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NATIONAL ASSEMBLY

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PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 14:0 ...

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

Question 7:

The DEPUTY PRESIDENT: Deputy Speaker, as we have stated before on several occasions, accelerated land reform underpins our collective national commitment to address the historical injustice of land dispossession by giving back land to those who were forcefully deprived of it.

It is a genuine act of restoring dignity to those who suffered the indignity of subjugation and alienation from their land, those who had their right to productively use this asset for their self-advancement taken away.

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Therefore, addressing the land question requires that we ensure equitable access to land as part of the national imperative to build an inclusive and cohesive society. Fostering nation-building, social cohesion must be anchored on broadening access to land and ensuring that land is made available for shared economic and social advancement. Our collective action towards equitable access to land is critical in our nation-building efforts. Failure to address it now will continue to burden our national consciousness with guilt and neglect and sow seeds of endless tensions and instability.

As patriotic South Africans that want to be part of the solution, we need to guard against those who want use this land question to divide us by framing land reform as a race-based, punitive act against our white citizens who own land. This is far from the truth. We must desist from using land to fan the flames of hatred and distrust amongst our people. We must work together to find lasting solutions. Our people need land. Our people must have access to land for agricultural use, for human settlement, and for economic development. It is this

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reality that inspires our commitment to resolving the land question and to ensure that land is accessible and available to all, not just to a few.

As government, we have been encouraged by white farmers, business leaders, and mining companies who have chosen to collaborate with government to become part of the solution, as we tackle the prevailing challenge of land. These prevailing challenges about land that confront us require us, as South Africans, to act together. On a daily basis, we are engaging farmers who are pledging to donate land for redistribution. Some business leaders in the mining sector, as I have said, have donated land as their contribution to addressing our land reform programme. Government is releasing land that is in the hands of the state in order to advance the objectives of land reform. We are addressing key development measures around urban and rural human settlement, agricultural production, and enterprise development in general. As part of building integrated and sustainable human settlement, there is a renewed focus on investing in key infrastructure that will support our growth, mobility,

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and connectivity. Therefore, land distribution must be accompanied by investment in infrastructure like water, roads, and other supporting economic and social facilities.

A well-managed land reform programme, we think, will pose no threat to the agricultural sector and the economy in general. Instead, broadening access to land and participation by new entrants in the sector will unleash additional productive capacity to enhance agricultural output and to create jobs. To ensure that emerging farmers succeed, comprehensive support will be provided so that restituted and redistributed land remains optimally productive. More importantly, our rural development focus will continue, ensuring that communal land under the leadership of our traditional leaders is utilised effectively for agricultural purposes. In this regard, government will continue to work with our traditional leaders to ensure that communal land is utilised productively.

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Government is focusing on enhanced institutional co-ordination to ensure responsiveness to service delivery and support to farmers at local level. One-stop service platforms are essential to provide the necessary comprehensive suite of farmer support services and to ensure that resources earmarked for farmers reach farmers promptly and efficiently. This will foster integration and alignment in project execution, delivery of infrastructure, mechanisation, and funding support for farmers. Successful and progressive commercial farmers have already come forward to present various models of how to deepen transformation, as well as how to provide in the agricultural sector. In short, our commercial farmers have made themselves available to support emerging farmers.

We have expressed on a number of occasions in this very House that government is committed to undertaking land reform in an orderly manner, in a manner that would respect and uphold the Constitution and ensure that the administrative action taken is lawful, reasonable, and procedurally fair. There is no need for anyone to be

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apprehensive about our approach to land reform. However, we cannot be complacent in dealing with the factors that contribute to any form of societal polarisation. We must, at all times, guard against any attempts that seek to frame the land question as seeking to benefit private interests but reiterate that land reform will remain a national imperative and, therefore, a priority in our country.

Our message to all South Africans is that we must pursue this land reform programme. Pursuing this programme, we are pursuing justice - justice for all, especially for those people who were dispossessed of their land. In the same vein, as much as we pursue these objectives, we must do it within the confines of our Constitution and the rule of law so that actions like land grabs and invasion of private land are discouraged at all times and at all cost. Thank you. [Applause.]

The CHIEF WHIP OF THE OPPOSITION: Deputy Speaker, I would just like to point out to you that the questions are not loaded onto the electronic system, which makes it very

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difficult for Members of Parliament to follow what is going on. It is the first time I have ever attended a question session where this is the case. Is there a reason why?

The DEPUTY SPEAKER: Hon Steenhuisen, you are correct. It is being attended to. It will be loaded as we continue. I apologise for the inconvenience. [Interjections.] Don't take chances! [Laughter.]

Ms M R SEMENYA: Deputy Speaker, I thank the hon Deputy President for the comprehensive answer ...

[Interjections.] ... and what he has highlighted because it is important for our people to build confidence and make sure there is certainty in society.

Deputy President, what plans do you have to ensure you continuously engage communities and various stakeholders so that there is that understanding that land, as an emotive issue, has to be addressed? All of us must participate continuously in nation-building, as we transform our country. Thank you. [Interjections.]

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The DEPUTY PRESIDENT: Deputy Speaker, as I said in the response, we have been engaging with white farmers - commercial farmers - who came forward to say they are prepared to work with government to support this land reform. In coming forward, they pledge to donate land to their farm tenants, and we have agreed so. We have requested them to work on a model that can be utilised countrywide so that those farmers who want to work with government to ensure that we increase our productivity as a country and to ensure that land is accessible to all can do so following an agreed-upon model. We are a bit encouraged by the actions of farmers, especially in KwaZulu-Natal, who are continuously leading the debate and, very soon, they will be demonstrating their willingness and support of the programme by donating land to their farm tenants. We welcome that.

We will be entering into discussion again with traditional leaders. The cry from our traditional leaders is that the land under their custodianship lies fallow; they need support from government. Thus, we are talking about an integrated one-stop that will try and support

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all emerging small farmers together with traditional leaders and people living in areas under traditional leaders. We are trying very hard to pull everyone into this programme because, as we give people land, we want to encourage people to farm. Like we said in our Freedom Charter, land shall be shared among those who work it. So, we encourage our people to work the land and will avail the land for them to work.

So, I must say to the House that our land reform programme is gaining traction. People are interested. South Africans are happy to work together. Thank you.

The DEPUTY SPEAKER: Hon members, before I call upon the hon Meshoe to ask the next supplementary question, I ask you to join me in welcoming the pupils from Walmer Secondary School. I know that some of them are eyeing your seats, and they will be sitting here in the not too distant future, including this one too. Welcome.

[Applause.]

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Mr N PAULSEN: Deputy Speaker, only the EFF will have a sufficient number of seats to accommodate those learners one day. These ones, they will vanish. Those ones will vanish.

Afrikaans:

Die ADJUNKSPEAKER: Ek dink u vat 'n kans. U vat 'n kans.

Mnr N PAULSEN: Dis 'n groot kans wat jy vat!

English:

The CHIEF WHIP OF THE OPPOSITION: Deputy Speaker, the only reason the EFF will have seats is they keep removing their Members of Parliament. [Laughter.]

The DEPUTY SPEAKER: Please take your seats, hon members. No, don't do this to the kids! Take your seat, hon Paulsen. Hon Meshoe, please ask your question.

Mr N PAULSEN: I can remove his teeth for him!

The DEPUTY SPEAKER: No, no! Take your seat.

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Rev K R J MESHOE: Deputy Speaker, whilst the ACDP supports equal access to land by all our people, we nevertheless believe it is misleading to claim that expropriation of land without compensation, which is part of government's land reform process, poses no direct threat to the agricultural sector and the economy as a whole.

It was reported in late 2018 that agricultural output dropped by 30%, which caused a reduction in the GDP. The South African Agricultural Machinery Association said that most commercial farmers have started scaling back on expansion projects in light of government's threats against agricultural property rights. The Banking Association South Africa has also confirmed that there has been a marked decline in investment in farm land.

Deputy President, given these facts, why does government continue to claim that expropriation without compensation poses no direct threat to the agricultural sector, the economy, and racial harmony when the facts speak otherwise? Thank you.

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The DEPUTY PRESIDENT: Deputy Speaker, I think we insist and continue to say the land reform programme poses no threat to the economic sector. Let's look at a few factors to back our argument.

Firstly, we are not talking about land that is, in the main, privately owned. We are talking about a programme that seeks to restore land to those people who were dispossessed. This land finds itself in different hands. Some of the land, as I have said, is in the hands of government, the different spheres of government, and some of the land, of course, is in the hands of white commercial farmers. Of course, I said when I started that these farmers came forward and said they were prepared to donate land. That is a positive move to ensure that we can manage this land reform successfully. There is willingness from those people who have land. As we speak, government is preparing itself to redistribute land. We are verifying the land. We are looking at the land use so that, using whichever criteria we are going to set in place, we can say to a farmer who has given land that a particular piece of land can be utilised for this and for

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that. That would be part of the verification and the audit process, finally.

However, I am saying this is a process of making land available to those who were deprived. That, of course, must unleash the potential that was not there before because more entrants, more people, are going to own land, and more people are going to join this side. So, we still believe this land reform process won't affect our growth negatively, especially in the sector. Thank you.

Ms A STEYN: Deputy Speaker, through you to the Deputy President: That is great. So, can you please tell us what the plan of government is to put the 4 200 government-owned farms - land already in the hands of the state - under production? Will a list be made available of who will be receiving all these farms? Thank you.

The DEPUTY PRESIDENT: Deputy Speaker, like I have said, as government, we are in a process of finalising the land audit, the verification of these land parcels in the hands of government. That process will be concluded by

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the end of April. So, we will know how many land parcels are in this department, in this state-owned enterprise, in this provincial government, and in this municipality.

Beyond that, government is going to put in place a model and criteria that will be utilised to redistribute land, especially to those people who are hungry to utilise land. Among those people will be young people who must be new entrants and women, people that must join the agricultural sector. [Interjections.] So, those land parcels definitely will be made public. It would be known that these are the land parcels that will be redistributed to people who want to join the agricultural sector. That information will be shared with the public. Thank you. [Applause.]

IsiZulu:

Mnu X NGWEZI: Ngiyathokoza Sekela Somlomo, kusukela kwaqala uhlelo lolu lokubuyisela komhlaba kubantu ngohlelo lukahulumeni kunamahektha ayizigidi eziyi-176 [176 million] angenzi lutho futhi awakhiqisi lutho. Izizathu zalokho ukuthi uma abantu sesibanikezele

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ngomhlaba cishe zincaneizinhlelo esinazo zokuthi sibaqeqeshe bakwazi ukuthi bawisebenzise umhlaba.

ISilo samaZulu sesikhulume namakhosi KwaZulu-Natali siwanxexxa ukuthi akuhanjwe kuyokhuthazwa abantu ukuthi bakwazi ukulima emhlabeni okhona kwaZulu-Natali. Ngicela ukubuza ukuthi uhulumeni ufisa kangakanani ukulekelela ...

English:

... even to the call made by the king of the Zulus in addressing this matter of the land that is lying fallow in this country? Thank you.

IsiZulu:

USEKELA MONGAMELI: Ngiyacabanga ukuthi uma ngizama ukuphendula umbuzo ngishilo ukuthi uhulumeni uyazama ukuthi ahlanganise amandla akahulumeni omkhulu, uhulumeni wezifundazwe omasipala ukuze sakhe ...

English:

... what we call one-stop service.

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IsiZulu:

Sibonile ke siwuhulumeni ukuthi ukhona umhlaba omningi onglinywa futhi indlela uhulumeni eseka ngayo abalimi abasafufusa, akuyona indlela ehlangene. Abalimi abalutholi usizo olufanele kuhulumeni. Okunye futhi bathi bangalutho usizo bahambe bahambe bafike phambili luphele usizo kuphele ukulima. Manje ke sifuna ukuthi silethe usizo oluzobona umuntu uqala ukulima ethuthuka aze afinyelele ezingeni lokuthi sesingamfanisa nalaba abangabalimi bezohwebo. Kusho ukuthi angazimela.

Manje uhulumeni uyokhona ukusiza abantu abafunayo ukulima. Uzokwenza zonke iziphakamiso zemikhiqizo zitholakale kuleyo-one stop service ezosiza abalimi. Sibonile futhi ukuthi umhlaba omningi ongaphansi kwamakhosi awulinywanga kanti futhi lomhlaba uvundile. Amanzi akhona futhi sizosizana nawo amakhosi. Angeke kwenzeke ukuthi sibe bulawe yindlala kanti umhlaba sibe sinawo. Esikwenzayo ngalokuguqulwa komhlaba ukuthi umuntu othola umhlaba kufanele asizakale ukuthi awusebenze lomhlaba ukuze sandise ukuphepha kokudla. Fithi ukudla lokhu uma sesikutshale kwabakuningi sikwazi ukukuthengisa

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kwamanye amazwe. Ngaloko ngizama ukusho ukuthi kulohlelo lokugugulwa komhlaba noma kanjani lizosekela izinhlelo zikahulumeni ukulekelela abalimi. Sikubonile la sibuya khona ukuthi abalimi bebeselwa ...

English:

... not in a co-ordinated fashion. Thank you. [Applause.]

Question 8:

The DEPUTY PRESIDENT: Deputy Speaker, the Joint Special Cabinet Committee on Eskom was established by the President as a response to the recent electricity disruptions and their accompanying negative impact on the economy. This special Cabinet committee is chaired and convened by the Deputy President and includes the Ministers of Public Enterprises, Energy, Transport, Finance, Police, and State Security.

Hon members will appreciate that this is a special Cabinet committee and it must report to the President and Cabinet on its work. Once it has finished with its assignment, as dictated by Cabinet, the House will be

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informed through the appropriate mechanisms. Having said that, we wish to indicate to this House that some of the root causes of the current state of affairs, with regard to electricity supply, have been the growth of our population and the extension of supply to all South Africans.

Some of the factors include the governance of the power utility. We do not think the governance structures are in good health. The financial situation of the utility is not in good health. The operational challenges, the running of the power stations, the plants, are not in good shape. It goes without saying that the future economic growth and increased investment must be anchored on the security of energy supply. That is why the situation in Eskom must be addressed if we still carry the ambition of growing our economy.

Some of these challenges are driven by massive costs and time overruns on the new build programme - that is, Kusile and Medupi. Governance, as I've said, unsustainable debt levels, underinvestment and poor

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maintenance of our plants, and the increased use of diesel have eroded Eskom's cash position.

The other factors have been the declining electricity demand on the grid against increasing operational costs and rising debt. For example, we had an increase in the number of employees in the power utility from 32 000, in 2007, to 48 000, in 2018, which increased the wage bill. This has also been compounded by the steep, unpredictable increases in electricity costs, leading to great defections, as consumers opted for self-supply in order to contain cash increases.

As the President has stated in previous replies to this House, Eskom remains a very key component of our economy.

As a country, we have an ambition to create jobs, which will include embracing and advancing new technologies, reskilling our people, and redeploying our work force, without protecting obsolete technologies that are not relevant for the economic challenges of the moment.

To complement this, government welcomes the role of the private sector investment in energy generation, including

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the role of independent power producers. Going forward, it remains critical to address Eskom's financial position and the future sustainability of the utility. Funding constraints within the organisation are resulting in less of a budget allocation to capital funding for the critical maintenance of the plants.

In short, Eskom is not generating sufficient cash to meet its operating costs and service debts, and thus, it has been borrowing to make principal and interest payments on its loans. The financial challenges are the result of unsustainable operating costs, costs by expensive coal contracts, and overall operating inefficiencies. The escalating debt servicing costs for debt in excess of R400 billion will peak at almost R400 billion after the completion of Medupi and Kusile. Essentially, what it means is that the contracting model used for the construction of Medupi and Kusile did not achieve the objective of maximising local content in the build programme. Instead, it enabled looting and corruption.

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The other factor is the escalation of debt in some municipalities, which is as a result of difficult economic conditions faced by our people and mainly, and broadly, the culture of nonpayment in the country. In 2018, for example, municipal debt reached R28 billion.

On the operational side, more than half of Eskom's fleet - that is, all the power stations - are over 37 years old. So, these power stations are at the stage where they require significant refurbishment to maintain the same standards of performance.

The root causes of the current situation include a history of inadequate capacity to meet the demand, as well as poor power station performance, resulting from the inability to perform at an appropriate level.

An HON MEMBER: Whose fault is that?

The DEPUTY PRESIDENT: When considering some of the structural challenges, Eskom's business model is that of a vertically integrated monopoly, characterised by the

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lack of transparency, agility, and operational excellence, and by widespread wastage due to a lack of accountability and consequence management. This makes it very difficult to steer the organisation into a long-term healthy plan. We are, however, encouraged by what the Eskom board chairperson said in his submission to the commission - the utility has already identified a number of areas amounting to billions of rand of unjustifiable costs on the Medupi and Kusile build programmes that they are making efforts to recover.

Going forward, Eskom has developed a detailed turnaround plan to address its structural, operational and financial challenges. Key to the success of this plan is the focus on driving efficiency and reducing costs. This will be achieved through the following initiatives: optimising primary energy costs through prudent, long-term coal sourcing; investment in costless mines and reducing the cost of logistics in terms of moving coal from mines to the plants; refining capital efficiency by reprioritising capital expenditure and optimising contract management; driving operational efficiency and cost efficiency in

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procurement; growing revenue with pricing incentives and the pursuit of international sales and other new growth opportunities; improving the work-force efficiency by optimising personnel costs and realigning human resources capacity to match the required performance expectation.

To support the turnaround plan, government has allocated R23 billion per year for the next three years. This allocation will allow Eskom to execute the turnaround plan, thereby enabling the utility to channel part of their revenue towards effective and prudent maintenance that has been compromised due to the lack of adequate funding. This turnaround plan will address the immediate plant performance and coal-quality challenges, restoring the security of supply. This will lay the foundation for addressing both the financial and operational sustainability.

An independent technical review team has been appointed to review the plan and evaluate the state of our power stations. The outcome of the assessment will guide specific interventions at each and every power station.

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Ultimately, Eskom must implement programmes that will improve the culture of accountability, productivity and efficiency at the utility. Where appropriate, it will have to dispose of noncore assets and increase its efficiencies, thereby alleviating its current liquidity challenges in the short term. Thank you, Deputy Speaker.

Ms D CARTER: Deputy Speaker, Deputy President, I've listened to the root causes and I cannot disagree with you. However, I put it to you that the reasons you have advanced for this crisis that we face do not acknowledge the true root cause of the problem - which lies with bad, negligent, corrupted governance of Eskom and the state by no one else but your political party.

The financial challenges you are talking about can be addressed, in part, by looking at the top-heavy salaries, and by actually bringing in maximum salary scales. Let's look at the municipalities. The problems we have in our municipalities could also have been dealt with if what was supposed to be for service delivery was not paid in millions of rand in salaries, as well.

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So, I put it to you, Deputy President: Do you wish to withdraw the statement you made at your last Question session that the shortage of electricity is a sign of growth? Firstly, could you withdraw that?

Secondly, do you acknowledge that at the core of the energy crisis lies the ANC, and will you apologise here and now, on behalf of your party, for the energy crisis that we face today? [Interjections.]

In terms of my question (b), will you confirm or deny that part of the solution to securing a reliable supplier of electricity lies in privatising the generation of power in producing private sector generated power? Thank you.

Mr P J MNGUNI: Deputy Speaker, on a point of order: Regarding follow-up questions, the Rule is that ...

The DEPUTY SPEAKER: That is alright, hon member, we have just noted that. The Deputy President ...

[Interjections.] ...

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Hon members, you are starting to scream! You have no business doing that. The member has the right to raise what he is raising. [Interjections.] No, no, no, no, no! It's not for you to decide whether he speaks, or not. Forget about that one! [Interjections.] Please, just make sure you know that.

Deputy President, the Rules require that you answer a question. She has asked several questions. So, please go ahead and do what you want to do. [Interjections.]

The DEPUTY PRESIDENT: Thank you very much, Deputy Speaker. On the first question, relating to the previous question-and-answer session in the House, I said the problem of the shortage of electricity was because of growth. I said it today. I even repeated it today. I said one of the problems is that the population has grown, and there was an extension of supply. So, Eskom had to extend to areas that were not covered before. That also added to Eskom's burden. There were fewer people connected to the grid before than there are today. It remains a fact.

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However, that does not really warrant our running away from the problem. The root cause of the problem, as we have said, we acknowledge there was governance failure in Eskom. There was corruption. There was fraud. We have acknowledged that, and all the steps we are taking are to fix that.

People were given the responsibility to run a utility and in that fraud, it is not only Eskom employees that were involved. Remember, this was collusion between Eskom and the mining companies, who were selling coal at a high price, and all that. That eroded the financial stability of Eskom. So, a lot of people, private and public sector companies were involved in eroding and defrauding Eskom.

So, we are in the process of fixing Eskom. The main thing we have identified that is causing the power outages, now and again, is the reliability of the plant. This plant indicates that maintenance was not done at the required time, timeously. That is one shortcoming. Maintenance was not done timeously because Eskom did not have money ...

[Interjections.] ... and therefore, Eskom ran this power

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station without maintaining it. That must be fixed. We are going to fix that.

Secondly, gradually, over time, the people who we thought were very skilled - our professionals, our engineers in Eskom -left Eskom. [Interjections.] Well, probably looking for greener pastures, or probably, not happy with the governance structures at Eskom. To date, a country like South Africa is struggling to build Kusile and Medupi. Yet, we had this capacity to build all these power stations before.

We must rebuild. That is why we set up this technical task team of engineers, to quickly reassess all the plants and say exactly what must be done so that government's involvement in fixing Eskom will be to say fix this, fix that; get this done, get that done. We must say to South Africans that we will get Eskom back up on its feet and running again. Thank you.

Mr K J MILEHAM: Deputy Speaker, Deputy President, wow, what a complete about-face! Anyway, a few minutes ago,

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you described Eskom as "a monopoly". Now, it is common sense that a diversified and competitive supply of electricity is the only way to secure energy security. So, would you agree that now is the time for increased competition in the supply of electricity, including the privatisation of Eskom's generation capacity and the introduction of many more independent power producers, IPPs. If so, what is your government doing about it?

The DEPUTY PRESIDENT: Deputy Speaker, I agree with the hon member that Eskom has been monopolising the generation of energy. Therefore, what government has done is to approve the participation of independent power producers, so that we expand.

However, Eskom must compete. We are not going to privatise Eskom. It must compete with other, private producers. That is the route to go. Thank you very much.

The DEPUTY SPEAKER: Before you speak, hon Yako, please share with everyone the note I sent you, earlier on. If we don't see your name on the screen, we proceed, on the

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basis that you are not here. Just let them know that. It's a public ... if you don't press where you are sitting, just know that we are going to ignore you. So, that's what we are going to do.

IsiXhosa:

Nksz Y N YAKO: Sikuvile Sekela Somlomo, sikuvile tata, enkosi.

The DEPUTY PRESIDENT:

English:

Ms Y N YAKO: Thank you, Deputy Speaker. Deputy President, as leader of the Joint Special Cabinet Committee on Eskom, you would know, I am sure, of Ministerial Determination GNR 733 of 2015 by the Minister of Energy. This prevents Eskom from producing its own forms of renewable energy, instead, producing power utilities to procure renewable energy from independent power producers. You should also know that the energy procured from renewable IPPs is being bought by Eskom for a higher

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price than what is being sold to the consumer. This puts further financial strain on Eskom.

Do you not think that this Ministerial Determination should be withdrawn so that Eskom is able to produce its own renewable energy and not be reliant on unaffordable IPPs? Thank you.

The DEPUTY PRESIDENT: Deputy Speaker, if that determination is there, I think you are correct - it must be withdrawn. Eskom must not be limited in terms of its participation in the generation of energy. Whether renewable energy, or not, Eskom must participate but still allow independent producers to participate. That will break the monopoly.

Yes, you are correct. In the beginning, Eskom was expected to purchase power at a very high cost from these independent power producers. That has been fixed. If you look at the price now, it is lower than what Eskom is billing the customers out there. Thank you very much.

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Prof N M KHUBISA: Deputy Speaker, hon Deputy President, if one were to be simple and specific, what lessons would one take in regard to Medupi and Kusile, considering what happened at Eskom? Furthermore, noting the fact that the two entities also have already spent almost R200 billion, what lessons should we learn and what lessons should we take to the two entities? Thank you very much.

The DEPUTY PRESIDENT: Deputy Speaker, I think what we have learnt from these two build programmes is that they were under the control of Eskom. That means Eskom was supervising everything that was done on site. We can ask the question: Does Eskom have the capacity and the know-how? Are the designs of the two power stations correct?

Purely, now, if you look at Eskom and the failures that have occurred over time, you can tell from a distance that there was a brain drain from Eskom. Therefore, it was impossible for Eskom, itself, to handle such a mega build programme and the design, itself. Surely, as a country, Eskom should have opted to contract a company, on a specified design, to build the power stations? In

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this way, any cost overrides would not have been incurred by Eskom but by the contracted parties.

The business model, itself, is wrong. That is why all the cost overruns are coming back to the utility. They are not going to the building contractors. Even if they've gone beyond their time, they are not being penalised. Penalties are carried by Eskom. Thank you.

Question 9:

The DEPUTY PRESIDENT: Thank you, Deputy Speaker. As hon members are aware, the SA National Aids Council, Sanac, is a multistakeholder body comprising members from government, civil society and business, which was established by national Cabinet in 2000 to drive and enhance response to HIV, tuberculosis, TB, and sexually transmitted diseases in the country.

Among the recent decisions taken by Sanac, the interministerial committee, is the approval of South Africa's participation at the 22nd International Aids Conference that was held during July 2018 in the

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Netherlands. We also approved the establishment of the Resource Mobilisation Committee, which we agreed will be chaired by the Minister of Health, to provide oversight on all financial arrangements relating to the implementation of the national strategic plan for HIV, TB and sexually transmitted infections, STIs.

Furthermore, as the Sanac interministerial committee, we approved the Cheka Impilo wellness campaign. The aim of enrolling an additional two million people on antiretroviral, ARV, treatment by 2020 through the intensification of screening and testing for HIV, TB and noncommunicable diseases such as diabetes and hypertension ... This campaign is in response to the President's call during his state of the nation address in 2018.

We subsequently launched the Cheka Impilo campaign on 19 October 2018 during the Presidential Health Summit. This launch was followed by activation during World Aids Day on 1 December 2018. We also hosted and participated

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in dialogues with civil society, including young people, on that day.

We are making steady progress in our campaign roll-out. In this regard, the Cheka Impilo campaign has been rolled out to all provinces with provincial launches held in the Eastern Cape and Limpopo respectively. Roiling district activations have also been held in high-burden HIV districts in KwaZulu-Natal, Gauteng and the North West provinces.

The private sector is also involved in the Cheka Impilo campaign in Mpumalanga and Limpopo as part of the pledge made on World Aids Day in 2018. Civil society sectors which are part of Sanac have intensified their Cheka Impilo health services demand activities in partnership with government.

The sports, arts and culture civil society sector led an activation in the City of Johannesburg during the month of January this year. Traditional leaders in Mpumalanga

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are running a whole year programme, leveraging on cultural activities called ummemo.

Between October and December 2018, approximately 3,5 million HIV tests were conducted, more than 191 million male condoms were distributed and more than 6,3 million female condoms were distributed.

In addition, more than 18 000 patients with TB were found as part of our effort to finding the missing TB patients. These are people with TB who were not diagnosed and therefore not on treatment.

On this coming Friday, 15 March, we will be launching and rolling out a TB campaign with traditional leaders in KwaZulu-Natal. This is in response to the call made by his majesty the king, during World TB Day in 2018, for traditional leaders to lead the fight against TB and HIV.

In terms of communication of the campaign, a number of taxis were branded with the Cheka Impilo logo with health

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messages, and health education material were printed and distributed during our health activations.

Six episodes of the *She Conquers* dramas have been produced, focusing on young people. The entire series has been shown on Soweto TV. Other arrangements are being made to flight this series on other TV channels.

This year, South Africa will commemorate World TB Day in the Eastern Cape, under the banner of the Cheka Impilo campaign. The national theme for World TB Day is: It's time! for Religious Leaders, Parliamentarians and Legislators to lead the fight to end TB in South Africa. In line with this theme, we have engaged the religious sector across all faiths, to include health, especially TB, messages in their sermons during the week of 22 to 24 March. Political leaders will visit various religious sites, including churches and mosques, during the weekend. The Minister himself, accompanied by other leaders, will visit the Anglican Church in Cape Town.

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We also request all political parties to include messages relating to health, including HIV, TB, diabetes and hypertension, during the election campaign. As you elect ... requesting people to vote for you, please tell people about their health, and encourage our people to get screened and tested and to take up treatment if they are diagnosed with any of these ailments.

It is by confronting this epidemic head-on, including the right action, which will ensure a long and healthy life for all of South Africa's people, as envisaged in our National Development Plan. This campaign is once again a good example of a government at work, having a strategic and targeted approach, and shows what we can achieve if we work together as a country.

Let me conclude by saying to all our people, young and old, Cheka Impilo. Let's get our health checked. Let us take action once we know our status. Let us live smart and live healthy. Our tomorrow is counting on us. Thank you very much. [Applause.]

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Mr A F MAHLALELA: Thank you, hon Deputy Speaker. Hon Deputy President, a review of our efforts in addressing the HIV and Aids epidemic over the past 20 years paints a mixed picture. There have been many advances and many good stories, which you alluded to in your comprehensive response, in relation to HIV treatment. It is also encouraging that more people are being tested and more people are now receiving ARV treatment.

However, regardless of these advances, stigma and discrimination still persist for many people living with or affected by HIV and Aids. Former President Nelson Mandela once said, "Many people suffering from Aids and not killed by the disease itself are killed by the stigma surrounding everybody who has HIV and Aids."

As part of last year's World Aids Day theme: Know your status, Cheka Impilo, how does government intend or plan to address the stigma and discrimination as a measure in mitigating the impact of HIV and Aids as people are responding to the positive call by government for more testing so that they enter into treatment? [Applause.]

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The DEPUTY PRESIDENT: Thank you very much, hon Mahlalela. I think you are correct. From where we come from, in terms of this pandemic, it has been a difficult road. What made this road ... this journey ... very difficult was the fact that people were, first of all, afraid to test. If I could call these members now and say, let's go and test, they would think twice. They would think twice. Ordinary people out there ... if you say let's go and test ... that was a very big struggle. People resisted. However, we have overcome that hurdle. Many, many more people were coming forward in order to test. But, beyond the testing comes the results which show that you are either negative or positive. What do you do with the results, especially you and the person next door to you?

Now, if you are diagnosed as being HIV positive, it's not a death penalty. It means you have this disease and this disease can be managed. You can still live your life. It's like any other disease that a human being can have. However, in our society once you are diagnosed as being positive that means you are going to die today. And I

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probably cannot use a glass of water that you are using. Then there comes the stigma.

The only way that we can deal with the question of stigma is to take up the campaign of making people aware. It stems from ignorance about the disease. People have their own thoughts about the disease; that if I use this glass I'll get this disease; if I sleep next to someone who either has this disease I'll get it. [Interjections.] All sorts of things.

As South Africans, we must stand up and educate our people about HIV and Aids. The good news is that as South Africa we have made good strides. We are being commended by other countries with regard to the strides that we have made in fighting HIV and Aids. So, we need to continue. We are in the middle of this fight. Our people must respond. They must stand up and be tested. Testing is not a death warrant. [Applause.]

The CHIEF WHIP OF THE OPPOSITION: Thank you, Deputy Speaker. Deputy President, one of the biggest weapons

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that we've used as a country in the fight against HIV/Aids is the money we receive from the USA government as part of the President's Emergency Plan for Aids Relief, Pefpar, funding. This money saved the lives of countless of our citizens and this financial year we are in line to receive some US\$400 million towards fighting the pandemic.

However, the implementation and progress of your government programmes associated with the Pefpar funding have been suboptimal and are insufficient to reach epidemic control. You have dodged the big question. There has been a decline in the number of people testing and enrolling in programmes, and then dropping out of the treatment. Nothing is being done in that area and this poses a significant risk, where many of the successes you have spoken about could well be reversed, not to mention the potential loss of funds.

What new steps are you and the government taking to address those people who dropped out of the programme and

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what are you doing to mitigate against the loss of this Pefpar funding?

The DEPUTY PRESIDENT: Well, I should probably remind you that ... the kind of funding that you are talking about, South Africa also makes a contribution to that funding. That funding is not only given to South Africa alone but it's given to many countries. However, as a country we contribute towards that funding and we get back something. Our nongovernmental organisations, NGOs, and everything, get money there. It does not come directly to government. It funds NGOs ... all those NGOs that are fighting this pandemic. So, I'm saying we are not just receivers; we are also participants and we are putting our own money ...

An HON MEMBER: Answer the question!

The DEPUTY PRESIDENT: Right ... your question; there are people who are defecting. People have been enrolled. They are getting ARVs, and from time to time they disappear.

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Now, if they disappear it's an indication that they have defected. They have gone away.

Now, this is a challenge. This is a new challenge that is confronting us as South Africans, because if you present yourself to a health facility and you are diagnosed and you are given treatment, you are told you must come again to receive the treatment. If you disappear, there should be a mechanism to trace you. Now, that mechanism is an extra cost.

The Minister has established some district teams, some local teams ... working with provincial departments to try and assist, even those who are very sick and cannot present themselves. However, that has not given us the desired results in finding those people who have defected.

Now, it's a challenge that is facing us as a country.

It's a new challenge. We must think creatively on how best we should curb this. There are certain medications,

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like TB medication, that if you default once it becomes very difficult to continue with the treatment again.

We are looking at a mechanism where those who are enrolled in our facilities to get treated must be followed up. They must be reminded about when they are supposed to take treatment. However, we have not come up with a final model on how best to remind them ... to get them to present themselves to facilities or to get medication to them. [Interjections.] Thank you very much.

Mr N SINGH: Thank you, hon Deputy Speaker. Deputy President, thank you for your responses.

It is reported that South Africa has the biggest and most high profile HIV epidemic in the world, with an estimated 7,2 million people living with HIV in 2017. That is almost 20% of our population between 15 and 49.

To our credit, and you mentioned this, South Africa has the largest ARV treatment programme in the world and this has been supported mainly from our own resources.

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However, the challenge is that in 2017 there were 270 000 new HIV infections. So my question is as follows. Are we missing something in terms of the efficacy of the programmes that are currently in place?

The DEPUTY PRESIDENT: Thank you very much. Somewhere there is something wrong with our behaviour. As South Africans, we must question our behaviour because this disease can only escalate depending on how we carry ourselves as individuals.

Now, firstly, with regard to mother-to-child transmission, we have contained it. Instead, the figures are decreasing. We are succeeding in getting newborn babies without the disease. That means we are doing well.

However, the new infections that we have identified are in young girls between the ages of 25 to 35. Those are highly infected. Of course, they are active, but if you look at the opposite end we have a group that is highly infected in terms of maids and the highly infected group

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is the group that is above 50 ... 45 to 50. Now this is probably the group that is infecting the young ones.

At a certain point in this very House we spoke about older people who are in love with younger people. Right? We use a term sugar daddies and what not.

[Interjections.] That is a problem.

So, I'm saying that we can talk about this but if we as South Africans don't internalise it and behave accordingly, we will continue to spread this disease and turn back to government and say, government you are doing nothing, yet everyday our actions are pointing to the negative.

So, South Africans must help. We said that if you can't really stick to one partner; if you can't be faithful, you must use a condom. Condoms are being distributed. They are being made available so that you don't take this risk. However, all that we are seeing is an increase in infections. It can't be ... at the hands of government.

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Somewhere as people we must take responsibility for our actions and do the right things. [Applause.]

Ms S J NKOMO: Thank you very much, Deputy Speaker. To our Deputy President, firstly, we still have the highest Aids statistics and we also take note that people are on treatment. However, the problem is that people right now are practising what we call com ... How do you say it? ... complacency ... where they do know about the disease but are taking it easy.

We would like to find out if, in the programme that is taking place, how are we addressing this so that people realise that HIV/Aids is there; it's alive and it can be prevented?

The DEPUTY PRESIDENT: Well, the only way is to go out there and convey the message that people must take this seriously. Because what we see in our facilities; the statistics that we see; the people who are laying ill; the people who are being diagnosed everyday with the pandemic; the number, as much as we are reducing it in

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terms of childbirth ... it's increasing this side in terms of our activities.

Now, I don't know. You can probably come up with the best way to say how we should tell people to take this seriously; not to be complacent. We are saying it but when people are there under the influence of alcohol or whatever they probably take it easy. We must insist.

If as South Africans we want to win this fight it needs a collective effort from all of us. Unfortunately, controlling the spread of a disease depends on human action, which of course you cannot curtail. People have their own freedoms, but as much as they have their own freedoms they must carry certain responsibilities ... not to infect other people and to be responsible.

The only thing that we can say is that people must be responsible. Our young girls; our young children must desist from sexual activities. They are young. They must wait until they are in a position where they can take good decisions about their bodies. They should not be

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influenced by the material conditions around them.

[Interjections.] Thank you.

Question 10:

The DEPUTY PRESIDENT: Hon Deputy Speaker, to date the Joint Special Cabinet Committee on Eskom has had two meetings that have been convened by the Deputy President. The first one was on 21 February and the second one on 5 March. With regard to the agendas of these meetings: On the first meeting, we had to adopt the terms of reference on how the committee must work and we had to look at an operational Eskom report. We looked at a meeting with coal miners, we looked at a meeting with engineering community, we looked at meetings that must be held with recognised trade union, we looked at how Eskom should be supported on its turnaround strategy, and we looked at a schedule of visits to power stations and the security at power stations. That was the agenda and all the issues that were discussed in the first meeting.

On the second meeting, we received an update on Eskom's operational performance, an update on coal supply and the

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quality of coal, we also looked at the appointment of Eskom Review Technical Team, we further looked at the build programme, Kusile and Medupi Power Stations and our communication plan. We went back to get an update on the site visits.

These are the agenda items that were discussed on both meetings. Thank you very much. [Applause.]

Ms N W A MAZONNE: Hon Deputy Speaker and Mr Deputy President, when one receives a strategic partner, it means more than just a simple entering into a contract, it means a form of almost semiprивatisation. Now, quite rightly so the Minister of Finance, Mr Tito Mboweni, said that state-owned entities, SOEs, simply some of them are not required and some of them in fact need to be sold off. Now, President Ramaphosa has had two different opinions, especially regarding Eskom in this regard.

When you went to Davos into international communities asking for loans which you would then bring back to your strategic committee for discussion, there was one of two

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options, on the international trips he bagged for money and suggested that we would enter into this semiprivatisation and certainly bring on strategic partners.

However, in this very House when he discussed the same issue he said that privatisation of any kind would never ever be allowed and in fact Deputy President I believe the scientific term that he used for this changing of mind was "manga-manga."

Could the Leader of Government Business and now clearly the hon the Leader of the ANC tell this House whether or not you and your committee support the Finance Minister's call for privatisation most certainly of Eskom and the selling off of some of the SOEs. [Applause.]

The DEPUTY PRESIDENT: There is no "manga-manga" business. The President said so. Yes, there is no "manga-manga" business. No, no, no, no, I do not think that is the way we should eh ... [Interjections.]

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I do not think that is the way we should eh ... approach this debate. Whether there are certain entities that must be privatised or certain SOEs. This debate cannot be approached this way and I do not really take the Minister of Finance serious when he is making comments.

[Interjections.]

These are only his own comments, because if he is saying, "In my view." We will take the Minister serious when he is articulating government positions. However, when he is talking about his views and when he is tweeting that is his own views, and I am not going to entertain a tweet by the Minister. [Interjections.]

I am not! I am serious. I am not going to take that serious. It is not a government position! Thank you very much. [Applause.]

Mr N SINGH: Hon Deputy Speaker, this is the first time that I have heard a member of the executive, the Deputy

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President “nogal” not agreeing with his own Minister of Finance. [Applause.]

I think something needs to be done within that Cabinet. So, all the members of the executive, I advise, that tweet or no tweet, I do not know about tweets. I do not know what to tweet means, but all I know is a statement that we read in the name of the Minister, but let me move on, hon Deputy Speaker.

Hon Deputy Speaker and hon Deputy President, your Cabinet committee meets everyday. Now, we saw a statement by Eskom spokesperson, Khulu Phasiwe, who warned that people should be using the essential appliances in order to reduce strain on the power system and that electricity can go off anytime. Now, are these things discussed in the Joint Special Cabinet Committee on Eskom hon Deputy President, because South Africans need certainty on this matter? How can you assure us that there will not be seesawing of information? Thank you. [Time expired.]

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The DEPUTY SPEAKER: Alright. Yes. I almost gave him the Ministerial position. Sorry hon Singh, I have no authority to grant you any such position. Mr Deputy President.

The DEPUTY PRESIDENT: You see there is one thing that I want to clarify. If you are a Deputy President or you are a Minister you desist from talking as an individual. You desist and move away to say, "My opinion." You do not have that space of putting your opinion, because once you stand up, you might confuse the audience. For each time ... [Interjections.] That is why you are confused, because you were listening to an individual opinion and not government opinion.

So, I am saying, I am not confused. You are allowed to take that risk on your own to go and communicate whatever you think. Put your position aside and communicate what you think at that time, but come again and take your position and correct it.

[Interjections.]

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Yes. Yes. Now, you see the operational issues at Eskom: What we have discovered is that the power stations as they function on a daily basis, this power station will have three units functioning, that one two, that one six that one four and they are all putting energy into the grid. Adding coal, they produce electricity.

However, at a particular point, one unit will get out of the grid because of the breakage in that unit and we are getting that information on a daily basis on how the operation of these power stations are happening. So, if one unit in a certain power station breaks and get out of performance, it will indicate and we will know the reason why. However, generally it has been erratic. One unit breaks, another one is fixed. This goes to a general problem of maintenance. That is what we said before.

Now, when each unit breaks at a particular time, therefore Eskom should be responsible to tell the consumers that we might have a shortage because this unit is not working. There is no need for them to hide it because you will see it and otherwise you will feel it.

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So, they must communicate at all times, if the consumers are going to be affected.

However, generally the problem with the power stations is their age. We should have seen that these power stations are 37 and 38 years above old and they are now going to give us trouble. They are almost approaching the end of their lifespan. We were supposed to do something in terms of their maintenance and there was a time when these power stations were pushed hard to generate electricity and we compromised maintenance.

However, of course this problem is going to be attended to. We now have identified the maintenance problem. Of course, Eskom might come up and say, this is the schedule. We are going to maintain this power station in this way. For the maintenance to happen, it means a power station must shutdown for certain duration. They maintain it and they get it back into a functioning mode. So, that at a particular time it would be announced that a certain power station whether it is Majuba Power Station and it is going to be shutdown for this duration for maintenance

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programme. That should be communicated and I am sure our people must understand that we are now beginning to maintain the fleet. Thank you very much. [Applause.]

Ms Y N YAKO: Hon Deputy Speaker and Deputy President are you aware that the brother-in-law of President Ramaphosa and Minister Jeff Radebe who is the member of the Joint Special Cabinet Committee on Eskom is the direct beneficiary of the Independent Power Producer, IPP, programme and in the long-run is a direct competitor of Eskom. Do you not believe that these represent a conflict of interest and what are you going to do to ensure that this conflict of interest is not reflected in the government and energy policy?

Also Mr Deputy President, I am worried that you dismiss Twitter, which is a very pivotal social media space where young people speak to the government. So, to say that you do not care about Twitter. To be honest, I am really worried as a young person. Thank you. [Applause.]

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The DEPUTY PRESIDENT: No, I do not think you heard me very well. I am not saying that I am dismissing Twitter. I am saying, whoever is communicating using Twitter or social media is communicating as a person and I have that right. However, your views that you air out in that Twitter remains your views. So, all of us cannot be drown into someone's Twitter. Leave us alone. [Laughter.]

Now, I hear what you are questioning. You are questioning the relationship between the President and the Minister of Energy that they are brothers-in-law, the IPPs and all that. I have heard the President answering this question. I do not know whether this House still wants more, but the President said that every person, whether it is my brother, whether it is my brother-in-law who is in business, he has a right to do business wherever he is. However, he or she does not have a right to do wrong things. Every person has a right to do business, but if people do wrong things because they are associated with certain people, that is where things will start going wrong and that is not going to be allowed. I heard the President saying ...

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[Interjections.]

No.

The President himself admitted that he was in business; his brother-in-law was in business. And his brother-in-law will not leave business because the President is now the President. It is unfair. [Applause.]

However, the brother-in-law must act in a manner that does not compromise the other brother-in-law. You see. You must be aware. [Applause.] It is very important. As long as people will respect that this is a government of South African people, it is not a government of individuals. We must respect that this government belongs to all of us. Thank you very much. [Applause.]

The DEPUTY SPEAKER: Hon members, there is an additional slot for a supplementary. Who has a supplementary question?

The hon Waters, oh sorry, the hon Mazzone, madam.

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Ms N W A MAZONNE: Hon Deputy President, I am sure you will agree that now we know that you do not take the Minister of Finance very seriously. [Interjections.]

In terms of going forward with your specific committee, do you think that we will have regular updates coming from your committee, because we as the South African public are very much in the dark if you will pardon the pun? Today Eskom has told us that again this afternoon we had a very high risk of load shedding and we had a very high risk of load shedding yesterday. So, could we have a report from the committee to this House ...

[Interjections.]

Ms Z S DLAMINI-DUBAZANA: Hon Deputy Speaker, on a point of order.

The DEPUTY SPEAKER: Sorry.

Ms N W A MAZONNE: Could we have a report from the committee to this House on the floor and thus putting us in the light regarding these specific issues?

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The DEPUTY SPEAKER: Hon members, there are three on your feet there, please order.

Ms Z S DLAMINI-DUBAZANA: Hon Deputy Speaker.

The DEPUTY SPEAKER: Yes hon member, sorry.

Ms Z S DLAMINI-DUBAZANA: Hon Deputy Speaker, I rise on the point of privilege. The hon Mazzone is deliberately misleading this society and the House by construing or misquoting what the Deputy President has just said.

The DEPUTY SPEAKER: Hon member that is not a point of privilege as you claim, the Deputy President is here and he will respond to that.

[Interjections.]

Yes. He is here. The Deputy President will respond to that.

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The CHIEF WHIP OF THE OPPOSITION: It is not a point of privilege anyway!

Ms N W A MAZZONE: Deputy Speaker, can I finish my question?

The DEPUTY SPEAKER: No, no, no. Hon member, no, no, I will not allow it. You did not finish, what do you mean?

Ms N W A MAZZONE: No, no, because I was interrupted. A point of privilege was taken.

The DEPUTY SPEAKER: No, what is your question?

Ms N W A MAZZONE: So, my question is: Deputy President, I am not asking you to have to tweet us the answer, I am asking you ... [Interjections.]

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Hon Deputy Speaker, on a point of order.

The DEPUTY SPEAKER: Yes, hon member.

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The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, when the hon member called for a point of privilege ...

The DEPUTY SPEAKER: Yes.

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: The hon member was sited. So, the hon Dlamini-Dubazana did not disrupt her question. So, she is taking chances.

The DEPUTY SPEAKER: Alright. Hon members, hon members, let us not ... hon Mazzone please do not continue the discussion and it is correct, we should not take chances. Go ahead hon Deputy President.

The Deputy President is here and he will respond to all of you.

The DEPUTY PRESIDENT: Hon Deputy Speaker, I think we must clear this one. Me and you, that whatever the Minister of Finance said relating to privatisation which is not the

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position of government; it is the Minister's opinion. It is not the government's opinion.

The President stood here and said there is no intention to privatise Eskom, period! Whether SA Airways, SAA, or whether the Minister wishes or so, that is his opinion! There is one thing that I have learnt when you are a Minister, in this position; you desist to be an individual. You desist and you work within a collective. You do not just stand up and say whatever you want to say.

Now, with regard to your question: The work of the committee correctly speaking, as we work, we process issues and must submit a report to Cabinet if that report has been sanctioned by government and by Cabinet. Then the Cabinet will use its own mechanism to pronounce on certain decisions emanating from the report.

There cannot be a report and subcommittee of the Cabinet that process issues and announce. You go back to the Cabinet because you are a subcommittee of Cabinet and you

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must report on the issues and on the assignment you are doing and if they agree with your proposals then it becomes a Cabinet decision. Then it gets announced through the procedures of Cabinet.

So, there might be exceptions and those exceptions will only be done with the permission of the President on urgent pressing matters emanating from the work of the committee and in that case those will be announced. Thank you very much. [Applause.]

Question 11:

The DEPUTY PRESIDENT: Deputy Speaker, the Interministerial Committee on Land Reform has been tasked with providing political oversight and leadership, to ensure accelerated implementation of our land reform programme. It provides a critical institutional mechanism for government response to address bottlenecks in the implementation of key measures to accelerate land reform.

The Interministerial Committee on Land Reform functions within the ambit of the present legislative framework and

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it seeks to accelerate delivery of land by unlocking the current hurdles and challenges that have resulted in the slow pace of land reform.

This is to give effect to the announcement by the President in his state of the nation address in February 2018, where he said, and I quote: "Government will accelerate our land redistribution programme, not only to regress the need to balance the historical injustices, but also to bring more producers into the agricultural sector and make more land available for cultivation.

As part of this, land claims that have been outstanding for a while will be expedited and finalised and be delivered to the rightful beneficiaries. In cases where financial settlement is an option, those are also settled accordingly. The beneficiaries will be given the money.

On Saturday, 9 March 2019, several communities in Gauteng were part of the celebration in Mamelodi where the President handed over settled and finalised land claims to 10 communities in that province. In the coming months,

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we will ensure that all settled and finalised land claim parcels are handed over to their rightful owners.

To expedite the resolution of land claims and land redistribution, the Interministerial Committee on Land Reform is paying particular attention to strengthening the capacity of the Office of the Valuer-General to speed up the process of valuations.

Alongside the handover of land parcels, the interministerial committee has been focussing on the development and implementation of a package of post-settlement support measures, to enhance productivity of restituted land as well as communal land.

Over the last months, this Interministerial Committee on Land Reform has dealt with audit of land owned by government. Land parcels under the ownership of various departments, municipalities and SOEs have been identified. The process of physical verification of properties earmarked for redistribution is expected to be finalised very soon.

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Some of this land lies in the margins of towns where the demand for land is the highest. It is hoped that this land parcel will alleviate congestions and also facilitate the creation of integrated sustainable human settlement.

State agricultural land parcels will also be redistributed to support broadened participation of new entrants into the agricultural sector and expand agro-based incubation programmes.

Lastly, the work of the Interministerial Committee on Land Reform is complemented by the panel of experts on land reform and agriculture. That is a mandate to review the existing legal, policy and institutional approach to land reform and advise government on matters pertaining to land reform in the country.

The committee on land reform has engaged with the work of the panel and further discussions are planned to consider their final proposals for consideration by government.

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Let us take this opportunity to thank all the stakeholders and organisations who participated in various consultative engagements with the panel of experts on land reform. As government, we hope that your inputs will go a long way in shaping the success of our land reform interventions in our country. Thank you very much.

Mr P J MNGUNI: Deputy Speaker, Deputy President, your comprehensive response, and the overall determination and strive by the ANC-led government broadly must be appreciated, including in the fast-tracking of land reform, which includes three key pillars of tenure security for the 2,8 million people who reside on farms, restitution of land rights and the redistribution, which is much needed.

Yes, like my original question, since the post-December 2017 Nasrec conference, we have seen some strides. You have responded to us regarding the interministerial committee's efforts and strides and the land advisory panel of experts. So, can you tell the nation about the

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policy or position of the government regarding the adventurous spontaneous land grabs that one may call, and I quote: "Every man for himself, and the devil take the hindmost." What is government's take on the adventurous land grabs that some parties called for ahead of all the strides that we now see? Thank you.

The DEPUTY PRESIDENT: It is a very straightforward answer. As government, we will always continue to discourage land invasion. [Interjections.] We will discourage people occupying land forcefully and land that does not belong to them.

We have agreed, as a country, and the message that we are getting across to our people is that our land reform process must happen within the constitutional ambit of our laws, our legislation. We must follow the prescripts of the Constitution in handling our land reform process.

Let us discourage people that invade land forcefully and occupy land forcefully. I am aware that in certain

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instances, the EFF was encouraging people to occupy land. We want to discourage ...

Mr M N PAULSEN: They must continue to occupy land. They must continue. They must take back the land.

[Interjections.]

The DEPUTY SPEAKER: Hon member, I am going to ... You have no right to speak. You are out of order!

[Interjections.] You are a public representative, for that matter. [Interjections.]

The DEPUTY PRESIDENT: As Members of Parliament ...

Mr M N PAULSEN: I cannot wait for that white woman to be out of here. [Interjections.]

The DEPUTY SPEAKER: Hon member, take your seat.

The DEPUTY PRESIDENT: As Members of Parliament, let us uphold the Constitution. Let us ensure that our land reform process happens according to our Constitution. I

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am happy about the constitutional review process that all of us are part of because that is the way to go. Let us not go and do things that are out of the law, because that will encourage anarchy in the country. Thank you.

Mr S P MHLONGO: Deputy Speaker, land reform based on the willing buyer, willing seller has been grossly abused, especially in KwaZulu-Natal. We know that the Emandlovini community in Greytown and the Babanango community were robbed of their land for the second time under your government. Before the implementation of the new land reform regime, is your government willing to conduct an audit of the land process under the willing buyer, willing seller regime, to address this great injustice, especially in KwaZulu-Natal? Our people are actually taking their own government to court because of the illegality in the distribution of land to undeserving people instead of those people who applied for land possession.

The DEPUTY PRESIDENT: To avoid a very long journey to resolve a problem, rather than doing a land audit of what

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has been distributed to people and all that, is it not best to bring these cases where you think something went wrong, so that we can focus on those and resolve those cases? I will be happy if we can receive those because, as the interministerial committee, that is our duty. It is our function to resolve such misunderstanding. Thank you.

Ms T MAHAMBEHLALA: Deputy President, thank you for your precise responses. You would agree with me when I say that energy is a national security. Having said that, does the country have a strategy on energy security of supply? Do we have that, as a country? My follow-up question was supposed to be after hon Natasha.

Ms N W A MAZONNE: Deputy Speaker, on a point of order: My name is hon Mazonne, not hon Natatsha.

The DEPUTY PRESIDENT: Hon Deputy Speaker, I thought we are on the next question and the hon member is asking a question on the previous question.

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The DEPUTY SPEAKER: We are still on Question 11. I am going to ask hon Groenewald. She asked a different question on energy. That one is correct.

Ms T MAHAMBEHLALA: Deputy Speaker, it is your mistake, not mine. [Interjections.] Yes, the follow-up question that I was supposed to asked, was on Question 8 or 10. [Interjections.]

The DEPUTY SPEAKER: Hon member, please take your seat.

Dr P J GROENEWALD: Hon Deputy Speaker, hon Deputy President, firstly, to only discourage land invasion is not good enough. The President said that it will not be allowed. So, you are wrong. You should not allow that.

In the light of the statistics of the annual reports of land reform, where it has been found that, for instance, on the restitution claims, 94% of the claimants did not want the land; they wanted the financial compensation. So, land was not the issue. It was not a problem. It is also stated in those same annual reports that when it

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came to land redistribution, that 90% of those projects were failures. So, the land is there. The government has millions of hectares of land available. So, the question is not land. So, how is expropriation without compensation going to accelerate land reform, seeing that the land is available at present?

Afrikaans:

Tweedens, as die interministriële komitee wel aanbeveel dat onteiening sonder vergoeding nie nodig is nie, gaan die regering dit aanvaar, in die lig van die feit dat die ANC wel 'n resoluëie aanvaar het dat dit moet gebeur, of is die interministriële komitee maar net 'n rookskerm om beleid van die ANC uit te voer? Dankie.

The DEPUTY PRESIDENT: Well, I missed the second part. My Afrikaans is not very good.

Dr P J GROENEWALD: With your permission, I will quickly translate. Sorry, I ... [Interjections.]

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The DEPUTY SPEAKER: Do remember that you have to ask a single question. The Rules say that and you know it. So, choose the one you want answered.

Dr P J GROENEWALD: No, I have 90 seconds in which I can ask questions. I can ask 10 questions. That is the Rule. [Interjections.] No, the last part in Afrikaans was: If the interministerial committee recommendation is, for instance, that we don't need expropriation without compensation, in the light of resolution taken by the ANC at their conference, will the government accept that or is the interministerial committee only a smokescreen to ensure that the policy of the ANC is being implemented? Thank you.

The DEPUTY PRESIDENT: On your last question, the interministerial committee is a Cabinet committee, a Cabinet of the ANC that has taken this decision and the ANC that has supported this move in this House.

Therefore, we believe, as the ANC and as a committee, that this is the right way to proceed. Over the past years, land reform has been a very slow and cumbersome

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process because one, it is unaffordable. Government is supposed to pay lots and lots of money and we have all sorts of hurdles in terms of settling the claims.

So, we have arrived at this decision to explore expropriation without compensation on the basis of the frustration and the slow pace at which land reform is happening in the country.

We have qualified our assertion, and everything that is going to happen under land reform, must not disrupt our production capacity as a country. Of course, it stems from our past, our historical challenges where land was dispossessed from people. We think we must restore justice there - let people get their land back. However, what is important is to support those people to till the land.

I want to answer the first question that states that in 94% of the claims that were settled, people wanted money instead of their land. It is incorrect. The statistics are wrong. I think there are very few - less than 10% -

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of the claims that were settled where money was paid to the claimant. In the majority of the cases, people accepted their land.

I however agree with you that, in certain instances, the land that people accepted back is lying fallow, because people don't have the financial muscles. They cannot go to the bank and borrow money to till the land. Government has not supported those people.

So, a redistribution ... Our land reform programme was not backed by government that, as you redistribute, and as you make restitution, you support those people to till the land. That is what we are trying to improve now. When land is given to people, we must add a comprehensive farmer-support programme that will support those new entrants that are entering the agricultural sector.

On the amount of claims that have been settled where people took land and where people took financial compensation, I will gladly forward that information to you. I just want to prove this point that it is not

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really true that people don't want land, but money. No, people do want land.

There are cases where the land that is being claimed is no longer available. There might already be a town there. It is impossible. The state will then ask if they can opt for alternative land. You are shifting away from the land that has been claimed. That is where financial compensation comes in.

We will always continue to handle this process in a manner that does not push away our white commercial farmers. We want to say to our white commercial farmers that they are here to stay and they are here to produce. They have come forward to say that they are willing to mentor and to assist these new entrants, in terms of skills and the know-how.

So, as a country, we cannot leave this added capacity that we have. We have people who know how to till and we will not just chase them away. That will never happen. That is why we said that we are not going to disrupt the

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productive capacity of our country, but we must recognise that we must restore the dignity of those people who were dispossessed of their land. Let us do that. If we accept all of us, let us do it within the confines of our Constitution. Let us do that in a very amicable way that would allow our country to progress.

We are in the middle of our journey. We have managed to accept one another. We have managed to reconcile and reconciling means we must attend to the things that were wrong in the past and proceed with our journey. Thank you.

Dr P J GROENEWALD: Hon Deputy Speaker, on a point of order: My apology, I need your assistance now. The hon Deputy President now said that my figures are wrong, but it is in the annual reports of the Department of Land Reform and the Land Commission. How do we deal with that now in Parliament?

The DEPUTY SPEAKER: Take it up with a letter to the Speaker. We will address it.

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Ms T M MBABAMA: Deputy President, with reference to the second part of the question, part of the work of the ministerial committee is to implement the recommendations of the high level report and also the Joint Committee on Constitutional Review, as stated in your inaugural meeting of 3 August 2018. Considering that the recommendations are in conflict in that the high level report advocates for correcting the inefficiencies of the ANC government over the past 25 years, whereas the Joint Committee on Constitutional Review insists that the Constitution be amended, how will the interministerial committee ensure implementation of conflicting recommendations, and what has the committee achieved to date, specifically on these recommendations?

The DEPUTY PRESIDENT: It is a very excellent question but the wrong question. It is excellent. The only thing that we can do to help the member is to give the member the terms of reference of the committee. Let us help you by giving you the terms of reference. What are we assigned to do? That will help you. Thank you very much.

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Ms T M MBABAMA: What about the conflict? [Interjections.]

I asked about the conflict.

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon member, you have been responded to.

Question 12:

The DEPUTY PRESIDENT: Chair, the issues of service delivery in the North West Province were raised in various protest actions. At the time that the protests happened, our government made the relevant interventions that were aimed at addressing the plight of the affected communities in the North West with a view to stabilise the situation and ensure that democratic governance is upheld.

Subsequently, the President sent an Inter-Ministerial Task Team whose work led to the invocation of section 101 on the entire North West Province.

In terms of the intervention, the national government sought to ensure that the effectiveness of internal

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governance structures is enhanced. It focused on strengthening of financial controls, governance and accountability within the provincial government, and the implementation of sound financial management systems, amongst other.

The Inter-Ministerial Task Team ensured that all necessary interventions were implemented and whatever issues that were raised were resolved.

The hon member would be aware that a new Premier was appointed in the North West Province. Over the period, the Premier of that province and his executive have ensured that service delivery to communities is restored and improved.

Hon members would also know that the work of the Inter-Ministerial Task Team of the North West Province is overseen by a multi-party ad hoc committee of the NCOP; under the rules of the NCOP. At its last meeting with the committee last month, the Inter-Ministerial Task Team on the North West Province was commended on its work in

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addressing the service delivery and governance failures in that province. The report that details this progress is in the public domain.

But I can summarise some of the success that have been achieved: medicine availability in hospitals has improved, it's at 83%; key vacant executive positions are being filled in service delivery departments such as roads and public works; four out of five operating theatres in Mahikeng Hospital are now functional; the provincial roads maintenance programme has been restored; we have made progress in stabilising the finances of the province through improving controls to prevent unauthorised expenditures.

In addition, the Directorate for Priority Crime Investigation is handling 46 cases of theft, fraud and contravention of the Prevention and Combating of Corrupt Activities Act, 2004, in relation to government contracts in the North West.

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As for the roll out of public employment programmes, we can confirm that this intervention continues to play a vital role towards alleviating poverty by creating work opportunities for the poor and unemployed people in the North West. Training and enterprise development are also implemented in the sector; specific programmes to enhance service delivery and beneficiary well-being.

During the first two quarters of the 2018-19 financial year the Expanded Public Works Programme, EPWP, created 51 583 work opportunities; which is a 33% increase from the 34 527 work opportunities created in the same period in the 2017-18 financial year.

The above shows that 17 056 more work opportunities were created in the North West Province during the first quarter of 2018-19 when comparing the two during the same period. This is the highest percentage of work opportunities and beneficiaries; of which are women followed by youth in terms of training. The EPWP created 822 training opportunities in the North West Province during the first quarter of 2018-19.

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The national Department of Public Works continues to provide the necessary support to ensure that the implementation of our Expanded Public Works Programme delivers on expected targets.

As a national government we are satisfied with the progress that has been recorded thus far. This is testimony that the intervention that we have made is beginning to bear some fruits.

As for the ANC internal political processes, the party reserves the right to manage its own processes through its own mechanisms. The hon member can rest assured that the ANC does not intend to negatively affect service delivery to our people in that province. Thank you very much.

The HOUSE CHAIRPERSON (Ms M G BOROTO): In the absence of hon Plouamma we will continue to ask for supplementary questions from other members from other parties. I will take the first one, hon Steenhuisen.

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The CHIEF WHIP OF THE OPPOSITION: House Chairperson, despite the clever attempt to sidestep today, Deputy President, the truth of the matter is simply this: ANC infighting remains the significant obstacle to good, clean and accountable government. Not only in the North West Province, but also in many other provinces around the country. The intervention itself was a factional expedition: The new dawnies versus the Zumaites in the North West Province.

Given the fact that many of these provincial governments: North West, Eastern Cape and Free State, are paralysed by ANC internal faction fighting. And given that, because of the ANC infighting, many of these have been turned into failed states. It probably would be even better for the Secretary-General of the ANC to visit the Free State or the North West if he wanted to see a failed state rather than wasting money going all the way to Venezuela.

However, wouldn't you agree that ... to be honest to the people of South Africa and say unequivocally from this podium today that if they want a clean and an accountable

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government, if they want a fix to this to this mess, the best solution is to vote your ANC out and to vote for another party in the coming elections. [Applause.]

The DEPUTY PRESIDENT: Well, there's no question here. What is the question? [Laughter.] [Interjections.] Well, there is no question.

Whether to vote for the DA or to vote for the ANC, we'll leave it to the voters to decide. And all of us are going out there to campaign, to tell the voters to vote for us and we are going to present our manifestos. So, let's go into that process.

But here, I thought I'm answering a question and it looks like you don't have a question now; you are ready to go and campaign. Thank you very much. [Applause.]

Ms N P SONTI: Deputy President, factionalism within the ANC is destroying the country. Not only does it affect service delivery as we see cadres from different factions

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fight for state contracts, regardless of whether they can deliver those services or not.

In places like KwaZulu-Natal, the North West and your home province, Mpumalanga, factionalism and the fight for access to state resources is resulting in ANC members killing each other. It is clear that at the root of ANC's factional battles, it's the fight for state resources, particularly access to tenders.

As the EFF we have constantly proposed that the state develop its own internal capacity to provide services
[Time Expired.]

The question, do you [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon Sonti, your time is up.

Ms N P SONTI: The question [Interjection.]

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The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon Sonti, your time is up.

Ms N P SONTI: The question [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): You didn't ask the question, you took your time [Interjection.]

Ms N P SONTI: Do you support our position, and if not, how does your government intend to deal with political violence and poor service delivery? [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): I'm going to switch off your mic [Interjection.]

Ms N P SONTI: ... which is the result of factionalism.

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon members, you know that follow up questions have one minute. So, limit your question to that. Thank you.

Hon Deputy President, if there was any question asked!

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The DEPUTY PRESIDENT: Unfortunately, hon member, you made a long preamble and I didn't get the question.

[Applause.] It was a long story about factions and all that, and I could not get the question. [Interjection.]

Mr M N PAULSEN: Chairperson.

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon member, he's still talking.

The DEPUTY PRESIDENT: I did not hear the question.

The HOUSE CHAIRPERSON (Ms M G BOROTO): Is that a point of order?

Mr M N PAULSEN: Yes.

The HOUSE CHAIRPERSON (Ms M G BOROTO): On what point are you rising, hon member?

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Mr M N PAULSEN: That question was heard by the entire House except him. You want to [Inaudible.] easily [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon member, please sit.

Mr M N PAULSEN: He must have his hearing checked. [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): The Deputy President was trying to respond. Please sit, take your seat.

Mr M N PAULSEN: He's like P J Mnguni, who has problems, health problems.

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon, I'm going to switch off your mic. Deputy President, are you done?

The DEPUTY PRESIDENT: I have not heard the question.

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Ms N P SONTI: No, Chairperson, Chairperson, Chairperson, Chairperson, haa [no], Chairperson [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon member, do you ... I'm recognising hon Pandor, please take your seat. Your time was there and you didn't use it. Hon Pandor!

The MINISTER OF HIGHER EDUCATION AND TRAINING:

Chairperson, I'm rising in terms of Rule 134(5)(b). I would like you to clarify as to whether the question, not just this posed, but the follow up questions relating the strict sense to 134(5)(b) which indicates that questions must relate to matters for which Cabinet members are officially responsible. So, if you could assist in that regard. Thank you very much.

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon Pandor, are you referring to the question as asked by hon Sonti?

HON MEMBERS: Yes.

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The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon Sonti, we didn't hear the question and the question of hon Sonti has passed. I'm now on something else [Interjection.]

Mr M N PAULSEN: Chairperson, hon Pandor heard the question [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon member [Interjection.]

Mr M N PAULSEN: She heard the question [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon Member [Interjection.]

Mr M N PAULSEN: So, she's asking. She's asking [Interjection.] [Inaudible.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon member, I didn't recognise you. You're speaking and I'm going to switch off your mic. Hon Steenhuisen!

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The CHIEF WHIP OF THE OPPOSITION: House Chair, well, I tend to agree with the hon Pandor's interpretation of this problem. I think the original problem is that this question was allowed onto the Order Paper at all. And I think that the presiding officers need to examine that because if one looks at the Rules governing President's and Deputy President's questions, particularly. It is not correct that the hon Deputy President - as much as I had fun - skewing about his party's poor performance, is actually something he's accountable for in the House.

The HOUSE CHAIRPERSON (Ms M G BOROTO): Okay, we have passed that follow up question. I will now call on hon Chauke.

Mr H P CHAUKE: Chair and the Deputy President
[Interjection.]

Mr M N PAULSEN: Chairperson.

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon member, we have [Interjection.]

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Mr M N PAULSEN: Chairperson, I thought you said you were going to recognise me after the hon Steenhuisen?

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon member, I said to you that we have passed on that question. Please take your seat

Mr M N PAULSEN: No, but you said you were going to recognise me afterwards. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Okay. On the issue of what hon Sonti was on, I think I'm done. What are you on?

Mr M N PAULSEN: No, but [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Okay, let's hear you. Hon Chauke, please take your seat.

Mr M N PAULSEN: The Deputy President said he didn't hear the question.

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The HOUSE CHAIRPERSON (Ms M G BOROTO): Yes.

Mr M N PAULSEN: The hon Pandor then asked a question
[Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Oh no!

Mr M N PAULSEN: ... asked whether that question is in
line with these Rules [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): No, that's
something else hon member [Interjection.]

Mr M N PAULSEN: No [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): That's something
else. Can you please sit? It's not about that. Can you
sit?

Mr M N PAULSEN: No, it confirms that he has hearing
problems [Interjection.]

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The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon member, please sit.

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon Chauke!

Mr H P CHAUKE: Thank you very much, Deputy President, for the detailed response you have given. Because I come from the North West, I have this particular interest.

Setswana:

Ke kopa o tlhalosetse baagi ba Bokone Bophirima gore tsereganyo e e dirilweng ke puso ya bošetšhaba e thusa porofense ka ga thebolelo ya ditirelo ka tsela e jang? Gape o tlhalose ka ga tshweetso eo le e tseileng ka ga badiredi ba bomasepala ba rona ba ba utswitseng madi a setšhaba. Ba tla golegwa leng batho bao?

Baagi ba Bokone Bophirima ba itumelletse kgatelopele e e dirilweng ke puso ya bošetšhaba ka gonne ba setse ba simolola go bona ditlhabologo. Fela ba ba utswitseng madi a setšhaba le go phutlamisa puso ya Bokone Bophirima ba tlile go golegwa leng?

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English:

The DEPUTY PRESIDENT: House Chair, I'm challenged here.

[Laughter.] I didn't hear [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Oh, language?

[Interjection.]

The DEPUTY PRESIDENT: I didn't hear and I can see hon Mantashe did not hear also. [Laughter.] [Interjections.]
Yes.

Mr H P CHAUKE: Well, I can try and speak in the ... well, I speak Shangaan. I don't know if I can speak in Shangaan. [Interjection.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Unfortunately we don't have the earphone on the podium. So, I'm going to allow you to interpret.

Mr H P CHAUKE: Okay. The point I was making, Deputy President, is that the people of Bokone Bophirima are very happy about the intervention made by national

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government. Therefore, they've realised and recognised the changes that are happening in the province.

I wanted the Deputy President to further elaborate on the interventions at the local government level, not only that, but again to talk about those that have collapsed the state, especially those who have stolen public money. As you have cited that about 46 cases are under investigation. We want to know what is the progress with regard to that, because that's the only hope for the people of Bokone Bophirima; they want to see that action taken.

For that reason, they're very happy and they love the intervention [Time Expired.] and they love the ANC. Thank you very much.

The DEPUTY PRESIDENT: House Chair, I think the scope and scale of the intervention of national government is in terms of the provincial administration where the Premier was removed and another Premier was put it there.

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A number of investigations took place and a number of service delivery challenges were addressed by the Inter-Ministerial Task Team, working together with the new Premier there. So, the intervention ended up within the provincial administration. This is what I was accounting on, here.

Regarding municipalities, as the national government we did not do any intervention there, in any of the municipalities. So, I might not be aware of any challenges that are within the municipalities and things that need to be fixed, as we speak. Thank you.

Mr J J McGLUWA: Hon Deputy President ...

Setswana:

... le nna ke moagi wa Bokone Bophirima.

English:

It was the Inter-Ministerial Committee, it is an interim Provincial Executive Council, PEC, it's an interim and a real PEC, it's a court case ANC against ANC.

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[Interjections.] But what I can tell you is that the DA North West has written to the President for the report of the Inter-Ministerial Committee. There's no such report; that is the first thing. When will this report be available?

Secondly, the DA North West wanted to debate this report; this report has never been tabled in the North West Provincial Legislature. What are you going to do about that? And to date, I think it's too long, no arrest has been made on what has transpired. But it's the factionalism that brought the North West to its knees.

What the hon member of the ANC is saying is in contrast to what we feel on the ground in the province [Time Expired.]

The DEPUTY PRESIDENT: House Chairperson, the work of the Inter-Ministerial Task Team has been presented to Cabinet twice. It's correct to say that there is a report on the table. The ad hoc committee, multi-party ad hoc committee

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and the NCOP have met with the Inter-Ministerial task Team and they have discussed the report.

Now, the question - probably - you can pose is to say "Can we make this report accessible?" That, I think we can do. So that you can check the progress of the things we are talking about, yourself.

Regarding cases, that is in the hands of our law enforcement agencies. All we can say is that we are urging them to move fast on these cases so that we can see action. People of the North West want to know whether there is a case or there is no case. Who has been found guilty? Who are those people that are being alleged to have done something? At least we should move towards concluding this intervention. It might happen that cases might drag too long, but as soon as these cases are in court, then people will be able to see that there is progress.

So, we are urging our law enforcement agencies to also move speedily in terms of attending to these cases

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because people outside are waiting to see whether justice is going to be done. Thank you very much.

IsiNdebele:

USHLALO WENDLU (Kz M G Boroto): Sithokoze Sekelamongameli. Sifike ekupheleni kwemibuzo obewubekelwe yona. [Iwahlo.] Sithokoza nokobana yisetjheni yokugcina kilethemu. Sithokoze khulu mhlonitjhwa. [Iwahlo.]

**CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON JUSTICE
AND CORRECTIONAL SERVICES ON TRADITIONAL COURTS BILL**

There was no debate.

The Chief Whip of the Majority Party moved: That the Report be adopted.

Question put: That the motion moved by the Chief Whip of the Majority Party be agreed to.

Division demanded.

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The House divided.

Voting.

Motion agreed to.

Report accordingly adopted.

TRADITIONAL COURTS BILL

(Second Reading debate)

The DEPUTY MINISTER OF JUSTICE AND CORRECTIONAL SERVICES RESPONSIBLE FOR JUSTICE AND CONSTITUTIONAL DEVELOPMENT:
Madam House Chair, the objects of the Traditional Courts Bill are to provide uniformed legislative framework for the structuring and function of the traditional courts in line with the constitutional values and imperatives.

The reality is that traditional courts exist in many rural areas and need to be regulated and brought in line with the constitution. Currently section 12 and section

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20 of the Black Administration Act of 1927, an old piece of pre apartheid legislation forms the basis on which traditional courts function throughout the country. So, the aim of this bill which has been quite long in coming and I will go through that is to ensure regulation of traditional courts in line with the Constitution so that the old Black Administration Act can finally be buried.

It's been a long process because obviously this contention over many issues. The South African Lora Form commission did a research and produced a report in 2002/2003 and the bill was eventually introduced in 2008 which lapsed during the 2009 elections. It was the re-introduce in the NCOP but lapsed in the NCOP. It wasn't voted down but it lapsed as well in the NCOP in 2013.

So, this administration, the Minister of Justice convened a workshop where consultation of members of the national and provincial houses of traditional leaders on the first day a consultation with civil society organisations and then finally put the two together into one broader consultation. What came out of that was the establishment

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of the reference group of representatives of or people from civil society rather and non government organisations and representatives of the national and provincials houses of traditional leaders and Congress of Traditional Leaders of South Africa (CONTRALESA).

In this reference group then had an extensive number of meetings to come up with a draft of the Traditional Courts Bill which it eventually did. It was also assisted by experts, Professor Mqoke from Rhodes University and Professor Himango from the University of Cape Town. The bill was then introduced in 2017 to this house.

Some of the concerns that were addressed in the bill were that traditional courts must be constituted of men and women pursuing to the goal of promoting the right of equality as contemplated in section 9 of the Constitution and there are measure in place to promote and protect the representation and the participation of women with the Minister of Justice and the commission for gender equality having to report annually to Parliament. The bill also sets out examples of conduct which is

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specifically prohibited as the traditional justice system is about promoting restorative justice. The courts don't have sanctions that can be opposed. Customary law doesn't make a distinction between civil and criminal matters and so there are no offences per say in the bill. The bill really just refers to disputes.

And then lastly in the issue of jurisdiction is something that is relatively open, anyone who wants to have a matter heard by the traditional court doesn't have to go the traditional authority area but can request a traditional leader to have a court or people sent to establish a court in the area where they stay. Thank you.

Ms M R M MOTHAPO: Thank you Chairperson, hon Deputy President, hon Ministers, Deputy Ministers, colleagues, join me in welcoming our leader, Chief Messelaar of the Western Cape, our sister, in the General Secretary of the Congress of Traditional Leaders of South Africa, Contralesa, amakhosi akhona[all chiefs present] and all Contralesa members in gallery, you are most welcome Chief Messelaar.

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Traditional or indigenous justice affirms the values of customs law and is deeply rooted in the principles of restorative justice and reconciliation as such traditional courts are an indispensable part of the administration of justice and the deliverer of justice services in South Africa.

However currently traditional courts are still regulated by apartheid legislations, specifically provisions of the Black Administration Act of 1927 and former homeland legislation. This is completely unacceptable. Our traditional courts - ebandla, huvo, inkundla, kgotla and kgoro play a fundamental role in the resolution of disputes in multiple communities across the nation and they deserve to be regulated and respected like any other court including the magistrates and high courts.

The institution of traditional leadership and its systems have been polluted and destroyed by colonisation and apartheid. This Bill seeks to address that pollution and destruction. The Traditional Courts Bill was referred to the portfolio committee on 30 January 2017. This is the

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third version of the Bill which has an 11-year history in Parliament dating back to 2008.

Clearly, the finalisation of this Bill is long overdue. The key objectives of the Bill are: To affirm the values of customary law and customs in the resolution of disputes; to affirm the role of traditional courts in promoting coexistence in the community; and to create a uniform legislative framework of the structure and function of traditional courts, amongst others.

The portfolio committee held three days of public hearings on the Bill in March 2018 and received a range of written submissions. The submissions highlighted various issues which were considered seriously by the committee, in particular, the committee acknowledged the need to ensure processes and procedures in traditional courts are aligned with our constitutional dispensation in this regard.

In this instance, it is imported to note that the Bill struck a balance between respecting the fact that

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traditional courts are courts of law. The purpose of which is to promote the fair resolution of certain disputes through the application of customary law while ensuring that the process and procedures of the courts are subject to the prescripts of the Constitution.

This is clear from the provision in the Bill, which seeks to achieve the following, among others: Prohibiting any conduct which discriminate against vulnerable persons, including the elderly and persons with disabilities; providing for measure to ensure the promotion and protection of the participation and fair representation of women, including a requirement, that annually the Commission for Gender Equality and the Minister of Justice must submit a report to Parliament containing information on measures taken to promote and protect the representation and participation of women, as participants and member of traditional courts; ensuring all court proceedings are accessible and open to members of the community; and protecting and respecting the hierarchy of the traditional system by providing that, in any matter, if a community member is unhappy with the

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process followed or the outcome, they must first exhaust all the appeal procedures within the traditional court system, but then enabling an aggrieved party, if they are still dissatisfied, to refer the matter to a magistrate court.

This will require the Minister of Justice and the Minister of Co-operative Governance and Traditional Affairs, after consulting with National House of Traditional Leaders, to combine a code of conduct to ensure the effective function of traditional courts. This code must be submitted to Parliament for approval.

Traditional courts have a critical contribution to make in the ongoing transformation of our legal system. The benefits of these courts are clear: They are accessible geographically or socially; they are user friendly; and are affordable. The application of customary law is known to communities and the litigants. Procedures in these courts are flexible, informal and conducted in a familiar local language.

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Traditional courts not only promote access to justice they resolve disputes in a manner that promote restorative justice and ubuntu, botho, [humanity]. It is undeniably fact that customary or indigenous law is a body of law through which millions regulate their lives.

The Constitution recognised and protects customary law and the constitutional court describes living customary law as they distinctive and original source of law which involves and develops to meet the changing needs of the community. However, for too long now, the dominance of western and common law constructs fails to recognise, let alone to accommodate, indigenous values on their own terms.

To quote the words of Chief Justice Mogoeng Mogoeng:

Courts, Parliament and the Executive will do well to treat African customary law tradition not as an inconvenience to be tolerated but as a heritage to be natured and preserved, particularly, in view of the

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many years of distortion and abuse under the apartheid regime.

It is clear from some of the debate around the Bill that 25 years into democracy there is still a need for some amongst to decolonise our minds. Decolonisation in this context means a move from a hegemonic or Eurocentric conception of law connected to legal cultures historically rooted in colonialism and apartheid in Africa to more inclusive legal cultures.

Chairperson we must take seriously the constitution to attempt to infuse Africa values in to the common culture of the new South Africa including its legal culture. In the words of Professor Thandabantu Nhlapho:

Living customary law has the capacity to display values, principles and behaviours that present more problems for the Bill of Rights and other constitutional imperatives. We should avoid the careless of ousting African values in favour of common

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laws substitutes, whose only merits is that they are easily to handle.

For too long now, African customary law traditions and institutions have been neglected and over looked.

We should welcome this Bill, finally traditional courts will be regulated by a legitimate and uniform legislative framework which will provide for recognition and accountability. I therefore request this hon House to adopt this very progress Bill which all members in our committee with exemption of DA as usual walked out and did not adopt Thank you so much.

Adv G BREYTENBACH: Hon Mothapo, what a lovely shade of blue you have on today! DA blue! You should wear it often! [Laughter.] [Applause].

House Chair, hon members, the story of this Bill is an interesting story, and the backdrop is to be found in our Constitution – the Constitution that has been called the best in the world and which, of course, largely reflects

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the dreams and aspirations which the ANC had for South Africa in the run-up to 1994. It is a Constitution that is based on the lessons from our past, enshrined the rule of law and the supremacy of the Constitution. It is the foundation upon which this country wants to rebuild itself. It is a Constitution that recognises that customary law is part and parcel of our law, in as far as it is not inconsistent with the Constitution, specifically the Bill of Rights.

But, of course, like all intriguing stories, the background does not tell it all. So, this Bill and the road it travelled to get here today also tells us much about the way in which the ANC has morphed over the last 25 years into a party which is no longer the party of constitutionalism, and it is in fact the party that cannot relate to South Africans - be it South Africans living in the cities or South Africans living in the rural areas. This Bill tells us that the ANC is not an organisation that is prepared to fully embrace gender equality. After the outcry about the gender discrimination in the previous version of the Bill, which

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definitely had the effect that in many instances women were not allowed to enter the physical area of the traditional court even if they had part in the matter, has been address in this new version of the Bill.

However, in our view the inclusion non- discriminatory Clause will not has the effect of preventing gender discrimination. We strongly agree with those who say the only manner in which discrimination will be prevented is to formally codify the abolishment of discrimination practices in the written law, something the ANC is not prepared to do.

Therefore, all colleagues, specifically those ANC members who claim to be gender-right activists, must know that in supporting this Bill today they will vote in entrenched patriarchy and continue discrimination against women in most of the traditional courts systems in our country.

This was clearly illustrated by the disdain shown to female presenters by the then Chairperson of the portfolio committee, Dr Motshekga – he who led charge

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against anyone and everyone who did not share the deeply problematic view of the ANC. The traditional court system that is to be regulated by this Bill should be a voluntary system aimed at enabling the dispute resolution for much of those South Africans who choose to live according to traditional customs and practices.

This undemocratic, unconstitutional and despotic attitude was best illustrated by Dr Motshekga when the legal advisors of Parliament, in very clear and simple terms, explained to the committee that this Bill, without the opt-out provision, will never pass constitutional muster.

Hon members, before you act as voting cattle today, I'm talking to you. Take note of what Dr Motshekga told them. He said you are very good lawyers, but sometimes even good lawyers are wrong and we as the ANC reject your advice in this matter. We know better, and we instruct the department to remove the opt-out clause.

The penultimate chapter of this story regarding this Bill will tell us that this inexplicable unwillingness to act

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in a manner that is rational and reasonable regarding this Bill led to the removal of Dr Motshekga as the Chair of the committee. This is a move that is described as yet another new dawn clean-up action on the part of the President.

Yet the ANC under President Ramaphosa remains a tired dilapidated bus that cannot take South Africa to prosperity, was again illustrated in the manner in which the ANC members in this committee stuck to their guns on the irrational removal of the opt-out clause after the departure of Dr Motshekga. How ironic that the hon Jeffery stands here and says the Bill brings the matter of customary law in line with the Constitution.

This Bill is unconstitutional and he knows it. How odd that the hon Mothapo when she talks about public submission, doesn't refer to the legal opinion even once. So those who will go on record today to support this Bill will go on record to support unconstitutional Bill that will not end up the statute books of this country.

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Those members who support this Bill are failing women and children all over South Africa and in their acceptance of this Bill. This Bill that dispatches them to the waste bin of second-class citizenship and takes us all back to the dark ages.

Shame on you all. The DA does not support this Bill.

Ms Y N YAKO: Hon Chairperson one of the fundamental failures of the post 1994 elite arrangement has been the failure of the ANC to develop the system of governance and the system of justice for rural people that is in sync with the Constitution. One of the most glaring consequences of this failure is the shameful imprisonment of the King of abaThembu, King Dalindyebo, for the offences that he rightly or wrongly believes were part and parcel of dispensing justice on his part.

The Constitution clearly states that it is the supreme law of the land and conduct contrary to it is illegitimate. The Constitution further entrenches rights to freedom of speech, rights of association, and rights

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to fair legal representation. These rights are accorded to all South Africans. In an ideal world there should be therefore be no dual legal systems, one for all South African and other for specific group of people, on the basis of a tribe.

We, however, acknowledge the importance of customary law, and the centrality traditional systems of resolving disputes. The recognition of customary law in the Constitution clearly stipulates that customary law must be subject to the Constitution. Based on this, we have a few fundamental objections to this Bill.

The first one is that the Bill states that in the Constitution of Traditional Courts, there must be fair representation of women. We feel that this is too open-minded and will actually perpetuate the exclusion of women from partaking in rural justices. Even if we were explicit as it is in the Traditional Leadership and Government Framework Act, traditional leaders just ignore this because there is no watertight consequence management process.

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Secondly, over the past ten years or so, there have been great strides made in ensuring that we develop a Bill that will allow people to opt-out of the traditional courts system when they feel that they will not get justice. The Bill in front of us is a product of Parliament capitulation to the pressure from traditional leaders and offers no such opt-out option.

This interpretation of customary law is both a historical and ignores the fact that customary law is a living and evolving law. That people are not permanent subjects of traditional leaders, that allegiance to particular traditional leaders has always been a dynamically evolving thing. This Bill will therefore lock people into a predetermined allegiance to a traditional leader, and leaves no room for people who want to opt-out.

This Bill further demonstrates a spectacular failure by the ruling elite to properly respond to the challenges of ensuring just and equitable justice for rural people.

This Bill is no different from the colonial and apartheid era piece of legislation we are purportedly replacing.

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So, the EFF rejects this Bill. Thank you.

Mr X NGWEZI: Hon House Chairperson, twenty five years into our democracy and we are still a great distance from the de facto recognition of traditional leadership as the true custodian of culture, traditions, customs and values of traditional African society.

Chapter 12 of our final Constitution recognises the role and importance of traditional leadership, yet today we still grapple with framework legislation and have been on such trajectory since 2008 when the first draft of the Traditional Courts Bill was introduced but lapsed. What is even more astounding, is that the legislation which is placed before us today, is only now replacing the remaining provisions of the Black Administration Act of 1927.

The IFP fully supports the full recognition and the role, and incorporation of traditional leadership within our constitutional democratic state. We support the main object of the Bill, which seeks to create uniformity in

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our legislative framework which will then regulate the roles and functions of traditional courts in dispute resolution which has been voluntarily referred to such a platform.

Hon Chairperson, access to justice for all South Africans is still a pipe dream for the majority of citizens. The sad fact is that our justice system has been gradually eroded since 1994. Justice is available, but only to those with financial means, way beyond the reach of the ordinary South African. This Bill, if passed will not only improve such access, but also broadens social cohesion in South Africa, which is sorely required, yet which is being undermined at every turn by certain short-sighted political parties as they ramp up their socially divisive 2019 election campaign rhetoric.

The IFP is supportive and welcomes the fact that the Bill is explicit in its provisions to promote gender equality within traditional courts in accordance, and as contemplated by section 9 of the Constitution.

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Chairperson, traditional leadership and roles and functions of traditional leaders are woven into the very fabric of the rich and diverse culture of South Africa. This should be celebrated as a part of our heritage and unity in diversity. The IFP supports the Bill. I thank you.

IsiZulu:

Mnu S C MNCWABE: Sihlalo ngiyabonga kakhulu ukuthola leli thuba, ngibingelele abahlonishwa bonke namakhosi akhona lana nokuMkani. Sibonge leli thuba silitholayo njengeNFP sikuveze ukuthi siyaweseka lo mthetho okhuluma ngezindaba zabaholi bendabuko, nokuthi amacala nezinkinga ezingabakhona esizweni soNdabezitha bangabamba liphi iqhaza ekuzixazululeni.

Sihlalo uMthethosisekelo waseNingizimu Afrika uyasho ukuthi uyabemukela ubukhosi futhi uyazi ukuthi kumele unikwe indawo yawo. Kodwa besinenkinga yikuthi awukho uMthetho obuveza ukuthi uma oNdabezitha namakhosi sebesebenza umsebenzi wabo kufanele bawenze ndlelani ikakhulukazi lo wokuqulwa amacala nezindaba ezithintha

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isizwe emhlabeni wamakhosi. Siyabonga futhi siyaweseka lo Mthetho. Esikuthanda kakhulu ukuthi kuwona lo mthetho uzama ukubuyisa isithunzi sabantu besifazane ezindabeni zesizwe.

Ngizwile ke kukhona omunye okhulumile ethi mhlawumbe kuzobacwasa, asiboni ukuthi kuzoba njalo. Kufanele sikuveze ukuthi ukucwasa kwabantu besifazane ezindabeni ezithinta isizwe akukaze kwenziwe amakhosi nathi ma-Afrika. Kwafika nabelungu bafika bashaya umthetho. Abelungu abafana noSomtsewu kaSojinca lapha eThekwini owaze washaya umthetho ukuthi ilobola kufanele libe yizinkomo ezingaki. Sasingenako lokho sasiganiselana ngesintu- kukuhle.

Ngakho ke iqhaza labantu besifazane laqedwa yibo abelungu. Thina sasibahlonipha abantu besifazane. Siyokhumbula ukuthi iNkosi uShaka yayingenzi lutho ingamthintaka umama wayo, iNdlovukazi uNandi yayimhlonipha kakhulu. Inkosazana yesizwe uMkabayi kaJama wayehlonishwa kakhulu esizweni. INdlovukazi uMthaniya wakaSibiya ozala iNkosi uSenzangakhona kaJama isifundazwe

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sakwaZulu-Natali sesabizwa nangaye ukuthi kwelakaMthaniya. Ngakho siyabonga ukuthi loMthetho ubuyisa lesosithunzi ukuthi abantu besifazane babambe iqhaza ezindabeni zesizwe. Futhi uyaveza ukuthi labo abanganelisekanga ngesinqumo sikaNdabezitha kuleya nkatolo mabadlulele enkantolo enkulu [high court.] bayoveza khona ukuthi abanelesekanga abavalelwanga ngaphandle. Siyabonga kakhulu ukuthi kube khona umthetho ofana nalo. Siyajabula ukuthi iqhaza lamakhosi liyaya ngokuya livela uhulumeni elihlonipha. Yingakho ke siweseka lo Mthetho. Ngiyabonga. [Ihlombe.]

Ms S N SWART: House Chair and firstly the greetings from the ACDP to Amakhosi, the ACDP agrees that it is totally unacceptable that the traditional courts are still governed by the Black Administration Act of 1927. It was therefore imperative that the traditional courts which already form an integral part of the delivery of justice in our country be changed to suit the new constitutional dispensation. I have already attended some of the hearings of traditional courts over the years and as a

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lawyer I was impressed with the resolution of disputes that I witnessed.

However, I am also fully aware of concerns that have been expressed about vulnerable groups, particularly women and the need to protect such groups. These concerns resulted in an earlier draft of the Traditional Courts Bill being withdrawn and even lapsing over the years 2008 to 2012. This version was tabled and referred to the Portfolio Committee on Justice and public hearings were held last year this time. Of course, the most important issue was again the need to protect vulnerable groups and protect equality within the traditional courts. There were very strong legal arguments for the requirement that parties against whom proceedings are instituted in a traditional court must consent to the matter being heard by that court.

Now the Bill, as introduced and as passed by Cabinet, specifically confirm this principle that customary law is based on voluntary affiliation and a right to freely and voluntarily elect or elect not to abide by the various

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applicable practises and customs. This resulted in insertion in section 4(3) of opt-out clause, again passed by Cabinet and certified by the state legal advisers.

This was confirmed by a number of the submitters, including the Legal Resources Centre that emphasised that the protection of women can only be effective if, at a minimum the suggested opt-out clause must not only be retained, but improved and its implementation ensured. Legal opinion as referred to by the earlier speaker and by both the department and parliamentary legal advisers confirmed that opt-out clause was constitutionally necessary. If everything is excluded the Bill will be unconstitutional.

The ACDP agrees and we were concerned when these opinions were inexplicably rejected. Thus, whilst a Bill makes commendable progress in creating a new legislative framework for traditional courts in accordance with constitutional and imperative values and applies restorative justice, which the ACDP supports, the exclusion of this very important opt-out clause cannot be

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supported. The ACDP will thus regrettably not support this Bill. The negative, however, outweighs the positive. I thank you.

Mr S A TLEANE: Hon Chair, let me say right from the beginning that the ANC supports the adoption of this progressive Bill by the House. The noble objectives of the Traditional Courts Bill are to provide a uniform legislative framework for the structure and functioning of traditional courts in line with constitutional imperatives and values. The Bill is intended to improve access to justice services by enhancing the effectiveness, efficiency and integrity of traditional courts for purposes of resolving disputes with the view to promoting social cohesion, coexistence and peace and harmony.

No normal and mentally stable South African who clearly understands our history and the amount of blood that was spilt in our country before the advent of 1994 would even attempt to argue against this Bill, unless of course, they do not have the interest of our traditional

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communities and our country at heart. This Bill restores the dignity and integrity of traditional leadership and systems which were distorted and abused during apartheid. It furthermore removes the remnants of apartheid legislation as represented by the Black Administration Act of 1927, which regulated traditional courts in the past and projected them as being inferior and subservient to conventional courts.

Of course, this was part of a broader evil objective which was to ridicule, belittle and humiliate black people, their cultural systems and self determination. It should therefore not be surprising that those who are trying to prick holes in this important piece of legislation were nowhere to be found within the structures and people who waged the struggle against apartheid. This then places them amongst the architects and beneficiaries of a system that oppressed the black majority and made them aliens in their country of birth. Who are they to turn around and preach to us about the mechanics of democracy?

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We must remind them that this Bill is conceived specifically for traditional communities who do not have a problem with traditional courts. These communities do not need the so-called opt-out clause in the Bill as they have never displayed any desire to fight against a system made popular by their ancestors. These communities are comfortable and do not need any protection from either the traditional courts or leadership. The opposition must therefore stop being wedge-drivers who President Oliver Reginald Tambo warned us about.

We know that the same people who despise of this beautiful piece of legislation would be ready to lose a pound of flesh just to get the opportunity to shake the hand of Queen Elizabeth of England, who is part of the traditional leadership of that country, while they frown upon our own amakhosi and the traditional courts. We are tired of hypocrites who yearn for a return back to the days of "swart gevaar" [black threat]. This Bill confirms the legitimacy of traditional courts and their lawfulness. The Traditional Courts Bill does not seek to set the traditional courts up against the conventional

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courts but actually strengthens the harmony and synergy that exist between them.

The ANC particularly welcomes clause 12 of the Bill which deals with the referrals of matters. This clause promotes the exhaustion of all avenues available within the hierarchy of the traditional courts before the appeals can be referred to the magistrates' courts and to all other courts of the country as may be necessary. This way, the aggrieved parties get to enjoy their rights as citizens of the country as prescribed by section 34 of the Constitution of the Republic and the traditional courts are not subordinated to the conventional courts which are themselves predicated from Roman Dutch and English law.

The ANC remains committed to the struggles of women and will forever champion for their participation in traditional courts as equals. We stand by the protection and promotion of their rights and that they and the Lesbian, Gay, Bisexual, Trans, Intersex and Queer, LGBTIQ+, community are not discriminated against. While

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the protection of human rights is guaranteed in the Constitution, we nevertheless support their reiteration in the Bill. The ANC therefore supports the Bill. I thank you, Chairperson. [Applause.]

Mr W HORN: Chairperson, the hon Breytenbach has clearly illustrated that this Bill is unconstitutional due to the stubborn refusal of the ANC to heed the legal advice that the removal of the opt-out clause has fatally wounded this Bill. However, other constitutional issues also bedevil this Bill.

Firstly, despite the fact that our Constitution guarantees every person accused of a crime the right to be defended by a lawyer during a criminal trial, the ANC has chosen to take away the right to legal representation when a traditional court hears a dispute turning on facts that points to criminal behaviour.

Now, the ANC has tried to explain this away by saying small claims courts, which of course never deal with criminal matters do not allow for legal representation

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and by emphasising the restorative justice nature of traditional courts, but that of course also does not explain away the fact that restorative justice sometimes entail the imposition of a fine, which is obviously something linked to criminal conviction.

Secondly, without giving due consideration to the implications, the status of traditional courts have been elevated on the instruction of the ANC to that of courts rather than the status first proposed in the Bill of it being tribunals.

The reason for this is very simple and obvious, the adoption of this Bill today is merely an election ploy and therefore the ANC is not interested in adopting a good piece of legislation. [Applause.]. To bring it to this House two weeks before the NCOP to rise for the election will never give this Parliament the faintest of chances to finalise this Bill and it makes a mockery of parliamentary processes. Or, does the ANC really believe that the NCOP will be able to hold provincial public participation processes and vote on the Bill all within

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the next two weeks? This unconstitutional Bill will lapse at the end of this fifth Parliament and the ANC knows it.

Parliamentary processes and resources are being abused by the ANC to enable it to go back to traditional leaders and to try and curry favour with them again before an election. But neither voters, nor traditional leaders are stupid and they know dishonesty when they see it. They will punish it on 8 May. To follow in this debate will be the Deputy Minister and the hon Skosana will try and convince people that our problem is really that we are against traditional courts and customary law. Let me say this emphatically, we are not; we are all in favour of proper regulation of traditional courts in line with our Constitution. We will however not support a Bill that will simultaneously erode and threaten women's rights; the rights of those who do not want to partake in traditional customs and ultimately a Bill that will erode the rule of law as envisaged by our Constitution. I thank you.

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Mr G J SKOSANA: Hon House Chairperson, Hon Deputy President, traditional leaders in the gallery and hon members, the ANC declares its support for the Traditional Courts Bill of 2019. It has been clearly articulated by the previous speakers that the ANC has a longstanding history with traditional leadership.

The ANC, has for decades, worked side by side with traditional leaders and the clergy for the liberation of this country. The institution of traditional leadership in Africa is one which predates colonialism and apartheid. It is the institution which has been the custodian of culture, tradition, custom and values of African societies since time immemorial.

Likewise, traditional courts were the mechanism used to resolve disputes. They were a way of administering justice in a participatory and reconciliatory manner, promoting restorative justice. This Bill does not create traditional courts as they already exist. However, the Bill merely seeks to regulate their functioning through a legislative framework.

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Hon House Chair, the ANC has, throughout its existence, promoted human rights, dignity and justice. The Bill is a hallmark when it comes to the regulation of traditional justice. This legislature was tasked with the monumental task of redefining and shaping traditional justice systems in line with the new constitutional dispensation without distorting traditional customary law and relegating it to common law. This has already been done by the colonial and apartheid regimes.

Hon members, our Constitution is clear. Access to courts is guaranteed by section 34. We are the ones who fought for this right. From the days of ANC President-General Pixley ka Isaka Seme, we advocated for the right to a fair trial, courts which are representative of all people and equality before the law. We advocated for access to justice for all. The Constitution guarantees access to courts and other independent tribunals or forums. Unless ordinary people have access to courts and other independent forums or tribunals to resolve their disputes, the vision of a society based on the rule of

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law as envisaged by the Constitution will not be realised.

The ANC was seized with the task of not only promoting this right but also not perpetuating the distortions created by the colonial government through the Black Administration Act which relegated African customary law and the role of traditional leaders to being subservient to Western laws and systems.

A balance needed to be struck and we are pleased that this balance is the one which will pass the constitutional muster. Clause 12 entails that internal remedies within the traditional legal system need to be exhausted before an appeal can be made to a magistrate's court. This, therefore, means that an aggrieved party is not denied his or her right to access the courts. In this way, the internal customary appeal structure is upheld and the section 34 right is not denied.

All courts, which include traditional courts, need to be in line with the Constitution. Hon members, this Bill

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promotes the participation of women in traditional courts. As His Excellency, President Ramaphosa, has emphasised that women must be included in traditional decision making and indeed this Bill seeks to do that.

The patriarchal fibre in our society cannot be ignored. We have heard and considered what many people in society and civil society groups have said in this regard. The ANC argued for the emancipation of women and promoted their rights long before it was fashionable to do so. Our Constitution recognises equality, gender parity and sensitivity around the protection of the rights of women.

While the Constitution guarantees the right to equality, we welcome the fact that the Bill reiterates women's rights and their participation. We welcome the fact that they, as well as members of the LGBTQI+ community should not be discriminated against.

Hon House Chair, I think there is a division within the EFF. In the committee, the member of the EFF, hon Mulaudzi, seconded the adoption of this particular Bill.

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So, today we are surprised when hon Yako comes here today to say they don't support this particular Bill. This means that the EFF is divided on the matter. We request that you go and handle your division and not come and confuse this House.

I think hon Breytenbach and hon Horn from the DA have wrong speeches; hon Breytenbach is raising important matters but unfortunately those issues are misplaced because all the issues that they are both raising are addressed in this latest version of the Bill.

Yes, we accept that the earlier version of the Bill had some challenges. However, all these matters are now addressed. Now, let us talk about the issue of opting out. This version of the Bill says that we cannot create a weak legislation wherein we put a clause that says "opt out" which means that if you happen to live in a traditional community or you find yourself in a traditional community and you are summoned to go and appear before a traditional court, then you say "no, I am not coming there". No, you can't do that.

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The Bill says that if you are summoned to a traditional court, whether you believe in the traditional system, you are supposed to appear and exhaust all the systems of the traditional court. Start from the headman or headwoman court; if you are not satisfied, go to the next court which is the senior traditional leader court; if you are not satisfied, you go to the king or queen's court where applicable; and if you are still not satisfied, then you have the right to take your matter to the magistrate court. But you can't say, even before appearing before the traditional court, "no, I don't believe in that system therefore I won't participate in that".

So, this has demonstrated very clearly that the EFF and the ACDP don't care about our people; they are only representing a few people which in the main are people who live in urban areas. They don't care about our rural communities in rural areas under the custodianship of traditional leaders. They don't respect our traditional leaders and they don't respect our customs and traditions.

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So, members, our people at home, you must not vote for such people.

IsiNdebele:

Sibawa ningabavowudeli abantu abanjalo. Abanandaba namasiko wenu, abanandaba nobutjhaba benu namakhotho wenu wesintu. Ningadlali ngamavowudu wenu ngokuvowudele abantu abanjalo. Mhlazana amalanga abu-8 kuMrhayili, nithathe amavowudu wenu nivowudele ihlangano ekulu i-ANC, ihlangano yamakhosi, ihlangano yekosi uChief Albert Luthuli, ihlangano yomntwana wekosi uNelson Mandela, ihlangano yomntwana wekosi uSolomon Kalushi Mahlangu. Ngiyathokoza.

The DEPUTY MINISTER OF JUSTICE AND CORRECTIONAL SERVICES RESPONSIBLE FOR JUSTICE AND CONSTITUTIONAL DEVELOPMENT:
House Chair, all traditional leaders present, just to greet you. Three main points ... the issue of gender - participation of women because some of the speakers raised it. I think the Bill is quite clear and I don't think it can do much more than what is there.

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As I said earlier, there is the issue of the Minister of Justice and the Commission for Gender Equality having to give annual reports on the steps being taken to promote the participation of women. It is interesting that the reference group which had quite some strong feminists don't have any problems with this section.

On Mr Horn's issue, this is just an election ploy; this Bill won't be passed by the NCOP. No, it won't be passed by the NCOP, it will require further work. It is not an election ploy because we need to make some progress on this Bill. [Interjections.] Once it is passed by the National Assembly, at least it has passed the first House. The Bill has been in the National Assembly for two years; there have been public hearings, let that process be completed and that is exactly what is going to happen, so that when it gets revived in the Sixth Parliament, it can be revised in the second House.

The other point then is the issue of opt-out which has been contentious. The one change that was made ... the committee wanted to take out the opt-out provisions; the

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compromise eventually ... hon Swart, you weren't in the meeting ... was to then make provision for appeals to the magistrate's court and that is what the Bill provides for.

I must say that I think it was the Deputy Judge President that argued this before the committee. So, I am surprised that hon Breytenbach and Mr Horn are so adamant that this is unconstitutional.

I would again support hon Skosana that the DA has shown their contempt for people living in traditional areas. [Interjections.] It basically was in the committee. If you don't have opt-out, we walk out and they walked out to try and deprive the ANC of a quorum.

We need to actually move forward with this Bill. Maybe the issue of opt-out does need to be settled by the Constitutional Court but it can only be done once the Bill is enacted. So, that's the issue and I think that what has been quite clear is that the DA doesn't care about traditional communities and traditional justice.

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This Bill, by the way, hon Horn, is not creating criminal courts but traditional courts. If you have lawyers, you are going to overcomplicate issues. What could have been resolved easily becomes a contentious dispute.

[Interjections.] Anyway, I will ask the House to support the Bill. Thank you. [Applause.]

Mr S N SWART: On point of order. Sorry, House Chair, I was going to ask the Deputy Minister if he would take a question as to whether we could refer this matter to the Constitutional Court.

The HOUSE CHAIRPERSON (Ms M G Boroto): I am sorry to do that to you, but you know you are wrong. [Interjections.] No, if I didn't give him an opportunity, why should I ask?

Debate concluded.

Question put: That the Bill be read a second time.

Voting.

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The CHIEF WHIP OF THE OPPOSITION: House Chairperson, in a strike against patriarchy, the DA calls for a division.

The HOUSE CHAIRPERSON (Ms M G Boroto): What have you said, hon member?

The CHIEF WHIP OF THE OPPOSITION: I said, in a strike against patriarchy, the DA calls for a division.

[Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Is that necessary really, hon member?

The CHIEF WHIP OF THE OPPOSITION: Yes, it is.

The HOUSE CHAIRPERSON (Ms M G Boroto): It is not necessary.

Division demanded.

The House divided.

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[TAKE IN FROM MINUTES.]

Question postponed.

The DEPUTY MINISTER OF JUSTICE AND CORRECTIONAL SERVICES RESPONSIBLE FOR JUSTICE AND CONSTITUTIONAL DEVELOPMENT:
House Chair, can I just ask if it is 201 required for a quorum?

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

The DEPUTY MINISTER OF JUSTICE AND CORRECTIONAL SERVICES RESPONSIBLE FOR JUSTICE AND CONSTITUTIONAL DEVELOPMENT:
You are present in this House. You did not vote but you form part of the quorum, surely. So, do we not have 201?

The HOUSE CHAIRPERSON (Ms M G Boroto): May I ask? It has never happened before. Let me just get advice. Thank you, hon members. I have been assisted by the legal minds as our advisors. They say it has happened before. Yes, we are 200 and my vote was not cast. So, I am casting my

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vote to the positive, which makes it 201.

[Interjections.]

The CHIEF WHIP OF THE OPPOSITION: On a point of order.

The HOUSE CHAIRPERSON (Ms M G Boroto): So, the number of members in the House is what matters. [Interjections.]

So, including me, presiding here, we are 201, which make the quorum. [Interjections.]

An HON MEMBER: No, but you didn't vote. No

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you very much.

Quorum:

The attention of the House Chairperson having been called to the absence of a quorum, Rule 98(4) was invoked.

In terms of Rule 98(4) the presiding officer was counted for the purpose of establishing a quorum.

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Question accordingly agreed to.

Bill read second time.

The CHIEF WHIP OF THE OPPOSITION: House Chairperson.

The HOUSE CHAIRPERSON (Ms M G Boroto): Yes, now I am done with that. What is your point of order, hon member?

The CHIEF WHIP OF THE OPPOSITION: House Chairperson, the only time that you can do what you have done now is when there is an equality of votes and you are required to cast a casting vote.

The HOUSE CHAIRPERSON (Ms M G Boroto): I have been advised. If you have a problem with the ruling that I have just made, you know how to go about it.

The CHIEF WHIP OF THE OPPOSITION: House Chairperson, you are wrong. Your decision is rendering this Bill even more ... [Inaudible.]

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The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you very much. [Interjections.] We are done.

The DEPUTY MINISTER OF HIGHER EDUCATION AND TRAINING:
House Chairperson, House Chair.

The HOUSE CHAIRPERSON (Ms M G Boroto): Yes, hon Buti.

The DEPUTY MINISTER OF HIGHER EDUCATION AND TRAINING: May we kindly request the DA and the EFF to withdraw their premature celebration?

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, no, please, that is not a point of order. [Interjections.] I didn't hear it.

The CHIEF WHIP OF THE OPPOSITION: The hon Manamela obviously knows a lot about prematurity. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you. Can we proceed! For us to be very clear, I am advised that I must read the Rule, which is Rule 98(4). It says the

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presiding officer must be counted for the purpose of establishing whether a quorum is present.

[Interjections.] I am done. Thank you very much.

Ms N W A MAZZONE: On point of order.

The HOUSE CHAIRPERSON (Ms M G Boroto): Yes, hon Mazzone.

Ms N W A MAZZONE: Madam House Chairperson, for you to be counted in a vote for a quorum; firstly, a quorum has to have been called for by the desk; [Interjections.] secondly; I am not finished. You may not cast your vote retrospectively.

The HOUSE CHAIRPERSON (Ms M G Boroto): I hear you. As I have said, if you have any problems, hon Steenhuisen knows how to deal with it. He is the Chief Whip. Thank you very much. [Interjections.]

**CONSIDERATION OF REPORT OF STANDING COMMITTEE ON FINANCE
AND BANKS AMENDMENT BILL**

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There was no debate.

The Chief Whip of the Majority Party moved: That the Report be adopted.

Question put.

Motion agreed to.

Report accordingly adopted.

BANKS AMENDMENT BILL

(Second Reading debate)

There was no debate.

Question put: That the Bill be not read a second time.

Mr N PAULSEN: The EFF would like to make a declaration.

[Interjections.]

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The HOUSE CHAIRPERSON (Ms M G Boroto): You know, hon members, I do not deny them to make declarations, but unfortunately we are already done. [Interjections.] We have already passed that. Anyway, for the sake of peace I will allow the EFF to make declarations. Come [Interjections.] Come. [Interjections.] No, wait, they say I should allow them to make declarations. [Interjections.] You are the only one.

Mr N PAULSEN: House Chairperson, if you could silence this crowd here. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Paulsen, I have given you an opportunity that you requested, continue.

Declarations of vote:

Mr N PAULSEN: When state-owned banks are properly positioned and ran, they play an important role in driving inward state-led industrialisation. We have seen this all over the world where state-owned banks are at the forefront of development, transformation and

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redistribution of resources that lead to the creation of sustainable jobs. Because of our persistence and political determination to create a state-owned bank, we tabled the Banks Act Amendment Private Member's Bill.

The Banks Act Amendment Private Member's Bill intends to change the current legislation so that the state can create, own and manage a bank, including municipal-owned banks. When we first raised the issue of the state-owned bank through debates, motions and draft resolutions, we were ridiculed as misguided, naive and unrealistic, and I won't even mention that in the video, but just follow my eyes. [Interjections.] But when we tabled the legislation that would change the face of South Africa's financial and banking sector, National Treasury's racist Ismael Momoniat tabled and suddenly drafted and clumsy Financial Matters Amendment Bill that proposes amendments already tabled by the EFF to reject the EFF Banks Amendment Bill because of pure opportunism. The National Treasury and the ANC representatives in the Portfolio Committee on Finance are extremely misguided.

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You can rest assured that we will reintroduce the Banks Amendment Bill in the Sixth Parliament to contest the poorly drafted and malicious Treasury Bill which intends to exclude municipal-owned banks. We will do so because we know that the EFF will gain the necessary quantitative strength to pass the Bill and the Portfolio Committee on Finance will be chaired by a competent EFF chairperson in the Sixth Parliament. [Interjections.] Thank you very much.

Ms G S A NGWENYA: It is no small decision to draft an enabling legislation that will allow for state-owned companies to apply for banking licenses. The economic, fiscal and political consequences are profound, but for the EFF of course, nothing is complex - everything is simple, and this simple-mindedness is reflected in this Bill. Where the Banks Act refers to a public company, the EFF has simply instated all state-owned companies - geniuses. One of the financial implications for the state, the EFF simply states none.

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The International Monetary Fund, IMF, Working Paper on bank ownership presents recent trends in bank ownership across countries and summarises the evidence regarding the implications of government's bank ownership. The IMF Working Paper states that the record on the impact of government's ownership suggests few benefits, especially for developing countries - and it is a balanced paper. It goes on to say that state ownership of banks can, in theory and I stress - in theory because the majority have failed; spare competition if state-owned banks are more efficient than private banks and push them to lower prices.

Can anyone name a state-owned company in South Africa which is efficient than its private sector counterpart, please. Because I know there are sceptics of the West in this audience and they are likely to be dismissive of IMF research, the study also includes comparative literature from around the world. Regional studies too reflect that government-owned banks perform worse than both private domestic and foreign banks.

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There are also subjects to numerous bailouts, but similar to their other private members' Bill, these South African Reserve Bank Amendment Bill, the EFF lists financial implications for the state again in this Bill as none. How can there be no financial implications for something this profound? There is no attempt by the EFF to even highlight the potential financial risks and how they can be mitigated. There should in fact be a section that asks for the financial literacy of the EFF where they too can fill in none. That is unfair perhaps to say because actually the EFF does have some experience in financials - does have some financial literacy, or should I say they have literacy in financial deviancy more than anything else ... [Interjections] ... which I supposed it is a skill of some sort. The same party whose paw prints are all over... [Interjections.]

The HOUSE CHAIRPERSON (Mr M G Boroto): Hon Ngwenya, please take your seat. Yes, hon Paulsen, what is your point of order?

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Mr N PAULSEN: House Chairperson, the hon member at the podium says that we have experiencing financial deviancy. If that is the case, then she must go lay a charge.

The HOUSE CHAIRPERSON (Mr M G Boroto): Hon member, that is a point of debate.

Mr N PAULSEN: She mustn't come here and talk rubbish!

The HOUSE CHAIRPERSON (Mr M G Boroto): ... it is not a point of order. Please take your seat. Continue, hon Ngwenya. [Interjections.]

Ms G S A NGWENYA: The same political party whose paw prints are all over the VBS Mutual Bank looting now wants to push for South African state-owned companies. Of course, South African state-owned companies are internationally known for their institutional resilience ...

Mr N PAULSEN: House Chairperson, she has done it again, she said our paw prints and we are not animals. I know we

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are black that is how you are trying to treat black people.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Ngwenya, please continue. [Interjections.]

Ms G S A NGWENYA: And as a reason, they target state-owned companies because they are not known for their institutional resilience against corruption. In fact, pray tell, why do you think it is the EFF that wants a state-owned bank? Is it because the EFF suddenly has renewed confidence in our institutions? No, it is precisely because they hope to prey on our institutions' weaknesses. Further questions that need to be asked include how government tenders for banking services would be affected and where public salaries would be deposited. The naive answer is that state-owned banks would follow the exact same procedure, private banks, please.

In the run up to the ANC 54th National Conference, a senior member of the party, hon Jackson Mthembu called on government to move with speed, and I will quote him, "to

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ensure that Postbank shall be the first choice for government and should be the primary platform for government and citizens' transactions." He further said that he plans to present the proposal to the ANC National Conference to ensure that all government's spheres, including provincial and local governments should use Postbank as their bank of choice.

Last time, the Deputy Minister of Finance was very quick on his feet to accuse me of focusing on what happens if we fail. Now, he says he likes to rather focus on what happens if we succeed. I hope he will understand where I come from and where my scepticism originates. It is not I that is charting the hypothetical path to failure; your own party members have charted the path to failure. Let there be no doubt that if we push for government spheres and departments to bank with the state bank that is a certain path to failure. The life of this Bill ends here. Unfortunately, we cannot celebrate this because it will be resurrected in the form of the Financial Matters Amendment Bill, which we are shortly about to debate.

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That is quite a fit actually for the executive that they have managed to succeed in matching the EFF in terms of their financial literacy. [Interjections.] [Applause.]

Mr N SINGH: Hon Chairperson, colleagues, I can assure you that the IFP will accelerate its political mobilisation outside of this House. I won't use this platform here and now to criticise any other political party or to praise any other political party. I think we have done enough in the last five years for South Africans to see how well we have done, as the IFP, in the last five years in this House.

Having said that, I think when we pass or consider legislation in this House, it must be legislation that can stand the test of time. It must be legislation that is accompanied with qualifications, regulations so that all sectors - whether it is a financial sector or any sector - are governed by those set of regulations.

Whilst a Private Member's Bill and the contents thereof have some very laudable intentions, I do not think that

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we as the IFP can support just intentions. We need to support good legislation. The Financial Matters Amendment Bill goes beyond what has been proposed in the Private Member's Bill for us to concretise legislation that will stand the test of time.

So, we will support the report of the committee, but we will not support the Private Member's Bill and its contents as it stands at this moment in time. Thank you, hon Chair. [Applause.]

Prof N M KHUBISA: House Chairperson, we support the report of the committee. Of course, it is good thing when a member pilots a Bill - a Private Member's Bill. We do know the intents and the purposes of the Bill piloted by the member. However, we don't think that as government or as members within the state we can speak on cross purposes. We need one message. Whether we deal with matters of finance or not, we need one message.

Of course, we do concur with the report of the committee that says the Financial Matters Amendment Bill was seen

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to be stronger on three issues: One, it requires that if the state-owned company, SOC, wants to apply for authorisation to establish a bank, it must first get the approval of the Minister of Finance, acting with the concurrent executive authority responsible for the SOC; two, the assets of the SOC, its holding company and if applicable, the holding company of the holding company must exceed its liabilities; and three, it excludes municipal-owned companies from applying for authorisation to establish a bank.

In that regard, therefore, we feel as NFP that this is a line we must take, understanding also the issues that are facing municipalities. We support the report of the committee. Thank you.

Mr I Y CARRIM: Comrade Chairperson, comrades and friends, once upon a time, a long-long time ago, even before the EFF was conceived, let alone born, a century-old organisation called the ANC decided that it would ...

[Interjections.] ... have state-owned banks. I am sure it is not a point of order, but I have ... [Interjections.]

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The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Carrim, please take your seat. Yes, hon Mhlongo?

IsiZulu:

Mnu S P MHLONGO: Sihlalo, nginephuzu lokukhalima okuphambukayo. Alikashoni ilanga Sihlalo. U-Carrim usixoxela izinganekwane. Sizomila izimpondo phela la.

[Uhleko.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, what is your point of order? I am switching off your microphone! Continue, hon Carrim!

Mr Y I CARRIM: In 2007 at least, the discussion occurred in Polokwane at the ANC conference, to have the licensing of the Post Bank and a state-owned bank, Now, the EFF come lately, has the gall and the temerity to say that it is their idea. The facts speak for themselves. The EFF was nowhere. In fact, if anything, the current EFF leadership were in those days the ANC Youth League members. So, if they got an idea from anywhere at all, it is from the ANC. That is a fact!

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Secondly, I cannot understand how Mr Paulsen, who has never been to the committee, of course, speaks so sweepingly about events and processes that he knows so little about, and has been so badly briefed on. I don't know who he says, in our ranks, actually ridiculed him. I think he is referring to the DA. It is another form of ridicule which Ms Ngwenya offers them today for different reasons.

From a fundamentally opposed point of view, we agree with many of the things they say. You see, if you look at the post-1947 national democratic struggles, the post liberation struggles, there have been two major streams of those who wanted a state-owned bank.

You can call it a national democratic or socialist or social democratic - in Europe, if you like - trend, which really wants the poor and the marginalised to benefit. They will never - Ms Ngwenya - never, despite your Tony Leonism, you will never convince us that the private sector actually cares.

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We had massive public hearing here - the largest public hearings since 1994. What came out? It was the most racially polarised, apart from the land expropriation hearings. I have been here since 1994. I can tell you that I have never come across such hearings. I have witnessed the land expropriation hearings but before that, almost black person, particularly African, was arguing that there is not transformation.

Every white or non-African person was arguing: No, we have transformed. It was an especially polarised process - those public hearings. What came out of there is that private sector, Ms Ngwenya, doesn't deliver! If we don't transform the financial sector, we can forget about transforming this economy.

Now, there are two streams, Mr Paulsen. There is also a rightwing looting spree: People who want state-owned companies and banks so they can loot. They present themselves with Marxist lexicon or the lexicon of social democrats and national democrats, but post-1947, they have repeatedly become elites and have looted the state-

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owned bank for their personal needs – not even the needs of the people. [Applause.]

Given the way the EFF projects itself and given your experience of VBS Mutual, which is still to be judged, we have every right to be cautious about you. In fact, we have not said no to the Bill. In fact, let me refer you to the report, Mr Paulsen. [Interjections.]

The HOUSE CHAIRPERSON (Mr M G BOROTO): Hon Carrim, please take your seat. You stood first hon Paulsen.

IsiZulu:

Mhlongo! Hlala phansi baba kancane.

English:

Mr M N PAULSEN: He is impugning on the character and the integrity of members of this House. I am asking you to order him to withdraw that. We have not been involved with VBS Mutual Bank. People involved with VBS Mutual Bank are from your ANC ranks – your mayors and all this trash! [Interjections.]

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The HOUSE CHAIRPERSON (Mr M G BOROTO): Okay, hon member, I am going to switch off your microphone if you are not going to listen to me. Again, let me say to you that this was a point of debate. Hon Njomane!

Mr S P MHLONGO: Chairperson, I would like to know from the hon member whether ... [Interjections.]

The HOUSE CHAIRPERSON (Mr M G BOROTO): Do you want to ask a question? [Interjections.]

Mr S P MHLONGO: No, no, not a question. [Interjections.]

The HOUSE CHAIRPERSON (Mr M G BOROTO): No, no, you can't ask - you can't debate with the member. [Interjections.]

Mr S P MHLONGO: No, no, I am not debating. He is presenting another narrative which is ...

[Interjections.]

The HOUSE CHAIRPERSON (Mr M G BOROTO): Okay, hon member ... [Interjections.]

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Mr S P MHLONGO: Wait, Chairperson, let me finish.

[Interjections.]

The HOUSE CHAIRPERSON (Mr M G BOROTO): No, no, I am not going to allow you to go into an explanation. You should either rise on a point of order or you rise to ask a question. You can do that, but that is not a point of order. [Interjections.]

Mr S P MHLONGO: It is a point of order, Chairperson. Please!

The HOUSE CHAIRPERSON (Mr M G BOROTO): No, no, it is not. Hon member Njomane, please take your seat. That is not a point of order. Please!

Mr S P MHLONGO: But you haven't heard me, hon Chairperson. [Interjections.]

The HOUSE CHAIRPERSON (Mr M G BOROTO): Hon Carrim, please continue.

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Mr Y I CARRIM: Now, just look at the quality of your MPs right, and you want to take over the government.

[Laughter.] It is shameful really. [Laughter.] Shameful!

[Applause.] [Interjections.]

Mr S P MHLONGO: Point of order, Chairperson! Point of order, Chairperson!

The HOUSE CHAIRPERSON (Mr M G BOROTO): Hon member Carrim, please take your seat. Yes, hon Njomane!

Mr S P MHLONGO: Chairperson, what hon Carrim is saying is totally contrary to what the state President, the leader of his party has presented about state ownership of the bank - the central bank. [Interjections.]

The HOUSE CHAIRPERSON (Mr M G BOROTO): Hon member, now you are not raising a point of order. I was giving you an opportunity ... [Interjections.] Hon member ...

[interjections.]

Mr S P MHLONGO: Does he have that audacity?

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The HOUSE CHAIRPERSON (Mr M G BOROTO): Hon Njomane, please, I am going to switch off your microphone. I am giving you an opportunity, hoping you will state a point of order, but you are just debating with the member on the podium. Continue, hon Carrim!

Mr Y I CARRIM: I am happy to have an engagement with any member of the EFF if the Chief Whip sanctions it, outside the House. If the Chief Whip sanctions it, I am prepared to debate with you; so is Thandi Tobias-Pokolo. Now, let me come to this because in our report this is what we actually say - Mr Paulsen, of course, didn't read this. We say: The committee expresses its appreciation to Mr Shivambu for introducing the Banks Amendment Bill, which assisted us considerably on finalising policy issues.

We would not even be able to finish the Financial Matters Amendment Bill within the limited time we had were it not for his Bill. We welcomed his Bill, but to say that Mr Momoniat suddenly introduced the Bill is incorrect. Firstly, it is not Mr Momoniat that introduces a Bill.

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How long have you been in this Parliament? Since 2014, at least, right? Don't you know that a Minister introduces a Bill. When you think of Minister Tito Mboweni, can you imagine him being manipulated by anybody, even somebody who is from the Tsonga community, instead of focusing on Ismail Momoniat's racial background.

Let me put this to you: I, personally, have known Ismail since the early 80s. I cannot accept - nor does the study group of the ANC - a person that is racist to accuse a person ... [Interjections.]

Mr M N PAULSEN: Chairperson! Chairperson!

The HOUSE CHAIRPERSON (Mr M G BOROTO): Hon Carrim, please take your seat. Yes, hon Paulsen!

Mr M N PAULSEN: The hon member is misleading the House.

Nowhere did we mention Mr Momoniat's race - nowhere!

Nowhere did we mention it!

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The HOUSE CHAIRPERSON (Mr M G BOROTO): Hon member, that is a point of debate, again!

Mr Y I CARRIM: It's not even a point of debate. There is a letter where Mr Shivambu expresses his anger that the committee voted by a majority against his Bill. It is there; he defines Mr Momoniat as a racist. "It is his Bill" - you are repeating that point. It is not Mr Momoniat's Bill. I cannot imagine this current Minister or Deputy Minister just being swallowed up by this DDG.

Now, let me put this to you: If you look at our report where we reject the Bill, we have given three reasons as Professor from the NFP has said. But, let me put something else to you: We have not said no to provincial banks. We have said we are not ready to decide on that; we need further discussions. The new incoming committee will do it, and your teller bank continues.

We have not said no in principle to municipal banks. We have said in future that maybe something to consider. At this stage - since it is the people's money - you can't

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be a populist about it. You have to accept: It is the people's money! We have no right - no right whatsoever - on the current situation of the performance of state-owned entities to say let us have a bank in every sphere.

Also, in the very report that you voted for - the Financial Sector Transformation Report - in this House in November 2017, supported enthusiastically by the hon Shivambu, we agreed that we should first licence the Post Bank and let us learn from that experience, not plunge into setting up a plethora of state-owned banks. Let us see what comes out of the lessons from that experience.

Given a chance, at some stage, Ms Ngwenya will respond to you in the next debate, but the Land Bank works very well. The Development Bank works very well. Look at some of the examples in India and other post-colonial societies. [Interjections.] State-owned banks work very well - they reach communities - but the financial sector that you love so much will never ever do! [Applause.]

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Yet, you will go for the votes of people who are excluded and marginalised. [Time expired.] That came out so clearly in the Financial Matters Amendment Bill.

[Applause.]

Question put: That the Bill not be read a second time as recommended by the committee.

Voting.

Bill will not be read a second time.

**CONSIDERATION OF REPORT OF STANDING COMMITTEE ON
FINANCIAL MATTERS AMENDMENT BILL**

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY moved: That the Report be adopted.

Question put.

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Voting

Agreed to.

FINANCIAL MATTERS AMENDMENT BILL

(Second Reading debate)

Ms T V TOBIAS: Hon Chairperson, before I start with my speech, I need again, for the third time to put it on record that hon Steenhuisen said I came from the cellar. Hon Steenhuisen has been implying for more than a week that I came go to the bar. He was made to withdraw but he just repeated it again. Before I start with my speech I want to protest to be labelled drunk by hon Steenhuisen. I ask for the Chair to rule on that, please.

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon member, since that we didn't hear, can you please put it in writing and send it to the right places because it was not heard in the House. It will be taken care of. I will allow you to continue with your debate. Thank you.

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Ms T V TOBIAS: Hon members, just before the beginning of this debate we had a very interesting discussion which has exposed that the DA does not want the South African financial sector to transform. It has also exposed the DA that it does not want the government to own a state owned bank to assist South Africa Social Security Agency, SASSA, receivers to get their moneys without interest charged by commercial banks. I hope the voters are listening and they are aware that the DA represents the views of the capitalists.

As I continue, the Financial Matters Amendment Bill seeks to amend five pieces of legislation namely, the Insolvency Act, the Banks Act, the GEPF Act, the Military Pension's Act and the Audit Profession's Act. These pieces of legislations will give effect to the Financial Amendment Act. The Banks Act of 1990 which was supposed to amend other legislations will be dealt with at a later stage.

We also did not deal with the Audit Profession's Act of 2005, due to time constraints and our committee could not

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finish the latter but, that the 6th Parliament as the Chairperson has indicated will consider that.

On the Insolvent Act, we are hereby bringing South Africa in tandem with the G20 International Obligations on exchange of margin and also to ensure that collateral exchange as margin is realisable. I am going to pause and explain. If two counterparties make a transaction, which we call over-the-counter derivatives, they are supposed to have collateral amongst themselves. In an event that one counterpart defaults, the over-the-counter will immediately be withheld by the counterpart that has been done a raw deal. This is what the DA does not want. I will explain why. It is because the counterparties that we are talking to in this context are the banks. Therefore, they want the banks to transact and anybody can lose their money and it doesn't matter.

We said as the committee that as we do that, we should make sure that the law is not in conflict with other legislations including the draft margin notice which

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should be published in the current fiscal year. This is also a very simple and straight forward matter.

On the second issue, which is amending the Banks Act, we are giving effect to the national conference resolution of the ANC to establish a state bank. Today, it's a big day for the ANC because Members of Parliament are implementing the ANC's 54th National Conference Resolutions. The ANC has realised a need to capacitate the developmental state to be responsive to the poor, the working class and the middle class majority. Therefore, the establishment of a state bank is a quantum leap that we have realised.

This piece of legislation will empower state owned entities to apply for a banking licence. However, let me put a rider. Hon Ngwenya gives an impression that the reason why we want to establish a state bank is because we want to loot. Incorrect! She also says we need financial literacy! Hon Pandor, you have been here for the past 20 years, we are able to manage a budget of trillions of rands by this black-led government. We

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inherited a bankrupt state led by the National Party. We cleaned it. We made it to have money in the reserves. That is why this financial year, we were able to save R16 billion in reserves. Therefore, no can tell us about financial literacy. Many experts here... I see one of them, Ibrahim Patel. As I continue, this piece of legislation will not give a blanket approach to provision of licences as hon Carrim has explained. If a state-owned enterprise wants to establish a bank, it will have to do that in concurrence with the Minister of Finance and the reason being we want to check the financial soundness of such an entity to be able to operate as a bank because the prudential authority regulations will also apply for financial soundness. So we are just bickering. We are following the prescripts of the law.

This legislation will also separate the Post Bank from the operations of the Post office. The past experience has taught us that the money of depositors were used by the Post Office to fund its operations which you could not do in a normal commercial transaction because that is a work of banks. That is why we are trying to separate

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the two. So there is clarity as to why we are doing it in this way. Principles set out by the prudential authority in financial soundness and a business model will always define any financial institution, its governance models.

One should also hasten to indicate that it is in a capitalist state where market failure is experienced therefore, the role of the state to intervene in the market becomes imperative. One can also argue that privatisation has not necessarily provided solutions for public interest and for the public good. Private capital prosper at the backdrop of profiteering and mostly at the expense of the poor. And I am going to make an example. Today, an hon member said to First National Bank, FNB, is charging more interest rates more than any other bank, that is what commercial are doing. Can you imagine if they do it to the poor? The SASSA grant beneficiaries, no. There is no way that the ANC-led government can allow that the vulnerable must be subjected to these profiteering interests of commercial banks. I hope the EFF will support us. Thank you.

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Mr R A LEES: Madam Chair, I too am a frequent guest of the SLOW lounge and I take no offence if someone mentions that and you are free to do so. The hon Tobias is absolutely correct ... [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Hon Lees, can you take you seat.

Ms G N M PANDOR: House Chairperson, on a point of order:

The HOUSE CHAIRPERSON (Ms A T Didiza): Yes, hon Pandor.

Ms G N M PANDOR: I wonder whether the hon Lees in his "I too" is indicating that the hon Tobias has been dishonest in saying she does not drink and does not go to that lounge. [Interjections.] Is that the implication of his "I too"?

The CHIEF WHIP OF THE OPPOSITION: Point of order! Point of order!

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Steenhuisen, can you take your seat, I was still listening to the

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point of order. Hon Pandor, unfortunately I couldn't hear your last part because there was another point of order.

Ms G N M PANDOR: The hon Chief Whip of the Opposition ... of the DA ... of course wouldn't let me complete.

[Interjections.] Chairperson, the point is the hon Lees... I am asking that he should clarify. The hon Tobias has protested, more than once ... as been referred to as a person who spends time in the bar consuming alcohol. [Interjections.] She did so today as well after aspersions were being cast on her. The hon Lees, as he began his speech said, "I too". I am asking whether the "too" is a reference to the hon Tobias who has more than once said she is offended by this reference and actually challenges that it should be withdrawn and I believe is going to make a formal complaint to the Speaker. So the "too" - if it includes her - offends in terms of our Rules.

The HOUSE CHAIRPERSON (Ms A T Didiza): Thank you hon member. hon Lees, can I just ask for your clarity? I think the question has been raised for you to clarify

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your statement. [Interjections.] Yes, I will take your point of order. [Interjections.] No, I have never asked him to withdraw. I have asked him to clarify, that was the question that he can clarify the "I too".

[Interjections.]

AN HON MEMBER: We all go there!

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Hon Steenhuisen, you have not been recognised. Hon Lees, can you please just clarify.

Mr R A LEES: There is nothing to clarify. Whoever the "too" applies to is whoever it applies to Madam Chair, so, I didn't mention hon Tobias or any other member of the House.

The HOUSE CHAIRPERSON (Ms A T Didiza): I will follow up on that issue. Hon Steenhuisen, what was your point of order.

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The CHIEF WHIP OF THE OPPOSITION: House Chairperson, on a point of order: I just want to clarify this because it is the second time now that I have been accused of saying that the hon Tobias was in the bar. I have never said she was in a cellar or the bar. I said she was in the SLOW lounge. The SLOW lounge is an airport lounge obviously but hon Pandor hasn't been there and frankly if the cap fits put it on the bottle. [Interjections.] [Applause.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Steenhuisen, actually I don't think that's a point of order. You are making a statement. I've asked the hon member ...

[Interjections.] Order! Order! Hon Steenhuisen, you're a Chief Whip. I listened, she asked for clarity and I asked the member, he has clarified and I said I will reflect on what he's said. I've not made any ruling so you have got no point really to say what you are saying right now. hon member, can you proceed with your speech.

The CHIEF WHIP OF THE OPPOSITION: House Chairperson, on a point of order: May I address you on Rule 85 then because what the hon Pandor has in fact done is cast aspersions

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on me as a member of this House. [Interjections.] I've never once accused anybody of being in the bar; I've referred to the SLOW lounge. I'm happy to take the hon Pandor there and show her that there are non-alcoholic libations in that lounge as well.

The HOUSE CHAIRPERSON (Ms A T Didiza): You can take your seat. Hon Lees, can you please proceed. [Interjections.]

Mr R A LEES: Madam Chair, hon Tobias is absolutely correct when she says that South Africa, in 1994, was bankrupt. It came out of a time of evil. The majority of South Africans had been treated appallingly and evilly and the country was bankrupt. But, the fact is, that today the country is bankrupt once again and we are facing a fiscal cliff and we hope and pray that we are finally downgraded to full junk status on 29 March.

The Bill before us today is an omnibus Bill that seeks to amend the five Acts of Parliament. The DA agrees with much of the Bill but remains opposed to the creation of a state-owned bank. The South African economy has been so

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mismanaged by the ANC. It has resulted in some 9,7 million South Africans being unemployed. Given the mess in the South African economy it would be completely bizarre for any party in Parliament to want to score yet another own goal by opposing the amendments to the Insolvency Act. Please take note hon Tobias. To oppose these amendments will mean that South Africa will fail to comply with its international obligations which may result in domestic banks not being able to continue with Over-the-counter, OTC, derivative transactions after September 2019.

The second Act to be amended is the Military Pensions Act. This amendment is a no-brainer as the Act currently falls foul of the Constitution with regard to gender neutrality. The third set of amendments supported by the DA relate to the Government Employees Pension Fund, GEPF. These amendments deal with unintended consequences of a previous amendment dealing with the allocation of a value to a spouse's share in the fund when a member is divorced. The current methodology entails establishing a debt owed by the member to their spouse as at the date of

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divorce. This debt with interest becomes payable when the GEPF member exits the fund. A consequence of this has been found to be that the member who exits the fund is left with a low or no gratuity and an inadequate monthly pension. The amendment makes the allocation between divorced spouses equitable as it will be based on pensionable service and is in line with other pension funds. Whilst the DA believes that there is a need for the Independent Regulatory Board for Auditors to have greater powers to hold auditors accountable, the amendments contain a provision on search and seizure which the DA believes could be unconstitutional.

Whilst it is true that there is now insufficient time for the Standing Committee on Finance, SCOF, to deal properly with the amendments to the Audit Profession Act this could have been averted had the amendments been dealt with immediately after the audit profession failures at Steinhoff, VBS and other failures and it became patently evident that there was a problem.

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The delays in reacting to the Independent Regulatory Board for Auditors, IRBA, approaches for help were simply not necessary. There was no reason for not bringing a stand-alone Bill to amend the Audit Professions Act months ago. Thank you Madam Chair. [Applause.]

Mr M N PAULSEN: Chairperson, the Financial Matters Amendment Bill proposes amendments to the Banks Act, the Insolvency Act, the Military Pensions Act and the Independent Regulatory Board of Auditors. The proposed amendments on the Banks Act, is copied from the EFF Banks Amendment Private Member Bill, and the hon Carrim has admitted that, but he is going to be a funny little man in comedy night here later on.

The Treasury and the ANC representatives in the Portfolio Committee on Finance were one of the first to come forward and ridicule the need for a state-owned bank, and call it irrational, misguided and undesirable, when the EFF tabled its Banks Amendment Bill in the form of a Private Member Bill. They did so because they lack ideological and political resolution, and are too busy

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defending the status quo and white-owned banks that exploit and charge people higher interest because they are black.

Hon Tobias, you must not be scared to state it as it is, the FNB doesn't charge everyone more; the FNB charges black people and Africans in particular, higher interest rates just because they black. We are not a surprised by this. We also know that this is not done only with home loans, but it is done with all banking services.

We know that black people are charged higher interest when they buy cars and when black people fail to pay instalments, they are not given a chance to make financial arrangements, and instead, their cars are repossessed immediately. We know that black people are charged higher interests when they apply for personal loans, credit card and even on bank charges.

White-owned banks have degenerated so much that they have now made it a policy not to lend black-owned businesses money, simply because these businesses are owned by black

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people. This is not only happening in the banking sector, the whole of the financial sector hates black people, exploit black people and go out of their way to ensure black people continue to live in financial misery.

Black people pay higher premiums on insurance, black people pay higher premiums on funeral covers; black people pay higher premiums on funeral covers, black people pay higher premiums on life covers and black people pay higher premiums on any financial product that you can think of. When we call for state-owned banks, beyond the strategic importance of such banks, we also know that banks affect the lives of people in many ways.

We want a state bank because it will take into account colonial history when it demands collateral. A state-owned bank will give people a chance to work their way out of financial misfortune and continue to fulfil their commitments instead of repossessing properties as a first option. A state-owned bank will give credit to small black-owned businesses that qualify to grow their businesses.

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Because the Bill was opportunistically introduced, it failed to appreciate the need to overhaul the banking sector. We do not believe the executive have any intention to implement the Bill. But also, the National Treasury has abused the incompetence of the committee and it has used the Financial Matters Amendment Bill to lump together too many legislations that are important and each of these Bills needs special attention.

This is malicious of the National Treasury and until the arrival of the EFF in Parliament, they were law unto themselves. Not long ago, the EFF prevented unlawful promulgation of Financial Sector Regulation Act regulations because of the same malicious mentality. The EFF will gain the necessary quantitative strength to pass this Bill correctly in the Sixth Parliament.

We have proven with the land question, free education, state capacity and now with state-owned bank that there is absolutely no one who can stop the ideological and political might of the EFF ... [Interjections.]

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The HOUSE CHAIRPERSON (Ms A T Didiza): Order hon member, your time is up.

Mr M N PAULSEN: ... and it doesn't matter how many kitchen girls you appoint on this side, you will never silence us.

The HOUSE CHAIRPERSON (Ms A T Didiza): I am switching off your microphone now.

Mr N SINGH: Hon Chairperson ... [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order hon members, hon Paulsen and members of the DA, can you please allow another person to have their chance? ... [Interjections.] ... Can you take your seat? You can proceed, hon Singh.

Mr N SINGH: Hon Chairperson, as we've heard, the Financial Matters Amendment Bill is an all encompassing Bill that makes provision for amendments to a number of provisions in different pieces of legislation including, but not limited to, the Banks Act, the Insolvency Act,

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the Military Pensions Act and the Government Employees Pension Law.

Now, hon Chairperson, with regard to the amendments to the Banks Act, we fully support the amendments that have been proposed and as I have said earlier, it goes further than what was proposed in the Private Member Bill. However, I think it is extremely important for us to look into the private-owned banks we have currently.

To this end, the allegations and the reports of discrimination against black persons who were charged more interest rates need to be investigated thoroughly, and to that end, the IFP will support the calls by a number of organisations for the President to set up a commission of inquiry to follow up on these issues. We cannot have that kind of alleged discrimination 25 years into our democracy.

Hon Chairperson, with regard to the state bank, the IFP will support the establishment of a state bank, and in particular, we look at sector-specific banks, agriculture

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banks and banks that would provide housing loans. We know that at the moment, those that are earning between R7 500 and R15 000 a month, find it very difficult to get a loan.

I also know that our banks have made pronouncements before in connection with this, but nothing tangible has happened. So, that community cannot actually get a loan. If we can have a state bank that can provide housing loans, then it would be easier for them to access loans through a state-owned bank because we would appreciate the plight that those people find themselves in.

When it comes to agricultural banks - I remember, hon Chairperson, when I was the MEC - we supported and promoted agricultural banks because a number of the established banks would want collateral whenever somebody wanted to enter into the agricultural sector, and many of the small scale farmers don't have collateral.

Therefore, what we would like to see is that sweat equity must be considered collateral. If there is a business

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plan which provides that an individual or a group of individuals would be able to put sweat into agricultural initiative that should be considered sufficient collateral to lend them money.

We have prime examples of that happening in India, a developing country, housing banks, the Grameen Bank in Bangladesh and I don't see why it cannot work in our own country with sufficient checks and balances. Chairperson, it is unfortunate that they were not able to look at amendments to the Auditing Professions Act, and I trust that in the Sixth Parliament that will be looked at very seriously. We would support the Bill. Thank you. [Time expired.]

Prof N M KHUBISA: House Chairperson, the NFP supports this Bill. The Bill seeks to amend the Insolvency Act of 1936, the Military Pensions Act of 1976, the Banks Act of 1990 and the Auditing Professions Act of 2005 to deal with these pieces of legislation in particular. It is therefore important that the new Bill deals with matters relating to the adjudication and of disputes and

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settlement depending on the documents that were submitted.

Of course, we see also that the Bill allows the creditor to be able to repay the net proceeds under a master agreement. We have just debated the Banks Amendment Bill, it is therefore important that state-owned companies should meet the requirements of the Banks Act in order to apply for the authorisation to be established as banks. Now, House Chairperson, when it comes to the Government Employees Pension Law, it is important that the Bill considers the plight of spouses who are left when the spouse of their partners whose property was registered in their names have died, so that their plight is catered for as well. The NFP supports the idea of a state bank.

Now, banks have a mammoth task to execute. They have to adopt a paradigm shift when it comes to funding small and medium-sized entities, SMEs, which need capital. The banks must transform and play a crucial role in societal development, and be part of a broader vision of dealing with poverty, unemployment and dealing with gaps that

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take our people to the periphery in areas of recourses and seed capital. For that reason, Chairperson, we will support the Bill before us. Thank you.

Mr N P NHLEKO: Hon Chair, hon members, this Bill proposes that state-owned companies must first obtain approval from the Minister of Finance, acting with the concurrence of the minister responsible for state-owned companies, to apply for authorisation to establish a bank. The Bill further addresses the long outstanding issues of transformation and the financial sector and the licensing of the Post Office as the bank.

This is in line the ANC's 53rd Mangaung conference which resolved that the ANC must take urgent and practical steps to build the capacity of the democratic state within the context of the National Development Plan, NDP. Ladies and gentlemen the economic function of a commercial bank constitutes an aspect of a country's financial system with the specific focus on keeping people's savings, allocating savings to borrowers, in the form of loans and other instruments. Managing the risk of

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keeping large sums of money and channelling savings to borrowers, in so doing they charge interest, thus they exist first and foremost to make a profit for their shareholders, who invariable are not the poor and marginalised of the country.

A multibillionaire Warren Buffet aptly underscores this point when he says

It is true that a market system does not pay as well in some activities, as might seem appropriate for the importance of those activities to society.

He went further in making an example of the teaching profession, asking his audience, as to who will not want their kids to have a very good teacher and noting that regardless teaching does not pay well.

The fact of the matter ladies and gentlemen is that we are dealing with poverty as risk to the long term stability of the country. Thus we are socially obligated to build a peaceful country and the society at peace with

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itself. There is no peace without justice and this includes economic justice, essentially this talks to an obligation to make our country to belong to all substantively both politically and economically.

It must be noted that a rich country such as ours, with high levels of foreign investments rapidly is developing a economy on the hand and on the other a great number of people living in abject poverty, is an amoral society, therefore we do need a state-owned bank. A bank that will reinvest its profits back to the needs of the poor, who are African and Black in general, that, will be a responsible and human investment into the country's people long stability and peace, to the benefit of all our country's people and future generations.

Bank constitute part of the commanding heights of the economy, resultantly they are a linchpin pin to economic amelioration especially for the majority of our people languishing in financial dire straits. In our mandate to safeguard not only political transformation but crucially economic and social justice, they need to be innovative

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re-examination into how the state can bring tangible hope.

Glaring economic disparities give a telling account in a system where four banks: ABSA, First Rand, Nedbank and Standard Bank dominate the financial market, despite the subdued economy, posting profits of R4,4 billion in the six months ended in June, up to 12,1% year on year against the first six months of 2017, may not be the key to rescue the majority out of poverty. A PricewaterhouseCoopers' study thus aptly shared light on the point of a need to metamorphosise the financial system for it to be all-inclusive.

A World Bank report of August 2018 has indicated how South Africa's financial products are too complex for customers to grasp, further compounding this unnameable reality in high fees and unfair banking system attached to these services. Ladies and gentlemen big businesses is crucial to drive the economy but self evidently on its own has a truncated reach to most vulnerable in need of assistance in meaningful economic participation.

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As a sustainable way forward to transform our economy and improving livelihoods, inevitable requires an intervention such as the state-owned bank and the key question is as a country in the full glare of our socio economic empirical evidence, is it a opportune moment for us to take a leaf from the Chinese and the Indian experience as sighted by the World Bank report on 2030 target to eradicate poverty.

In the said report, it is stated that between 1990 and 2005, China is said to have lifted 840 million people out of poverty, with India in 2010 said to have lifted 399 million of its poor out of poverty. Perhaps this experience as captured in the World Bank report amplifies the point asserted by the Hungarian born US investor George Soros that:

If we care about universal principle such as freedom, democracy and the rule of law we cannot leave them to care of market forces, we must establish some other institution to safeguard them.

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The idea of a state bank therefore provides for the economic leverage and impetus that caters for all and in particular the marginalised. Such a bank will have to accumulate capital with the capability of lending and focusing on the developmental needs of South African society. Failure by us to accomplish this will be to allow millions of the people of our country to die under the weight of abject poverty and squalor in order simply to acquire immeasurable wealth, will as Buffet asserts be a terrible mistake. Thank you.

Ms G S A NGWENYA: The executive came to us to really present a Bill that is designed to steal the EFF's thunder and let's face that's really the political game that we are engaged in at the moment. The EFF and the ANC are trying to out-Hugo Chavez each other. It started with free higher education, then it is appropriation of without compensation; it's really like children fighting over Halloween costume at this point. I am the crazy radical, no, I am the crazy radical, and in any case here we are.

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One of the requirements of this Bill is that state-owned company that wants to apply for authorisation to establish a bank must first the approval of the Minister of the Finance along with the concurrence of the Minister responsible for state-owned companies. Now, if it's not obvious already, the DA does not support but if this Bill is going to pass, the DA did urge in the committee that subscriber acquisition cost, SAC, should also be required to get the approval of Parliament, since applying for banking licence would be fundamentally change the mandate of that state-owned company.

Ministers should not be able to unilateral alter the mandate of the state-owned company. Now, let's assume, for example, that SA Airways, SAA, was in good financial health; this Bill would Ministers unilaterally agree on significance expansion of SAA's mandate. Now, furthermore, the Bill is silent on the Bill's applicability to provinces, the committee decided not to deal with this matter because they said there was not enough time. So, it is the ANC's intention to bulldoze

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through poorly considered legislation because the ANC government cannot its own legislative priorities.

Now, if we look to the point that was raised about the existence of other banks. The point is that these are not retail banks; there is a fundamental difference between what's been proposed today and the state banks that currently exist. We can't compare oranges and apples. Hon Tobias also says the DA does not want financial sector transformation. The truth is that the financial sector transforms all the time.

There is a great deal of innovation and change in the financial sector. The arrogance of the ANC is that the financial sector needs you in order to change. Now hon Tobias also says that ... well, she wants to take me to task about financial literacy. Now, I am not the one that sits in the Finance Committee and says they know nothing about finance. Your own members are guilty of that and if you don't believe me, you can refer to the Finance Committee transcripts, where members often say please slow down so and so from Treasury I don't understand

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finance. So, I am simply taking your own members at their word. [Applause.]

Now, also you want to stand up here and talk about low interest rates with no link between interest rates and risk profile of these customers. So, who doesn't understand finance now? So, you want to offer low rates, I assume high rates for depositors and this bank is not going to make any profit and you want to tell me that you are financially literate. Now, using bleeding-heart principles to dish out loans is the way bleed money.

Now, lots of the reports say that committee fully supports the expeditious processing of the licensing of the Postbank, members let me be quiet clear about this, and this Bill has got absolutely nothing to do with Postbank, whether the Postbank should apply or receive a banking licence has nothing to do with this Bill, and is the same forging of the issue that I tried to clarify in the Committee, but the ANC and the EFF simple would not listen. This Bill asks us to consider whether any state-

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owned company should be able to apply for a banking licence. Postbank is not mentioned in this Bill.

If the intention is to give Postbank a banking licence there is no reason why special provision could not have been made for Postbank. There is entirely separate debate, so we can not consider whether Postbank requires some licence or not. The reality is this Bill in its current form, opens for door not only for Postbank to get through but means that Postbank once is through the door, it won't be able to turnaround and shut the door closed behind it. That is absolutely what we should...

[Inaudible] [Time expired].

Mr Y I CARRIM: Comrade Chair, comrades and friends. We are not this committee certainly academic seminar room Ms Ngwenya refuses to appreciate. You see how Ms Ngwenya operates, she will ask you; why do you need state-owned banks? After one hour and 15 minutes at least 45 minutes initially but one hour and 15 minutes to explain to her in G26 why we want a state-owned bank. Then, she will say: Why do you not want a state-owned bank? [Laughter]

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Then we have to address that issue again. She will then come back and say; no this is the amount of time we are wasting as if this is a seminar room. She actually pushes my tolerance as a Chair. I mean when you are 62 it is quite straining, even more than Mr Shivambu does, because we go around in circles [Interjections.]

Now, let me put it you EFF. There was a gentleman I forget, if I can call him a gentleman maybe a comrade of some past historical accident right, but he spoke on behalf of Mr Shivambu. Let me tell you this, he turned up at a meeting here in G26. He replied to Ms Ngwenya not knowing the Bill in a very adroit manner, Mr Shivambu was not there, your EFF member replied. Ms Ngwenya two weeks later raises the issue again, then it comes to February, she raises the issue again. I think, if you look at the hectoring lecturing tone, Ms Ngwenya you are an MP, I think I have humoured you enough as a Chair, I doubt that the next Chair will, you must just engage with the facts [Interjections.] Secondly, no let us get something clear, the Land Bank and Agriculture Bank of South Africa has worked. If it was not for it filling in a knish for the

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poor and disadvantageded, the many beneficiaries who are mainly African and black smooth generally, would never have been given a chance in the economy. All we have to do is learn the lessons from this bank in fact Treasury suggested that let us call in the Land Bank as well and that is what we suggested a new committee does and learn the lessons and apply them to retail.

The problem with the DA is that it is inherently incapable of recognising anybody apart from the private to deliver. When the private sector is showing dismalness since 2008, it cannot deliver to the poor and disadvantaged

I think that we must also recognise that this Bill is not unlike what the EFF and Ms Ngwenya suggest. This Bill has not been foisted on the committee; it has not been rushed in fact, playing a previous rule, I know in 2014 the Department of Communications went to Treasury and asked for the licensing of the Post Bank and that matter was taken forward then. In fact, in 2015 the new Minister of Postal and Telecommunications approached me as the Chair

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of the committee and said, Yunis can you please put pressure on Treasury, we need this Bill? We approached Treasury in 2015, well before Mr Shivambu's Bill came to say, can you just bring us a stand-alone Bill just dealing with the licensing of the Post Bank. So, for Ms Ngwenya to say quite bizarrely that this has got nothing to do with the licensing of the Post Bank is really strange it is utterly ridiculous in fact quite bizarre almost surrealistic.

We are very clear; let me be very clear that the Post Bank, Ms Tobias-Pokolo is right. Overtime, as the Post Bank develops its strength and experiences running of a bank, it will at some stage or another, in fact I would imagine Cabinet would approach it. I see the Minister of Public Service and Administration saying, why can't we pay public service salaries via the State Bank? Why can't we pay Members of Parliament salaries and the Members of the Legislature and further down the road to councillors through the Post Bank? This is something that is on the agenda but it is not going to be recklessly done and placed out of experience. We will look at whether we need

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banks in other areas, but on the issue of a state-owned bank, you have lost the debate, it is over, come to terms with it.

On the issue of the IFP and the NFP, Mr Khubisa and Mr Singh, there is very little from what you said that I can see as distinct from what the ANC says. I ask you, in KwaZulu-Natal, what is the real battle about votes? It is really between the IFP, ANC, and NFP on one side and those who in some or other form, care about the poor and disadvantaged in a social democratic inorientation and the free marketeers. The free marketeers will learn nothing. They defend the private sector even more that it defends itself.

When it came to the financial sector transformation, it is very interesting. The banks ring me and say, Mr Carrim we like your hearings, we really think you are being very fair and balanced. It is not me but I mean the committee as a whole, but obviously that I am the Chair. Yet Mr Maynier goes around saying to everybody, do not come, they are going to slaughter you, it is radical economic

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transformation and so on. The banks ring us to say, what is Mr Maynier going on about? We decide on the Financial Sector Regulation Act. The Reserve Bank comes there; Unathi from the Reserve Bank says that he agrees there should be a transformation agenda. Mr Maynier being the self appointed spokesperson of the Reserve Bank says, this Bill will destroy the Reserve Bank when in fact a senior representative of the Reserve Bank himself says, welcome to transformation it is necessary.

Let me make something clear to the EFF. Mr Paulsen, you in fact seem to be reading the speech of your research without understanding it, with due respect to you right. In fact, all the things you say Mr Paulsen are exactly, ok I withdraw that let us move on.

Mr N PAULSEN: Chairperson, I will "moer" you if you try that again.

Mr Y I CARRIM: I withdraw

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The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Paulsen, you know the language that you have used is unparliamentary.

Mr Y I CARRIM: I withdraw, I withdraw it is fine. The point that I want to make Mr Paulsen is you give a litany of examples of discrimination against African people, but that is precisely why we have a state-owned bank. It is for the very reasons you say and yet you are opposing it simple because it is not your Bill. Let me put something to you, Mr Shivambu's letter, you obviously have access to it, the words that you are using from Mr Shivambu's deeply offensive and racist letter, it actually says the Bill was rushed when I am telling you the version to the Bill, the Cabinet Ministers will tell you was circulating in 2015.

When I spoke to the department at the time, the Minister of Telecommunications and Postal Services approached me and said to me there is a Bill, please push them to have it. So can't say that this Bill came long before

[Interjections.]

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Mr N PAULSEN: I have a problem when this bloke here, this MP here...

The HOUSE CHAIRPERSON (Ms A T Didiza): There is no bloke, it is an hon member.

Mr N PAULSEN: Hon Shivambu is not here, and he continues raising things that he should raise with Mr Shivambu.

The HOUSE CHAIRPERSON: (Ms A T Didiza): Can you take your seat, can you take your seat.

Mr N PAULSEN: I am not going to tolerate this. Not this time [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Can you please your seat. Hon Carrim, can you continue [Interjections]

Ms T V TOBIAS: Hon Chair, hon chair, hon chair, hon Paulsen vulgared in the House. He said I will, I do not know whether I should say the word. The m-word.

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The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member, I would look at the Hansard because unfortunately I did not hear that as there was a lot of noise.

The CHIEF WHIP OF THE OPPOSITION: Sorry House Chair, what was the m-word, mampoer? [Laughter]

The HOUSE CHAIRPERSON (Ms A T Didiza): Can you please take a seat. Hon Carrim, can you proceed?

Mr Y I CARRIM: I want to end on this note because I have just spoken to Ms Tobias-Pokolo. You see Little John here, the pompous Little John otherwise known as Mr Steenhuisen ...

The HOUSE CHAIRPERSON (Ms A T Didiza): They are hon members here hon Carrim [Interjections], order, order hon Carrim.

The CHIEF WHIP OF THE OPPOSITION: Point of order.

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The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Carrim, can you please withdraw, there is no Little John, there is hon members.

Mr Y I CARRIM: Alright, alright, they know what I mean.

The CHIEF WHIP OF THE OPPOSITION: House Chair, the reason I know, it is Mr Carrim's last speech in this House. Maybe he should be a bit more generous.

The HOUSE CHAIRPERSON (Ms A T Didiza): Can you please take your seat, hon Steenhuisen.

Mr Y I CARRIM: Let me make something clear.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members, order hon members. All of us here are on our last term of the Fifth Parliament. I do not think that issue arises. Hon Carrim.

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Mr Y I CARRIM: Can I make this point clear. Ms Thandie Tobias-Pokolo is clear, she does not drink. She has not been in that slow lounge for 15 years. It is pejorative

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members, order hon Carrim, hon Carrim.

Mr Y I CARRIM: Yes.

The HOUSE CHAIRPERSON (Ms A T Didiza): Can you take your seat. Hon Pandor, what is your point of order?

Ms G N M PANDOR: Hon Chair, we should ask the hon Carrim not to mislead the House because Little John was very tall and very powerful. [Laughter]

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Pandor, I actually...

Mr Y I CARRIM: Thank you for that. You know what...

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The HOUSE CHAIRPERSON (MS A T Didiza): ... asked him to withdraw that because in the reference of the House there is hon members. Can you please finish your speech hon Carrim.

Mr Y I CARRIM: The Minister, I have got one point - Ms PANDOR is somebody who knows the rules very well. If she can stand up normally very temperate and sedate object that...

The HOUSE CHAIRPERSON (MS A T Didiza): Can you come to your speech and conclude hon member.

Mr Y I CARRIM: I am responding to a matter that is raised by Ms ...

The HOUSE CHAIRPERSON (Ms A T Didiza): I have ruled on the Little John matter, can you please take your seat.

Mr N PAULSEN: Is this guy drunk? This guy is drunk, does he drink? Does he drink? You are drunk.

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The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Paulsen, can you take your seat.

Mr Y I CARRIM: I am not dealing with Little John. I am dealing with the matter that Ms Tobias-Pokolo's children will be reading this pejorative reference, it will be in Hansard and in fact in future somebody 10 years from now or 30 years from now when Ms Tobias is not around will actually conclude from the pejorative references from Mr Steenhuisen that she is in a stupor of a drunk ... and I am saying that is wrong.

Mr J J MCGLUWA: Point of order of Chair.

The HOUSE CHAIRPERSON (Ms A T Didiza): What is the point of order?

Mr J J MCGLUWA: It seems that Little John is chief lieutenant of Pandor.

The HOUSE CHAIRPERSON (Ms A T Didiza): That is not a point of order, hon Carrim, can you conclude your speech.

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Mr Y I CARRIM: Can we come back to this that essentially this is opening a new era. It is a very signal achievement of the ANC. It has been on our agenda since 2007 and we should make no apology for the state-owned bank. While the DA's Ms Ngwenya raises a plethora of questions, most of them are actually in the Bill. There are checks and balances; she is confusing the EFF Bill from our Bill. Mr Khubisa said it out very well the three fundamental reasons but there were two more about why our Bill that we passed, the Bill that came from our agenda is significantly better than the EFF's Bill. Thank you.

Hon member: Point of order Chair.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon Steenhuisen. Can we allow the Deputy Minister to make his input? I once again remind all of us seated here that our term comes to an end on 7 May 2018 midnight. So, parties after the vote will decide who comes back. So, to answer the question who gives the last speech, I am sure all of us we will be speaking now until next week will be giving our last speeches. So, can we allow the Deputy Minister

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to continue? Order, hon members! Can you please take your seat? Let me allow hon Mnguni.

Mr P J MNGUNI: Hon House Chair, I just wish to rise on Rule 69(c) read in concurrence with Rule 69(e) and request you to consider a deferred ruling regarding the gross disorderly conduct. Let me not read it, but insist that there are instances through and through this afternoon of Mr Paulsen which are tantamount to gross disorderly conduct and actually invite you as the House Chair to really consider those and give us a considered ruling at the appropriate time. Thank you.

The HOUSE CHAIRPERSON (Ms A T Didiza): Can you take your seat? Thank you.

The CHIEF WHIP OF THE OPPOSITION: House Chairperson?

The HOUSE CHAIRPERSON (Ms A T Didiza): What is the point of order?

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The CHIEF WHIP OF THE OPPOSITION: May I also ask in that current spirit that we finally get the ruling on Mr Dirks showing the middle finger to this House?

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member, you know that the person who was presiding would make that ruling if the time comes, but also as you know that the matter was referred to the Ethics Committee, so that matter is being dealt with them.

The DEPUTY MINISTER OF FINANCE: Hon Chair, I think there is a certain value system you can't change in ideology, in particular that of liberals which is very fixated for instance, they don't believe that in the development you need to create conditions for the weak to also participate and get to a level of the strong.

So, if you read a book "kicking away the ladder", it will demonstrate to you how the liberal strength of the free trade strength leadership of England was built on colonising African countries, so that England could actually prosper. It is recorded. It is in laws and you

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can go to archives. It will explain to you that no less than 100 years America took before it joined free trade. It had to be structured and constructed, so that they can participate effectively. Now, you want to come and tell us that you follow them yet you want us to do something different here at home.

We have an ambitious reform agenda in financial services to strengthen financial stability and market conduct, combat financial crime and most importantly bring financial services to all of our people.

South Africa must enable an environment for investment and cross-border banking. It is also important that we change our laws, so that we promote and protect gender equality and afford protection to all types of relationships. It is also important that we ensure our public servants are protected when they retire.

Over the counter derivatives, we were one of the causes of the 2007-2008 global financial crises. South Africa made international commitments as a member of the Group

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of Twenty, G20, to strengthen the regulation of these derivatives.

The amendments to the Insolvency Act, 24 of 1936 are required to comply with South Africa's international obligations. The President committed to a mutually-agreed G20 deadline of September 2019.

In the event of the default of one of the counterparties, collateral will be immediately available. This will substantially reduce the risk of contagion. This will also support the National Treasury, Reserve Bank and Financial Sector Conduct Authority's work programme on strengthening over-the-counter derivatives. This includes putting in place the legal framework for a central counterparty and a trade repository. This gives certainty in this area.

The Banks Act, 94 of 1990 amendments allow state owned companies to apply for banking licences. The amendments are subject to certain checks and balance which include the South African Reserve Bank, so that it can approve

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the application. Before applying, the approval of the relevant executive authorities, they will be required and there will be solvency and financial viability test which will be applicable.

This Bill applies to national entities. It does not affect state banks currently offering banking services, such as Ithala Bank. Enterprises owned by municipalities will not be able to apply for a banking licence as commercial banking is not part of the core mandate of municipalities.

This Bill is a significantly better version of a similar Bill introduced by the EFF. Their Bill did not include a solvency test for state-owned enterprises applying for banking licences. It was a free for all Bill. Moreover, they did not include checks and balances and an approval mechanism for the executive. The DA may well think that it is Parliament's role to approve the application process for state-owned enterprises. We however believe that this should be left to the South African Reserve Bank, which is constitutionally independent.

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The Bill as introduced, included amendments to the Auditing Profession Act, 26 of 2005. It is disappointing that these couldn't be process and situation was explained.

However, we need to say that the need to strengthen the powers of the regulator for auditors, the Independent Regulatory Board for Auditors is critical.

This is especially so in light of recent, and grave, audit failures in both public and private institutions in South Africa. Now more than ever, we need to strengthen the governance of our private institutions.

The current Military Pensions Act, 84 of 1976, disregards the fact that the military service comprises of both men and women, who are in different types of relationships. This Bill fixes this, and ensures gender neutrality

We have consulted extensively in the Public Sector Bargaining Council on the Government Employees Pension law. We would like to thank our colleagues in the union

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movement for their constructive engagement on this difficult matter. The changes today reflect our agreement.

It is my view that this Bill takes substantial steps towards facilitating cross-border trade, financial inclusion, strengthening the financial system, bringing about gender equality, and fulfilling our agreements with the unions. I dare want to say in the closing remarks that we do this because in particular in the state bank that we have no doubt that financial sector is one of the sectors that are lacking behind.

One of the disadvantage hon Ngwenya of being eloquent when you speak is that you are always listened to and everything you say is picked up. You said it is financial sector that always have to transform. It explains your ignorance of the statistics of the transformation in the financial sector, because you can't be defending them in the manner you do. That is the disadvantage of being eloquent, because we listen to everything you say. So, thank you very much.

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Debate concluded.

The HOUSE CHAIRPERSON: Order, hon members. Allow me before I put the question to actually do what we should have done in the beginning, if we can stand and observe a moment of silent to remember those who perished in a flight in Ethiopia. Remember their families and the various institutions that lost their officials.

Question put: That the Bill be read a second time.

Division demanded.

The House divided.

As the result of the division showed that there was not a majority of the members of the National Assembly present for a vote to be taken on a Bill as required by Rule 96(a), decision of question postponed.

The House adjourned at 19:15