law enforcement authority.

This is part of the necessary work being undertaken to end state capture and corruption, hold those who are responsible to account, but more importantly, to recover monies that have been lost or have been stolen from the state. I thank you. [Applause.]

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The LEADER OF THE OPPOSITION: Mr President, I think we can agree that an example must set from the top. The last time, you and I spoke about this matter, we uncovered a few things: firstly; that your party has had a generally corrupt relationship with Bosasa.

Sons and daughters have benefits, contracts and cars. Your own son has a contract with Bosasa and we know that you got R500 000 for your election campaign.

[Interjections.]

Now, Mr President, here is my challenge, I hold here, the said contract that you said have seen when I asked you this question.

Therefore in this contract, what I find very strange, Mr President, is that when I requested it, I asked them how much money did your son benefit from Bosasa and they gave me a redacted version with the amounts crossed out.

Now, I think the people of this country deserve to know the truth. They deserve to know what has been covered up

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here. If you have seen the contract, as I have seen the contract, I would like you to tell the people of this country: How much exactly did your son benefit from Bosasa, which has had a generally corrupt relationship with your party? [Interjections.]

The PRESIDENT OF THE REPUBLIC: Well, it is an easy answer. It's a fairly straight forward answer. The Public Protector is busy this whole matter. [Interjections.] I have submitted all the information to the Public Protector, a number of people, as well as my son.

So, the contract that he had for doing work for them outside the country is a matter that is with the Public Protector now and it is going to be dealt with in that way. If you care to know, there is really nothing to hide. [Interjections.] But the Public Protector is the one who knows. [Interjections.]

No, I think the approach there with that was that this is like company confidential information ...

[Interjections.] ... no, listen. I went on to say

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everything should be disclosed to the Public Protector.
So, it has been disclosed to the Public Protector. Thank
you very much, hon Speaker. [Interjections.]

The CHIEF WHIP OF THE OPPOSITION PARTY: Madam Speaker.

The SPEAKER: Are you rising on a point of order, hon ...

The CHIEF WHIP OF THE OPPOSITION PARTY: Yes, Madam
Speaker.

The SPEAKER: What's the point of order?

The CHIEF WHIP OF THE OPPOSITION PARTY: It is Rule 1426
of the National Assembly Rules.

The SPEAKER: What is the point?

The CHIEF WHIP OF THE OPPOSITION PARTY: The President has
indicated that he has given information to the Public
Protector. The President is accountable in terms of the
Constitution to this Parliament and not the Public

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Protector. [Applause.] This is a parliamentary question and he ducks out of it. If it is so straight forward, he needs to give us a number; how much? [Interjections.]

The SPEAKER: Hon Steenhuisen, the President has given you an answer and we are proceeding to the next supplementary question to be asked by the hon Mkaliphi.

Mr M WATERS: Speaker, on a point of clarity. If the President did answer the question, can you please inform the House how much his son made from the Bosasa contract?

The SPEAKER: No, hon Waters, you can submit another question if you want to pursue the issue of the son.

Mr M WATERS: How much, Mr President?

The CHIEF WHIP OF THE OPPOSITION PARTY: Madam Speaker.

The SPEAKER: No, hon Steenhuisen. Please do co-operate with me and take your seat.

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The CHIEF WHIP OF THE OPPOSITION PARTY: Madam Speaker, I would love to co-operate with you if the President co-operates with us. Madam Speaker, can we then ask ...

The SPEAKER: Hon Steenhuisen, I have not allowed you. Please ...

The CHIEF WHIP OF THE OPPOSITION PARTY: Can we then make a request that President sends a letter three days after the sitting, like he did the last time and changes his answer and give us the number? [Applause.]

Mr M N PAULSEN: Hon Speaker, Mr President, you started all these commissions of inquiry because there is obviously a deep-seated rot of corruption, spread and managed by your own comrades in the ANC. You promised a new dawn free of corruption and brazen theft and that you would clean out government of all those tendencies.

Right here in your Cabinet, you have Nomvula "handbags" Mokonyane, you have Thabang Makwetla over there, and you

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have Gwede Mantashe, who are heavily implicated in Bosasa corruption.

Mr P J MNGUNI: On a point of order, hon Speaker.

The SPEAKER: Hon Paulsen, please take your seat?

Mr P J MNGUNI: Hon Speaker, in terms of the House Rules, the point of order is that the hon Paulsen, as he continues with his question, he continues to cast aspersions on the good name of other members of this House. According to the Rules, he is free to do so but he can only do so through a substantive motion. We suggest that hon Paulsen must actually withdraw. Thank you.

The SPEAKER: Hon Paulsen ...

Ms H O MKALIPHI: On a point of order, Speaker.

The SPEAKER: No, hon member, I am dealing with a ruling on the issue that has been raised by the hon Paulsen to

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which hon Mnguni has raised a point of order ...

[Interjections.]

Ms H O MKALIPHI: Yes, Speaker, but ...

The SPEAKER: ... which is being sustained because he is correct when he says: if you are going to cast aspersions, do it in the form of a substantive motion.

Ms H O MKALIPHI: Speaker, I just want to raise one thing. Please, allow me?

The SPEAKER: No, you'll raise that one thing when I am finished with hon Paulsen. Hon Paulsen, can you please withdraw?

Mr M N PAULSEN: Okay, I withdraw, but these are allegations ... [Interjections.]

The SPEAKER: No, hon Paulsen, you can't say but ... unconditionally.

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Mr M N PAULSEN: Okay, I withdraw unconditionally.

The SPEAKER: Thank you. Please proceed.

Mr M N PAULSEN: But, Mr President ...

The SPEAKER: No, hon Paulsen, there can't be a "but" when it is unconditional.

Mr M N PAULSEN: I withdrew that part. What part do you want me to withdraw?

The SPEAKER: "But."

Mr M N PAULSEN: I withdraw "but".

The SPEAKER: Yes, okay.

Mr M N PAULSEN: Okay, withdrawn. Mr President, Mr Agrizzi - a friend of yours has implicated so many members of your Cabinet, they are still here. So, I want to know, Mr President, and I think the country wants to know: Are you

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serious about clearing out the rot in government or are you taking us for a ride?

The PRESIDENT OF THE REPUBLIC: Hon Speaker, I am able to say to the hon Paulsen that, yes, we are serious about tackling corruption, we are serious about rooting it out and it is for that reason that we appointed a commission of inquiry. The governing party was brave enough to bear its own chests and appoint a commission of inquiry so that we can go to the root of a corruption that has bedevilled our country over the past few years.

This, we have done without any fear, knowing that in the end, we must put South Africa first rather than ourselves as a political party. So, to that end, we are making sure that what the commissions will be coming up with, what they will be recommending, we will follow up and implement.

In this regard, we are not taking the people of our country or South Africa for a ride. We are extremely

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serious. We are going to root out corruption. Thank you very much. [Applause.]

Mr N SINGH: Hon Speaker, hon President, firstly, let me commend your announcement during the state of the nation in February this year that the National Prosecuting Authority, NPA, will soon be setting up its own model of an independent "scorpion type unit" to investigate and prosecute those found guilty of further state capture and corruption.

To put it simple, Mr President, the Hawks simply do not fly. However, hon President, with regard to the Bosasa debacle and others that we are currently witnessing, is this "scorpion style unit" enough? Shouldn't you, additionally, be giving serious consideration to establish an additional Chapter 9 integrity commission, whose sole task will be the independent prevention, combating, investigation and prosecution of those involved in grand corruption? I would like your views in this regard, hon President.

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The PRESIDENT OF THE REPUBLIC: Well, hon Speaker that is a refreshing idea that possibly we should have like a permanent structure that is going to focus on corruption, investigating corruption and rooting it out. That is a new idea. It is an idea which I think we should mull over and think about because it could have merits but at the same time, we do have well-trained agencies like the Hawks and the NPA, which have people who can actually do the work, who are very well-trained in investigative work and who are prosecutors. That is precisely what we need to focus our attention on and at the same time give a bit of reflection on what you are saying.

So, there is merit and maybe we should look at it closely. Thank you very much for your idea. Thank you.

Prof N M KHUBISA: Hon Speaker, hon President, commissions will come and go, and they are doing a very good job. We need something that is perennial - something that is done within the legal framework of our country. Would you not believe that within each and every department; and of course we need to extend it to the private sector,

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something must be done with regard to our legislation and of course with the primary focus on consequence management. Shouldn't we take that direction that we strengthen our legislation to deal with these issues? Thank you.

The PRESIDENT OF THE REPUBLIC: Hon Speaker, I think there is every opportunity that we should exploit once these commissions have come with their recommendations because it is quite clear to me that there are various gaps that we need to close. There is a lot that we need to do from a legislative point of view and from an enforcement point of view.

You mentioned a key word which is consequence management. We need to look at what we have now and see whether it really engenders consequence management because there has been systems failure which has allowed a lot of corruption to be embedded not only in state-owned enterprises, including our own government departments, if we are to be honest.

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So, we need to look, once again, very closely at the legislative framework that we have. As the commissions come out with their reports, we are going to be able to shed a little bit more light in terms of telling us how everything finally eventuated and how things were manipulated to get to particular deeds.

So, that is something that we would like to be open to as well. Thank you very much, Madam Speaker.

Question 3:

The PRESIDENT OF THE REPUBLIC: Madam Speaker, the severe financial and operational challenges that are currently being experienced by Eskom are not caused by the independent power producers, IPPs, programme, and in particular, the renewable energy projects. Eskom's challenges have been driven by a number of factors, and some of those are massive costs and time overruns on the new built programmes of building our new power stations. They were budgeted at a particular amount and within a particular timeframe, and they overran all that, and that led to cost overruns.

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The effects of state capture and corruption also contributed to these costs overruns, the collapse and weakening of governance structures in Eskom also had an impact, and unsustainable debt levels that Eskom has accumulated as it is sought to manage its way out of these challenges of a financial nature and operational nature. But the other problem, of course, has been the maintenance of our current plants.

Some of these plants are old. On average, many of our plants are 37 years old, which is a very long time to have a plant because these plants get old and they get decommissioned. The independent power producers are investing their own debt and equity to construct the projects that they are awarded, including the costs of connecting these projects to the grid.

The value of the 27 independent power producers agreements that were signed in April 2018, led by Minister Jeff Radebe, represented in terms of private sector investment, some R57 billion. To date, the total value of private investment in South Africa's renewable

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energy generation capacity is R202 billion. It is expected that a total of 372 megawatts will be connected to the grid between now and March of 2020 and that Eskom will buy R170 million worth of electricity in the 2019-20 financial year.

These IPP costs are fully covered by the National Energy Regulator of SA, Nersa - the regulator, through the cost recovery mechanism that they have in place in the multiyear price determination process. In other words, the costs that Eskom incurs in buying electricity from the IPPs are recovered in the tariff as part of the tariff set by the regulator.

The costs of the most recent power purchase agreements will only be incurred when these plants are constructed and connected to the grid. The costs will therefore certainly not collapse the power utility - as the question was asked: Will they collapse Eskom? The answer is that the costs for these IPPs will not collapse Eskom. With each successive round of the renewable energy IPPs, the cost of electricity has been dropping substantially.

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In the most recent round, for example, prices for wind – that is wind-generated energy, were down to around 62c per kilowatt hour, which compares favourably with Eskom's average cost of supply.

It is estimated that the renewable energy IPPs round will likely deliver prices below 50c per kilowatt hour, which is way below the cost of running many of Eskom's coal power stations. This means that these and future IPPs are likely to contribute to lower electricity prices for consumers, which will benefit the poor in the main and encourage economic growth. The renewable energy IPPs have assisted Eskom in improving security of supply without putting a drain on its balance sheet or cash flows, because as they have been generating power, Eskom did not have to invest in setting up those generation facilities.

These projects ensure that new generation capacity is brought online within a short timeframe – at a time when it is much needed – without requiring capital investment by Eskom. Therefore, the continuously decreasing prices of renewable energy will be invaluable in meeting our

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climate change commitments, in complementing coal-fired electricity and decreasing the average cost of electricity to consumers.

As the draft Integrated Resource Plan of our country outlines, South Africa will continue to generate electricity from a mixture of energy sources and this would be coal, nuclear - which we have, hydro - which we can get, wind, sun and gas. Those are the sources of our energy mix and as part of our architecture we are committed to having a healthy energy mix in terms of generation. What it does it reduces risks and it enables us to spread our risk properly so that when one goes down the other one kicks in. For instance, when there isn't enough wind, we know that we can rely on either coal-generated power or nuclear. That is the architecture of our coal structure that we have. Thank you, Madam Speaker. [Applause.]

Ms H O MKHALIPHI: Thank you very much, Speaker. Mr President, we know that Phembani in Shanduka Black Umbrellas companies in which you own shares are

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independent power producers with contracts to supply Eskom energy. We know that your brother Douglas Ramaphosa is a director of a company, Powertech that supplies equipment for renewable energy producers. We know that you and your family, Mr President, are direct beneficiaries of IPPs and it was your brother-in-law - the Minister of Energy, who signed the latest sets of IPPs, putting billions of rands in the pocket of Patrice Motsepe, who also is your brother-in-law.

Mr President, are you willing to say to the South African people that there is no conflict of interest in the IPPs deals, and if not, how do you explain this obvious financial interest? Why do you continue to pursue them if they are causing Eskom to lose money at the time when it cannot keep the lights on and South Africans are suffering because of load shedding? With regard to conflict of interest, are you involved Mr President, with Douglas Ramaphosa?

Mr P J MNGUNI: On a point of order, hon Speaker. Hon Speaker?

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The SPEAKER: Hon Mnguni, is it a point of order?

Mr P J MNGUNI: Hon Speaker, I just wish to even read this Rule. It is Rule 84 (1), which says that no person may impute improper motives to any other member ...

[Interjections.] ... and then it goes on. Clearly, what hon Mkhalihi has just done is exactly just that. Rule 85(2) allows hon Mkhalihi to do that, but she cannot rise on this particular aspect, she must do so through a substantive motion, then we can deal with it at that stage. Thank you.

The SPEAKER: I see hon Mulder's hand, which is quite rare. [Laughter.]

Dr C P MULDER: Hon Speaker, there is a tradition that allows members to make points of order or to argue before you make a decision. I heard what the hon member from the ANC has just said, but if we cannot ask a question like these to the hon President, what should we do? The hon member only said that these things are allegations, and

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the President has the chance to react to them. I think we should allow him to react. [Interjections.]

The SPEAKER: I think the hon Mnguni is correct to have quoted those Rules, but you are correct hon Mulder, and indeed we should allow the hon member this time around to take that caution but allow the President to answer the question.

Ms H O MKHALIPHI: Speaker?

The SPEAKER: No, hon MkhaliPhi, we are allowing the President to answer your question.

Ms H O MKHALIPHI: Speaker, I just want to point to Rule 84 that was quoted by Mnguni. To start with, that is a wrong Rule. [Interjections.] It is a wrong Rule. Rule 84 is about unparliamentary, unacceptable language or gestures.

The SPEAKER: No, hon MkhaliPhi. Actually, I don't want you to answer ... Hon MkhaliPhi, take your seat, now.

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Ms H O MKHALIPHI: So, he must not quote the wrong Rules.

The SPEAKER: Take your seat!

Ms H O MKHALIPHI: And secondly, Speaker ...

The SPEAKER: No, hon Mkhaliphi.

Ms H O MKHALIPHI: I am rising on a point of order and you didn't allow me!

The SPEAKER: No, hon Mkhaliphi! You have raised a supplementary question and I am allowing the President to answer you.

Ms H O MKHALIPHI: Yes, but Mnguni must not come and abuse us with wrong Rules.

The SPEAKER: Hon Mkhaliphi, take your seat!

[Interjections.]

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Ms H O MKHALIPHI: So, he must go and familiarise himself with Rules.

The SPEAKER: Take your seat, hon Mkhaliphi.

Ms H O MKHALIPHI: He must not quote wrong Rules here.

[Inaudible.] [Interjections.]

The SPEAKER: Hon Mkhaliphi! [Interjections.] Hon President?

The PRESIDENT OF THE REPUBLIC: Thank you, hon Speaker ...

Mr T RAWULA: Speaker? I think I rose ...

The SPEAKER: No, hon member, please allow the President to answer the question.

Mr T RAWULA: I am rising on a point of order.

The SPEAKER: No, hon member.

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Mr T RAWULA: I am rising on a point of order!

The SPEAKER: I am not allowing you to raise that point of order ...

Mr T RAWULA: Speaker, you are allowing Mnguni to harass Members of Parliament and prevent us from asking questions.

The SPEAKER: ... on top of another point of order. No, hon member.

Mr T RAWULA: You are setting ... [Interjections.] ... you are allowing him to answer on behalf of the President. When the President is respected by the EFF you are again not allowing members of the ANC to stand and undermine our right to ask questions. Mnguni must learn to sit down and the President must answer the question and if he is not fit to answer the question, he must just ...

[Inaudible.] ... then we will not ask questions.

[Interjections.]

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The SPEAKER: Hon President, please answer the question.

The PRESIDENT OF THE REPUBLIC: Thank you, hon Speaker. I am happy to answer, so that we deal with this matter once and for all because when the hon member raises a number of issues and ... No, you don't need to repeat, I picked up nearly everything you said. When I was elected as Deputy President of the ANC, I decided that since I was going to get into government, I should divest myself of my business interests. I then went about doing precisely that.

As it was taking a little bit of time after I became Deputy President, I wrote to the President and the Director-General and I said that I would like them to give me a little bit more time, maybe three months so that I can finalise my financial matters. By doing so the family sold out of Shanduka completely. We sold out of Shanduka; we were able to pay our debt with that and so on. We got out of Shanduka and Phembani bought the Shanduka assets that were composed of a number of

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different assets, some in mining, banking, and all that. And we went out, completely.

I said that there is however a business that I would like to retain an interest in, and that is farming because I love farming. And that I have disclosed very clearly to everyone, together with some investment in property. We took a view that we would not do any business with any government entity, McDonald's had also been sold. So, McDonald's in my view does not do any business in government, that was sold as well.

Now, you quoted Shanduka Black Umbrellas. Shanduka Black Umbrellas, which has changed its name now to Black Umbrellas, is a business incubation nongovernmental organisation that incubates black-owned businesses. Thus far, that entity has incubated well more than 3000 small and medium enterprises; they have been put on their feet and they are operating extremely well. [Applauded.]

The pride that I have with this is that these businesses has up to the December month -they had already turned over R2,5 billion - small and medium enterprises, for

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their owners ... [Applause.] ... for their own owners - black owners, as well as largely black women throughout the country. It has 10 incubators from Cape Town to KwaZulu-Natal and throughout the country. And these are funded by the Cyril Ramaphosa Foundation, which also runs Adopt-a-School Foundation, which also runs a bursary outfit. Now, that is where Black Umbrellas is.

So, Shanduka Black Umbrellas is not involved in any renewable energy. My brother Douglas runs his own matters. He and I don't share any business. What he does is his own business. He is in - you say Powertech, I didn't even know. My brother-in-law Patrice Motsepe runs his own business. I don't get involved in his business. I have no wish to get involved in his business, and I am not a beneficiary of his business. [Interjections.]

My brother-in-law, Minister Jeff Radebe, is a brother-in-law who has been a leading member of the ANC and who I appointed as Minister of Energy. He does his work in terms of all the rules that govern all of us. Now, is there a conflict of interest? I would argue there is no

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conflict of interest. [Interjections.] There can be a conflict of interest if you can prove it.

Even with Motsepe, he runs his own business. He is in renewable energy, that is his own business, and he was never favoured by anyone of us. He held a press conference two weeks ago, where he dealt with this very matter. Accusations of conflict of interest and corruption are so easy to make, and people make them without any proof and we are saying where there is proof, bring it, so that we can deal with it rather than just cast aspersions against everyone. [Interjections.]

I want to disabuse us as leaders here to stop casting aspersions unless we have proof. If you have proof, you should say that here is the proof and we will deal with it. That is how we should deal with these issues. As far as that is concerned, I believe that the conflict of interest issue I have addressed. Some of us are guided by one principle wherein we should not ever steal money from the people of South Africa. [Interjections.] [Applause.] Some of us are guided by that. For me that is prominent

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in my mind, the fact that some of us are guided by that, and I would put that across to you. Therefore, I think we should desist from just casting aspersions and accusing everyone. If there are issues that are of concern to us, let's raise them; let's get the facts, before we cast aspersions. Thank you very much, Madam Speaker.

Mr N SINGH: Thank you, hon Speaker. Hon President, my original question centered around the energy supply mix that government would favour. You have mentioned some of the areas like solar, wind, etc. Can we get an assurance, hon President, that whatever the mix is, that they would be cost-effective and environment friendly options. We know now with the coal-fired power station that we have around that there is a serious impact on communities living around those power stations. We need that assurance. Hon President, when you took office, where there any dubious contracts or deals that would have been signed by your predecessor on anything to do with nuclear? Thank you.

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The PRESIDENT OF THE REPUBLIC: On the issues of how we look after our communities, particularly where there are leaks, we can say that this is a matter of continuous concern to us so that we secure the safety of our people. Even at Eskom level - that is what we have said, that they should ensure that our people are not exposed to any form of danger. With regard to any contract that would have been signed by former President Jacob Zuma on nuclear, I would say no - that has never been brought to my attention. I think the former Minister of Finance, Nene explained the issues around that. They have become public knowledge. So, I am saying no, I am not aware of any contracts that have been signed with regard to nuclear. Thank you.

Mr P J GROENEWALD: Speaker, through you to the hon President, we have just heard that Nersa has approved about 20% increase in tariffs over the next three years. In 2014, our former President Mr Zuma appointed you as the Deputy President to head the task team, specifically to ensure that South Africa will never have load shedding again. So, you were the head. Now I must ask you, what

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did you do as the head of that task team? In fact, at one stage it was even referred to as the war room against load shedding.

Afrikaans:

Ek is gewoond as jy 'n oorlogskamer het, wen jy. Dit is egter duidelik u het verloor. Wat het u gedoen om te voorkom dat die verbruiker weer moet opdok vir die skandes van Eskom? Dankie?

Die PRESIDENT VAN DIE REPUBLIEK: Speaker, nee, ek dink nie ek het verloor nie. Dit het nie mooi gewerk nie.

English:

This is what we did in the war room. The war room period was actually quite a seminal moment if you like, in the history of Eskom in our country, because it got us to fully understand the challenges that Eskom faces. We got very close to seeing how the electricity grid operates and how the power stations were functioning and malfunctioning, their age, the maintenance backlog and the various costs that were being incurred. What the war

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room never really got close to was the financial machinations that were happening at the corporate level of Eskom. We were looking more closely at making sure that we keep the lights on and in the end the decision we took is that I went to the former President and said that I would like to have the war room closed because the challenge we were facing was that there were too many entry points into Eskom.

I had been appointed to head the war room but at the same time I told him I realise that I am not able to wrap my arms around Eskom properly - to be able to take effective decisions because at every point there was another entry of another idea of other people and so forth, and I suggested that we should close it. I suggested that we appoint a CEO, a CEO who would now be answerable to him as President and to the board and be able to make sure that we address all these challenges.

So, it was my proposal to have the war room closed, and it was closed. The CEO that was appointed was then Brian Molefe who then got in and ran Eskom. [Interjections.]

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Soon thereafter, load shedding stopped - truth be told. Yes, load shedding stopped and they were able to do whatever but because Eskom's challenges are a bit on the long-term side, the problem persisted and it lingered on. Right now we are reaping precisely that lingering on process because we had on the other hand state capture which did not loom its head at the time we were in the war room.

We then had the cost overruns. When we were in the war room, the cost overruns were quite evident. We were now getting into the type of cost overruns on Medupi and Kusile. What was also not evident at the time was the problem with the design of the power stations, particularly Medupi and Kusile. The design challenges that Minister Gordhan has spoken about were not evident. What we also dealt with, that we had to countenance was the age of our power stations and all those. The war room dealt with those issues and before it could dig its teeth right deep in, we suggested that we should close it and get a CEO in place, and the rest is history. Thank you very much. [Interjections.]

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Mr P J GROENEWALD: Can I say, Speaker ...

[Interjections.] ... it is not correct ...

[Interjections.]

The SPEAKER: No, hon Groenewald ... [Interjections.] ...
you asked your question ...

Mr P J GROENEWALD: Okay. So, you did not win the war, you
surrender. I understand. [Interjections.]

The SPEAKER: Hon Carter?

Ms D CARTER: Thank you, Speaker. President, recently
Minister Gordhan said that former Eskom engineers who are
now working abroad should be recalled to South Africa to
help solve the crisis. In the same week a report quoted
Eskom's own affirmative action plan which outlined that
by March 2020 there should be 1 308 fewer qualified
employees in its service of which 336 are engineers. On
Sunday 24 February, a report quoted the Director-General
of Labour as stating that the employment equity plan at

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Eskom was suspended but the suspension was requested by the CEO of Eskom.

Mr President, do you support the report of "white skills" to Eskom? Did affirmative action play a role in the loss of skills and expertise to Eskom? Do you support the suspension of Eskom employment equity plan as a means to bring back the skills? Do you know the reason why Eskom's unions were not consulted? Thank you.

The PRESIDENT OF THE REPUBLIC: Thank you, Madam Speaker. One of the challenges – and these we saw during war room times, was that there had been a flight of skills from Eskom, the skills that for instance had been in place as Eskom built a whole number of power stations before Medupi and Kusile because the building of power stations had been delayed for far too long, so, they had left and had gone to other locals and all that. Clearly, those are experience skills, but in the intervening period we have hired a wonderful development of new skilled people that have come to the fore. A number of them are well experienced and some still need to get good experience. A

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mixture of skills for any organisation should always be getting more senior skills, medium range skills and starting off skills. When you have that type of architecture, then you are well positioned. With regard to the question about me supporting the bringing back of skills back to Eskom, the answer is yes I support that. The question on whether I call them "white skills", my answer is no, I see skills as skills. So, I want skills to come back. [Applause.]

This issue of affirmative action and all that - I won't even begin to get into that because it is the people - the practitioners, in the belly of the company itself who should really be focusing attention on that. Things like suspension of employment equity, I don't know why it is necessary and what it means. The practitioners should look very closely and craft architecture of the skills layout for all well-experienced people, middle experienced people and newly trained people. There should be a wonderful mixture that can take Eskom forward. That is what I would say but I am not a human resource person,

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I am just a simple Member of Parliament - oh! not anymore. I am just a simple ... Thank you, Madam Speaker.

Question 4:

The PRESIDENT OF THE REPUBLIC: As we indicated before, Eskom faces serious financial, structural and operational challenges. Working closely with Eskom, we have embarked on a range of measures to respond decisively as well as with urgency to some of these challenges. To support Eskom's financial turnaround plan which focuses on driving efficiency and reducing costs, government has allocated as announced by the Minister of Finance, a R23 billion a year for the next three years to support Eskom during its reconfiguration.

In turning its operations around, Eskom has developed a plan that focuses on resolving unplanned breakdowns, addressing the performance and reliability challenges affecting the new units at Medupi and Kusile Power Stations improving coal stocks and strengthening human resource capacity. Alongside these direct interventions, the plan is to restore Eskom into separate state-owned

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entities responsible for generation transmission and distribution.

This proposed restructuring is in line with the White Paper on the Energy Policy of the Republic of South Africa, 1998. Contrary to what some have claimed, restructuring will not result in the privatisation of Eskom. The main benefit of separation will be to improve the financial management; give the various entities of Eskom the ability to raise funding and also be able to mitigate and distribute risks to strengthen incentives for efficiency.

The process will enable greater management attention to be focussed on turning around the different parts of the business and enhance accountability. In the longer term, the restructuring of Eskom will position the electricity sector to embrace new technologies, distribute generation and respond to other changes that are taking place in the electricity sector. It will help to diversify the generation of electricity across a multitude of power

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producers, thereby reducing the country's reliance on a single supplier.

It will lead to greater competition in the electricity market that is expected to drive improvements in efficiency and put down watt pressure on prices. It will allow lenders to separately fund the different components of the business, allowing debt to be priced more tightly as it more accurately reflects the unique risks of each individual business. As we have indicated before, the restructuring of Eskom will not address the immediate financial and operational difficulties, but what it will do is to lay a foundation for the sustainable, reliable and efficient generation of electricity into the future.

The crisis at Eskom requires interventions on a number of fronts, including taking immediate measures to correct the structural weaknesses that have contributed, to much of the current situation. Thank you, Madam Speaker.

IsiXhosa:

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Nks D Z RANTHO: Enkosi Mongameli, ngempendulo ecacileyo, kodwa ke ngenxa yoloyiko olungaphandle kubasebenzi bakwa-Eskom nakwiintsapho zabo, umbuzo wam ngulo, kweli ziko lophuhliso lingu-Eskom eliza kohlulwa libe ntlantlu-ntathu i-generation, distribution ne-transmission. Ingaba zontathu ziza kutshintshelwa ekubeni kusebenze abantu abasuka ngaphandle, abanobugcisa obugqibeleleyo, okanye siza kujonga ubugcisa obukhoyo ngaphakathi apha kwinkampani yakwa-Eskom kusini na? Ingaba apha ngaphakathi kwa-Eskom asinabo obo bugcisa bunjalo? Ingaba sixhomekekeke kwaba bantu bekubuzwa ngabo kumbuzo ongaphambili othi sijonge kubantu ababekhona ngaphambili abangaphandle kusini na? Ingaba abantu ababekhona kwa-Eskom baza baphuma, ngoku baza kubuyiswa kuba singenabo ubugcisa ngaphakathi bokusebenza kwezi ntlantlu zintathu zokwahlulwa kuka-Eskom? Enkosi.

UMONGAMELI WERIPHABLIKHI: Somlomo ohloniphekileyo, i-Eskom xa sele siyahlula ukuba ibene-distribution, transmission ne-generation, abantu abasebenza kuloo macandelo baza kuqhubeka basebenze kuwo. [Kwaqhwyatya.] Njenga ngoku, i-Eskom seyinawo loo macandelo. Eyona nto

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siyithethayo ngoku sithi, mayibe ziinkampani ezizimeleyo kodwa zibe phantsi kwe-Eskom Holdings. Lo nto ithi kuza kuba nenkampani eyongameleyo eza kubizwa njenge-Eskom Holdings ukuze ngezantsi kubekho i-Eskom generation, Eskom distribution and Eskom transmission. Ezi nkampani ziza kufakwa kwi-Eskom Holdings.

Bakhona ngoku abantu abasebenza kuloo macandelo ahlukehlukeneyo, baza kuqhubeka abo bantu basebenze kuwo. Eyona nto esizama ukuyenza kukuba okwangoku...

English:

...and this is where the real challenge for us is; right now Eskom is a monolithic company, has accumulated too much debt, R430 billion. Every company as it operates needs funding and quite a lot of times funding comes from banks and funding institutions and often less so from shareholders. We have an anomalous situation now where our state-owned enterprises keep running to the shareholders and say, give us money.

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In other companies they either go to banks and or to the bond market. Eskom has been going to the bond market, to the banks and all that as one monolithic company. The funders are now saying, you are too big, you have got too much debt because we have lent you money and invested in your bonds, we want to see restructuring. Restructure yourself; we want to see a plan, a credible plan that will take Eskom forward.

For us the main driver in all this is not ideological, it is much more financial to manage the finances of Eskom so that the Minister of Finance has less of a headache where he is required year after year to keep pumping money and that the money that he pumps in often goes to servicing the debt. The other problem that Eskom faces is that it is not generating enough revenue.

IsiXhosa:

Enye ingxaki ekhoyo kukuba ishishini lika -Eskom liya lincipha kuba sifumanisa ukuba nyaka nonyaka izinga liyehla, kwaye enye ingxaki kukuba abantu abasebenzisa

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umbane abawuhlawuli. Xa bengahlawuli ke loo nto ithetha ukuba u-Eskom uza kweyela emgodini oko. Xa siyahlula...

English:

...we are trying to make Eskom to be more functional and more efficient.

IsiXhosa:

Ewe, bakhona abasuka ngaphandle abanawo la mava siwadingayo ngoku. Aba bantu ngaba bathi bakwazi ukuyila izitishi zombane, ezi zikhoyo zidala. Bamkile ngoku bakwamanye amazwe...

English:

...designing your modern age power stations and they are South Africans.

IsiXhosa:

Sifuna ukuba babuye baze kusinceda apha kuba...

English:

...they have got specialist skills.

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IsiXhosa:

Xa bebuyile sifuna ukuba bafundise...

English:

...the younger generation as I was saying, you split your experience or expertise mix into extremely experienced medium and younger.

IsiXhosa:

Baza kufundisa abanye aba bexhobisa umntu wonke xa sisiya phambili. Xa ndiphendula umbuzo wakho ngokupheleleyo, siza kusebenzisa bonke aba bantu bakhoyo kula macandelo ahlukeneyo, iqhubeka i-Eskom ukuya phambili. Enkosi.
[Kwaqhwatywa.]

Mr N SINGH: Hon Speaker, I am really earning my money today unlike many in Eskom who looted the funds from there. Hon President, there is much talk about restructuring which in essence and applicatory and amicable way means that taxpayer will once again be burdened with increased electricity costs as we have just heard of such restructuring. Hon President, you referred

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to the palace financial situation that Eskom finds itself in with a R430 billion debt. We can recover money from municipalities and increase costs. What is the government going to do, hon President, to recover the looted billions that have found their way elsewhere in the world in tax heavens? If we can get that money back, it will at least help us restore Eskom to some kind of financial credibility. Thank you.

The PRESIDENT OF THE REPUBLIC: Madam Speaker, it is our clear intention that we should recover all looted money. Money that has been stolen must be recovered and brought back to the fiscus. With the money that has been taken out of the country, we will also follow that up. We have established a tribunal which is going to be able to launch suites against those that we believe have either siphoned money out and taken it out of the country, that tribunal is going to be well empowered to be able to follow that. We will be bringing the money back. Thank you very much.

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The LEADER OF THE OPPOSITION: Hon President, your government is asking the people of South Africa to pay for the last number of years. You have increased the cost of energy today by 9.4%, thanks to your own mismanagement by your government. The second thing is; you are coming here to tell us that you want to unbundle. We know as much as you do that SACP and Cosatu have already said that is not going to happen. Next year you are going to ask our people to keep paying more for this one entity called Eskom and you know as much as I do that nothing is going to happen unless SACP agrees.

My real problem is that you have made a decision to appoint Deputy President Mabuza to head up this new process of unbundling. What is tragic is that here, last week he came and told the people of South Africa that the reasons for Eskom's failure are because of growth, that load shedding is an outcome of growth, which is outrageous. What I would like know Mr President is whether you stand by Mr Mabuza's statement that load shedding is a function of growth. I mean, seriously, come on. [Applause]

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The PRESIDENT OF THE REPUBLIC: Madam Speaker, I think if you had listened very carefully to the Deputy President... [Interjections]

The SPEAKER: Hon members, I do not understand how you ask a question and you do not listen to the answer.

The PRESIDENT OF THE REPUBLIC: Madam Speaker, that is their problem because they ask a question and then they do not listen, that is a clear demonstration that they never listen properly to anything that is being said. I am convinced that, that is their problem because if they had listened carefully they would have heard that, yes the load shedding that we are having is caused by a variety of factors because there are a multiplicity of..., Madam Speaker should I stop talking because...

The SPEAKER: Order, please proceed hon President.

The PRESIDENT OF THE REPUBLIC: ...and because there are a multiplicity of factors that cause load shedding and we can go through the whole list, the whole list because in

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the end load shedding is a problem that we should not make fun of. [Interjections] We should never make fun of; we should deal with this matter with the seriousness that it requires because it is a common problem. I did say in the state of the nation address that, some of these challenges are common to all of us and we have to address them and deal with them as a collective and say, these are our problems. When there is load shedding it affects many people either in one locality or in very big localities.

That is precisely where our challenge is. Where are we now? We are addressing it and the Deputy President is leading the team that is addressing the issue of load shedding on a daily basis. They are seized with this problem of Eskom together with the Ministers that I said would be working with the Deputy President. They look very closely at it and produce a report which I get every morning to see exactly what the status of the grid is and how we are addressing all those challenges.

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We are hoping that with time, the load shedding will be coming lesser and lesser because what they are doing is to try and increase the capacity of maintenance and make sure that the funding for maintenance is well spent and it is there. On that score, hon Speaker, I think, let us take hard and hope that we are definitely going to resolve the Eskom problem since we move on. Thank you, very much.

Dr S S THEMBEKWAYO: Mr President, as I am sure you know that there is a Ministerial Determination no 733, published on 18 August in the Government Gazette 39111 by the Minister of Energy, which prevents Eskom from producing renewable energy but requires it to purchase renewable energy from Independent Power Producers, IPPs. As part of Eskom's restructuring programme, do you not think that it would be wise to have that Ministerial Determination withdrawn, so that Eskom can also start producing renewable energy and join the green revolution? Or, are you so intent on collapsing Eskom that you will continue to buy renewable energy from IPPs? Thank you.

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The PRESIDENT OF THE REPUBLIC: If you could remember what I said in the state of the nation address, I did say that, this renewable energy space is a space that we want Eskom to participate in. I would agree with you that this determination which I have never seen goes against precisely what we believe Eskom should be doing.

Eskom, as a generator of energy should also play in that space. There should be nothing that bars Eskom. If we have somehow determined that Eskom should be stopped, we should remove that as Eskom should also participate and compete with the others. That is what I would agree with you on and if you remember I did say it more boldly in the state of the nation address. That is what we want Eskom to do, so I agree with you and maybe you will be pleased to know that I agree with the EFF on this issue. Thank you very much.

Question 5:

The PRESIDENT OF THE REPUBLIC: Hon Speaker, the Department of Traditional Affairs, together with representatives of the National House of Traditional Leaders, have

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established a task team led by Nkosi Nonkonyana to make proposals on the powers and functions of traditional leaders and any amendments to legislation.

To date, the Department of Traditional Affairs has developed a draft discussion document. The department, working together with the National House of Traditional Leaders, has also appointed a constitutional law expert to do further research on this matter and finalise the discussion document. This research requires a study of all relevant legislation of an international comparison nature on how other countries have approached this issue. Once the research and the discussion document are finalised, all stakeholders will be consulted on the proposals.

We look forward to the outcomes of this work which will greatly assist in reaching agreement and finality on an issue that is important not only for traditional leaders and traditional communities, but for all South Africans. Thank you, Madam Speaker.

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IsiZulu:

Inkosi R N CEBEKHULU: Somlomo, ngiyakuthemba Somlomo ukuthi cishe uMongameli uzosinikeza impendulo ezocishe iwacacisele amakhosi ezifundeni lapho ekhona. Ngiyakwemukela konke amakhosi akwethulile kuMongameli. Yingakho-ke ngifisa ukwazi ...

English:

... if the President addresses this issue. This issue must be resolved as you correctly said when addressing the official opening of the National House of Traditional Leaders. In a democratic country we can't make a mockery of traditional leaders. How soon can we expect consultations? Is it going to include all structures like the Khoi and the San as well?

IsiZulu:

Mhlonishwa Mongameli, umlando uyasitshela manje ukuthi oMongameli ababekhona ngaphambi kwakho babelokhu benza isithembiso ngalolu hlobo kodwa abazange bazibekele umgomo ukuthi ngesikhathi esithile kuyobe seyixazululiwe lenkinga. Mhlawumbi uMongameli angazibophezela yini yena

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ukuthi ngesikhathi sakhe esasehhovisini uyothi ephuma kube sekulungisiwe lokho. Ngiyathokoza.

The PRESIDENT OF THE REPUBLIC: Hon Speaker...

IsiZulu:

... uma uthi ngesikhathi sengiphuma siyobe sesiyixazululile lendaba. Ngoba sekusele amaviki ayishiyagalombili kuphela bese nami ngiyaphuma ngabe ubuthi asivele sikwenze manje? [Uhleko.] Oho! Ngakhoke unethemba lokuthi siyabuya. [Ubuwelewele.] [Ihlombe.] Hhawu! Hhayi! Waze wangijabulisa impela. Ngiyajabula futhi ngiyabonga. Unginikeza izithembiso esiphelele impela sokuthi ngizobuya emuva kwalolu khetho esiya kulo. [Ubuwelewele.]

English:

Hon Speaker, on this issue all I would want to assure hon Cebekhulu is that we are serious about this matter. We have addressed the National House of Traditional Leaders and I have requested the Minister of Co-operative Governance and Traditional Affairs to make sure that all

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the issues that were raised during our discussions with traditional leaders are addressed, but more specifically this one.

IsiZulu:

Ngakhoke Inkosi u-Nonkonyane wayekhona uma ngithi kufanele ukuthi aqhubeke nalo msebenzi. Uyazi ukuthi uzoqhubeka nawo aze awuqede lo msebenzi. Ngakhoke mina ngibona ukuthi lo msebenzi ngeke uthathe isikhathi eside. Empeleni ngibona ngathi ngeke uthathe naneminyaka emibili ungakapheli ngoba kuzofanele ukuthi bahambe mhlawumbe baye kwezinye izindawo bayobona ukuthi amanye amazwe bayisebenze kanjani lendaba. Angeke baya kuwowonke lomhlaba bazokhetha nje ukuthi bazoya kuphi nakuphi bese bayabuya-ke basenzele umbiko wabo bese sizowuveza lowombiko ukuthi sikwazi ukuthi siqhubekele phambili. ngakhoke ngiyathemba ukuthi kuzokwenzeka ngesikhathi esifushane. Ngiyabonga.

English:

Mr M D MAHLOBO: Madam Speaker and His Excellency Comrade President...

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IsiZulu:

... nginomlayezo la. Bengikhuluma nomongameli we-Congress of Traditional Leaders of South Africa, Contralesa, ngakhuluma nenhloko ephethe i-National House of Traditional Leadership, nosihlalo wekomidi lobuchwepheshe, Inkosi u-Nonkonyane nosihlalo weNdlu yamaKhosi eMpumalanga, bathi-ke Mongameli kulo msebenzi owenzayo bafuna ukudlulisa lo myalezo ukuthi babonga kakhulu ukuthi ...

English:

... we are inspiring them with your efforts of ushering in a period of unity, renewal and rejuvenation of our nation. They are also happy that there is an appreciation by yourself and the ANC that the institution of traditional leadership represents an unbreakable bond between our people past, present and future. They are very happy that you have kept your promise. When you started the pilgrimage after becoming the president of the ANC, you started involving them in the issues of development and growth in our communities. Therefore, on 4 March they were very happy with the work that Minister

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Zweli Mkhize is doing. They have listened to the task that you have given. They are saying that they are very happy to work with you. They trust you and the ANC.

But the only issue they want you to do is to try to assist, especially, at a local level where some councillors are not in synch with the move of renewal and rejuvenation to work together. That's their main issue. They want that spirit of involving them in land summit and issues of gender-based violence... [Time expired.]

IsiZulu:

... futhi bathi bacela ubalungisele lokho Mongameli.
[Ihlombe.]

The PRESIDENT OF THE REPUBLIC: Hon Speaker, all I can say is that the message is well communicated. We know that there are issues and challenges at local government level where traditional leaders are encountering some challenges as they interface with local government councillors. This is the matter that we will pay attention to. Minister Mkhize, Deputy Minister Bapela and

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Deputy Minister Nel are presently seized with all these matters and we should be able to find a solution to all these. Thank you, Madam Speaker.

Setswana:

MOETELEDIPELE WA LEKOKOKGANETSO: Moporesitente, ke ne ke ile kwa Limpopo ka kopana le dikgosi ... [Tsenoganong.]

The SPEAKER: Order hon members! Allow hon Maimane to ask his question.

MOETELEDIPELE WA LEKOKOKGANETSO: ... ka bo bona ba kopile jaana gore lefatshe le boele kwa go bone, gape le gore jaaka batho ba ba dulang mo mafatsheng, ba letlelelwe gore e nne beng ba ona.

IsiZulu:

UMHOLI WEQEMBU ELIPHIKISAYO: Manje Mongameli ngezwa kukhulunywa kuthiwa inkosi ubaba uZwelithini uthe abantu kumele bathole amatayitela ngoba ufuna ukuthi ...

[Ubuwelewele.]

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English:

The SPEAKER: Order hon members! We can't hear what hon Maimane is saying.

Mr Z M D MANDELA: Speaker, on a point of order. The hon member misled the House. There is no Nkosi Zwelithini, but Isilo uZwelithini. There is a difference between a king and a traditional leader being a chief. There is INkosi uZwelivelile. His Majesty King Zwlithini is addressed as such. Thank you.

The SPEAKER: Well noted! Hon Maimane, please, proceed and be sensitive to the protocols.

The LEADER OF THE OPPOSITION: He had remarked that, in fact, we should convert permission to occupy into title for citizens.

An hon member: Who?

The LEADER OF THE OPPOSITION: The King! I tend to agree with him. What I am interested in knowing is, do you

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agree that in fact citizens who are living in rural communities must be able to own land in their right so that they can own title so that their rights are protected, Mr President? "Ke a leboga" [Thank you].

The PRESIDENT OF THE REPUBLIC: Madam Speaker and hon Maimane, I am sure you will know that the process of owning land in our country is quite mixed. There is a process where we have permission to occupy, PTO, and where we have communal ownership through various structures like the communal property associations, CPAs, and where we have direct title. It's a mixture, and it is part of the land ownership process that we have in our country.

The Constitution of our country talks about security of tenure that should be given to South Africans - which I subscribe to and which I support completely. Yes, I will support that. It is a good thing for people to own their own land and that is precisely what we are doing in a number of places where we are giving people title deeds so that they can have full ownership of pieces of land. A

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number of other places people still have permission to occupy and in others land is administered and owned through communal traditional authorities, and in other areas it is owned through community property associations. All this is a process of moving towards a particular direction and destination.

Of course, the ideal one is where South Africans will each own their own piece of land, but we need to recognise what currently exist. What currently exists in a number of areas in our country is something that needs to be evolving with time. The PTOs, yes, can be converted into full ownership. The CPAs are working well at the moment. In a number of other areas communal ownership of land through traditional authorities is also functioning. That is the mosaic of land ownership in our country and with time it will be evolving. So, we need to deal with each one as we move forward.

The land reform process that we are involved in clearly has to address all these. The land reform process and the task team that is being led by the Deputy President, is

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dealing precisely with some of these issues. Very soon they will be releasing quite a lot of land that is owned either by companies, government or other people into ownership by communities and into ownership by individuals as well.

It is a mosaic type of situation and let us allow it to evolve. As it evolves our knowledge around it also matures. [Interjections.] Yes, the issue of women as well. Women must be fully entitled to own land.

Currently, in a number of places it is not the case. We must make sure that it does happen and it is going to happen that the women of our country should have title over their own land as well.

IsiZulu:

Usolwazi N M KHUBISA: Mhlonishwa Somlomo, mhlonishwa Mongameli, siyezawa ukuthi lolu daba lweqhaza labaholi bomdabu nemisebenzi yabo namandla abo liyalungiswa kuyimanje kodwa olunye udaba okumele liphuthunywe wudaba lwezingalasizinda ezindaweni zabaholi bomdabu. Uthole ukuthi ayikho imtholampilo, izibhedlela azikho nezikhungo

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nje zezomthetho mhlawumbe uma kuhlukunyezwe abesifazane nezingane bazohamba ibanga elide. Amakhosi mhlawumbe amathathu noma amane ahlanganyele isibhedlela esikude esisedolobheni ngale ngaphezu komgwaqo nokunye. Yilezi zinto-ke ezibonakala ukuthi ziwawakhubaza kwezentuthuko. Mhlawumbe uHulumeni uzibophezele kangakanani ngokuphuthuma ukulungisa lezi zinto okubonakalayo ukuthi ziyawakhubaza amakhosi. Singasakhulumi nje ngama-TVET colleges izinto ezingekho nhlobo nezinye futhi. Ngiyathokoza Somlomo.

English:

The PRESIDENT OF THE REPUBLIC: Hon Speaker...

IsiZulu:

... ngiyabonga kakhulu ngoba ngalesi sikhathi ngikwi-National House of Traditional Leaders saphawula kuzozonke lezo zinto, sakhuluma ngazo. Mina ngasho ukuthi sifuna ukuthi abaholi bendabuko bethu bangene baphelele kulento yentuthuko. Basebenzisane nathi. Bangene kweyezingqalasizinda sisebenze ndawonye. Bangene nasezindaweni ezifana nezibhedlela, yebo naseziteshini

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zamaphoyisa. Uma kudingeka ukuthi kube nesiteshi samaphoyisa endaweni ethize zibe nesu eliphelele elizobonisa kahle ukuthi isiteshi samaphoyisa singafika nini na. Naleyonto yama-TVET colleges sakhuluma ngayo nayo ngakhoke umhlangano lo esibenawo nabo ubemuhle kakhulu futhi bengicabanga ukuthi ...

English:

... and we had a good understanding amongst us that the role that our traditional leaders must now play with glued effect is much more for a developmental one - working together with other role-players particularly government. And they welcomed that. I had a good sense that we are going to start exploiting the synergies that our respective roles give rise to where they operate as traditional leaders and we, as government, look more closely at government issues. We can mix the two and find good pathways to engage our traditional leaders in developmental issues.

We also raise issues such as tourism and important heritage sites that are located within the areas where

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they have control. In my view they got excited when we raised this issue. They are going to be working very closely with Minister Mthethwa on issues such as arts and culture.

We also delved into traditions and the cultures of our people and the languages. There is a lot that we spoke about which we are now going to start taking forward. All in all, we had a fantastic debate in the National House of Traditional Leaders where there was a good sense of co-operation. The great feeling was that we can work together and resolve many challenges that our traditional leaders still have. We had a sense that they are resolvable and it will be very good in terms of consolidating the relationship between national government, provincial government and local government with our traditional leaders. Thank you very much.

Question 6:

The PRESIDENT OF THE REPUBLIC: Hon Speaker, government is in the process of giving effect to a resolution of the governing party that South Africa should downgrade its

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embassy in Israel. Our approach is informed by our concern at the ongoing violation of the right of the Palestinian people to self-determination and the refusal of the government of Israel to enter into meaningful negotiations to find a just and peaceful resolution to this conflict.

We are also concerned about the resurgence of confrontation and conflict in the region and about the grave humanitarian cost of further intransigence. Our approach is also informed by an appreciation of the constructive role South Africa is being called upon to play in the quest for peace in the Middle East.

We are clear on our support for the achievement of the Palestinian state, alongside the right of the state of Israel to exist in peace and security with its neighbours. In implementing this conference resolution, we are mindful of South Africa's responsibility to continue engaging with all parties to the conflict to see where we would be able to provide assistance. As such, the South African government remains seized with the

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modalities of the downgrading process of the South African Embassy in Israel, and we will communicate once Cabinet has fully finalised this matter. I thank you.

Mr A M SHAIK EMAM: Mr President, it is 15 months since the unanimous resolution was taken for the immediate and unconditional downgrading. My understanding of the word immediate means that it cannot take 15 months for you to implement. But the NFP assisted you by even tabling a motion which has not come to this House till today. We put billboards around O R Tambo airport to remind you but that has not happened. Can you take us in your confidence and tell us whether you are under any pressure from the international community not to implement this one and how soon can we have this implemented? Remember, the sanctions and disinvestment is what brought us where we are today. Thank you.

The PRESIDENT OF THE REPUBLIC: Hon Speaker, I can answer categorically that we are not under pressure from any government of whatever nature not to go ahead with this resolution. What we and the Minister of International

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Relations and Co-operation have been doing was to look fully at the modalities. There are quite a number of steps that we have already taken to put this to effect. We are going to downgrade that embassy and we have communicated that very openly and clearly. Also, to those who have raised concerns with us and decried the fact that we shouldn't do so - and there are quite a number of them - we have said that we are bound by this conference resolution. However, on a more overall basis, we are concerned - as I said earlier - about the continued situation of the Palestinians in the Middle East. Therefore, we are moving ahead to implement that resolution. We have, at the same time, been called upon to participate in trying to broker a process of getting peace to prevail in that part of the world and there are a number of initiatives that are underway. So, rest assured, we are going to downgrade.

Dr P J GROENEWALD: Hon President, you started by saying that you strongly support the self-determination of the Palestinians and I understand that. Our own Constitution provides for self-determination in section 235. I will

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engage the hon President after the 8 May 2019 Elections on that issue. Hon President, you want to play a role to ensure that we have peace but my question is: Do you also recognise the self-determination of Israel as a state? And if you do, do you support the two-state solution? Don't you think downgrading the embassy to a liaison office will be a very strong signal that you are actually taking sides?

Afrikaans:

As u 'n rol vir vrede wil speel, moet u nie kant kies nie. Ek dank u.

Die PRESIDENT OF DIE REPUBLIEK: Adjunkspeaker, nee ons kies nie kant nie. Ons het duidelik gesê dat ons die Embassy downgrade [ambassade gaan afskaal], maar ons sê ook dat ...

English:

We are interested in seeing peace in that part of the world and we are willing and open to engagement. We have also indicated this to both sides. We have said that our

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position has always been known that our support for the cause of the Palestinians is a historical one, and the injustice that they are going through is something that we have to stand up against. But at the same time, we have said Israel also has the right to statehood, sovereignty. [Interjection.] Yes, they do. So, we do then support two-state approach that they have the right to exist alongside a Palestinian state. The issue is that there must be a Palestinian state. [Interjections.] For as long as a Palestinian state is not in place, we will adopt the stance that we have taken. Thank you very much. [Interjections.]

The DEPUTY SPEAKER: Hon Paulsen, there is no need to scream or shout. That doesn't improve any argument.

The LEADER OF THE OPPOSITION: Mr President, I was to say it is my firm understanding that it is a resolution of this government to have a two-state solution in the Middle East. I stand by it and the self-determination of both the Palestinians and the state of Israel. That is pre-determined by the fact that we deem people to have

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their own human rights protected. What I want to understand is that, whilst you unequivocally support the people of Palestine, how are you going to ensure that the resolution for the two-state is implemented and what role can South Africa play in that? Are we going to continue fighting for human rights of all people oppressed including the people of Zimbabwe who are right now battling underneath their government, and also, the people of Venezuela and Tibet who are standing up for their rights? [Applause.] How do we ensure that on one side we stand for human rights of all citizens and also ensure the resolution is put in place? Thank you. [Time expired.]

The PRESIDENT OF THE REPUBLIC: Hon Deputy Speaker, our position on fighting and standing on the side of people who are struggling for human rights is unquestionable. [Interjections.]

AN HON MEMBER: Tibet!

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The PRESIDENT OF THE REPUBLIC: We have always stood on the right side of history and ensured that we support those who are struggling for human rights. That is why the stance we have taken on the question of Palestine is what it is. The decision to downgrade the embassy in Israel is precisely informed by the violation of the rights of Palestinians. We are therefore putting pressure on Israel but at the same time, we are saying we are willing to play a role, engage and make sure that there is peace. Where we are able to, we will engage with both sides. Both sides have actually been saying that we South Africa can play a role because we have a very strong human rights tradition, and we are also very strong in helping other countries find solutions. So, our position is very clear on this. That is the policy of government and that's how we are going to proceed. Thank you very much, Deputy Speaker.

Mr Z M D MANDELA: Hon President, given that the father of our nation and democracy, the global icon, President Rolihlahla Mandela said that our freedom is incomplete without the freedom of Palestinians; given that Madiba

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said the Palestinian struggle is the greatest moral issue of our time; given that iNkosi Dalibhunga said that as long as there is a single human being suffering anywhere in the world our struggle is far from over; and also given that today millions of Palestinians are subjected to gross human rights violations, crimes against humanity and what amounts to genocide and ethnic cleansing on a daily basis against defenceless women and children, what is our response, hon President, to those who make cheap electoral mileage out of the Palestinian struggle especially with reference to the ANC 54th NGC Resolution to call for an immediate downgrade of our mission?

[Interjections.]

The PRESIDENT OF THE REPUBLIC: Deputy Speaker, our position and the decision that was taken by the governing party's 54th conference was precisely informed by what you saying, hon Mandela. When we looked at the situation of Palestinians and realised how their rights are being violated, and their sovereignty and self-determination completely disregarded and denied, the governing party's conference took the resolution to downgrade the embassy.

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That is precisely how we are going to proceed forward. We have communicated this very clearly.

One of the hon members said it is now 15 months since the decision was taken and that is correct. However, we are going to proceed in implementing that decision. As I said, we were going through the modalities. The Minister of International Relations and Co-operation and her officials have been working feverishly to make sure that we do implement this decision. At the same time, we have been involved in a number of other engagements but we are not going to turn back from implementing this decision because it is a matter that we need to implement to put pressure on the government of Israel to realise that the issue of Palestinians needs to be resolved.

The Palestinians continue to live under completely unacceptable conditions where a number of people get killed - something which you called ethnic cleansing on an ongoing basis - which is totally unacceptable. Their rights for self-determination must now be recognised. Therefore, South Africa will be making a clear indicative

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signal that this is unacceptable and to that effect, we are going to downgrade that embassy. Thank you very much, Deputy Speaker.

The DEPUTY SPEAKER: That concludes questions to the hon President. I thank you, hon President.

The House adjourned at 16:18.

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