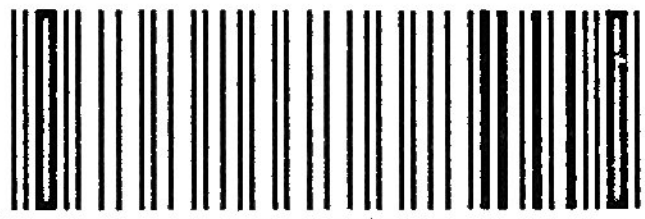
PARLIAMENTARY INFORMATION CENTRE



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REPUBLIC OF SOUTH AFRICA

DEBATES

OF THE

NATIONAL ASSEMBLY

(HANSARD)

FIRST SESSION – THIRD PARLIAMENT

19 October to 12 November 2004

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DEPUTY PRESIDENT

Mr J G Zuma

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Minister of Finance	Mr T A Manuel
Minister of Transport	Mr J T Radebe
Minister for Provincial and Local Government	Mr F S Mufamadi
Minister for Public Enterprises	Mr A Erwin
Minister for Safety and Security	Mr C Nqakula
Minister of Public Works	Ms S N Sigcau
Minister of Social Development	Dr Z S T Skweyiya
Minister for the Public Service and Administration	Mrs G J Fraser-Moleketi
Minister for Agriculture and Land Affairs	Ms A T Didiza
Minister of Communications	Dr I F Matsepe-Casaburri
Minister of Labour	Mr M M S Mdladlana
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Minister of Arts and Culture	Dr Z P Jordan
Minister of Science and Technology	Mr M A Mangena
Minister of Housing	Dr L N Sisulu
Minister of Trade and Industry	Mr M B Mpahlwa
Minister for Justice and Constitutional Development	Mrs B S Mabandla
Minister of Environmental Affairs and Tourism	Mr M C J van Schalkwyk
Minister of Correctional Services	Mr B M N Balfour
Minister of Water Affairs and Forestry	Ms B P Sonjica
Minister for Intelligence	Mr R Kasrils
Minister of Minerals and Energy	Ms P G Mlambo-Ngcuka
Minister of Health	Dr M E Tshabalala-Msimang
Minister of Sport and Recreation	Rev M A Stofile

DEPUTY MINISTERS

Deputy Minister for Safety and Security	Ms S Shabangu
Deputy Ministers of Foreign Affairs	Mr A G H Pahad and Ms S C van der Merwe
Deputy Minister of Arts and Culture	Ms N G W Botha
Deputy Minister of Science and Technology	Mr D A Hanekom
Deputy Minister of Communications	Mr R L Padayachie
Deputy Minister of Finance	Mr P J Moleketi
Deputy Minister of Minerals and Energy	Ms L M Xingwana
Deputy Minister of Education	Mr M E Surty
Deputy Minister of Home Affairs	Mr K M N Gigaba
Deputy Minister of Public Works	Prof N M Kganyago
Deputy Minister for Agriculture and Land Affairs	Adv D C du Toit
Deputy Minister for Justice and Constitutional Development	Adv J H de Lange
Deputy Minister of Environmental Affairs and Tourism	Mrs T R Mabudafhasi
Deputy Minister of Defence	Mr M E George
Deputy Minister of Trade and Industry	Ms L B Hendricks
Deputy Minister for Provincial and Local Government	Ms N E Hangana
Deputy Minister of Social Development	Dr J Benjamin
Deputy Minister of Health	Ms N C Madlala-Routledge
Deputy Minister of Correctional Services	Ms C E Gillwald
Deputy Minister of Sport and Recreation	Mr G C Oosthuizen

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The Speaker	Ms B Mbete
The Deputy Speaker	Ms G L Mahlangu-Nkabinde
House Chairperson	Mr G Q M Doidge
House Chairperson	Mr N P Nhleko
House Chairperson	Ms C-S Botha
The Leader of the Opposition	Mr A J Leon
The Chief Whip of the Majority Party	Mr M T Goniwe
The Chief Whip of the Opposition	Mr D H M Gibson

MEMBERS OF THE NATIONAL ASSEMBLY

PARTIES: African National Congress = ANC, Democratic Alliance = DA,
Inkatha Freedom Party = IFP, United Democratic Movement = UDM,
Independent Democrats = ID, New National Party = NNP,
African Christian Democratic Party = ACDP, Freedom Front Plus = FF Plus,
United Christian Democratic Party = UCDP, Pan Africanist Congress of Azania = PAC,
Minority Front = MF, Azanian People's Organisation = AZAPO

Abram, Mr Salamuddi ..... ANC
Ainslie, Mr Arthur Roy ..... ANC
Anthony, Mr Tuelo Gibson ..... ANC
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Baloyi, Mr Masenyani Richard ..... ANC
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Bhamjee, Mr Yusuf Suleman ..... ANC
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(2) Bhengu, Mr Mfuniselwa John ..... IFP
Bhengu, Ms Phumzile .....ANC
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Bici, Mr Jackson ..... UDM
Biyela, Chief Bekizwe Phillemon ..... IFP
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Boinamo, Mr George Gaolatlhe ..... DA
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(3) Botha, Mrs Celia-Sandra..... DA
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Coetzee, Mr Ryan ..... DA
Combrinck, Mr Johannes Jacobus ..... ANC
Cronin, Mr Jeremy Patrick ..... ANC
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Dambuza, Ms Beauty Nomhle..... ANC
Davidson, Mr Ian Ormiston..... DA
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De Lange, Adv Johannes Hendrik..... ANC
De Lille, Mrs Patricia..... ID
Delport, Dr Jacobus Tertius.....DA
Dhlamini, Mr Bonginkosi Wesley ..... IFP
Diale, Mr Letsau Nelson..... ANC
Didiza, Mrs Angela Thokozile..... ANC
Dikgacwi, Mr Mgolodi Moses..... ANC
Diko, Mr Malizole ..... UDM
Dipico, Mr Emsley Manne ..... ANC
Direko, Ms Isabella Winkie ..... ANC
Ditshetelo, Mr Paul Harry Kgomotso... UCDP
Dlali, Mr David Mtheteleli ..... ANC
Dlamini-Zuma, Dr Nkosazana Clarice ... ANC
Dodovu, Mr Tamsanqa Simon ..... ANC
Doidge, Mr Geoffrey Quinton Michael .. ANC
Doman, Mr Willem Phillips ..... DA
Dudley, Mrs Cheryllyn ..... ACDP
(4) Durr, Mr Kent Diederich Skelton .... ACDP
Du Toit, Adv Dirk Cornelis ..... ANC

Ellis, Mr Michael James..... DA
Erwin, Mr Alexander ..... ANC

Farrow, Mr Stuart Brian ..... DA
Fihla, Mr Nkosinathi Benson..... ANC
Fraser-Moleketi, Mrs Geraldine Joslyn . ANC
Frolick, Mr Cedric Thomas ..... ANC
Fubbs, Ms Joanmariae Louise ..... ANC

Gabela, Mr Lucky Sifiso ..... ANC
Gaum, Adv André Hurtley ..... NNP
Gcwabaza, Ms Ndabakayise Erasmus .... ANC
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Gerber, Mr Pierre-Jeanne Alexander ..... ANC
Gibson, Mr Douglas Harvey Monro ..... DA
Gigaba, Mr Knowledge Malusi Nkanyezi ..... ANC
Gillwald, Ms Cheryl Ellen ..... ANC
Ginwala, Dr Frene Noshir ..... ANC
Godi, Mr Nelson Themba ..... PAC
(5) Gogotya, Mr Ntsiza John ..... ANC
Gololo, Mr Christopher Lancaster ..... ANC
Gomomo, Mr Pumzile John ..... ANC
Goniwe, Mr Mbulelo Terence ..... ANC
(6) Gore, Mr Vincent Charles ..... ID
Green, Mr Louis Michael ..... ACDP
Greyling, Mr Carl Heinrich Friederich ... NNP
Greyling, Mr Lance William ..... ID
Groenewald, Mr Petrus Johannes ..... FF Plus
Gumede, Mr Donald Mlindwa ..... ANC
Gumede, Mrs Mogomotsi Mary ..... ANC
Gxowa, Mrs Nonkumbi Bertha ..... ANC

Haasbroek, Mr Sarel Francois ..... DA
Hajaig, Ms Fatima ..... ANC
Hanekom, Mr Derek André ..... ANC
Hangana, Ms Nomatyala Elizabeth ..... ANC
Harding, Mr Avril ..... ID
Henderson, Mr Ross Kirby ..... DA
Hendricks, Ms Lindiwe Benedicta ..... ANC
(7) Hendrickse, Mr Peter Alroy Charles ..... ANC
Herandien, Mr Cecil Barnard ..... NNP
Hogan, Ms Barbara Anne ..... ANC
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Holomisa, Adv Sango Patekile ..... ANC
Huang, Mr Shiaan-Bin ..... ANC

Jacobus, Ms Loretta ..... ANC
Jankielsohn, Mr Roy ..... DA
Jeffery, Mr John Harold ..... ANC
Joemat, Mrs Rhoda Rosaline ..... ANC
Johnson, Ms Carol Beatrix ..... NNP
Johnson, Mr Mlungisi ..... ANC
Jordan, Dr Zweledinga Pallo ..... ANC
Joubert, Mr Leonardus Kolbé ..... IFP

Kalako, Mr Mziwamadoda Uppington ... ANC
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Kasienyane, Ms Onewang Rebecca ..... ANC
Kasrils, Mr Ronald ..... ANC
Kati, Mr Zamiwonga James ..... ANC
Kekana, Mr Charles Danny ..... ANC
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Kholwane, Mr Sikhumbuzo Eric ..... ANC
Khumalo, Mr Kenneth Kayilo ..... ANC
Khumalo, Mr Kgotso Moses ..... ANC
(8) Khumalo, Mr Mthokozisi Selby ..... ACDP
Khunou, Ms Nthabiseng Pauline ..... ANC
King, Mr Ryno Johannes ..... DA
Kohler-Barnard, Ms Dianne ..... DA
Komphela, Mr Butana Moses ..... ANC
Kondlo, Ms Ncumisa Chwayita ..... ANC
Koornhof, Dr Gerhardus Willem ..... ANC
Kota, Ms Zoliswa Albertina ..... ANC
Kotwal, Mr Zunaid ..... ANC

Labuschagne, Mr Leslie Bernardus ..... DA
Landers, Mr Luwellyn Tyrone ..... ANC
Lee, Mr Trevor Donald ..... DA
Lekgoro, Mr Mpetjane Kgaogelo ..... ANC
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Lekota, Mr Mosiuoa Gerard Patrick ..... ANC
Leon, Mr Anthony James ..... DA
Likotsi, Mr Mofihli Thomas ..... PAC
Lishivha, Ms Tshiwela Elidah ..... ANC
Lowe, Mr Christopher Mark ..... DA
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Louw, Mr Samuel Kolman ..... ANC
Lucas, Mr Eric James ..... IFP
Ludwabe, Mrs Cikizwa Ivy ..... ANC
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(9) Maake, Mr Jerome Joseph ..... ANC
Mabandla, Mrs Brigitte Sylvia ..... ANC
Mabe, Ms Lorato Louisa ..... ANC
Mabena, Mr Daniel Curtis ..... ANC
Mabudafhasi, Mrs Thizwilondi Rejoyce ..... ANC
(10) Mabuyakhulu, Mr Dumisani Vincent ..... ANC
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Madikiza, Mr George Tembela ..... UDM
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Maduma, Mr Lawrence Daluxolo ..... ANC
Madumise, Mrs Meisi Maureen ..... ANC
Magau, Ms Kgomotso Ruth ..... ANC
Magazi, Mrs Mavis Nontsikelelo ..... ANC

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Magwanishe, Mr Gratitude Bulelani ..... ANC
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Mahomed, Mrs Farida ..... ANC
Mahote, Mr Samson ..... ANC
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Makasi, Mrs Xoliswa Caroline ..... ANC
Makgate, Ms Mamosoeu Wendy ..... ANC
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Maloney, Mrs Lorna ..... ANC
(11) Maloyi, Mr Patrick Dumile Nono ... ANC
Maluleka, Mr Homes Peter ..... ANC
Maluleke, Mr Daniel Kapeni ..... DA
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Manie, Mr Moegammad Salie ..... ANC
Manuel, Mr Trevor Andrew ..... ANC
Mapisa-Nqakula, Ms Nosiviwe Noluthando ..... ANC
Mars, Mrs Inka ..... IFP
Martins, Mr Benedict Anthony Duke ..... ANC
Masango, Mr Suhla James ..... DA
Maserumule, Mr Frans Tlokwe ..... ANC
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Mashiane, Ms Lorraine Mmakgosi ..... ANC
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(12) Mashile, Mr Buoang Lemias ..... ANC
Masithela, Mr Neo Harrison ..... ANC
Masutha, Mr Tshililo Michael ..... ANC
Mathebe, Mr Piet Mohlamme ..... ANC
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Matsepe-Casaburri, Dr Ivy Florence ..... ANC
Maunye, Mrs Maggie Margaret ..... ANC
Mayatula, Prof Shepherd Malusi ..... ANC
Maziya, Mr Alpheus Mokabhe ..... ANC
Mbete, Ms Baleka ..... ANC
Mbombo, Mrs Nozizwe Diana ..... ANC
Mdaka, Ms Nomakhaya Mavis ..... UDM
Mdladlana, Mr Membathisi Mphumzi Shepherd ..... ANC
Mdlalose, Ms Makhosazana Mpho ..... IFP
Mentor, Ms Mabel Patronella ..... ANC
Meruti, Ms Maseokwane Violet ..... ANC
Meshoe, Rev Kenneth Raselabe Joseph ..... ACDP
Mfundisi, Mr Isaac Sipho ..... UCDP
Mgabadeli, Ms Hlengiwe Christophina .. ANC
Minnie, Mr Karel Johannes ..... DA
Mkhize, Mr Zakhele Sipho ..... ANC
(13) Mkongi, Mr Bongani Michael ..... ANC
Mlangeni, Mr Andrew ..... ANC
Mlambo-Ngcuka, Ms Pumzile Gloria ..... ANC
Mnandi, Ms Pamella Nana ..... ANC
Mncwango, Mr Mangaqa Albert ..... IFP
Mngomezulu, Mr Garth Piet ..... ANC
Mnguni, Mr Bafunani Aaron ..... ANC
(14) Mnyandu, Mr Bhekinhlahla Jeremia .. DA
Moatshe, Mr Monako Stephen ..... ANC
Modisenyane, Mr Lewele John ..... ANC
Mofokeng, Mr Tsokudu Ronald ..... ANC
(15) Mogale, Mr Ohentse Moses ..... ANC
Mogase, Mr Isaac Dank ..... ANC
Mohamed, Prof Ismail Jacobus ..... ANC
Mohlaloga, Mr Manyaba Rubben ..... ANC
Mokoena, Mr Aubrey Dundubala ..... ANC
Mokoto, Ms Nthibane Rebecca ..... ANC
Molefe, Mr Christopher Thabo ..... ANC
Molefe, Dr Popo Simon ..... ANC
Moleketi, Mr Phillip Jabulani ..... ANC
Moloto, Mr Koena Arthur ..... ANC
Monareng, Mr Oupa Ephraim ..... ANC
Montsitsi, Mr Sediane Danny ..... ANC
Moonsamy, Mr Kay ..... ANC
Morgan, Mr Gareth Richard ..... DA
Morkel, Mr Craig Mervyn ..... DA
Morobi, Mrs Dimakatso Martha ..... ANC
Morutoa, Ms Masefele Rosalia ..... ANC
Morwamoche, Mr Kgoloko Walter ..... ANC
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Moss, Mr Maxwell Izekiel ..... ANC
Motubatse-Hounkpatin, Ms Semamanyane Dorothy ..... ANC
Mpahlwa, Mr Mandisi Bongani ..... ANC
Mpaka, Ms Hlonitshwa Mildred ..... ANC
Mpontshane, Mr Alfred Mkhipheni ..... IFP
Mshudulu, Mr Sithole Assistance ..... ANC
Mthembu, Mr Ben ..... ANC
Mthethwa, Mr Emmanuel Nkosinathi .... ANC
Mtshali, Mr Eric ..... ANC
Mufamadi, Mr Fholisani Sydney ..... ANC
Mulder, Dr Cornelius Petrus ..... FF Plus
Mulder, Dr Pieter Willem Adriaan ..... FF Plus

Mzondeki, Mr Monontsi Joseph George ..... ANC

Ndlovu, Mr Velaphi Bethuel ..... IFP
Ndou, Mr Ratshivhanda Samson ..... ANC
Ndzanga, Mrs Rita Alita ..... ANC
Nefolovhodwe, Mr Pandelani Jeremia ..... AZAPO
Nel, Mr Andries Carl ..... ANC
Nel, Mr Adriaan Hermanus ..... DA
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Ngema, Mr Mzikayise Vincent..... IFP
Ngiba, Mr Bonginkosi Christopher..... IFP
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Nkabinde, Ms Nonhlanhla Claribel ..... UDM
Nkem-Abonta, Dr Enyinna..... DA
Nkuna, Ms Constance ..... ANC
Nogumla, Mr Robert Zamxolo ..... ANC
Nonkonyana, Chief Mwelo..... ANC
Nqakula, Mr Charles..... ANC
Ntombela, Ms Sefora Hixsonia..... ANC
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Ntuli, Ms Makhoni Maria..... ANC
Ntuli, Mr Richard Sibusiso..... DA
Ntuli, Mr Somangamane Benjamin ..... ANC
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Nzimande, Mr Lewis Paul Musawenkosi ..... ANC

Olifant, Mr Daniel April Andrew ..... ANC
Oliphant, Mr Geolatlhe Godfrey..... ANC
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Pandor, Mrs Grace Naledi Mandisa..... ANC
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Phala, Mr Mahwidi John..... ANC
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Phungula, Mr Johannes Phumani ..... ANC
Pieterse, Mr Randy Desmond..... ANC
Pule, Mr Bafitlhile Edmund..... UCDP

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Radebe, Mr Bhekizizwe Abram..... ANC
Radebe, Mr Jeffrey Thamsanqa ..... ANC
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Ramgobin, Mr Mawalal..... ANC
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Saloojee, Mr Ebrahim (Cassim) ..... ANC
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Sefularo, Dr Molefi..... ANC
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Shabangu, Ms Susan ..... ANC
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Siboza, Mr Sipho ..... ANC
Sibuyana, Mr Mabalana Willias ..... IFP
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Sigcau, Ms Sylvia Nomatamsanqa ..... UDM

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

Sikakane, Mr Mdumiseni Richard ..... ANC
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Sisulu, Dr Lindiwe Nonceba ..... ANC
Sithole, Mr Dumisani Job ..... ANC
Skhosana, Mr Windvoël Mlomabo ..... ANC
Skosana, Mr Moleeane Ben ..... IFP
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Smith, Mr Vincent George ..... ANC
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Sosibo, Ms Jabu Elsie ..... ANC
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Steyn, Mr Arron Cecil ..... DA
Surty, Mr Mohamed Enver ..... ANC
Swart, Mr Marius ..... DA
Swart, Adv Paul Stephanus ..... DA
Swart, Mr Steven Nicholas ..... ACDP
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Taljaard, Ms Raenette ..... DA
Thabethe, Ms Elizabeth ..... ANC
Thomson, Ms Barbara ..... ANC
Tinto, Mrs Bulelwa ..... ANC
Tobias, Ms Thandi Vivian ..... ANC
Tolo, Bishop Lekoba Jack ..... ANC
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Tsenoli, Mr Solomon Lechesa ..... ANC
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Tshivhase, Mrs Tovhowani Josephine .... ANC
Tshwete, Ms Pamela ..... ANC
Turok, Prof Benjamin ..... ANC

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Van der Merwe, Ms Susan Comber ..... ANC
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Van Niekerk, Dr André Isak ..... DA
Van Schalkwyk, Mr Marthinus Christoffel Johannes ..... NNP
Van Wyk, Ms Annelizé ..... ANC
Vezi, Mr Temba Ellis ..... IFP
Vos, Ms Suzanne Christina ..... IFP
Vundisa, Mr Sifanelo Shadrack ..... ANC

Wang, Mr Yi-Ju ..... ID
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Weber, Ms Hilda ..... DA
Woods, Dr Gavin Gower ..... IFP

Xingwana, Ms Lulama Marytheresa ..... ANC
Xolo, Mr Everson Thobigunya ..... ANC

Yengeni, Mrs Lumka Elizabeth ..... ANC

Zikalala, Ms Constance Ntombikayise Zerish ..... IFP
Zille, Ms Helen ..... DA
Zita, Mr Langa ..... ANC
Zondi, Rev Keith Muntuwenkosi ..... IFP
Zulu, Mr Bhekizizwe Zeblon ..... ANC
Zulu, Prince Nhlahla Elijah ..... IFP
Zuma, Mr Jacob Gedleyihlekisa ..... ANC

(1) Nominated on 22 April 2004 *vice* Ms B L Matlhoahela, who resigned wef the same date.
(2) Nominated on 10 May 2004.
(3) Nominated on 4 May 2004.
(4) Nominated on 3 May 2004.
(5) Nominated on 14 May 2004 *vice* Mr T M Mbeki, who was elected as President of the Republic on 23 April 2004.
(6) Nominated on 23 April 2004 *vice* Ms N E Bulana, who resigned wef the same date.
(7) Nominated on 21 July 2004 *vice* Mr M M Masala, who resigned wef 29 June 2004.
(8) Nominated on 11 June 2004 *vice* Mr N D Habedi, who relinquished his seat on 7 June 2004 pursuant to an order of the Electoral Court.
(9) Nominated on 14 May 2004 *vice* Kgoshi M L Mokoena, who was not eligible to be designated a member.

[illegible]

NATIONAL REPRESENTATIVES

Asmal, Prof A K
Balfour, B M N
(1) Batyi, Ms F
Bekker, H J
Benjamin, Dr J
Bhoola, R B
Biyela, Chief B P
Bloem, D V
Booi, M S
Buthelezi, Prince M G
Carrim, Y I
Chang, Prof E S
Chauke, H P
Chohan-Khota, Ms F I
Cronin, J P
Davies, Dr R H
De Lange, Adv J H
Didiza, Mrs A T
Dikgacwi, M M
Diko, M
Dipico, E M
Direko, Ms I W
Dlali, D M
Dlamini-Zuma, Dr N C
Dudley, Ms C
Du Toit, Adv D C
Erwin, A
Fraser-Moleketi, Mrs G J
Gerber, P A
Gillwald, Ms C E
Ginwala, Dr F N
Godi, N T
(2) Gogotya, N J
(3) Gore, V C
Green, L M
Greyling, L W
Groenewald, P J
Gumede, D M
Gumede, Mrs M M
Hanekom, D A
Hangana, Ms N E
Holomisa, B H
Jeffery, J H
Jordan, Dr Z P
Joubert, L K
Kalako, M U
Kasrils, R
Kganyago, Dr N M
Khumalo, K K
Koornhof, Dr G W
Kota, Ms Z A
Landers, L T
Lekgoro, M M S
Lekota, M G P
Likotsi, M T
Louw, T J
Mabandla, Mrs B S
Mabe, Ms L L
Mabena, D C
Madikiza, G T
Magubane, N E
Magwanishe, G B
Mahlangu-Nkabinde, Ms G L
Mahomed, Mrs F
Mahote, S
Malahlela, M J
Manie, M S
Manuel, T A
Mapisa-Nqakula, Ms N N
Mars, Mrs I
Martins, B A D
Mashiane, Ms L M
Masutha, T M
Matsepe-Casaburri, Dr I F
Maziya, A M
Mbete, Ms B
Mbombo, Mrs N D
Mdladlana, M M S
Meruti, Ms M V
Meshoe, Rev K R J
Mfundisi, I S
Mgabadeli, Ms H C
Mlambo-Ngcuka, Ms P G
Mnandi, Ms P N,
Mncwango, M A
Mofokeng, T R
(4) Mogale, O M
Mogase, I D
Mohamed, Prof I J
Mohlaloga, M R
Molefe, Dr P S
Montsitsi, S D

Moonsamy, K
Morobi, Mrs D M
Mpahlwa, M B
Mpaka, Ms H M
Mshudulu, S A
Mthembu, B
Mthethwa, E N
Mtshali, E
Mufamadi, F S
Mulder, Dr C P
Mulder, Dr P W A
Mzondeki, M J G
Ndou, R S
Ndzanga, MrsR A
Nefolovhodwe, P J
Nene, N M
Newhoudt-Druchen, Mrs W S
Ngaleka, Ms E
Ngcobo, Ms B T
Ngcobo, E N N
Ngculu, L V J
Nhleko, N
Nkabinde, Ms N C
Nonkonyana, Chief M
Nqakula, C
Ntuli, S B
Nzimande, L P M
Oliphant, G G
Oosthuizen, G C
Padayachie, R L
Pahad, A G H
Pahad, Dr E G
Pandor, Mrs G N M
Pheko, Dr S E M
Phungula, J P
Pule, B E
Rabinowitz, Dr R
Radebe, J T
Ramakaba-Lesiea, Ms M M
Ramatlhodi, N A
Ramgobin, M
Ramotsamai, Ms C M P
Ramphele, T D H
Reid, L R R
Rwexana, Ms S P
Saloojee, E (Cassim)
Sefularo, Dr M
September, Ms C C
Shabangu, Ms S
Sibuyana, M W,
Sigcau, Ms S N (Stella N)
Sikakane, M R
Sisulu, Dr L N
Skosana, M B
Skweyiya, Dr Z S T
Solo, B M
Solomon, G
Sonto, M R
Sosibo, Ms J E
Stephens, M
Swart, S N
Thomson, Ms B
Tobias, Ms T V
Tsenoli, S L
Tshabalala-Msimang, Dr M E
Tshivhase, Mrs T J
Turok, Prof B
Van den Heever, R P Z
Van der Merwe, J H
Van der Merwe, Ms S C
Van Wyk, Ms A
Vos, Ms S C
Vundisa, S S
Wang, Y
Woods, Dr G G
Yengeni, Mrs L E
Zikalala, Ms C N Z
Zulu, B Z
Zuma, J G

(1) Nominated on 22 April 2004 *vice* Ms B L Matlhoahela, who resigned wef the same date.
(2) Nominated on 14 May 2004 *vice* Mr T M Mbeki, who was elected as President of the Republic on 23 April 2004.
(3) Nominated on 23 April 2004 *vice* Ms N E Bulana, who resigned wef the same date.
(4) Nominated on 14 May 2004 *vice* Mr B Nair, who resigned wef 22 April 2004.

REGIONAL REPRESENTATIVES

EASTERN CAPE
(30 representatives)

Bhengu, F
Bici, J
Botha, Ms N G W
Chalmers, Mrs J
Delport, Dr J T
Doidge, G Q M
Farrow, S B
Fihla, N B
Frolick, C T
George, M E
Gomomo, P J
Goniwe, M T
Hendricks, Ms L B
(1) Hendrickse, P A C
Holomisa, Adv S P
Johnson, M
Kati, Z J
Kondlo, Ms N C
Lee, T D
Ludwabe, Mrs C I
Mahlawe, MS N M
Mayatula, Prof S M
Mdaka, Ms N M
Njobe, M A A
Nogumla, R Z
Schoeman, Dr E A
Sigcau, Ms S N (Sylvia N)
Sonjica, Ms B P
Trent, E W
Tshwete, Ms P

FREE STATE
(14 representatives)

Abram, S
(2) Botha, Mrs C-S
Jankielsohn, R
Khunou, Ms N P
Komphela, B M
Madumise, Mrs M M
Magau, Ms K R
Masithela, N H
Mnguni, B A
Modisenyane, L J
Mosala, B G
Ntombela, Ms S H
Radebe, B A
Sotyu, Ms M M

GAUTENG
(53 representatives)

Bapela, K O
Blanché, J P I
Bogopane-Zulu, Mrs H I
Boinamo, G G
Cachalia, I M
Camerer, Mrs S M
Coetzee, R
Davidson, I O
De Lille, Mrs P
Dhlamini, B W
Fubbs, Ms J L
Gibson, D H M
Gxowa, Mrs N B
Hajaig, Ms F
Hogan, Ms B A
Jacobus, Ms L
Kekana, C D
Labuschagne, L B
Lekgoro, M K
Leon, A J
Madasa, Adv Z L
Magazi, Mrs M N
Maluleka, H P
Maluleke, D K
Maunye, Mrs M M
Minnie, K J
Mlangeni, A
Mokoena, A D
Moleketi, P J
Monareng, O E
Morutoa, Ms M R
Motubatse-Hounkpatin, Ms S D
Nel, A C
Ngcengwane, Ms N D
(3) Ngele, Ms N J
Njikelana, S J
Ntuli, R S
Nxumalo, S N
Ramodibe, Ms D M
Schmidt, Adv H C

Schneemann, G D
Semple, Ms J A
Sithole, D J
Smith, V G
Spies, W D
Steyn, A C
Taljaard, Ms R
Thabethe, Ms E
Vadi, I
Van Dyk, Dr S M
Waters, M
Xingwana, Ms L M
Zita, L

KWAZULU-NATAL
(41 representatives)

Ainslie, A R
Bhamjee, Y S
(4) Bhengu, M J
Bhengu, Ms P
Blose, Ms H M
Cwele, S C
Dambuza, Ms B N
Ellis, M J
Gabela, L S
Gcwabaza, N E
Gigaba, K M N
Huang, S
Kalyan, Mrs S V
(5) Khumalo, M S
Kohler-Barnard, Ms D
Lowe, C M
Lucas, E J
Luthuli, Dr A N
(6) Mabuyakhulu, D V
Madlala-Routledge, Ms N C
Mdlalose, Ms M M
Mkhize, Z S
(7) Mnyandu, B J
Morgan, G R
Mpontshane, A M
Ndlovu, V B
Ngema, M V
Ngiba, B C
Nkem-Abonta, Dr E
Ntshulana-Bhengu, Ms N R
Ntuli, Ms M M
Nxumalo, Ms M D
Rajbally, Ms S
Roopnarain, Dr U
Sayedali-Shah, Moulana M R
Seaton, Mrs S A
Smith, P F
Vezi, T E
Xolo, E T
Zondi, Rev K M
Zulu, Prince N E

LIMPOPO
(22 representatives)

Baloyi, M R
Diale, L N
Lishivha, Ms T E
(8) Maake, J J
Mabudafhasi, Mrs T R
Maja, S J
Maserumule, F T
Mashangoane, Ms P R
Mashigo, Ms R J
(9) Mashile, B L
Mathibela, Ms N F
Matlala, M H
Moloto, K A
Morwamoche, K W
Ngwenya, Mrs M L
Nkuna, Ms C
Nwamitwa-Shilubana, Mrs T L P
Phadagi, M G
Phala, M J
Swathe, M M
Tolo, Bishop L J
Van der Walt, Mrs D

MPUMALANGA
(15 representatives)

Chikunga, Mrs L S
Gololo, C L
Kholwane, S E
Kotwal, Z
Manana, Ms M N S
Masango, S J
Mathebe, P M
Mngomezulu, G P
Nhlengethwa, Mrs D G
Ntuli, Mrs B M

Sekgobela, Ms P S
Sibande, M P
Sibanyoni, J B
Siboza, S
Weber, Ms H

NORTHERN CAPE
(5 representatives)

Asiya, S E
Combrinck, J J
Henderson, R K
Mentor, Ms M P
Nel, A H

NORTH WEST
(18 representatives)

Anthony, T G
Ditshetelo, P H K
Dodovu, T S
Kasienyane, Ms O R
Khumalo, K M
Louw, S K
Maine, Mrs M S
Makgate, Ms M W
Maloney, Mrs L
[10] Maloyi, P D N
Moatshe, M S
Mokoto, Ms N R
Molefe, C T
Rasmeni, S M
Seremane, W J
Skhosana, W M
Surty, M E
Swart, Adv P S

WESTERN CAPE
(31 representatives)

Arendse, J D
Beukman, F
Burgess, C V
Doman, W P
[11] Durr, K D S
Gaum, Adv A H
Greyling, C H F
Haasbroek, S F
Harding, A
Herandien, C B
Joemat, Mrs R R
Johnson, Ms C B
King, R J
Maduma, L D
Makasi, Mrs X C
[12] Mkongi, B M
Morkel, C M
Moss, Ms L N
Moss, M I
Olifant, D A A
Opperman, S E
Pieterse, R D
Rabie, Dr P J
Selfe, J
Simmons, S
Smuts, Ms M
Swart, M
Tinto, Mrs B
Van Niekerk, Dr A I
Van Schalkwyk, M C J
Zille, Ms H

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[1] Nominated on 21 July 2004 *vice* Mr M M Masala, who resigned wef 29 June 2004.
[2] Nominated on 4 May 2004.
[3] Nominated on 14 May 2004 *vice* Mrs J L Kgoali, who resigned wef 23 April 2004.
[4] Nominated on 10 May 2004.
[5] Nominated on 11 June 2004 *vice* Mr N D Habedi, who relinquished his seat on 7 June 2004 pursuant to an order of the Electoral Court.
[6] Nominated on 14 May 2004 *vice* Mr E I Ebrahim, who resigned wef 1 May 2004.
[7] Nominated on 20 April 2004 *vice* Mr V G Reddy, who resigned wef 14 April 2004.
[8] Nominated on 14 May 2004 *vice* Kgoshi M L Mokoena, who was not eligible to be designated a member.
[9] Nominated on 14 May 2004 *vice* Mr M J Mahlangu, who was not eligible to be designated a member.
[10] Nominated on 14 May 2004.
[11] Nominated on 3 May 2004.
[12] Nominated on 11 November 2004 *vice* B W Kannemeyer, who resigned wef 1 November 2004.

STATE OF PARTIES
(as at 12 November 2004)

PARTY	NATIONAL REPRESEN-TATIVES	REGIONAL REPRESENTATIVES (*see:* Section 40(1), Act 200–93)									
		Eastern Cape	Free State	Gauteng	Kwa-Zulu-Natal	Lim-popo	Mpuma-langa	North-ern Cape	North West	West-ern Cape	Total
ANC	133	23	12	32	18	20	13	3	15	10	279
DA	—	4	2	17	8	2	2	2	2	11	50
IFP	14	—	—	1	13	—	—	—	—	—	28
UDM	6	3	—	—	—	—	—	—	—	—	9
ID	4	—	—	1	—	—	—	—	—	2	7
NNP	—	—	—	—	—	—	—	—	—	7	7
ACDP	4	—	—	1	1	—	—	—	—	1	7
FF PLUS	3	—	—	1	—	—	—	—	—	—	4
UCDP	2	—	—	—	—	—	—	—	1	—	3
PAC	3	—	—	—	—	—	—	—	—	—	3
MF	1	—	—	—	1	—	—	—	—	—	2
AZAPO	1	—	—	—	—	—	—	—	—	—	1
VACANCIES	—	—	—	—	—	—	—	—	—	—	—
TOTAL	171	30	14	53	41	22	15	5	18	31	400

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Volume 73 = Cols 2907–4298; Volume 74 = Cols 4299–5712

Abbreviations: AhC = Ad hoc Committee; AhJC = Ad hoc Joint Committee; CA = Constitutional Assembly; JBC = Joint Budget Committee; JC = Joint Committee; JMC = Joint Monitoring Committee; JPC = Joint Programme Committee; JPSC = Joint Programme Subcommittee; JR = Joint Rule; JSC = Joint Standing Committee; JTM = Joint Tagging Mechanism; NA = National Assembly; NCOP = National Council of Provinces; PC = Portfolio Committee; RC = Rules Committee; SC = Select Committee; StC = Standing Committee

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PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 14:05.

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

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS—see col 4356.

LOSS OF LIFE IN TRAFFIC ACCIDENTS

(Draft Resolution)

UMBHEXESHI OYINTLOKO WEQELA ELIKWISININZI: Mam'u Somlomo, ndiphakamisa ngaphandle kokwazisa:

Ukuba le Ndlu—

(i) iqaphela—

(a) ngomothuko nobuhlungu obukhulu ukusweleka kwabafundi abasixhenxe kwakunye netitshala yesikolo iMthukukazi Junior Secondary School ngomhla we-11 kuOktobha ka-2004 kwingozi yebhasi kuNtabankulu;

(b) kwakhona ukusweleka kwabantu abali-14 ngaseBoabab Tollgate eMusina kwingozi yokungqubana kweteksi nosilenge;

(2) iqwalasela ngeliso elibukhali ukuba ezi ngozi zibonisa ngokumandla umngeni esisoloko sijongene nawo wokuqinisekisa ukhuseleko ezindleleni;

(3) yenza isimemelelo kubo bonke abasebenzisi bendlela ukuba bathobele imigaqo yendlela ukuze luqine ukhuseleko ezindleleni;

(4) vakalisa uvelwano olunzulu kuzo zonke izihlobo nezalamane zabo basishiyileyo; yaye

(5) inqwenelela bonke abo benzakeleyo ukuba bachache ngokukhawulezileyo.

(Translation of Xhosa draft resolution follows.)

[The CHIEF WHIP OF THE MAJORITY PARTY: Madam Speaker, I move without notice:

That the House—

(1) notes—

(a) with shock and profound sadness the untimely death of seven learners and one educator from Mthukukazi Junior Secondary School who passed away on 11 October 2004, following a bus accident at Ntabankulu Local Municipality; and

(b) the death of 14 people near the Baobab Tollgate at Musina who lost their lives after an accident involving a taxi and a tow truck;

(2) believes that these tragic accidents highlight the challenge we continue to face in our efforts to ensure the safety of our road transportation services;

(3) calls upon all road users to observe road safety regulations and to be patient on the road in order to put an end to these events;

(4) expresses its deep-felt condolences to the families of the deceased, their relatives and friends; and

(5) wishes all those injured in these accidents a speedy recovery.]

Agreed to.

CONGRATULATIONS TO WANGARI MAATHAI

(Draft Resolution)

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Madam Speaker, I move without notice:

That the House—

(1) notes that—

(a) on 8 October 2004 Wangari Maathai became the first African woman in history to win the Nobel Peace Prize; and

(b) this prize celebrates her work in leading the campaign to plant tens of millions of trees not only in her home country of Kenya, but throughout Africa;

(2) acknowledges that Wangari Maathai's Nobel achievement is not only a victory for herself and her home country, but also a recognition of African women who continue to struggle for peace, environmentally sensitive development and democracy on the continent; and

(3) congratulates Wangari Maathai on winning the 2004 Nobel Peace Prize.

Agreed to.

BEST WISHES TO MUSLIMS OVER THE MONTH OF RAMADAN

(Draft Resolution)

The CHIEF WHIP OF THE MAJORITY PARTY: Madam Speaker, I move without notice:

That the House—

(1) notes that with the advent of the Islamic lunar month Ramadan, Muslims worldwide and in South Africa will abstain daily from partaking of food and drink from dawn to dusk;

(2) recognises that such voluntary abstinence enhances both their spirituality and their empathy with the poor, the hungry and the destitute in society; and

(3) conveys its best wishes to all Muslims over this fasting period, and expresses the hope that it will encourage all Muslims in South Africa to redouble their efforts to alleviate the plight of the poor and the weak.

Agreed to.

REFERRAL OF THE ANNUAL REPORT ON THE OFFICE OF THE AUDITOR-GENERAL IN RESPECT OF THE 2003-04 FINANCIAL YEAR TO AD HOC COMMITTEE FOR CONSIDERATION

(Draft Resolution)

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Madam Speaker, I move the motion printed in the name of the Chief Whip of the Majority Party on the Order Paper, as follows:

That the House, upon tabling, refers the Annual Report on the Office of the Auditor-General in respect of the 2003-04 financial year to an ad hoc committee of the House for consideration and report and also mandates the ad hoc committee to engage with the Office of the Auditor-General on the Auditor-General's budget in due course pending the establishment of the parliamentary committee to be established in terms of the Public Audit Bill, and for that purpose establishes an ad hoc committee in terms of Rule 214, the committee—

(1) to consist of 17 members of the National Assembly, as follows: African National Congress: 10; Democratic Alliance: 2; Inkatha Freedom Party: 1; other parties: 4;

(2) to report to the House on conclusion of its business before 19 November 2004; and

(3) may exercise those powers in Rule 138 that may assist it in carrying out its task.

Agreed to.

SOCIAL DEVELOPMENT MONTH

(Member's Statement)

Mufumakadzi T J TSHIVHASE (ANC): Mulangadzulo, mirado i thonifheaho, Tshimedzi ndi nwedzi wa mveledziso ya matshilisano, nahone ri tea u pembelela mvelaphanda yashu. Sa muvhuso wa ANC, ro no ita zwinzhi u khwinisa matshilo a vhathu shangoni. Ri nea vhashai magavhelo, vhudzulo na thuso ya shishi, kha avho vha kwameaho nga zwiwo kana dzinwe khombo.

U bva nga 1994, vhathu vhe vha vha vha tshi wana magavhelo vho vha vhe 2.7 milioni, fhedzi zwino ri vho kona u netshedza vhane vha fhira milioni dza malo nwedzi munwe na munwe. Magavhelo a ndondolo ya vhana o engedzedzea u bva nga 1997 he ha vha hu tshi vhuelwa vhana vha 50 000, ngeno u swika zwino vho no vha milioni thanu.

Kha minwaha mitanu yo fhiraho muhasho wo tikedza thandela dza 3 500 nga masheleni a linganaho milioni dza R521. Fhedzi-ha, rothe ri a zwi divha zwauri hu kha di vha na vhathu vhane vha kha di shengela Afurika Tshipembe. Ri tea u khwinisa tshumelo dzashu, ngamaanda kha avho vha vhuponi ha mahayani vhukuma, nahone ri tavhanyise maitele a u disa tsireledzo ya matshilisano.

Naho hu na mvelaphanda ye ra i ita, ri kha di vha na khaedu ya u khwinisa matshilo a vhathu vha dzimilioni vhane vha kha di tshila vhushaini. Kha uno nwedzi na minwe yothe i tevhelaho, kha ri shumisane kha u disa mveledziso yo fhelelaho shangoni lashu na u khwathisedza muano une wa ri, nwana wau ndi nwana wanga. *(Translation of Venda member's statement follows.)*

[Mrs T J TSHIVHASE: Madam Speaker, hon members, October is Social Development Month, and we must celebrate our achievements. As the ANC government, we have done a lot to improve the lives of people in the country. We give social grants to the poorest of the poor, and provide shelter and emergency relief to those affected by natural and other disasters.

A mere 2,7 million people used to receive monthly social grant benefits prior to 1994. We have managed to widen access to social assistance to cover more than 8 million people every month. Since 1994, the child support grant, which used to benefit just over 50 000 children, has grown to cover more than 5 million currently.

Over the past five years the department has supported over 3 500 projects to the tune of R521 million. However, it is known to all of us that there are still many people who are suffering in South Africa. We need to improve our services, especially those in rural areas and accelerate our efforts to put in place a comprehensive system of social protection.

Despite the progress we have made, we still have the challenge of improving the lives of millions of our people who are still living in desperate poverty. This month and all other months, let us work together for the overall development of our country, and especially to give effect to the slogan that says: "Your child is my child".]

CRISIS IN ZIMBABWE FAR FROM BEING RESOLVED

(Member's Statement)

Mr W J SEREMANE (DA): Madam Speaker, Deputy President, the DA believes that the optimism that has greeted the verdict clearing Morgan Tsvangirai of treason charges is hopelessly misplaced. While we are relieved about the decision, this does not change the fact that the crisis in Zimbabwe runs much deeper than any one decision of this sort can rectify. Tsvangirai is yet to face a second set of treason charges, and even if he is cleared of these, his embroilment in

legal complications has effectively neutralised his role as leader of the MDC and damaged the party's political role in Zimbabwe. This can only further erode democracy in Zimbabwe.

Until such time as Tsvangirai is cleared of the second set of treason charges, the MDC will remain severely compromised. Yesterday's mixed signal announcement by Zanu-PF that there is no need for talks with the MDC is a further indication that the crisis in Zimbabwe is far from being resolved. It is about time that the South African government acted decisively to end the harassment of the opposition and to ensure that Zanu-PF enter into talks with all other role-players in good faith.

BRETT KEBBLE ART AWARDS

(Member's Statement)

Prince N E ZULU (IFP): Madam Speaker, works of art are as old as the coming of mankind to this, our planet earth. The Nguni tongues will say "umsebenzi wobugcisa" [works of art] takes different shapes with different talented individuals in the form of music, visuals, woodwork, poetry, etc. Today we are proud to congratulate Philip Rikhotso and Tanya Poole who jointly won the Brett Kebble Art Award for this year this past Saturday.

Surprisingly, Rikhotso's level of poverty did not enable him to pay the travel fare to the venue of the ceremony in Cape Town, and he had to borrow R20 from a well-wisher in order to make the trip possible so that he could fetch his joint prize of R260 000.

Talent is a precious gift hidden under one's personality, and without concentration, hard work and talent research, one may not know that so much treasure is hidden under one's hair. With this search for talent and determination to win, at the end of the day, Rikhotso is now able to buy a bakkie to advance his artwork, and he can send one of his children to college to take up a technology course.

Judges commended Rikhotso's work as outstanding and as of the highest international standard. He has certainly made his Tsonga people proud, and all of us as South Africans are made to walk tall in splendour because of this humble and artistic man of God.

Praise to our democracy that recognises works of even the poorest of the poor. Praise to Rikhotso and Poole. Thank you, Madam. [Applause.]

Mr H P CHAUKE: Madam Speaker, on a point of order: While one really appreciates the statement by the member—it was quite a wonderful statement—I think what is important is that the surname is not Rikotso, it is Rikhotso.

The SPEAKER: Thank you hon member, but I also hope, hon Chauke, that you will be tolerant of many of us who might not be able to pronounce various languages the proper way.

MATRIC EXAMS

(Member's Statement)

Mr M R SIKAKANE (ANC): Madam Speaker, the ANC congratulates the Minister of Education and the department for the problem-free start of this year's matric exams. The planning and organisation of the exams continue to indicate the high level of professionalism and organisation within the Ministry and the department. The creation of a conducive learning environment and access to better educational facilities remain a priority to our government.

The ANC wishes our Grade 12 learners the best of luck in their exams. They should engage these exams conscious of the fact that sustainable development and social progress in our country is directly linked to their success. I thank you. [Applause.]

NIGERIAN WOMEN SENTENCED TO DEATH BY STONING

(Member's Statement)

Mr J BICI (UDM): Madam Speaker, the

UDM notes with shock and dismay that two more women in Nigeria have been sentenced to death by stoning for the crime of having sex outside of marriage. As in the case of Amina Lawal, we are concerned about the moral, ethical and human rights issues associated with these death sentences.

Firstly, there is once again no mention of similar punishment being meted out to the men involved. It must be noted that it takes two to tango and it takes two to perform a sexual act. Secondly, stoning to death is a cruel and dehumanising act. It is an act too horrible to contemplate. Whilst we appreciate the sovereignty of Nigeria, we cannot, as democrats and fellow Africans, turn a blind eye.

We have taken the lead in the African Renaissance. We have played a critical role in turning it from a concept into a plan of action through Nepad, the revitalised African Union and the creation of the Pan-African Parliament. Throughout these processes we have acknowledged that Africans share a common destiny and are equally entitled to economic, social and political development. Importantly, we have a duty to ensure that African women share equally in these freedoms and rights that we aspire to.

Within this context we urge government at bilateral and new multi-lateral levels, as well as our Pan-African Parliament representatives, to intervene in this matter. Thank you.

MARINE ANTIPOACHING OPERATION

(Member's Statement)

Ms C B JOHNSON (NNP): Madam Speaker, this week is National Marine Week, and a lot has been written over the past weekend about Operation Neptune. But what is important to note is that this week we are seeing the launching of an even bigger and even better antipoaching initiative on the part of government, and this is welcomed.

The new initiative is a joint operation between the Department of Environmental Affairs and Tourism, the SA Police Service and the Overstrand Municipality. It will effectively replace Operation Neptune. The new drive is aimed at tackling and rooting out the causes of abalone poaching, and government has pledged a further R8 million to bring the total government expenditure on antipoaching to in excess of R15 million per annum. The new initiative will include an operations room, a 24-hour response line, a dedicated investigation team, and a dedicated enforcement team working closely with the Scorpions and the Asset Forfeiture Unit, as well as the new departmental office situated at Pearly Beach. The marine antipoaching operation will play a fundamental role in deterring abalone poachers and in protecting our marine resources.

We therefore call on all members of the relevant communities, members of the public and all relevant role-players to give their full support to the initiative and to join forces with government to protect and preserve our marine heritage. Thank you. [Applause.]

SRC ELECTION AT UNIVERSITY OF PRETORIA

(Member's Statement)

Dr P W A MULDER (VF Plus): Mevrou die Speaker, die VF Plus wil die studente van die Universiteit van Pretoria, in die besonder die VF Plus-studente op die kampus, gelukwens met hul rekordoorwinning tydens die pasafgelope studenteraadsverkiesing op die kampus.

Aangesien die VF Plus, die ANC, die PAC, die OD en die DA aan die verkiesing deelgeneem het, is dit 'n besondere prestasie dat die VF Plus en sy alliansievennoot die vereniging Tuks Afrikaanse Studente die verkiesing met 'n rekordaantal stemme kon wen. Die VF Plus het vanjaar 6% meer steun as met die vorige jaar se verkiesing gekry. Die VF Plus het die ANC met meer as 'n duisend stemme geklop, en byna twee maal

soveel stemme as die DA gekry. Die DA, wat in verlede jaar se verkiesing net-net tweede was, kon vanjaar slegs vierde eindig.

Die VF Plus wil egter sy ongelukkigheid uitspreek oor die deurlopende, regstreekse inmenging van die universiteitsowerhede en spesifieke persone uit die rektoraat van die universiteit in die verkiesing. Dit is die rede waarom die verkiesing gekenmerk is deur vertragings en 'n byna eindelose proses van klagtes en besware deur die owerheid en die onsuksesvolle DA—alles pogings om die VF Plus op 'n tegniese punt van sy oorwinning te ontneem. Dit bly 'n vraag dat sou die ANC of die DA wen, of die owerheid soortgelyk sou optree.

'n Rekordgetal van meer as 10 000 studente het vanjaar aan die verkiesing deelgeneem. Dit is die agtste agtereenvolgende jaar waarin die VF Plus as wenner uit die stryd getree het. Hierdie uitslag en stempatroon illustreer iets van die Afrikaanse jeug se huidige standpunte oor die politiek, en maak 'n voorspelling oor toekomstige politieke strominge in Suid-Afrika. Ek dank u. *(Translation of Afrikaans member's statement follows.)*

[Dr P W A MULDER (FF Plus): Madam Speaker, the FF Plus would like to congratulate the students of the University of Pretoria, in particular the FF Plus students on the campus, on their record victory during the recent student representative council elections at the campus.

Since the FF Plus, the ANC, the PAC, the ID and the DA participated in the election, it is a special accomplishment that the FF Plus and its alliance partner, the Tuks Afrikaanse Studente association, could win the election with a record number of votes. The FF Plus obtained 6% more support this year than in last year's election. The FF Plus beat the ANC by more than a thousand votes, and received nearly twice as many votes as the DA received. The DA, who in the past managed second place by a whisker, could only manage fourth place this year.

The FF Plus, however, wants to express its dissatisfaction about the continuous, direct interference of the university authorities and particular persons from the rectorate of the university in the election. That is the reason why the election was characterised by delays and an almost endless process of complaints and objections by the authorities and the unsuccessful DA—all attempts to take away the FF Plus's victory on a technical point. It remains to be seen whether the authorities would have acted in a similar manner if the ANC or the DA had won.

A record number of more than 10 000 students took part in this year's election. This is the eighth year in a row that the FF Plus was the victor. This result and the voting pattern illustrate something about the Afrikaner youth's present standpoints on politics, and make a prediction about future political tendencies in South Africa. I thank you.]

WORK AND CONTRIBUTION OF RURAL WOMEN

(Member's Statement)

Mr M M DIKGACWI (ANC): Madam Speaker, 15 October is recognised worldwide as a day to appreciate the work and contribution that rural women make in our civil society. In South Africa today more than 70% of rural households are headed by females. These women continue to be trapped in the second economy. On average women produce more than half of the food we consume in the world today. Despite this fact, only 5% of all agricultural resources are directed towards the assistance of women.

In our country, the ANC is working tirelessly to drastically change the conditions of rural women. Over the last decade we have laid

the foundation. A World Bank study has confirmed the ANC's long held belief that if we invest in women we will reap the highest return, and ensure food security, slower population growth, reduction of child mortality and better awareness of environmental protection measures. I thank you. [Applause.]

EFFECT OF FIREARMS CONTROL ACT

(Member's Statement)

Mr R JANKIELSOHN (DA): Madam Speaker, while an average of 13 154 applications for firearm licences were processed per month over the past six years, only 12 applications for firearm licences were received by the firearms registry in the first two months after the launch of the Firearms Control Act. This is proof of the crisis in which the 554 firearms dealers, 160 gunsmiths and 19 firearm manufactures find themselves. The chaos surrounding the implementation of the Act has also had negative implications for the professional hunting, film and private security industries in South Africa.

It is clear that the Act is bad business for South Africa. The Firearms Control Act is directing resources to the value of R63 million to target legal firearm owners while illegal firearms continue to plague our society. I intend to move a motion requesting that Parliament debate issues surrounding the disastrous implementation of the Firearms Control Act which the Minister himself has admitted to. Thank you, Speaker. [Applause.]

ALLEGATIONS BY INTERIM PRIME MINISTER OF HAITI

(Member's Statement)

Mr N T GODI (PAC): Madam Speaker, Deputy President, the PAC of Azania expresses its shock and utter revulsion at—and dismisses as utterly baseless, misguided and bordering on contempt and mischief—allegations and pronouncements, as shown on the SABC3 news bulletin last night, made by interim Prime Minister of Haiti, Gerard Latortue, against South Africa and its President, Comrade Thabo Mbeki, in particular.

The PAC wishes to reiterate its view that South Africa has conducted its foreign policy with integrity and a progressive paradigm. Like President Toure before him in relation to Dr Kwame Nkrumah, President Mbeki has come to the assistance of an illegally removed head of state, President Jean-Bertrand Aristide, this time at the behest of the African Union and the Caribbean states.

The PAC believes that the onus is in the likes of Mr Latortue to prove correct the assertion made to justify the coup against President Aristide, namely that his removal would bring peace and stability to Haiti.

The PAC of Azania is of the view that it is the forces that have installed Mr Latortue in power that have trampled on international law. The PAC, therefore, calls on this House and Africans—black, coloured, Indian, white, or whatever they prefer to call themselves—to rally behind our government and to reject with contempt the attempt to assail its integrity with regard to Haiti. The PAC also makes a call that President Aristide must be reinstated to continue with his transformation agenda for Haiti. [Applause.]

POVERTY ERADICATION EFFORTS

(Member's Statement)

Mr M JOHNSON (ANC): Madam Speaker, Deputy President, the ANC supports the United Nations' effort to eradicate poverty. On 22 October 2004 the United Nations Development Programme will hold its 8th annual poverty eradication award ceremony. This effort is part of mobilising public awareness regarding the Millennium Development Goals.

More than half of the world's population lives on less than US$1 a day. More and

more children suffer from malnutrition while the world has more than enough resources to feed every soul on this planet.

Poverty and alienation from society are the breeding ground for internecine conflict over limited resources and for terrorist movements around the world. It is for this reason and these reasons that poverty eradication remains central in the ANC's efforts to bring about a safer and a better world. Thank you. [Applause.]

SCHABIR SHAIK COURT CASE

(Member's Statement)

Mrs S M CAMERER (DA): Madam Speaker, the Cabinet has been critical of media sensationalism around the Schabir Shaik court case, and has alleged that it impugns Deputy President Zuma's integrity on the basis of allegations not yet proven in a court of law.

While the DA agrees with Judge Hillary Squires that the media should respect the sub judice rule, nevertheless it will be almost impossible for the media not to report and comment on allegations about the Deputy President as they emerge during the presentation of evidence in the Shaik case.

To quote Hamlet, the Deputy President is clearly "the ghost at this particular feast". His name appears all over the charge sheet and not an hour of court proceedings goes by without his name being mentioned in evidence about Mr Shaik's dealings, either in allegations that he was bribed or that he peddled influence. [Interjections.]

The Deputy President, who is represented in the Durban court by a battery of lawyers, claims he has never been given a chance to clear his name. This is disingenuous for he must be aware that had he been charged with fraud, corruption or bribery, he would have had to resign his position.

The DA believes that he should have been charged. [Interjections.] The fact that he was not charged, in spite of the prima facie case against him which seems to grow with each day of evidence, will surely go down as one of the great puzzles in the annals of our prosecution service.

The Deputy President has remedies. If he is innocent of any wrongdoing, he should sue the National Prosecuting Authority and relevant media for defamation. [Interjections.] There are other steps he could have taken to clear his name, such as giving evidence before the Hefer Commission, but he did not.

For the Cabinet to take a legalistic approach to the Deputy President's guilt or otherwise is not helpful. They should be more concerned with the damage to the government's integrity, with applying a code of conduct to members of government, and with a commitment to transparency and accountability. [Time expired.] [Interjections.] [Applause.]

VIOLENCE AND ABUSE AGAINST WOMEN

(Member's Statement)

Mr T E VEZI (IFP): Madam Speaker, on Sunday, 17 October, a 26-year-old man was arrested near Camperdown in KwaZulu-Natal after allegedly killing his girlfriend during an argument at their home. This is just one of the many tragic examples of violence and abuse committed against women.

Although we have achieved much over the past 10 years, especially with regard to women's rights, there are still too many reports and even more unreported cases of women being abused and victimised. There is simply no place in our society for this type of behaviour. It has to be stamped out.

The people who commit these senseless acts should be brought to book and dealt with accordingly. Constant efforts are needed to highlight this cause, as well as to educate and inform women about their rights. I thank you.

BREAST CANCER MONTH

(Member's Statement)

Ms N P KHUNOU (ANC): Madam Speaker, the international community observes October as Breast Cancer Month. Notwithstanding that, African women and the poor in general continue to die unnecessarily from breast cancer. Therefore, the ANC urges all South Africans to recognise the importance of regular checkups.

Early detection of cancer results in a 90% chance of being fully cured. The ANC supports this campaign because it promotes early detection of cancer and therefore higher prospects for successful treatment of the disease.

Our celebrations of the first decade of freedom should be characterised by our greater commitment to the goal of achieving a better national health profile for all, especially women. The ANC pledges its support for the campaign in order to increase awareness about breast cancer. I thank you. [Applause.]

EFFECT OF FIREARMS CONTROL ACT

(Minister's Response)

The MINISTER OF DEFENCE: Madam Speaker, an opposition member has raised an issue that there is chaotic application of legislation governing arms or weapons in our society. It is important for me to place on record something that is already before this House. Since we came into government, we have introduced legislation and procedures for management of the flow, sale and purchase of equipment under the National Conventional Arms Control Committee. This government is particularly responsible with regard to this matter.

At the present moment, we are dealing with very difficult and complex problems arising out of practices of the old order. The amount of weaponry that we collect whilst combating crime—weapons that were distributed according to information from the records of the past—by far surpasses the weaponry that emerges from purchases and sales of the present time. This is very important. We have told parties across the board that it is critical that, in securing the population of this country, we must sometimes forget party-political loyalty. South Africans across the board must at least collaborate on this particular issue.

The number of arms caches which remain recorded but unaccounted for, and with regard to which we are not assisted by those who know exactly where these arms are, is a major problem. We have now offered amnesties for people to come forward and say, "Here are armaments, take them and deal with them". That alone will go a long way. Most of the weapons we find at crime scenes with their numbers filed off, at the very least, when one tracks them, go back to caches that have not been accounted for.

I don't think that the governing party should use its position in power to score points. It is critical that we should be able to share the problem as a collective problem. I am quite happy to accept that in certain areas the state machinery is not perfect and mistakes happen and so on. But, it is this foundation of a collective effort that is lacking; and this is holding our country back.

We must deal with that issue because, as will be seen when we table reports, the serious situations that arise in our country as a result of this failure to collaborate and work together have serious implications for the country if we don't deal with those issues as we should. I thank you.

SCHABIR SHAIK COURT CASE

(Minister's Response)

The DEPUTY MINISTER OF FOREIGN AFFAIRS (Mr A G H Pahad): Madam Speaker, I find it quite amazing and surprising that after 11 years the members of the opposition continue to be as irresponsible as they are. It is quite surprising that my friend

from the opposition has once again exploited the sanctity of this House in order to carry out what has been going on for some time, namely trial by media, which I think they perpetuated and initiated themselves.

It's inexplicable that they are at such a weak and low level that they get reduced to exploiting personal things that are not proven. They talk about free trial and that people have to be proven guilty before they are found guilty.

They come here and use every opportunity to insinuate that a trial that's taking place on these very charges of corruption definitely has something to do with the Deputy President. They don't purport to give us any facts and information. I think it's a dangerous load of rubbish that they continue to carry out and we must stop that. [Applause.] [Interjections.]

PETROLEUM PRODUCTS AMENDMENT BILL

(Second Reading debate)

The DEPUTY MINISTER OF MINERALS AND ENERGY: Madam Speaker, the Petroleum Products Act, Act 120 of 1977, is outdated and is no longer in line with the sociopolitical and economic dynamics of the South African liquid fuel industry. It does not meet the present-day governance needs of the sector. It is for this reason that, last year, this House adopted an amendment to this Act, which proposed a number of changes to the regulatory framework. Most of these changes are aimed at facilitating the liberalisation of this sector.

The Petroleum Products Amendment Bill is aimed at ensuring and improving the governance of the liquid fuel sector, and also ensuring that it is in line with the government's policy objectives and developments in this sector.

One of the main objects of the Bill is to give effect to the Renewable Energy White Paper and in that process provide for a licensing dispensation that includes licensing of refineries, wholesalers and retailers that conduct business with respect to petroleum products.

Unfortunately, immediately after the finalisation of the amending Act, the Department of Minerals and Energy was alerted to the unintended consequences that would result from the finalisation of the Act as it stood. A few sections in the Act that were intended to facilitate market solutions seemed to have achieved the opposite effect.

The inclusion of these sections was not intended for the Minister to pre-empt negotiation on the supply agreement between Sasol and the industry, but to facilitate such negotiations. It was not the intention of the regulator to get involved in the determination of volumes or prices at which the products would be bought or sold, nor to pre-empt the sale of service stations. Section 2B(6) for instance draws the regulator into the setting of prices at which designated products are sold between wholesalers—an issue that should preferentially be left to the industry participants.

In drafting the system of licences, the aim is to achieve equilibrium in the next 10 years. But, it is clear that the current provisions in the amending Act will not achieve this. It will merely postpone the inevitable structural changes to the time when the industry is liberalised, rather than achieving the smooth transition that is the object of amending the Act.

An industry as complex as the liquid fuel industry, which will have ever-changing contentious issues which therefore necessitate flexible interventions from time to time, would not be properly served by a rigid provision such as section 2B(6).

In view of the above-mentioned consequences, it is therefore proposed that the prescriptive sections be deleted and be replaced with enabling regulations. This amendment before the House today can therefore be reduced to simply asking the House to change some "musts" in the Act into "may".

I commend this amending Bill to the House. I thank you. [Applause.]

Mr C M MORKEL: Madam Speaker, colleagues, ladies and gentlemen, in paraphrasing from the memorandum of the objects of the Petroleum Products Amendment Bill of 2004, I would like to say that the Petroleum Products Amendment Bill sets out to regulate the conditions under which the purchase and sale of petroleum products manufactured from coal, natural gas or vegetable matter occur. It authorises the Minister of Minerals and Energy to make regulations in this regard, as the Deputy Minister pointed our earlier.

It also makes amendments to the licensing system for such points of presence in the petroleum value chain as envisaged in the principal Act. The principal Act, the Petroleum Products Amendment Act, Act 58 of 2003 was approved by Parliament in September 2003 after exhaustive consultation with relevant stakeholders. The principal Act had amended the original Act, the outdated Petroleum Products Act, Act 120 of 1977.

The principal Act was intended to give expression to the policy goal of achieving an equilibrium in the number of service stations within a period of 10 years. However, as the Deputy Minister pointed out, the unintended consequence of that Act was to postpone rather than phase in the reduction and thus reach the equilibrium when the industry would eventually be deregulated.

For us, the principal Act and this amending Bill mark an important moment in the legislative and economic history of South Africa, as they mark a significant departure from a purely ideological approach to that of being pragmatic, which recognises that over-regulation as a means to promote redistribution and growth can have unintended consequences.

To some, this piece of legislation may indicate that government has accepted that a market-oriented approach will determine equilibrium and greater economic efficiencies. Such judgment would, however, be premature as this piece of legislation will ultimately determine the degree of flexibility or inflexibility of the Minister in ring-fencing certain areas after applying certain criteria, as spelt out in the principal Act. These criteria are intended to assess the potential for success or failure of the industry, especially in certain locales.

Obviously, the Deputy Minister referred to the criteria earlier. But, I think the most important of these is the creation of employment opportunities and the development of small businesses in the petroleum sector. Ask any estate agent, especially in the present property market context, and they will still tell you, "It's all about location, location, location." Those in the property market will also tell you that the phenomenal growth in their market will plateau and the bubble will burst before a natural and longer-term equilibrium settles in.

An artificially induced equilibrium would be as much of a recipe for disaster as the unintended consequences that this Bill now intends to avoid. This piece of legislation basically gives the Minister the right to assess whether the demand for petroleum products could be satisfied by what the industry could supply through the most efficient distribution channels. A licence would then only be issued after the procedures, criteria and economic viability study are applied.

The regulations, as the Deputy Minister pointed out, would hopefully further clarify what exactly this economic viability test would entail. If that is accepted, then we would commend this legislation; and this refers not only the DA, but to every petroleum entrepreneur who believes that she or he can promote local economic development, jobs and growth. However, there are also those who say that they cannot switch off their phones because of this piece of legislation and the Minister having a say. Some say on golf courses and in coffee shops

that they cannot switch off their phones because they expect an important call from someone they refer to as Phumzile. I don't know who they are referring to.

They ring-fence opportunities by claiming that they have the ear of the Minister and that should people want to do business in the sector, then they would be the BEE partners with the right political connectivity because service stations require permits and the Minister plays an important role in that. I doubt very much that the Minister would allow her name to be abused in this manner. But, what could be done to stop these impostors from using this legislation to get their grubby hands on BEE shares in service stations that could be better invested in forecourt staff through employee share schemes?

We anticipate that this piece of legislation may very well lay the foundation for further unintended consequences such as greater elasticity in the pump price of fuel. But that is still a far way off.

The SPEAKER: Order! Hon member, your time has expired.

Mr C M MORKEL: Thank you, Madam Speaker.

Mr A C NEL: Madam Speaker, on a point of order: In his speech, the hon member made a very thinly veiled reference to the hon Minister of Minerals and Energy. He suggested that the Minister is acting improperly through the awarding of business on the basis of criteria not provided for in the law. I would request that you please examine Hansard and make a ruling. Thank you.

The SPEAKER: I will examine Hansard. I did hear the hon member making reference to people who sometimes make reference, obviously, to the Minister. However, I will examine the context in which this was said.

Mr E J LUCAS: Madam Speaker, at the meeting of the Portfolio Committee on Minerals and Energy, on 16 September 2004, I did believe that we were unanimously in agreement. The IFP fully supports the Petroleum Products Amendment Bill. We do agree that the Minister of Minerals and Energy will have a flexible approach to the liquid fuel sales.

Our concern has been that new entrants, especially historically disadvantaged South Africans, must not be sidelined. We do know and draw from the fact that the Minister has demonstrated her concern regarding new entrants to the industry.

The price of crude oil which has increased so drastically in recent times is a cause for great concern. We do know that these are internationally controlled prices and that because we have other minerals and not crude oil, this makes us dependent on the world prices. Let us hope that we will not have the fuel price passing the R5,00 per litre mark by Christmas. I thank you.

Mr A HARDING: Madam Speaker, this Bill is much needed to bring legislation in line with the dynamics of the petroleum industry. There have been a number of changes to the sector at retail level where we have seen an overabundance of service stations of almost 30%, which resulted in numerous closures, given the small profit margins.

This Bill will promote an efficient manufacturing and retail industry. The Bill will also ensure productive use of retail facilities. At the same time, the ID wants to warn against overregulation and appeals for the orderly entrance of synthetic fuel producers into the retail sector.

We also want to petition for the accommodation of BEE partners in upstream activities because this is where substantial returns are made, and that must be an area where real technical skills can be developed by BEE partners. I thank you.

Mr W D SPIES: The regulation of the fuel industry has long been a contentious issue in South Africa. Rising oil prices and the ever-present volatility of our currency on the

one hand, and environmental requirements on the other, make any legislation with regard to the petroleum industry a potential source of conflict.

The FF Plus is in favour of the limitation of regulation in the fuel industry to the bare minimum required to protect consumers, communities and the environment. Since the proposed amendments to the existing Act were apparently driven by market forces, and given the fact that the amendments are made with due consideration to the eventual deregulation of the industry, the proposed amendments are acceptable. The FF Plus therefore supports the Second Reading of the Bill.

Ms S RAJBALLY: Madam Speaker, time brings a lot of change and we constantly need to ensure that we are moving forward with such change. We must develop, but under the conditions of democracy and the needs of our people, strictly adhering to stimulating change that is in compliance with our national Constitution.

The liquid fuel sector is one that requires such updating through policy and management. The MF supports the authority awarded to the Minister of Minerals and Energy regarding the purchase and sale of petroleum products, as well as the licensing system. The drafting of such regulations and amendments, we trust, shall be established efficiently and effectively to the benefit of both the sector and the public.

Last year we dealt with the Petroleum Products Amendment Act of 2003. It has been established that an unintended consequence has occurred regarding the need to attain equilibrium with regards to the number of service stations required. The MF supports the amendments made to the Act to allow the Minister to correct this process through a more market-orientated approach and regulations.

The MF supports the Petroleum Products Amendment Bill. Thank you.

Mr S K LOUW: In September last year, the Petroleum Products Amendment Bill was approved by Parliament after an intense debate and discussions with the stakeholders in the industry. One of the main aims of the Act was to promote transformation of the petroleum and liquid fuels industry, as well as to authorise the Minister of Minerals and Energy to make specific regulations. It also promotes the advancement of historically disadvantaged South Africans and gives effect to the liquid fuels charter.

Therefore, it is necessary in the Petroleum Products Amendment Bill for those amendments to authorise the Minister of Minerals and Energy to make regulations in this regard, and to make amendments to the envisaged licensing systems. The Deputy Minister has elaborated a lot during her input on these amendments.

The creation of employment opportunities and the development of small business in the petroleum sector would make the availability of petroleum products at competitive prices possible. What is key in this Bill is to promote access to affordable petroleum products by low-income consumers for household use.

We also need to guard against unintended consequences of the Petroleum Products Amendment Act that will result in postponement, rather than the phasing in of the reduction of the number of service stations when the industry is eventually regulated. This amendment dealt primarily with the power of the Minister to make regulations to curb the excesses of the market, should it be necessary. This is done in this Bill by amending section 2B, section 2E(3) and section 12C.

By deleting section 2B(6), the Bill allows the market to regulate itself. It is replaced by the empowering regulation under section 12C(1). These amendments in this Bill are

indeed a milestone towards breaking down dictatorial barriers, and thereby businesses in the oil industry are encouraged to stand on their own feet and to function in a competitive environment.

The prices of petroleum products will be enhanced through a proper price control structure, which will allow price transparency at all levels. The amendment in section 2E is mainly to give flexibility to the Minister in making regulations by changing "must" to "may".

We have to commend the Minister, the Deputy Minister and the department for submitting this amendment so quickly, because the outcry in the industry was huge. The ANC supports this Bill. Thank you. [Applause.]

The DEPUTY MINISTER OF MINERALS AND ENERGY: Madam Speaker, let me thank all the parties for supporting this Bill. I also want to commend the DA for agreeing with us for the first time, but of course they came up with rumour mongering. Now I know where our press gets its unknown sources. I am actually surprised that Mr Morkel agrees to be used in this way when his name is being thrown around in the press at the moment. [Interjections.]

I would like to make it quite clear that the criteria for allocation of licences will be spelt out in detail in our regulations, which will be put to the public for comment. The Controller of Petroleum Products will have very limited discretion and will not be influenced by anybody.

I also want to emphasise that the Ministers of this government must have power, because the ANC is the ruling party. When the white government was in power, nobody questioned the discretion of Ministers. Nobody questioned the power of Ministers, and Ministers had extraordinary powers. Ministers had powers to instruct the army to go and shoot dead our children in 1976, and some of the members of the DA were silent. [Interjections.] I also want to say to Mr Harding that this Bill will only regulate the downstream petroleum industry. Exploration and production is regulated by the Mineral and Petroleum Resources Development Bill. Thank you. [Applause.]

THE INTRODUCTION OF A SINGLE NATIONAL PUBLIC SERVICE WITHOUT COMPROMISING THE ADVANTAGES OF PROXIMITY TO THE COMMUNITY AND FLEXIBILITY OF LOCAL GOVERNMENT IN SERVICE DELIVERY

(Subject for Discussion)

Mr M R BALOYI: Madam Speaker, I rise to introduce the debate as initiated by the hon Gomomo, who unfortunately cannot be with us due to unforeseen circumstances. As I introduce this debate, I want to remind this House of the provisions of the White Paper on the transformation of the Public Service, which puts emphasis on the key role that the Public Service has to play as the executing arm of the government.

In this document it is stated, amongst other things, that:

> To fulfil this role effectively, the service will need to be transformed into a coherent, representative, competent and democratic instrument for implementing government policies and meeting the needs of all South Africans.

According to the White Paper and other policy positions of the current political dispensation under the ANC-led government, the Public Service should be responsive to the needs of the people. It should be

accountable. It should be service-oriented and transparent. It should put people first and be co-ordinated.

The topic that we are debating today finds relevance in the broader debate about Public Service transformation in that, as one unitary country with one supreme Constitution, we should create and steer all state machinery towards the realisation of nationally acclaimed policies and objectives.

We are introducing this debate with the understanding that transformation is so dynamic a process that you can never say that you are done with it.

Whereas the question of the introduction of a single Public Service has been with us since the beginning of the democratic dispensation, the first 10 years of our democracy saw us building the foundation by creating such structures as we needed to take the process of governance forward, and we built on that foundation by introducing policies that are meant to assist us to move from one point to another in the service of the nation. Step by step, we have begun to answer this question, and the following bears testimony to this.

Having inherited a Public Service divided along racial and ethnic lines, the first logical step to create a single Public Service has been that of the restoration of the national identity of all line functions and all the people of the country in as far as Public Service delivery is concerned, and we achieved this through the rationalisation of the previously divided Public Service institutions into one. We now talk of a single national department for each particular line function.

In order to guide the activities of the rationalisation of the Public Service, we introduced national policies for service delivery for further transformation of the Public Service and for other critical areas of training and development of our Public Service personnel. All this was to ensure that we all read from the same national source materials and expose all our personnel to the same standards of consciousness for better service delivery for the one nation, South Africa. We created three spheres of government.

Laha hi nga tumbuluxa mfumo wa masipala, wa swifundhankulu na wa tiko hinkwaro. Hi thlela hi tinyungubyisa ku vula leswaku loko endla tano hi swi vekile swi va erivaleni leswaku hinkwaswo swiyimo leswi swa mfumo swi ta tirhisana hi ndlela leyi faneleke. Swi nge phikizani naswona swi ta seketelana ku yisa emahlweni pfhumba ro korokela vaaka-tiko hi ndlela leyi faneleke.

Mbulavulo lowu nga kona eka nkarhi wa sweswi, lowu hi tirhanaka na wona kwala Palamende ni le handle, hileswaku wu fanele wu twisisiwa ku vula ntsena leswaku vukorhokeli bya mfumo byi fanele byi fana hambi hi le ka masipala, eka swifundhankulu hambi hi le ka mfumo wa le xikarhi wa tiko hinkwaro, hi fanele hi kuma nkorokelo lowu fanaka. Hi lava ku vona vukorhokeli bya vanhu byi va fikela hinkwavo handle ko va va byeriwa leswaku hina hi le ka masipala ntsena a hi hina hi phakelaka vanhu mati na leswaku vanhu va ta rhumeriwa eka tindhawu to hambana-hambana. *(Translation of Tsonga paragraphs follows.)*

[We created three spheres of governance: the local, provincial and national spheres. We are proud to state that these spheres complement each other without competing. They support each other in providing service to our people.

Current debates in Parliament and outside revolve around the question of a single Public Service, and service delivery to our

people should be the same in all spheres of governance. We need to reach a stage where people receive service irrespective of where they are, without been told that, for example, local authorities have no capacity to handle their queries, so that people end up being sent from pillar to post.]

We want to make sure that people have a one-stop point for service delivery without further references, and the realisation of this depends on what we make of debates like the one we are participating in today.

Minhlangano yo hambana-hambana ya karhi ya kanela hi mhaka leyi ya ku va hi va na vukorhokeli byin'we bya mfumo eka tiko hinkwaro. Xivutiso lexikulu eka mhaka yo fana na leyi hileswaku loko hi ri karhi hi kanele ha yona i ku va hi twisisa leswaku xana swi vula yini na leswaku hi ta swi endlisa ku yini ku ri hi va na vukorhokeli byin'we lebyi fanaka eka swiyenge hinkwaswo swa mfumo.

Yin'wana ya minhlangano leyi nga eku kaneleni hi mhaka yo fana ni leyi i nhlangano wa Salga lowu thlelaka wu twisisa leswaku na wona wu yima na rona pfhumba leri ra ku hi kanele timhaka ta leswaku hi va na pfhumba rin'we ra ku korhokela tiko rin'we ra hina. *(Translation of Tsonga paragraphs follows.)*

[Various stakeholders are busy debating the issues around the possibility of a single Public Service, but the most important question about the whole exercise is how to go about having a single Public Service for all spheres of governance.

One of the stakeholders dealing with this question is Salga, which also supports the idea that we need to have a single Public Service for service delivery in our country.]

Salga, at the moment, is actually sharing with us as they debate this issue about the question of a single Public Service. When it comes to the conceptualisation of the objectives of this debate, they deal primarily with addressing service delivery problems and the mobility of skills between spheres of government.

Hi endlelo rolero swa olova leswaku mutirhela-mfumo loyi a nga kotaka ku korhokela tiko a nga suka eka masipala hi ku tlakusiwa a kota ku tirhela tiko kahle loko a ri eka mfumo wa xifundhankulu kumbe eka mfumo wa tiko hinkwaro. *(Translation of Tsonga paragraph follows.)*

[In this manner, it is possible for a public servant who is attached to the local sphere of governance who is promoted to the provincial sphere or the national sphere to continue serving the country with distinction.]

As parliamentarians we need to learn lessons from our constituency work to enrich debates like these and to take all necessary stakeholders on board, because it is through the introduction of a single Public Service that the realisation of the objectives we set ourselves may be possible.

Lexi nga kona eka maendlelo lama ya ku va ni vukorhokeli byin'we hileswaku vanhu va kuma vukorhokeli lebyi nga fanela handle ka swisolo hikuva i mfumo lowu wa hina wa ANC wu nga te ri hi ta endla leswaku vukorhokeli bya vanhu byi va emahlweni. Hi ta veka vanhu emahlweni eka migingiriko ya hina hinkwayo ya ku korhokela tiko.

Hikwalaho loko hi swi endla eka swiyimo swo hambana-hambana, swi languteka onge kun'wana a swi hlangani kahle. Kambe loko hi swi endla hi ku va hi ri na vukorhokeli byin'we hi kota ku fikelela hinkwaswo leswi fanelaka. *(Translation of Tsonga paragraphs follows.)*

[With a single Public Service, service delivery is easily accessible for our people, for it is the ANC-led government that stated that people should come first in service delivery. We will always consider people first in our service delivery programmes.

When they are delivered in different spheres they are not well co-ordinated. However, if we have a single Public Service, service delivery will become easier.]

As we introduce this debate, we are saying that it is a contribution to the ongoing debate, which will continue until this engagement produces the final entity, in terms of which we shall be proud to say: Yes, a single Public Service is the answer. Let the debate continue! Inkomu. [Thank you.]

The MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION: Hon Chairperson and hon members of this House, when we adopted our Constitution we imposed certain obligations upon ourselves and this was particularly in respect of building the nature of the state that we are currently building. And that was to ensure that we would indeed build the developmental state; one that would be interventionist, one that would be redistributive, and one that would indeed reflect that the capability of the state should be such that it can and should intervene in community and society where the market and other forces break down.

One of the fundamental goals for our country, as stated in the preamble to the Constitution, is to:

> Improve the quality of life of all citizens and free the potential of each person.

Our first task in building a single Public Service post-1994 was to dismantle the myriad apartheid regime services and to forge a single Public Service throughout the country with uniform conditions of service at national as well as provincial government level. But forging this Public Service was not and is not merely a technical exercise. It requires and involves the forging of a common ethos of service dedicated to the values of our Constitution and the values of a progressive and developmental state. To build this kind of ethos and to build the developmental state is not an automatic process. And it is something that we clearly identified in the 1997 White Paper on transforming service delivery, Batho Pele, when it was launched. Today the values of Batho Pele remain the fundamental values on which we are building our Public Service.

Now, as stated by the hon member who opened this debate, a single Public Service and integrated service delivery is about ensuring that South Africans receive services at their convenience, at times they desire and not according to government structures or government design. Hence we say that we need to look at how we use or ensure the modernisation of the state in order to ensure that the Public Service is responsive to the needs of the people.

Let me give you some examples of that this afternoon. In any rural part of this country where there is no tertiary hospital but there is a clinic, there are children and adults who are in need of medical services. It is necessary for us, through the use of ICT and satellite technology, to use telemedicine where a specialist in a hospital such as Groote Schuur can be linked up with a clinic in Bochum in the Limpopo province. That is about ensuring integrated and seamless public services.

It is also about ensuring that, in schools where there may be an absence of maths and science teachers, we use satellite technology or other forms of multimedia such as televi-

sions. A teacher in one of the best public schools in an urban centre teaching maths or science can, in this way, reach those children in the rural communities. A country like South Africa that has two economies, that is divided at this particular point still in terms of developed and underdeveloped, should ensure that we use the resources available to us to overcome that divide and that is about integrated service delivery.

So what are we doing to make this happen? How are we going to ensure that we actually build a single Public Service? And when we talk about a single Public Service we talk about how we bring the services at local government level together with those at provincial and national government levels. How do we make this happen? Because in essence our communities are not interested in whether services are being delivered at local government level or at national government level. What they want is an effective service.

We have put together task teams that are currently working on conditions of service and they are dealing with four issues. They are dealing with remuneration and grading with regard to the salaries of public servants. And I will, at this point, liberally use that term to cover local government as well, where we are trying to look at the alignment of the salaries of those officials working at local government level with those at national government level. And why do we want to do this? We want to this in order to ensure that there is greater mobility of officials. We also want to ensure this in order that those who join the Public Service should understand that they are not employed in a post, but that they are employed in a service. So if someone is employed as the Director-General of the Department of Public Service and Administration or the Director-General of Foreign Affairs today, tomorrow that employee can be the CEO of the Kgalagadi municipality, because he or she has been employed to serve in the Public Service. Hence we need to look at the overall wage package for public servants.

We are also looking at pensions and medical aid, because currently the pension and medical aid dispensation at national and provincial government levels differs from that at local government level. We have already seen a great movement in terms of an alignment to the existing structure in the Public Service but more still needs to be done.

We also want to review other conditions of service, including a range of issues from leave dispensation to everything else because we need to have a common framework that governs the entire Public Service and all officials who work in it. And then we also want to review collective bargaining, which is something that is seen as a very sensitive but very necessary area. Currently we have different unions operating at different levels, but we need to ensure that we work towards a common bargaining chamber.

Now, whilst today I am talking about national, provincial and local government we also, as we deal with the single Public Service, want to look at the public sector as a whole. Are public entities so poised that they do respond to the developmental needs of the people of South Africa? When we have integrated programmes, is there input from the public entities where they reflect that they are part of this integrated Public Service, because after all these are all organs of the state, and are we utilising those organs of the state appropriately?

So in essence, to revert to the issue of Batho Pele, I think we need to restate that it remains a fundamental value upon which we are building our Public Service. It is about

ensuring that people come first and hence our services must be so structured that they serve people, and it is about building such values that would ensure that a service-oriented Public Service remains central and the challenging task that we must confront. This is done despite claims that, when we look at integrated service delivery, we may want to control. That is not so.

What we actually want to do is ensure that the developmental state is geared towards addressing the socio-economic needs of all people, especially the poor, the marginalised and the historically disadvantaged. Because we need to intervene actively, as I stated earlier, in both the first and the second economy in order to maintain the resilience of the first economy and to make progress towards integrating the second economy into the first. And as a result, our interventions into the second economy should be such that they actually release the potential of communities in the townships, in the informal settlements, and in the rural areas. And we should always consider whether the kinds of interventions of the state—whether it is public entities, local, national or provincial government—ensure that the people receive the services they require, like water, electrification, housing, quality education for our children, health services, cultural activities, sports facilities and so forth. And that requires all the spheres of government to work in an integrated and interrelated way. And that is why it makes sound economic and social sense as we move forward to ensure that this second decade of our democracy is about implementation.

We also need to look closely at what Chapter 10 of the Constitution tells us. It says public administration must adhere to certain basic values and principles. A high standard of professional ethics must be promoted and maintained. Efficient, economic and effective use of resources must be promoted and hence it makes sense to talk about integrated service delivery. Public administration must be development-oriented and services must be provided impartially, fairly, equitably and without bias. People's needs must be responded to and the public must be encouraged to participate in policy-making. Public administration must be accountable. Transparency must be fostered by providing the public with timely, accessible and accurate information. Good human resource management and career development practices, to maximise human potential, must be cultivated. And finally, public administration must be broadly representative of the South African people.

Now these principles present us with a range of challenges that we must overcome and this requires that there must be active engagement between the people of South Africa and the government of this country. And as a result all spheres of government and all public entities must ensure that they are part of this engagement. Institutions of the state must act in co-operation through their actions and we should see integrated and co-ordinated service delivery.

When members of Parliament go back to their constituencies and there is a particular need they should not, when they come to a particular government department, be told that that department is not involved in the delivery of water and that they should rather go to the Department of Water Affairs and Forestry. They should not be told when they need electrification that in this instance they can't come to local government, but should go to Eskom.

We need to ensure that the basket of services is there and that it can be accessed in a way that reflects that we act in concert, that we are integrated and that government does not

act in silos, but works across government departments. Services must be accessed in a way that reflects that services are provided in order to respond to the needs of the population and not to the convenience of a particular manager or a particular government department or even a particular politician who thinks very expediently about how they should protect narrow spheres without looking at the interconnectedness of the spheres of government; who also does not see the harmonising of public services and local government conditions of service, but rather wants to see a separation, and who does not accept that the state in actual fact is a single employer, and that we should ensure that it acts as such. We should not have fragmentation at local government level where each municipality is seen as a separate employer. We need to ensure that we address these issues and this clearly means that we need to address the question of the macro organisation of the state, because, as I stated previously, we are building and will build a developmental state.

I think we also need to ensure that public entities, as state institutions, assist in the delivery of the development goals of the developmental state and if the state does not have the ability or the statutory or managerial tools to provide oversight and guidance . . . Thank you very much. [Time expired.] [Applause.]

Mnr K J MINNIE: Agb Voorsitter, agb Minister, agb lede, ek is baie dankbaar dat die Minister gehoor gegee het aan my oproep van 'n paar maande gelede om haar planne met die Staatsdiens op die tafel te plaas sodat die debat op alle vlakke van die samelewing gevoer kan word.

Die ANC beplan om met 'n verenigde Staatsdiens die probleme met dienslewering wat hulle tans aan 'n gefragmenteerde regeringstelsel koppel, aan te spreek, asook verder om die mobiliteit van vaardighede tussen die verskillende sfere van regering te fasiliteer. Dit is 'n rookskerm, want die ANC is sedert hy die regering in 1994 oorgeneem het, besig met 'n sentraliseringsoefening.

Tydens die plaaslike owerheidsverkiesing van 1995 het hulle begin om plaaslike owerheid te sentraliseer deur die mag van onafhanklike en sterk plaaslike owerhede weg te neem en die mag in 'n metropolitaanse stelsel te vestig. Tydens die plaaslike owerheidsverkiesing in 2000 is finale beslag gegee aan metropolitaanse rade, en het baie selfstandige stadsrade hul status dan ook verloor.

Onlangs het die ANC aangekondig dat hy oorweging daaraan skenk om die metropolitaanse rade in Gauteng saam te voeg in 'n super-metropolitaanse raad. Tesame met die Minister vir die Staatsdiens en Administrasie se doelwit om 'n enkele Staatsdiens te vestig, is dit baie duidelik dat die ANC op alle vlakke besig is om hul mag te sentraliseer.

Die Grondwet bepaal duidelik dat 'n munisipaliteit die reg het om op sy eie inisiatief die plaaslike bestuursaangeleenthede van sy gemeenskap te regeer. Enige verandering hieraan sal 'n grondwetwysiging tot gevolg hê, en ek dink die Minister moet vir ons uitspel of sy so 'n grondwetwysiging beoog.

In beginsel bestaan elke sfeer van regering uit 'n wetgewende gesag, dit is die politici wat die burgers verteenwoordig, en 'n uitvoerende gesag—die administrasie. Indien jy die administrasie wegneem, is daar geen rede meer waarom daar 'n wetgewende gesag moet wees nie. Dus word 'n *de facto* sentrale regeringstelsel ingestel.

Die regering het egter nie rekening gehou

met Salga se reaksie op die integrering van die Staatsdiens nie, want luister wat het Salga te sê oor die Minister se planne:

> It is important that this review results in the strengthening and consolidation of the local government sphere and not its emasculation.

Salga sê verder:

> Municipalities must be given an opportunity to stabilise and consolidate after years of restructuring and change. The integration process should seek a greater alignment of the three spheres, rather than amalgamation.

Terwyl ek oor Salga praat, dit was ontstellend om tydens die bespreking van hierdie item by die kongres te moes sien dat die Direkteur-Generaal van die Departement van Staatsdiens en Administrasie se naam pertinent op die agenda verskyn om insette te lewer en om vrae te beantwoord wat moontlik uit die bespreking sou voortspruit, maar dat nóg die Minister, nóg die direkteur-generaal of enige verteenwoordiger by hierdie bespreking teenwoordig was om met die afgevaardigdes van Salga oor hierdie belangrike saak te praat nie. Gaan dit maar net weer afgedwing word? Dis die vraag.

Luister wat het President Mbeki, onder andere, tydens sy toespraak by die Salga-kongres gesê: Munisipaliteite moet luister as hul gemeenskappe praat. Hulle moet die regering se hulpbronne gebruik om ongelykhede van die verlede reg te stel en die greep van armoede te verbreek. Munisipaliteite moet fokus op basiese dienslewering. Kommunikasie met gemeenskappe moet nie deur rade gesien word as lastige prosesse nie, maar as 'n noodsaaklike vereiste vir volhoubare dienslewering.

Die President het dit gesê. Dit lyk vir my of die Minister nie net met Salga moet rekening hou nie, maar ook in die proses die President dalk moet fyn dophou.

Op plaaslike owerheidswesevlak is wanadministrasie, korrupsie en swak dienslewering besig om krisisafmetings aan te neem. Gebrekkige dienslewering en minder politieke deelname is die grootste probleem met sentralisasie. Dienslewering het reeds verswak waar kleiner rade geskrap is om plek te maak vir metropolitaanse gebiede. Plaaslike owerhede is op die voorpunt van die ontwikkeling van ons demokrasie, en dit vereis genoeg van ons bekwaamste personeel om dit in stand te hou. Daar is reeds 'n groot tekort aan bekwame en opgeleide personeel en herontplooiing sal hierdie krisis verder vergroot.

Sentrale regering word volgens funksionele, gespesialiseerde, departementele lyne georganiseer. In teenstelling hiermee is plaaslike owerheid horisontaal georganiseer en gegrond op dienslewering en die behoeftes van die gemeenskap. Plaaslike regering lewer diens direk aan die man op die straat—die naaste van alle vlakke van regering. Daar is dus direkte verantwoording deur die stadsraad aan die burgery. Hierdie werkskultuur verskil hemelsbreed van die werkskultuur op sentrale vlak.

Die DA is van mening dat onnodige tyd en energie bestee gaan word aan die implementering van 'n nuwe Staatsdiens, terwyl tyd en energie eerder oor die volgende vyf jaar bestee moet word aan die intensiewe ontwikkeling en opleiding van arbeid. *(Translation of Afrikaans paragraphs follows.)*

[Mr K J MINNIE: Hon Chairperson, hon Minister, hon members, I am very grateful that the Minister has heeded to my call of a few months ago to place her plans for the

Public Service on the table so that the debate can be held at all levels of society.

The ANC plans to address the problems with service delivery that they currently link to a fragmented government system, with a united Public Service, as well as facilitating the mobility of skills between the different spheres of government. This is a smoke screen, because the ANC has been busy with a centralisation exercise since it took over government in 1994.

During the local government election of 1995 they started to centralise local government by removing powers from independent and strong local authorities and vesting such power in a metropolitan system. During the local government election in 2000 final shape was given to metropolitan councils, and many independent city councils accordingly lost their status.

Recently the ANC announced that it was considering amalgamating the metropolitan councils in Gauteng into a supermetropolitan council. Along with the Minister for the Public Service and Administration's objective of establishing a single Public Service, it is very clear that the ANC is centralising its power at all levels.

The Constitution clearly provides that a municipality has the right to govern its community's local management matters on its own initiative. Any change to this will lead to an amendment of the Constitution, and I think the Minister should spell out to us if she envisages such an amendment to the Constitution.

In principle every sphere of government comprises a legislative authority, that is the politicians who represent the citizens, and an executive authority—the administration. If one takes away the administration, there is no longer any reason for a legislative authority. Thus a de facto central government system is introduced.

The government did not, however, count on Salga's reaction to the integration of the Public Service, because listen to what Salga had to say about the Minister's plans:

> It is important that this review results in the strengthening and consolidation of the local government sphere and not its emasculation.

Salga further states:

> Municipalities must be given an opportunity to stabilise and consolidate after years of restructuring and change. The integration process should seek a greater alignment of the three spheres, rather than amalgamation.

While I'm making reference to Salga, it was disconcerting to see, during the discussion of this item at the congress, that the name of the Director-General of the Department of Public Service and Administration emphatically appeared on the agenda to give inputs and to answer questions that might flow from the discussion, but that neither the Minister nor the director-general nor any representative was present at this discussion to speak to the delegates of Salga about this important matter. Will this simply be enforced again? That is the question.

Listen to what President Mbeki, amongst others, said during his speech at the Salga congress: Municipalities should listen when their communities speak. They must use the government's resources to correct the inequalities of the past and to break the grip of poverty. Municipalities should focus on basic service delivery. Communication with communities should not be seen by councils as a bothersome process, but as a necessary requirement for sustainable service delivery.

That is what the President said. It would appear to me that the Minister not only has to reckon with Salga, but should also watch the President closely in the process.

At local authority level maladministration, corruption and poor service delivery are reaching crisis proportions. Deficient service delivery and less political involvement are the biggest problem with centralisation. Service delivery has already deteriorated where smaller councils were scrapped to make way for metropolitan areas. Local authorities are the vanguard of the development of our democracy, and they require enough of our most skilled employees to maintain them. There is already a significant shortage of skilled and trained staff and redeployment will further aggravate this crisis.

Central government is organised along functional, specialised, departmental lines. Local government, in contrast, is organised horizontally and is based on service delivery and the needs of the community. Local government delivers services directly to the man in the street—the closest of all levels of government. There is therefore direct accountability of the city council to the citizenry. This working culture differs tremendously from the working culture at central level.

The DA is of the opinion that unnecessary time and energy will be expended on the implementation of a new Public Service, while time and energy should rather be expended on the intensive development and training of labour in the next five years.]

The creation of a single Public Service, couched in the language of capacity-building, is a smoke screen for the further centralisation of the ruling party's power, and will take government further away from the people. I thank you. [Applause.]

Ms M M MDLALOSE: Chairperson, hon members, the political arena is made up of a multiplicity of social priorities, which continue to change and evolve over time. Some are more urgent than others, such as delivery of services to many of our people who are still living in abject poverty today. Sadly, many municipalities have been found wanting in this area, which is why I understand government's point of departure in its call for a single Public Service.

But let us not forget how government, a few weeks ago, dared public servants to go on strike. We know that the Public Service is the single largest employer that emerged from a fragmented bureaucratic system, but one needs to face the hard facts. Government has to be interactive. Departments need to co-ordinate their responses, share their expertise, pool their resources, and thus prevent duplication of activities.

The IFP believes in a federalist form of government where power is devolved to the citizenry. Therefore, the IFP cannot support a distant, remote-controlled government that ignores the dynamics and dilemmas in each province and municipality. Ideas have to be percolated from people and not in a top-down approach that continuously limits decision-making to the President and his Cabinet, while ignoring the needs of the people on the ground.

Government of the people should be done in direct consultation with the people in order to make decisions that reflect the will of the people. We need to stop this centralism, which is concerned with stopping all decision-making power right here and now in its tracks. By centralising the Public Service we will only be eroding the core values and principles of a true democracy, which is centred on the will and voice of the people, and not on the elitist decision-making structures.

The IFP therefore believes that a single Public Service will not in any way benefit democracy in South Africa, but will rather adversely contribute to breaking down our ailing democracy.

Teachers, nurses and policemen are still poorly paid today, while they are the very machinery that drives the rotation and the delivery of this country's most critical services. Public servants are already migrating in their numbers to greener pastures in Britain, Saudi Arabia, and so on. Our workers, whom we have trained, are being cherry-picked. The end result is that a brain drain is occurring, which is stripping our country of valuable skills and expertise, hence making our country poorer due to the loss of such skills.

In order to maximise service delivery from public servants, we need to be realistic and carefully consider their grievances. Public servants need to be motivated in order to avoid strife, the syndrome of absenteeism and low productivity. Most importantly, the loss of valuable skills and expertise through our public servants migrating to other countries needs to be avoided at all costs.

Yielding more power and control will not improve the current conditions with regard to public servants. Government needs to realise that the process of governing is a two-way street in a democracy. The government also needs to listen and respond rationally and reasonably. It should not be a process of a disciplinarian versus the disobedient. It is time to grasp the nettle and put our people's needs, like service delivery, before party politics.

Also, a new breed of supermanagers is being compensated at the expense of poor people in poor communities. There are also some of those public servants who are feathering their own nests ... Thank you. [Time expired.] [Applause.]

Mr M R SIKAKANE: Chairperson and my Minister, I had guessed that some people would come here and start making the wrong assumptions with regard to what we are talking about. They are now talking about top-down, three spheres of government, and yet we are talking about a simple national Public Service which is meant to serve the people. So, I had imagined that we would be derailed by people not understanding what the issue is.

I wish we had the Minister of Sport and Recreation here. Let me remind you, members: Do you remember when one day we woke up in the morning and read in the newspaper that the then Premier of the Eastern Cape was furious, saying that those three spheres of government must go because the road from East London to King William's Town was nearly finished, yet each and every sphere was saying it should be done by the municipality of East London? Others were saying it should be done by the provinciate, whereas others were saying that it should be done by the local government of King William's Town. He was furious.

I wish he were here so that he could understand what the Minister is saying when we talk here about one single national Public Service.

So, I would like to start my speech by saying: At long last, the debate that has been conducted behind the scenes has now been brought before you to examine so as to eliminate knots in the Public Service.

Our approach is informed by the evaluation that was carried out in 2001. That evaluation had its own objective, namely the need to take the functioning of the state machinery to a higher level. Therefore, the central thrust of co-ordination, co-operation and complementary public service means that we have to move towards a single national

Public Service whose character and content will ensure integration of functions that will result in the better functioning of the Public Service. It has nothing to do with whatever political ideology we hold. We are talking here about a public service that will render a better service to the people. People should note and understand that. This is not done or was not designed for fun but to give, render and implement one equal service to the people of South Africa.

Indeed, because of tradition we have clung to these dead-weight laws. Externalities are categorised according to two outputs, namely positive externality and negative externality. So we as legislators ought to be alert to distortions so as to remove determinants of dead-weight laws as early as possible.

Chairperson, I am saying that the Public Service, as it stands now, is distorted. It has negative externalities that have determinants of dead-weight laws. It is a distortion to apply different standards, rules and delivery patterns to the citizens of the land, yet all they want is better service. All they want is responsive service delivery, a user-friendly Public Service and an efficient Public Service. It is not about how many spheres of government there are, but about people-centred government.

The negative externality of not having a single national Public Service is what you see and experience. When you go to KZN, what you see is different to what you see in Limpopo, the Eastern Cape, the Western Cape and Gauteng. Are we living in so many countries or are we living in one South Africa? Why should we let this go on the way it is now, because we can see that it has distortions? So, let us correct this.

The Minister highlighted issues such as mobility. You know, today you moan in this House and say people are being retrenched. In Cape Town, in Durban, municipalities retrench people, yet in the Public Service there are vacancies, because we do not have a single Public Service. Common sense should dictate these issues, therefore if you have listened, it is very important to open up and have mobility of public servants so that, as the Minister indicated, we could take a director-general from the national Public Service and put him in a Cape municipality or in Durban or Ethekwini, or in Gauteng.

We see that they all do it differently. The question is: Are we in different countries administered by different laws, brought up by different political parties? [Time expired.]

Mr M STEPHENS: Chair and hon members, I must point out to the previous speaker who asked the question whether we are living in one country or many countries, that of course we are living in one country, but we have to do with many cultural groupings of people who all should share in the power—especially the power closest to them in local communities.

It is something that, in this motion, the hon member and members supporting the unification tend to forget. We are a multicultural country, and it is something that the President again underlined in his speech earlier this year when he said that we recognise groups, as opposed to the DA, which only recognises individuals. We recognise that there are groups with their own interests and with their own identities. I think it is time that we started keeping that in mind and in practice.

Much has been said today about the many laudable objectives of creating a single national Public Service. We support, for example, equality in employment conditions of all public servants, and it is a matter that

should be actively pursued. However, there are serious negative implications also.

We need to caution against creeping centralisation of power. We are concerned that the pursuit of a single national Public Service could easily become a back door or covert means of diluting the power and functions of local government, which will lose the ability to appoint, manage and control their own workforces. If you can't do that, how can you govern? What is the sense of political power?

The essence of local government, which is entrenched in the Constitution, is the democratic participation of people in the way they are governed through their elected councillors and their ward committees. We must guard against any measure, however well intentioned it may be, that may detract from this process of democratic participation.

The costs and disruptions that the creation of such a single Public Service will cause are not even considered. Municipal employees earn more than some of their peers in the Public Service, and that is a matter that cannot easily be ignored. Thus, whilst there are possible benefits for a national Public Service, they are not guaranteed.

In the meanwhile the problems and challenges of local government run far deeper than this single issue. In fact, it is our contention that the immediate and full implementation of the Municipal Financial Management Act is a far greater priority, and will have far greater benefits for improved service delivery.

Experimenting with new policies while existing critical legislation is not being implemented is not good governance. I thank you. [Applause.]

Mr A HARDING: Mr Chair, the introduction of a national Public Service is a noble idea, but it is one with major challenges for all public servants. One of the major challenges would be for all public servants to accept government's aims and objectives. For government to achieve this objective will require a major training and reorientation programme for all its public servants.

We feel one of the major reasons for government not attaining its objectives is that some of these civil servants are being downright obstructionist. The Public Service is also not currently geared towards offering such a developmental function. Transferability between the different divisions will be the major challenge, because they are function-specific. Transfers across government spheres are thus difficult.

Such a move would also have serious implications for government's training and development strategy. The Minister refers to a basket of services, but that is not available in all our communities at present. The mechanisms to achieve crosscutting governance are also not fully operational. Compatibility of ICT is required for the various spheres of government to converge. The Public Service policy framework must be adopted to achieve this integrated service delivery.

In conclusion, however, in the founding documents of the ID we have correctly identified the need for the developmental state to breach the divide that still exists in our communities. I thank you.

Mrs C DUDLEY: Chairman, this is a far-reaching proposal, and while integrated services must be a reality, and there are always advantages to standardisation, this does not require sameness or centralisation. The South African Constitution provides for three distinct and separate spheres of government. We must be careful not to violate this solid principle.

We surely cannot expect local governments throughout South Africa to be identical. Where are we heading with this? The ACDP stands for the principle of federalism, based on the grounds that it promotes the following principles: It is the only system capable of being closely associated with the country's citizens, and which can adequately address the diverse needs of the local regions; it promotes a better degree of governmental and administrative efficiency and responsibility; and it is a system that recognises open democracy, power-sharing and diversity and builds co-operative partnerships.

The ACDP feels that there should be greater co-operation between the various components of the Public Service, and that co-operation between local, provincial and national structures is paramount in ensuring service delivery to the public. It is questionable, however, as to whether there should be a complete amalgamation and integration of all structures at every level. It is never a good idea to put too much power in the hands of a few, as this promotes corruption, and creates a different kind of red tape and bureaucracy to that which we now have.

The general consensus amongst experts is that the Public Service needs to be streamlined and trimmed to make it more efficient and cost-effective, but these changes should not be brought about without going into an extensive skills analysis process.

It is well known that successful states tend to be decentralised, and there are long lists of failed states that generally have high levels of centralisation. A move towards centralisation implies that Big Brother knows better. We don't want government by remote control in Pretoria. We want to take government to the people. Service delivery is the bottom line, and this debate is therefore important. But I thank you. [Time expired.]

Ms S RAJBALLY: Thank you, Chairperson. As a democracy governed by the supremacy of our national Constitution, we are required to adhere to this supremacy. As a democracy we operate in terms of the separation of powers through our three spheres of government, namely national, provincial and local. Though this separation of governance allows for co-operative governance between these spheres, each maintains its individual authorised capacity.

We have had occasions when local government complained that they were not able to exercise the authority awarded to them by the national Constitution. The Minority Front strongly feels that local government is our greatest contributor in defining what is required from all these spheres due to its grass-roots level work, and access to the community.

We feel that a single national Public Service will compromise this. It is already an issue in areas of South African local government. We sense that a single institution will have even greater problems. Local government is our eyes and ears on the ground, and people have a greater chance of being heard, and governance is far more personalised.

The Minority Front feels that it would be flexible to look at the benefits of a single national Public Service, but prefers the personalised public service offered through local government. Thank you, Chairperson.

Mr M R BALOYI: Chairperson, thank you very much. In closing this debate I want to state to the hon Minister that we support the task teams that she referred to, knowing very well that in their endeavours there will obviously be challenges that will confront them. We are available as public representatives, and as such we should assist in as far as we possibly can.

Let me indicate that the assumption that the debate on a single Public Service is actually a debate on centralising, is unfortunate. It is unfortunate simply because it is not true. [Interjections.] It is also unfortunate, hon Waters, because it is actually a display of innocence, to be polite. It is a display of innocence by people who claim to be representing the public, as they participate here. For them to just miss what it means when we talk of a single service cannot be explained. That assumption is unfortunate.

Maybe, Chairperson, what you might want to do in a debate like this, is to offer free lessons to such members as the hon Minnie and hon Waters, as to exactly what it means when we talk about a single Public Service and exactly what it means when we talk of a one-stop service. [Interjections.]

We are saying that we need to provide service without referral. When we say we need to provide service without referral, it means that when people go to their nearest office they should be in a position to receive a co-ordinated service.

When we talk of co-ordination we are not talking of centralisation. For example, when you go to our multipurpose centres, in one office you find the services of various departments provided in that office. So, a member of the public will definitely be able to get all services available and they will be accessible. This is definitely not centralisation.

Maybe when we talk of a single service, the only problem that some people actually have, like those on my left, is that they talk of a single service as suggesting that we are talking of a single sphere. We are not intending, in this debate, to do away with the three spheres that we have. What we are saying is that we need to have services co-ordinated. For example, if a child is born at a hospital, which is a government institution, why can't we provide systems whereby at that point that child can be registered? You can do that without necessarily having to do away with the Department of Home Affairs.

If there are people who claim that when we talk in terms of co-ordination, we mean what they narrowly indicated, that is quite unfortunate. When we talk of a single service, maybe it is like the hon member said, namely that we do not know where some of you are actually coming from. Just go to Galeshewe township in the Northern Cape; you have to see it to believe it. When we say you are able to access services under one roof, we mean it.

Just go to Makgoba in Limpopo, to the multipurpose centre. You will realise that when we talk of a one-stop centre for all services, we mean exactly that. It can actually happen. We do not want to talk in terms only of areas where we have the multipurpose centres. But we want to then say that you should be able to talk about a co-ordinated service, and co-ordination does not mean centralisation, as we have indicated.

We are not debating this because of any problems. We are debating this issue with the desire to ensure that what we said as the ANC government would be readily available to the people and we mean exactly that. That has to happen. That is exactly what we are saying. In fact, we are talking about strengthening the service delivery machinery to ensure effective service delivery. In doing this—contrary to what others will say, such as that we will be frustrating local government—in the end we will strengthen local government.

Maybe you need to do a bit of constituency work.

Hi nga nyika xikombiso xa vanhu va ka Dzumeri eLipompo lava va nga na masipala wa vona kun'wana ni kun'wana laha va fambaka kona. Xa vona hileswaku loko va fika lahaya va kombisa xiphiqo xa mati, a swi laveki leswaku masipala a ku a ti tirhani na yena, a va ye eka Ndzawulo ya Mati.

Masipala u fanele a swi kota ku hlamusela loko vukorhokeri lebyi byi ri kona laha va nga kona. Masipala, tani hi mfumo, u fanele a vona leswaku u ta endla yini, a nga fanelangi ku rhumela vanhu kun'wana. U fanele ku va pfuna. Hina hi fanele hi vona leswaku vukorhokeli lebyi byi le ndhawini yin'we.

Ndza tshemba leswaku mi le ku ndzi yingiseleni. Naswona loko hi endla hi ndlela yaleyo ivi vanhu va ku hi swi tisa ndhawu yin'we, a hi swona. *(Translation of Tsonga paragraphs follows.)*

[I can cite an example of the community at Dzumeri in Limpopo who also have their own local authority. If this community has water shortages, the local authority should not send them to the Department of Water Affairs.

The local sphere should have the capacity to explain if they are able to provide the required services. This level of authority should not send people away to get assistance somewhere else. It is our duty to see to it that services are provided where they are needed.

I hope you are listening. If we decided to do that and people say we are trying to centralise everything, it is unfortunate.]

Thank you very much.

Debate concluded.

The House adjourned at 15:57.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

FRIDAY, 17 SEPTEMBER 2004

ANNOUNCEMENTS

National Assembly and National Council of Provinces

1. **Bills passed by Houses—to be submitted to President for assent**

   (1) Bill passed by National Assembly on 16 September 2004:

   (i) **Companies Amendment Bill** [B 10D—2004] (National Assembly—sec 75).

National Assembly

1. **Membership of Committees**

   The following changes have been made to the membership of the **Joint Committee on Ethics and Members' Interests**:

   Appointed: Gumede, Mr D M (ANC)

   Discharged: Cronin, Mr J P (ANC)

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister for Provincial and Local Government**

   Report and Financial Statements of the Municipal Infrastructure Investment Unit 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 178-2004].

COMMITTEE REPORTS

National Assembly

1. Report of the Portfolio Committee on Sport and Recreation on Study Tour to KwaZulu-Natal, dated 14 September 2004:

The Portfolio Committee on Sport and Recreation, having conducted a Study Tour to KwaZulu-Natal from 9 to 12 August 2004, reports as follows:

A. PURPOSE

The Portfolio Committee took a decision in the meeting on 3 August 2004 that a multiparty delegation should visit KZN on particular objectives and in exercising oversight on the monies paid by Sport and Recreation South Africa (**SRSA**) to federations and challenges experienced that the money does not reach the clubs in the provinces as it is suppose to be.

B. OBJECTIVES

1. To promote participation of South Africans in local and international sport and recreation programmes through own programmes and funding of associated organizations and to monitor the impact on communities.
2. Mass participation is directly driven at national level as a major policy initiative. Meetings and in loco visits will take place at points of implementation of the Siyadlala programme
3. Visits to key nodal areas where community mass participation programmes have been launched by SRSA at the end of July and development plans for the Indigenous Games and mass participation programmes for the disabled and women
4. Meetings with local USSASA structures in Durban and Pietermaritzburg to discuss challenges facing them in the implementation of the national programme and funding, USSASA plans to implement the school sport programme and the desired funding model and mechanism
5. Meetings with the key federations (soccer, cricket, rugby) that are funded by SRSA and evaluation of their development programmes in relation to performance target commitments given to SRSA
6. Meeting the local sport councils and management committees of the provincial academy at the University of Natal on their admission/selection criteria and programmes, linkages to the national academy and sources of funding in terms of corporate entities
7. Meeting with sport councils based in Durban and Pietermaritzburg to establish their involvement in national events such as the 2010 World Cup; to learn of the challenges they experience in relation to national lottery disbursement agency pertaining to sport and recreation; also their plans they have for rural areas because sport councils are a direct responsibility of the national department and to find out how they are resourced by the department and sport councils were established in terms of the Sport Commission.
8. Meeting with an expert on recreational issues on a researched study into recreation in South Africa.
9. Visiting areas where Building for Sport and Recreation programme is implemented, evaluation on the efficacy of the programme with regards to mass

community participation and determining the state of readiness of local structures to become implementing agents for the programme.

C. COMPOSITION OF THE DELEGATION

The multiparty delegation that constituted the visit to KZN on 9 August to 12 August 2004 were:

1. Mr. B M Komphela, ANC (Chairperson) leader of the delegation
2. Mr. M M Dikgacwi, ANC
3. Mr. C T Frolick, ANC
4. Mr. T J Louw, ANC
5. Mr. E Mtshali, ANC
6. Gen B H Holomisa, UDM (joined the delegation on the second day)
7. Mr. C B Herandien, NNP
8. Mr. R B Bhoola, MF
9. Ms N Mbuqe (Committee Secretary)

D. DAY ONE – 10 AUGUST 2004

1. Meeting with the MEC

Officials from the Ministry, Standing Committee and department present were:

(i) Mr. A Rajbansi, MEC
(ii) Mr. G V Sangweni, Acting Head of the Department of Sport and Recreation.
(iii) Mr. P Ngcobo, Chairperson of the Standing Committee on Sport & Recreation
(iv) Mr. B Ngwane, PSPO Head Office
(v) Mr. J S Dlodlo, Deputy Director – Sport and Recreation
(vi) Ms S Khan, Director – eThekwini Region
(vii) Mr. S B Singh – Head of Ministry
(viii) Mr. E G Ndlovu, DCES
(ix) Mr. B T M Ndulini, Assistant Manager – Sport & Recreation
(x) N E Gcabashe, CES – Sport and Recreation

The first meeting was a courtesy engagement with the MEC of Sport and Recreation, Mr. A Rajbansi, MPL. The department is new since its separation from the Department of Education and Culture. This is also a challenge on its own due to lack of human resources, capacity problems and a skeleton administration where staff is to be appointed. The department has eight operational units headed by senior personnel and a similar structure exists at regional level. Sport officials have also been assigned to sport codes.

The MEC showed much enthusiasm and excitement on the visit where the department and the Committee could share information and reach a certain understanding on issues affecting sport in the country and where the province needs assistance or

support.In preparation of the 2010 World Cup a committee has been appointed in the provincial Cabinet with Mr. Rajbansi as the chairperson. He also suggested that a Football Indaba and Stakeholders' Conference on sport would be held in the Province.

He further highlighted activities conducted by the department. Meetings are held on a regular basis with various community members, sport federations, non-government organizations, the corporate sector and local government representatives with the objective to plan projects, facilitate the formation of sport structures, assessing the needs of the community, sourcing additional funding and resolving conflicts.

The department has facilitated a number of courses to develop the capacity of educators at schools, representatives of sport federations and community members. He mentioned national and international events hosted by the department during 2003/04 in KwaZulu-Natal and also regional games played including Love Life Games. The province took part in many national and provincial events and won medals especially for the physically challenged people. The MEC quoted KwaNaloga games as nurturing sports potential in all KZN municipalities from grass roots to world-class level with the mission to encourage partnerships and coordination with relevant stakeholders in facilitating the delivery of high quality sustainable sports people.

He then gave the Chairperson of the Standing Committee on Sport and Recreation in the province, Mr. Paulos Ngcobo, MPL an opportunity to welcome the delegation. Mr. Ngcobo noted the following challenges that they experience in the province:

(a) Understanding the duties of the department and suggested a workshop to be properly briefed on what has been done by the department when under the Education Department in the previous years. The Committee did not know even the duties of the stakeholders. The Committee does not know or have information on the structures in the Department;
(b) Expectations from the community of KZN in respect of equipment or kit for the children or clubs in the community. The committee does not know how to handle these requests;
(c) Sport grounds to be built in the rural areas and what role the committee could play in identifying the areas. The Committee has a shopping list but does not have insight of what exactly should be done by who and how.
(d) During February 2004, the previous Department bought two schools of excellence. How the properties will be utilized and ownership of the facilities needs to be clarified.
(e) As far as the 2010 Soccer World Cup is concerned, the committee has no clarity on its envisaged role. There is a private company who want to build a stadium in Westville that could seat 90 000 people; however the logic behind it is questionable because there are other facilities close by.

Mr. Komphela, the Chairperson of the Portfolio Committee on Sport and Recreation and the leader of the delegation thanked the MEC and the Chairperson of the Standing Committee on their warm welcoming address. On his address

about the objectives of the visit he emphasized that the province and national should support each other with the objective of building a playing nation. He explained that sport has not reached the goal that is expected of not only concentrating on getting medals but also encouraging communities to play. The problem of transformation within the federations in the country came as a matter of concern and need immediate debate.

He noted that all facilities used by federations must be accessible to all even if built by private businesses. He also highlighted the challenges facing the 2010 World Cup where FIFA specified 12 stadiums to be ready for the World Cup. Some are already in existence but need to be upgraded to meet FIFA's standards.

The departments should link their performance objectives to the State of Nation Address and the Budget Speech pronounced by the Minister of Finance. He also noted that there is an amount of R2bn from sponsors and another R270m within Sport and Recreation South Africa. Appropriate strategies must be developed to utilize funds effectively to advance the agenda of government.

It was explained that the Cabinet took a decision to transfer building of facilities from SRSA to Provincial and Local Government with the Municipal Infrastructure Grant. The Portfolio Sport committee would assist the provincial department on how the money should be distributed and is also planning to have a joint meeting with the Portfolio Committee on Provincial and Local Government to intensively discuss common issues on this matter.

Sport councils should be reactivated to shape up the plans of mass participation. USSASA should provide clarity whether they only organize elite tournaments while not focusing on development programmes.

The provincial standing Committee has an important role to play in the "Building for Sport and Recreation Program". The facilities build from funds provided by national government are not maintained and nobody seems to be responsible or owning those facilities.

In conclusion, the MEC emphasized compliance with the targets set by the President, the provincial premier and King Zwelithini during their speeches. He has set goals assessed on a monthly basis on how those targets or goals are met and identify any gaps that are there. He suggested that regular workshops should be conducted between national and provincial committees and federations to get directives from the government. He then thanked the Committee for its courtesy visit and undertook to work towards a strong healthy working relationship.

2. Meeting with EThekwini municipal manager –Dr. M Sutcliffe

The delegation was met by:

a) Dr M O Sutcliffe, City Manager
b) Mr. P Ngcobo, MPL – Chairperson, SC on Sport & Recreation
c) Mr. D Khuzwayo, MPL – KZN Legislature
d) Mr. K Panday, MPL
e) Ms S Thakur-Rajbansi – MPL
f) Mr. S Mshengu – eThekwini official
g) Mr. S Skweyiya – Deputy City Manager
h) M A Abdool, Councilor
i) T M Hlongwa, Councilor
j) Mr. X C Ntsele – Committee Secretary – SC on Sport and Recreation

Mr. Komphela introduced the delegation and briefed the council on the purpose of the visit. He indicated that Sport and Recreation department is determined to work closely with the municipalities. He highlighted the challenges that are expected from the preparations of 2010 World Cup like the building and upgrading of stadiums with awareness of not repeating what has happened in South Korea, where too many stadiums were build and some had to be demolished after the games. He gave the manager an opportunity to respond and what could the Committee convey to SRSA on the municipalities' expectations.

Dr. Sutcliffe was excited about the visit and the explanation given by the Chairperson linked with what he had in mind. He called Durban "the sport city" with enthusiasm and pride. He mentioned the following focal areas of the municipality in relation to sport:

- Recreation and parks
- Sport development.
- 2010 events
- Partnerships
- Relationships with federations

Sport development

Sport development consists of facilities, mass based component and development of excellence. Currently, there are no plans but should have one soon but a programme has begun with Premier Soccer League with 5 teams at first division. Some teams are not sponsored or have any coaches. Development of facilities has been audited and a plan is to have first division stadium for all sport codes. Ward based programme is conducted and SAFA have been requested to run it and Metro is prepared to pay.

He also noted that application has been made to Lottery Fund for funds of training coaches and referees. He also highlighted the issue of attitude that needs to be addressed with municipal sport officials to work from 14h00 to be able to target

school kids and to reduce street children in the beaches by encouraging them to play sport. They can even organize weekend competitions.

Events

An audit should take place on how much is spent on events in different sport codes. Within 4 to 5 years the municipality will be looking at creating big challenges that will impact on sport development teams. They are planning to invite big international teams like Leeds United. He highlighted a fourth member who took part in organizing the 2010 Bid known as Matho Matlala who is from Durban. Municipality need to know the tenders and should set an office to coordinate what is happening in the city. Presently, technical assessment is underway in the city and every stadium needs to have floodlights for the television and for the purposes of games.

Building partnerships

A clubhouse is one example, when one goes to KwaMashu he/she will not find facilities such as those and yet partnership could be spread evenly club by club and community-by-community looking at maintenance and resources. These facilities should be managed better. Unions have accepted the organogram and the change of attitude for organizers to work in the fields not in the offices. Partnership will be looking at facility by facility. Sport should get recognition in the city and lottery funds should be easily accessed.

Conclusion

There should be a clear role for federations especially as far as women sport is concerned and their contribution towards sport and what input they have in the process. Metro has to reach the masses and assist in application forms for Lottery Fund.

Dr. Sutcliffe added that he is focusing on big federations but the problem is which codes to prioritize. Training grounds should be where the people live. The Metro administration should check where they are able to deliver integrated services. The only intention should be to have one good stadium instead of pleasing all councilors claiming to get more but should also aim at providing kit the poor kids to play. Private sector will be looking at resourcing all provinces and no longer centralize in Gauteng and Cape Town.

Mr. Komphela advised that the MEC would have to ensure that monies are coordinated correctly from the department to the federations and municipalities and should be vigilant and be able to trace those monies. Municipal manager was asked about the amount put aside by his municipality for sport but could not produce figures then since they are still planning their operations.

Mr. Frolick thanked the metro council and promised to look at the programs they have. He also noted that the province should be driving the policy and for the Metro to have a close relationship with the MEC especially for the Comrades Marathon that should be spearheaded by the MEC not the municipality. The department together with the MEC must invite the municipality to the Sport Indaba planned to be held in KZN and an office for 2010 be established and interact with the MEC within the municipality.

3. Meeting with USSASA

The delegation from USSASA comprised the following:

a) Mr. Ben Dladla – KZN Deputy Chairperson – USSASA
b) Mr. K Buthelezi, USSASA tournament officer
c) D Zeelie, KZN – Sport and Recreation Official
d) Ms B Saunders – USSASA Public Relations Officer
e) Mr. A Skhosana – Manager – KZN Sports Academy
f) M E Hlaluka – Sport and Recreation Official
g) L M Gordhan – Official DSR
h) R Sing – USSASA official
i) Anand Pillay – USSASA Executive member

Mr. Komphela also introduced the delegation and gave thorough explanation on the purpose of the visit. He noted that sport should represent the demographics of the country. Sport should also be played by the majority in order to eradicate poverty. He emphasized that he needed to be convinced that sport is played at school level. He convinced USSASA that they have a huge responsibility in sport development and cannot be a federation but school sport and its competency is to develop sport. When money is given to province USSASA must be able to decide where facilities are needed most and the MEC must agree for the development to take place. The province should interact with federations in the province on all issues affecting sport.

Mr. Ngcobo emphasized that the President's state-of-nation-address is the position of the government and need to be followed.

Findings

- USSASA is the biggest group in the country looking at how kids are participating at schools as strategic objectives on what school sport is doing should be clear and the core business should be schools participating in sport. The area of focus and where the resources are channeled should be known.
- Another point that should be clarified is the role of the Department of Education and allocated time for national tournaments.
- It was also highlighted that the big federations are failing in developing sport and athletes.
- Sport policy should be clearly defined.

- A question was to know if USSASA is ready to gear up with the demands of the national objectives. It should also inform the Committee of any challenges affecting school sport.

USSASA's response

The provincial director of sport remarked the government in relationship with USSASA drives that school enrichment programme. One of USSASA officials informed the delegation that structures in terms of schools, circuits and districts are aligned with municipal structures as well as provincial structures. They have seasonal programmes and have tried to provide all codes but experiencing financial problems. There are also challenges within the Department of Education.

Some of the challenges are the affiliation of schools to USSASA and also the department that is supposed to be taking lead of the activities from grassroots with the allocated funds. USSASA have 12 districts with executive committees but the existing challenge is that new teachers coming to the teaching fraternity where learner participation depend on them cannot be forced to those teachers who are not eager to do sport. USSASA is also trying to find their feet on which department to work with since there are officials who moved from sport department and some still with the education department who have been pillars of their strength.

Challenges

The level of participation is a problem emanating from facilities since urban areas have facilities belonging to municipalities. Some schools have to pay to be able to use some of municipal facilities and USSASA need assistance from government to resolve that. The most serious concern is the load experienced or mentioned by USSASA teachers who have to work like other teachers despite the extra duty of coaching children for sport.

Concerns

- USSASA who affiliates to federations and do not want to take part with other sports federations who elect people to play in some other codes. That rose some questions of what is USSASA doing if teachers can pick and choose and what role do they play if they acknowledge what the federations are doing.
- Clarity was again given that USSASA is tasked at unearthing talent from schools and that should remain that way.
- Cognizance should be taken on how USSASA was established and the policies that were set. The government is liable for the policies that were not established. Good policies are made but not implemented and school principals are the culprits.
- Former Model C schools are running their own leagues showing that no policy was established and under those reasons things went sideways. KZN Department of Education did not bind schools but informed USSASA to be the only ones to play sport but have not done enough to reach out. This year national government committed itself to fund school sport and even now the policy is not clear whether the affiliation fee is still going to be charged or not. There are codes that are

troublesome but the Minister emphasized that he would like to see all schools playing under USSASA banner.

- Another issue that is always coming up when meeting with USSASA is the case of sport that should be incorporated as part of the curriculum. That needs to be discussed with the Minister of Education. It is easier when basic skills are taught at schools so that the educators can identify talents. Integration in terms of everyone playing in schools in the same league is a problem and during integration it was realized that majority of schools are nowhere in terms of facilities.
- Better infrastructures were with the former Model C schools and have not been integrated having different programmes as well compared to township schools and even the codes that are played in those schools are different. Rural areas need special attention especially during matches because of the expenses.

The members of the standing committee promised to visit the provincial USSASA to determine exactly what is happening on the ground. USSASA will have to be reviewed and be given a comprehensive report on their challenges also what to be changed. Municipal Infrastructure Grant would address most of the problems encountered by these officials.

Discussion

Several questions were asked as:

- How is selection done in the academy and who pays fees?
- The number of students from the disadvantaged families and which sport codes they play.
- The complaints raised by the sport council about white dominance and also the resources kept for white schools.
- The division experienced during competitions according to racial groups.
- The question of karate being relegated in the province and whether it is in the programme and the reason for USSASA not appearing in some areas.
- A comment was noted that teachers should be encouraged to get involved without getting awarded.
- Clarity was sought on where the funds go to and how much goes to administration. A need for stock taking on what is happening and what challenges are experienced.

The Chairperson considered the inputs and also emphasized on the culture of playing at schools. He noted that there is a need for interaction with the challenges facing teachers and areas lacking facilities. The members also wanted to know the amount paid by schools which seems to be diminishing what sport is aimed at. Mr. Komphela highlighted that eThekwini Municipality is prepared to pay for coaches so USSASA should go and ensure because municipality cannot take that responsibility without them. All schools must be affiliated to school sport whether Model C or not.

Funding of schools by USSASA should be a matter of discussion and schools must also apply to Lottery for funding the basic infrastructures at schools. A request was made on the question of the Motion of Understanding (MOU) between the two departments, i.e.

Sport and Recreation South Africa and Education in areas of overlap and devise means of dealing with those issues.

The acting head of department responded that USSASA has been funded and without participation fee, no affiliation fee and not all schools participate. The Committee sought clarity on the dual payment USSASA receive from the national and provincial department. The MOU is still under discussion between the Minister of Sport and Recreation and Minister of Education and when discussed in Parliament the public will know the results.

4. Meeting with sport councils – Durban

After the Chairperson tabled the objectives of the visit he requested each sport council representing a specific code to give viewpoint, proposal and even possible legislation that could be introduced to assist at improving the standards.

The following people were present:
a) Madoda Zungu – Westville Correctional Services
b) Sibongile Ngiba – Maphumulo Sport Councilor
c) Vincent Phewa – Ndwedwe Sport councilor
d) Xolile Mpisane – NDR SRC Chairperson
e) P Qholosha – KZN Martial Arts

Karate

Mr. Qholosha gave a brief background about karate in the area and highlighted with pride the dream he has for karate champions in the country and the development from grassroots' level although he has done it without anyone's support especially from the government. He suggested that structures be put in place to guide and direct those structures. He has been teaching self-defence to young girls assisting and arming them for self-defence. He experiences a big challenge of lack of facilities and no stability, which makes it difficult to achieve the goals he have. He also indicated that the greatest challenge is funding especially when the province has won championship nationally and to be trained internationally.

The Chairperson requested the acting head to provide the Committee or the Department of Sport from KZN with documents on how development should be conducted or how he views it. The acting head of department mentioned that he has met with karate people and has requested to meet with them to clarify the whole process of where the marshal art falls within the sport fraternity. A follow-up meeting will be coordinated with the acting head of department and the karate committee for a way forward.

Basketball

They have facilities but not enough and those available are deteriorating. The poles are not meant for basketball. Unfortunately they cannot associate themselves with any team in KZN and have no contacts to seek assistance. The facilities are not meeting

the standards of basketball due to councilors concentrating on football only. Only school going play basketball but not youth after school. The acting head of department promised to introduce them to the President of USSASA.

Athletics

Ndwendwe athletics complained that they are very disadvantaged with closer facilities only designed for soccer. There is no chance of establishing federations of all codes due to financial constraints. Municipal sport councils concentrate on soccer only. Ndwendwe sport facility is not accessible because municipality owns it and that needs to be discussed with Ilembe District Municipality. An advice given was not to establish their own federation but to affiliate to the existing one and the acting head of department will assist them. The duplication of sport councils was noted and they were encouraged to share information and interact with others. Even the chairperson of the standing committee promised to visit and assist them where he can.

Dance

The first challenge is lack of facilities and the fact that the nearby facilities cannot be easily accessed due to lack of information on who to contact or where to convey the problems they experience. But SRSA allocated a small amount of money and only then things started to happen slowly. Their desire is to know the contacts and how they could expose the kids of their talents. There is a lot of talent. They were advised that USSASA will be sent to them by the acting head of department and will be assisted with contact persons.

Correctional Services

An enthusiastic young man raised important points of working together with the department of sport in rehabilitating inmates and those who have left prisons to encourage them to look at life in a different positive perspective. He mentioned a lot of talent that need to be recognized from inmates in and outside the prison that could help them to get jobs after serving their sentences. He encouraged the community to have sport activities where inmates could play with them in tournaments or competitions.

Fortunately the points he raised were already receiving attention and a special delegation proposed a meeting to discuss and devise good plans on this matter. Mr. Sangweni (acting head) indicated that projects like Siyalo for HIV and AIDS use inmates to show case. The sport academy manager confirmed that a workshop would be held very soon to train people on sport issues.

Community Police Forum

The forum thanked the departments of sport and education for availing themselves because they have facilities that resulted in reduction of crime since been utilised. They requested that all stakeholders should be involved to avoid duplication of

building same facilities. Inmates are also involved which the forum is very grateful of.

The Chairperson concluded by promising to approach Ministers of Education, Correctional Services and Defence to avail the facilities in their possessions to share with the codes that have no facilities.

E. DAY 2 - Mgungundlovu District Municipality

5. Meeting with sport councils in Pietermaritzburg

The delegation was welcomed by the strategic Executive Manager, Mr. Simphiwe Gwala who was excited abut the visit that brought national and provincial closer to bring sport in a different level.

Mr. Komphela introduced the delegation from Parliament and explained the purpose of the visit and asked each sport code represented to present their priorities, achievements and challenges.

The members who represented their organizations were:

a) Mr. S Gwala- Strategic Executive Manager for Mgungundlovu Municipality
b) Kammy Senduth – Sport Forum
c) Ms J Edwards – Mgungundlovu Sport Forum
d) Mr. T Roux – Msunduzi Sports Forum
e) Sipho Zuma – Umngeni Municipality Sport Forum
f) Xolani Nkomo – "
g) Dr B T Buthelezi – MPL
h) B S Mohlaka – MPL
i) Mr. Sduduzo Mchunu- Mass Participation Volunteer
j) Ms Dudu Thabethe – School Sport Director – Deputy chief education specialist
k) Mondli Ngobese – Volunteer
l) Nompilo Zondi – Volunteer
m) Arthur Maseko – Volunteer
n) James Khanyezi – uMgungundlovu Municipality official
o) Jabulani Sikhakhane – DSR official

School sport

The deputy chief education specialist, Ms Dudu Thabethe working closely with USSASA briefed the delegation on the newly established programme called School Enrichment. She outlined so many challenges between this programme and USSASA. The structures comprise teachers in charge of school sport. Model Cs have their own matches and only when obliged do they play with other schools. She is trying her best to channel understanding and working together approach. Some areas don't even have facilities but hire them. She also sought information on accessing lottery fund and she has been thinking that lottery fund was meant for federations only.

Comments

From the presentation given it seemed that there are two different policies in operation for school sport, i.e. elite and poor schools. A need arose that the delegation will seek clarity with the Portfolio Committee on Education to share their experiences on the matter. And the delegation also needed clarity if there are programmes for school matches that used to be on Wednesdays as well as school coaches and proper referees available. Also the issue of maintaining of school facilities came up strongly.

Response

Ms Thabethe emphatically maintained that schools are playing and there is a national programme that works on seasonal sport with 50% participation of schools. Some schools are not aware that they have a right to play even if they are not USSASA members. The department of sport on different codes together with community sport games has trained coaches responsible for the games. An allowance is given to schools to break at 13h00 for practices to play although not all schools are participating. There is no formal school sport programme due to teachers who are not interested and claiming that they are not paid for the games.

Some schools have good standardized facilities while others use municipality facilities which they don't pay when the facility has been requested prior but only pay small amount to those that are hired.

Mr. Ngcobo promised to visit schools and discuss those issues that need attention with the principals. Clarity was sought on those schools that are not playing and the reasons for that, as well as the relationship that school sport has with USSASA.

The response was that USSASA used to run school sport until September 2003 when school enrichment programme was established. Schools are supposed to be affiliated to USSASA at a fee of R1.00 per child per school. USSASA do not support the school enrichment programme and some schools were not happy with USSASA and never enjoyed any benefits from the structure. It was emphasized that school enrichment programme cannot be a structure or an organization and cannot even replace USSASA but to complement the inability of USSASA. School enrichment programme is trying to strike a balance of understanding and closing gaps of cheating by some schools and also tries to link up and clear some problems. The only solution would be to cooperate with each other and clear up with USSASA that the new programme is not replacing them. Also a workshop will remedy the problem where the outlining of duties and powers of each would take place. The Chairperson of Mgungundlovu Sport Forum suggested that sport officers should be getting to schools and change teachers' attitudes. Issue of facilities need to be looked at very seriously. The intention of the forum is to assist structures off the ground and to work closely with sport councils and the department of sport.

Mr. Komphela shared information that eThekwini municipality has a programme of training coaches and intend paying them well. He suggested that the department must

link up with municipality on issues of coaching. Sport councils should identify places where facilities will be sustainable.

Mass participation volunteers

The main task of these volunteers is to implement projects in the areas formerly affected by crime and violence. They plan to go to schools in those areas to inform the learners and educators about the project. They requested a regional support because they have neither facilities nor equipment to do the job effectively. The volunteers report to the department of sport. School sport is working closely with the volunteers. This project was initiated by South African Sport Commission focusing on talent identification specifically targeting places like KwaMashu, Dambuza, etc as part of the 216 volunteers recruited. The volunteers will be getting a stipend.

6. Meeting with Msunduzi Municipality

The delegation met with the following people:

a) Ms Z I Hlatshwayo – Deputy Mayor of Msunduzi Municipality
b) Mr. Thabane Zulu – Msunduzi Municipality official
c) Mr Z Hulane – Official
d) Mr. S Naidu – Official
e) Celma Croudace – Official
f) Colin Gardner – Official
g) Mr. E Coleman – MPL

The deputy mayor welcomed the delegation and responded to the introductory remarks from the Chairperson on the purpose of the visit. She mentioned the poor interaction with federations as one of the challenges faced by the municipality. Another challenge is that some clubs requested to purchase some facilities but the municipality has not agreed due to the fact that it is community's facilities and should the facilities be handed over to associations no sport development will take place. All stakeholders met last year to discuss causes of bottlenecks and that initiative will be reviewed again. When the facilities are handed over, the municipality experiences a problem of no maintenance.

At local level, KwaNALOGA games combine all municipalities to host games and would like to see increase on that but lack of resources is the factor. Disabled people need transport to go to playing grounds and a need to network with other provinces to determine from them how they overcome the challenge. There is a programme for youth in and out of school. There is discussion with USSASA regarding access to facilities and that they could just promise to be responsible and account for vandalism and agreement must be reached. The intention on the table is to upgrade Harry Gwala stadium to be an international one.

Mr. Komphela shared information about the Newlands racial problem, the stadium that is private owned. He further noted that the Portfolio Committee engaged municipality in that area but they used the scapegoat of the bylaws to justify their intentions. Another

suggestion was that pools should be established for rugby, cricket, etc to strengthen those clubs who don't belong to clubs by the pools. Also coaches and referees could be hired on part and full-time basis to coach kids for regional tournaments. The executive strategic committee has the following concerns:

- **2010 Bid** – how to ensure that KZN benefit?
- Upgrading of Harry Gwala stadium to meet international standard.
- Danny Jordaan will be visiting the province to update the council and advise on the measures that should be followed in preparation of the World Cup and funds are being raised for upgrading.
- The municipality will argue their case of wanting to host one of the matches.

Challenges – need to upgrade transport system

- Sport bodies have already met with municipality and established a sport forum and are going very well.
- The province benefited from Building for Sport and it is leading in facilities and access but still need resources.
- Funding has been moved away from Building for Sport and will be incorporated in Municipal Infrastructure Grant.
- Need to encourage people to be involved in recreational programmes and they requested the delegation to assist in sourcing resources for Harry Gwala stadium.

All these challenges and preparations would be intensively discussed during Soccer Indaba initiated by the Premier of KZN.

7. Meeting with USSASA – Midlands Region

The Chairperson welcomed the officials and requested brief information on the role of USSASA on development approach, a role not to produce but to develop talent and also their relationship with the academies. They were asked to share their challenges and their successes.

The following members of USSASA delegation was introduced as:

a) Mr. T L Mvubu – Regional Chairperson
b) Mr. S E Mkathini – USSASA official
c) Dina Moodley – USSASA Executive official
d) Mr. M C Zuma – DSR official – Pietermaritzburg
e) S A Nxumalo – official
f) Mr. S J Dlalisa – DSR official
g) T Masemola – DSR official

The chairperson of USSASA in the region, Mr. Mvubu highlighted the duplication of the structure in the region. There are 11 structures or zones stretching out to all schools. Some of the schools cannot afford the affiliation fee although it is stipulated in school regulations but they still participate in the games. Funding is a problem because they depend on affiliation fees. The Department of Education assists on programmes and support but there is no clarity on who is supposed to fund and no clear process on funding issues.

The good thing is that mass participation organizes activities from school level but age limit created by USSASA is a stumbling block. R1.00 affiliation fee has great impact especially for administration and that has been created by school enrichment programme. The structure has a healthy relationship with the Department of Sport and need to vigorously enforce the relationship with the Department of Education. There are 598 schools in the region and only 417 schools participate. Schools in the rural areas are not participating with USSASA due to affiliation fees they cannot afford. Athletics is the most popular code. The challenge is a number of teachers supplied in schools and shifted to other schools causing instability in terms of development. The reason for rural schools for not being active is that they are not exposed and teachers are not trained on other codes either than athletics. Schools are gaining from Letsema Project that is run by SRSA.

Federations – some members of USSASA belong to federations.

- Programmes – football is getting a lot of attention from national
- Hockey has good relationship with USSASA structures
- University of Natal avail facilities at affordable rates
- Athletics South Africa has programmes assisting target groups

Municipality – have close relationship in terms of facilities

- Developed players reach a certain level and after that they are released to play on a higher level
- Good relationship with some federations
- Elite schools don't attend games via USSASA that is the biggest problem and USSASA cannot work closely with elite schools that go straight to junior championships without consulting them.
- There is no athletic tracks and the kids feel so disadvantaged
- A request was conveyed on the clashes between national championships and USSASA championships.
- Physical education do not exist at Grade 9 and 10 which is a concern
- Teachers complain of workload and claim to be educators not sport people
- Activities seem not to be spreading to rural areas but that is caused by lack of facilities in those areas.
- USSASA will take the responsibility of focusing their programmes to the rural area as well.

The structure was informed that SRSA funds USSASA.

8. Visit to Mpolweni facility

This facility is a project that started 6 years ago as a basic facility for the community of that area. But the facility is still not finished and not even leveled. It was allocated an amount of R500 000 but is only fenced with unfinished tennis court. Seemingly the community is not involved. Poles are there for soccer but just lying on the ground. The facility is not even utilized for practices only cattle grazing field. The delegation decided that the provincial committee must follow up on the condition and give a full report about the facility.

9. Visit to Dambuza facility

The aim of building the facility was due to violence and crime that has stricken the area. Most of the youth were affected and had no positive future. The facility focuses on mass participation and the area that is built in serves that purpose. The usage is very effective and has achieved the purpose as the children are utilizing the facility for practice and tournaments. It is still in good condition. It is owned by the municipality but accessible to the community. The delegation was very impressed to see youth on the ground.

10. Visit to King Zwelithini Stadium – Umlazi Township

It is identified to be the home for Lamontville Golden Arrows. The plan is to build a ground in Lamont to be the home base of Lamontville Golden Arrows. The ground is very good and needs a stand to be built on the railway side to avoid illegal spectators to watch free of charge due to accessing the games illegally. The present capacity is 12 – 15 000 and they are not intending to build huge capacity stadium because they look at the numbers of the followers. The problem about other grounds that are under utilized are built with very huge capacity and have no followers which result to underutilized ground.

This facility uses mixed grass due to financial constraints; they could not afford to pay for grass. The facility is in a good condition and serving quite a vast area. It is well fenced and secured with more than 5 emergency exists in cases of danger. One of the problems is that it only has training flood lights not fit for playing matches at night. Those lights would be included in the application for lottery fund.

11. Visit to Victoria Mxenge Multipurpose – Umlazi

It is in a good state, very big and accessible to the community. Championships and tournaments are played there and the community utilizes it for social events as well. It was built four years ago for R8m. it serves the purpose of its existence.

F. DAY 3

12. Meeting with rugby officials at ABSA Stadium

The delegation was welcomed by the President of KZN Midlands and introduced his team as follows:
The President, Mr. Oregan Hoskins,
Mr. Neil King, Deputy President,
Mr. Bala Kamal, The Chairman of the Development Programme,
Mr. Pete Smith, the CEO of KZN RU,
Colin Heard, the GM - Playing Affairs of KZN Rugby Union,
Richard De Jager, Manager: Transformation and Development for KZN Rugby Union.

A presentation was done to give an overview of the development conducted in the province giving statistics and shared challenges as well as successes. In the briefing they emphasized transformation as the priority in their agenda. The president mentioned that rugby has a lot of baggage in terms of the history of the country and is always identified

with racist sport. He is the first Black president of the union since its inception. He noted the huge task ahead of him but looking forward to join partnership with government, federations and private sector to be successful and cannot do it alone.

The province is very vast and that is one of the challenges. Most of the rural people are not exposed to rugby and they have a responsibility to take rugby to those people. The president is determined to make rugby sport for the people despite the perception and bottlenecks that are there. He requested guidance from the Committee on where they could improve and be encouraged when they are doing well. He also highlighted the fact that they need financial assistance. He then introduced his development manager to the delegation through the programmes they have.

The delegation from the rugby side were:

Mr. Komphela thanked the president and introduced his delegation and gave a brief overview of the visit.

Mr. De Jager took the delegation through the development programme is based on a pyramid system as follows:

(a) Foundation
(b) Participation
(c) Performance and
(d) Excellence

Foundation.

The development programme started off with one club in 1992. The clubs are based mainly in the previously disadvantaged areas around major cities like Durban, Pietermaritzburg, Margate and Newcastle. It is hoped that one club will kick off in Ulundi in 2005. Areas in which these programmes are conducted spread through the whole province as far as Kokstad in the Eastern Cape. Schools play in the area and teams are selected into competitions. Union squads are brought together to select Under 12, 17, and 18. These selections are for different tournaments like the Craven Week for Under 13 etc. One boy was identified and got a scholarship to study at Hilton one of the former Model C schools. New sponsors in NMI, SAPREF, STIHL, Ubunye Civils and Mandlethu have brought in an injection of funds and resources for the development programme.

Participation level.

At club level there are currently 18 clubs from historically disadvantaged communities actively participating in the KwaZulu-Natal Rugby Union (KZNRU) leagues. 18 Black clubs are participating in KZNRU leagues and several are now playing their home games in their community areas, having acquired poles and a field as part of the development programme. Selected sub-union squads play fixtures against other sub-unions and mainstream rugby schools. The Natal Under 18 Academy team participates against mainstream rugby schools during the pre-season and plays in several well-established tournaments within the province. These sub-unions and school teams play against teams

from the UK who travel to SA on tour, and are exposed to high caliber international rugby in their respective communities. After that exposure they also gained a lot of confidence.

Coaches who have been coaching long enough complete level 1 and 2 get coaching awards. Managers that have been exposed to the game over o few years are taken through advanced fast tracking courses and linked to sub-union and provincial teams.

Performance level

He mentioned that it is not easy for boys to play for Sharks since it is a professional team and only boys who are good enough play for the Sharks. The national department of sport also recognizes them. There are gym contracts for players and bursaries are awarded to identify players.

Workshops for coaches are being held and have 18 Black clubs in the province, 9 development clubs and 5 tertiary development clubs. The province received R1, 87m from lottery. Rugby facilities are not enough and most facilities are designed for soccer. All Black 1st division clubs are sometimes called to play together to share experiences. There are 5 women clubs and three of them are Black women teams. Youngsters that are interested are sent to the coordinator for coaching or sent to the closer club.

Excellence level

This level identifies stand out players through a trial system and are selected for provincial teams e.g. Under 18 Craven Week, Under 16 Grant Khomo Week and Coca-cola Under 13 Craven Week. Also those who stand out as top players are selected for SA schools and are put into SARFU National Green Squads. They also get an opportunity to train with the KZN Under 20 squad and top senior players train with KZN Wildebeest and Sharks.

Comments

A concern was about the amount of schools involved in rugby and their relationship with USSASA.

The manager responded that 400 schools are involved in rugby programmes. The focus is on those who are interested in playing rugby. The union works with the Department of Sport together with USSASA and the sustainability depends on the local coordinator and they are looking at sub union structures involving teachers. Funding for the clubs is R2, 5m that is distributed equally and the department distributes R200 000 in addition to the clubs.

Challenges – cost of transport to take players to the venues is the most problem

- Facilities - Funding of amounting to R1, 87m is not enough
- Vastness of the area makes it difficult to reach other areas. More field workers are needed and financial assistance to pay them.

Follow-up questions and comments from the delegation:

- Development seems to happen in the boardroom. What happens to developed materials? How many are those developed in provincial teams?
- How are the players sustained?
- Are the rugby facilities shared with other codes?

Partnership with financially sound municipalities should be formed. The union responded that officials in municipalities see rugby as a White sport and they requested the chairperson of the provincial committee of sport to assist them to be able to filter through municipalities. Another suggestion was that those players who couldn't make it for national level be used as field officers since they have more insight about rugby. Some are approached to be referees or coaches but they either disappear or just don't want to be involved.

Rugby officials also noted that they identified disappearance of players and have a house available for disadvantaged boys affected by social, economic and psychological problems housed there to mix with those perceived to be advantaged. This initiative seems to be improving their lives.

13. Meeting at Kingsmead Cricket Ground

The cricket is structured according to 10 municipal districts under eThekwini Metro. Some municipalities have no sub unions due to the existence of old municipal boundaries. The delegation who gave presentation and responded to the questions were:

a) Mr. Sathie Govender – President of KZN Cricket Union
b) Mr. Cassim Docrat – Chief Executive Officer
c) Mr. Jay Naidoo – Manager of Amateurs
d) Mr. Kevin Adams - Officer
e) Mr. Yunus Bhamjee – Officer
f) Mr. Sivuyile Mqingwana – Development Co-ordinator
g) Ms Audrey Mtolo
h) Mr. P Ngcobo
i) Sundra Reddy
j) Simon Sakhele
k) B M Singh
l) Leon Strauss
m) Chris van der Merwe

The statistics under the district municipalities are as follows:

- UGU District
  - 2 sub-unions – Umzinto and Districts Cricket Union
  - 8 clubs with 22 teams
  - 1 field
  - Southern Natal Cricket Union
  - 5 clubs with 7 teams
  - 5 fields
- Umgungundlovu District

- Maritzburg Cricket Association
- 18 clubs with 36 teams
- 18 fields
  - Midlands Cricket Union
- 7 clubs with 7 teams
- 7 fields
  - UThukela District
  - Northern Natal Cricket Board with 3 sub-affiliates

Dundee
- 7 clubs with 8 teams
- 5 fields

Escourt
- 13 clubs with 13 teams
- 1 field

Northern Districts (Ladysmith)
- 9 clubs with 9 teams
- 2 fields
  - UMzinyathi District

  No sub-unions
  - Amajuba District
    - Newcastle
    - 8 clubs with 12 teams
    - 5 fields
    - Vryheid
    - 6 clubs with 12 teams
    - 1 field
    - Danhauser
    - 5 clubs with 5 teams
    - 1 field
    - UMkhanyakude District

    Formal structures do not exist they are playing in Zululand.
    - Zululand District
    - presently playing in Northern Natal
    - UThungulu District
- 13 clubs with 15 teams
- 9 fields
    - iLembe District
- 12 clubs with 15 teams
- 2 fields
    - Sisonke District
    - 2 sub unions
      - Durban and Districts Cricket Union
- 47 clubs with 276 teams
- 99 fields
      - Tongaat Cricket Union
- 7 clubs with 14 teams
- 2 fields

- Sisonke District

2 sub-unions

- Southern Districts Cricket Union

- 4 clubs with 5 teams
- 3 fields

- East Griqualand Cricket Union

- 5 clubs with 5 teams
- 4 fields

East Griqualand in incorporated into Border-Kei.

During the Cricket World Cup and part of legacy programmes Chatsworth Oval was used for warm up matches and a suggestion was to build a Centre of Excellence. The unique part of this oval besides being the best in the country is that it has soccer fields within the cricket grounds created from cricket funds. The council has a moratorium on approval of leases but instead a long-term lease is being negotiated.

The union negotiated with the council to take over eThekwini Community Tech facility for maintenance. There are also negotiations with the rugby officials on sharing of coordinators.

Concerns/ Findings

- Transporting of players
- Provision and maintenance of facilities in the rural areas
- Funding for sustenance of programmes and also looking at self-sustaining programmes.
- Junior cricket and school cricket – Bakers Mini Cricket development programme is an introduction to the game and there are no problems at that level. Talents are also identified at this level and regional squads are trained.
- Annually youth trials take place for the inland and coastal regions for under 15 and 19 competitions.
- 15 talented boys were identified and put in the academy and they also get bursaries where their academic studies will prepare them to fall back on something in case they don't make it for professional level.
- 10 teams are participating in the premier league.

Comments

- What challenges are facing the spreading of the game?
- What progress has been made to rural areas?
- Which structure controls the province? Does it reflect the change said in the Constitution?
- What provision is being done for youngsters (succession planning) who will represent the Jonty Rhodes, Hansie etc in future, are there any Black players?

Response

KZN has the first generation cricket and had never been exposed before and that is a barrier with very poor rural local councils. As a result it is now more Indian dominated and Africans are only at school setup presently. A mention was made of African players experiencing a challenge due to culture, finances and other reasons. The union will identify ways of grooming Black players. The difficulty is that there are no facilities to produce best players. A three-year pilot project has been initiated to look at Black players.

The delegation was not pleased to see that one racial group dominates the union and requested that the union should go to the townships and search for players of all races.

14. Meeting at the University of Natal with sport academy officials

The manager welcomed the delegation and other officials gave a detailed overview on the programmes, challenges and successes in the academy. They noted that:

- Coaches and officials are trained on basic administration and basic management courses and they are linked up with SISA Accredited Universities, UKZN, Westville campus and University of Zululand.
- They are engaged with federations for three years. Workshops have been conducted on transformation in conjunction with Departments of Sport and Recreation at provincial and national level. There are 16 priority codes they interact with i.e. athletics; soccer; volleyball; handball; table tennis; tennis; baseball; basketball; amateur golf; netball; DISSA; amateur boxing; gymnastics; aquatics; rugby and cricket.
- Scientific testing – Anthropometrics tests and match readiness of 470 athletes in preparation for Athens 2004 was done
- They work closely with municipalities. They have provided education to local and district municipalities on how Lottery applications are to be filled in 2003, currently working on 2004 applications and communicated with all 67 municipalities in KZN. Cooperated with PDSR in planning and presentation of the Kwanaloga annual games in 2003 and produced a Blue Print on how to manage, plan, prepare and run the Games.
- They are working towards formation of the Board elected for 5 years
- Participated in the "young Champions Projects", a national department programme which targets the Presidential Nodal points, i.e. Kwa-Mashu and also provided support financially to boxing to attend the SA Cadet Championships in 2003. The academy also organized a specific training camp for 10 boxers in 2004 preparing for SA Championships.
- The academy is also working hand in hand with USSASA on team preparation, coaching and presentation.

Challenges:

- The manager also informed the delegation that the mandate they are given is very limited compared to the peoples' needs.
- The programmes are very narrow and force them to go beyond the mandate.
- Problem encountered due to the collapse of NSC

- Lack of management in the community with code managers that move from one village to another.
- 20 managers have worked closely with the academy and are to be trained, evaluated and assessed to go back to their places.
- Fears and lack of cooperation from some codes.
- Mushrooming of code academies.
- Limited financial resources and limited office space.
- Inadequate staff to run the academy programme i.e. Satellite academies
- Lack of testing equipment in Universities compared to UPE, Western Cape, Free State and Gauteng universities.

- The acting head commented that volunteers are involved in the academy and were given clothes during the World Cup and COSANA games.

Successes:

- Its success is owed to the Department of Sport in the province especially to the acting head of department, Mr. G V Sangweni. A manager and a temporal administrative assistant have been appointed. The office is fully functional with equipment, have Constitution and own bank account.
- Received funding of R1, 2m from the department.
- One dimension to be exposed is from mass participation the role of the academy is to shape talent for excellence. The Academy provided technical, professional and administrative support to South African Women Sport and Recreation (SAWAR) and Co-ordinate Confederation of Southern African Netball Associations Games (COSANA).
- Area of development involve schools and labour relations specifies teachers' working hours and if they are not paid the province can lose a lot of elements and the academy is not saying they must be paid but just raising a concern. Department of Sport and Recreation has sport schedules that schools play during the day which do no make teachers have enough time to identify talents properly.
- Teachers should be conscientised on taking extra mile when it comes to school sport and physical education to assist teachers to identify talents.
- 470 athletics gone through the academy and some were involved in SA Games in East London.

Comments and Questions

- What monitoring mechanism is in place after academy? Is there any follow-up or athletes just disappear?
- Are there any challenges on facilities and how is participation monitored?

Responses

- There are mechanisms in place in the university. The ownership of the athletes is with the federations not the academy. They have written to the federations and requested plans in place in a detailed manner that look like Cuban model, for an example, Australian etc.

- Programme is in place and don't give money if the progress is not shown.
- For monitoring basis, they are in the process of developing database to allocate athletes. The university has its own system so there is very little involvement of students.
- During S A Games Under 17 and 19 played right through the finals.

Mr. Komphela emphasized that the academy's involvement with the Department of Sport and Recreation is not an option but a must for policy; direction; standards come from the department. The delegation was impressed with what has been achieved. The Academy was the final leg of the visit.

KEY FINDINGS

- Workshop should be conducted to clarify issues on sport structures in the province. The readiness of the province for 2010 Soccer World Cup. Monitoring of municipalities on concentrating to all sport codes not soccer only.
- Clarity on the placement of USSASA. Final negotiations should be discussed with the stakeholders. Fees paid by school affiliated to USSASA and the role of USSASA in relation to former Model C schools that are not participating in competitions or not affiliated to USSASA.
- Accessibility of Lottery Fund and the issues of a three-year audited statement to be looked at seriously.
- Re-introduction or activation of sport councils in the province.
- Maintenance, monitoring and accountability on built facilities.
- Inclusion of sport as part of education curriculum.
- Lack of affordable transporting for players to attend games or matches within the province.
- Developed players disappear without being monitored or placed in a right team. No accountability or follow-up of players after being developed.
- Less involvement of teachers to identify talents at schools during physical education due to abolition of physical education and Wednesday matches.
- Lack of transformation programmes, development programmes and succession plans for building young teams visible but only debated and end in the boardrooms.
- Not enough programmes on mass participation and school sport.
- All municipalities want to have stadium built or renovated in their areas.
- Not enough training for coaches and referees.
- Federations are not applying to Lottery Distribution Fund Agency.
- Lack of information sharing amongst federations, stakeholders and NGOs.
- Women sport not active in the province.
- Still racial tensions exist in different sport codes.

MONDAY, 20 SEPTEMBER 2004

ANNOUNCEMENTS

National Assembly and National Council of Provinces

1. **Translations of Bills submitted**

(1) **The Minister of Health**

(i) **Wysigingswetsontwerp op Keuse oor die Beëindiging van Swangerskap** [W 72—2003] (Nasionale Vergadering—art 76)

This is the official translation into Afrikaans of the **Choice on Termination of Pregnancy Amendment Bill** [B 72—2003] (National Assembly—sec 76).

TABLINGS

National Assembly and National Council of Provinces

1. **The Speaker and the Chairperson**

Report of the Joint Standing Committee on Intelligence (JSCI) for 2003-2004.

ANNUAL REPORT

of the

JOINT STANDING COMMITTEE ON INTELLIGENCE

for the

Reporting period ended 31 March 2004

Parliament of the Republic of South Africa

FOREWORD

The rise of uni-lateralism by the USA and the UK lead to the war on Iraq which was motivated by the alleged existence of weapons of mass destruction. Till today, as was the case when the war ended in May 2003, no weapons of mass destruction were found, which questioned the integrity and accuracy of intelligence reports on which the decision to go to war was based.

On the international front, the Intelligence Services continue to confront the challenges posed by trans-national crimes such as drug trafficking, human smuggling and terrorism. The conflict within and amongst nations continue to pose a threat to the stability of the nations and world peace. In this regard South Africa continues to adopt the stance of multi-lateral cooperation in order to achieve lasting peace.

The South African Intelligence Structures have played a crucial role in supporting the above policy. This can be seen by the successes we have achieved in dealing with drug trafficking and in domestic terrorism. The critical role played by the Intelligence Structures in support of peace and stability in Africa and other regions cannot be over emphasized.

Despite their limited resources the Committee is confident that the Intelligence Structures continue to fulfill their mandates as guided by the Law and the Constitution.

It gives me great pleasure to submit the 2003/2004 Annual Report of the JSCI to Parliament. We trust that the challenges covered in this report will be given due consideration and attention by Parliament.

Cwele.....

DR S C CWELE

CHAIRPERSON : JOINT STANDING COMMITTEE OF INTELLIGENCE

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1. INTRODUCTION

As a Committee of Parliament the JSCI is established in terms of the Intelligence Services Oversight Act, 40 of 1994, herein referred to as the Act. The mandate of the Committee is to exercise oversight over the Intelligence Structures in relation to their intelligence and counter-intelligence functions as well as the administration, financial management and expenditure of the Intelligence Structures.

In this report the Committee seeks to give a brief overview of its activities and to give an account of its interaction with the Intelligence Structures. The report on the findings of the Auditor-General's Report on the Intelligence Structures for 2003/2004 will also be tabled.

In terms of section 6 (1) of the Act, the Committee must submit an annual report to Parliament, the President and to each Minister concerned, on the activities of the Committee during the preceding year. The Committee has pleasure in tabling its report with its findings and recommendations for the year ending 31 March 2004.

2. ACCOUNTABILITY AND OVERSIGHT

The intelligence bodies for which the Committee is responsible are:

- National Intelligence Agency (NIA); and its spending agencies namely, Ministry for Intelligence Services; National Intelligence Co-ordinating Committee (NICOC); National Communications Centre (NCC); South African National Academy of Intelligence (SANAI).
- Electronic Communications Security Pty (Ltd) (COMSEC)
- Office for Interceptions Centres (OIC)
- South African Secret Service (SASS);
- The Defence Intelligence Division of the South African National Defence Force (SANDF);
- The Crime Intelligence Division of the South African Police Service (SAPS)
- The Intelligence Services Council on the Conditions of Service (ISC)

Other oversight structures that assist and who report to the JSCI are:

The Ministers responsible for the various intelligence structures;
Auditor-General;
Inspector-General of Intelligence; and
The designated Judge functioning in terms of the Interception and Monitoring Prohibition Act 127 of 1992.

3. LEGISLATIVE RESPONSIBILITIES OF THE COMMITTEE

The Intelligence Services Oversight Act, 40 of 1994, as amended, empowers the Committee to function as follows:

a. Consider reports from the Auditor-General on the Services.

The Committee considered the Reports of the Auditor-General in relation to the Intelligence Structures, conducted hearings and is in the process of finalising this report for tabling.

b. Receive from the Minister responsible for each Service, the Academy or Comsec, a report regarding the budget for each Service, the Academy or Comsec.

At the beginning of each year the Committee holds hearing at which the Civilian Intelligence Services, Crime Intelligence and Defence Intelligence present their budgets. This is a key part of the Committee's financial oversight role of intelligence in the planning process and the management of their respective budgets. In this regard presentations from the Intelligence Structures are made to the Committee for it to adjudicate.

The Committee commends the Presidential Intelligence Budget Advisory Committee (PIBAC) for the role they played in improving the budgetary allocation for the Services.

c. Nomination of the Inspector-General for Intelligence

As mentioned in the previous report the Committee re-advertised this post and received 45 applications by the extended closing date of 13 June 2003. We wish to thank the public for the role they played in nominating candidates. The Committee short-listed six candidates and interviews were conducted on 25 June 2003. After deliberations the Committee unanimously decided to recommend to the National Assembly, Mr Zolile Thando Ngcakani, as a suitable candidate for the IGI. The National Assembly accepted his nomination on 19 September 2003 and the President of the Republic confirmed his appointment on 17 December 2003. On 5 February 2004 Mr Ngcakani took his Oath of Office before the Provincial Judge President in Cape Town. The Committee is confident that the appointment of the IGI will ensure that the Office of the IGI will fulfil its mandate and functions. A fully functional Office of the IGI will strengthen the oversight function of the JSCI.

d. Recommendation to Joint Rules Committee.

The JSCI must make recommendations to the Joint Rules Committee on the rules guiding the functions of the JSCI.

e. *To consider and make recommendations on legislation relating to the Services.*

The JSCI considered the General Intelligence Laws Amendment Bill (B47-2003), which proposed to amend the following Acts:

- Intelligence Services Act 65 of 2002
- Intelligence Services Oversight Act 66 of 2002
- National Strategic Intelligence Amendment Act 67 of 2002
- Electronic Communications Security (Pty) Ltd Act 68 of 2002

The Joint Rules of Parliament do not provide for the mechanism for intelligence legislation that is processed by the JSCI to be considered by each House of Parliament, hence necessitating the formation of Ad Hoc Committees. The JSCI intends to make proposals to Parliament in this regard.

f. *Referral of complaints to the SA Human Rights Commission*

No complaints were received relating to the abuse of human rights, therefore nothing has been referred to the SA Human Rights Commission in the past year.

g. *Recommendations on interdepartmental co-operation and co-ordination of intelligence*

Although co-ordination between the intelligence structures through the NICOC has been established, the Committee is of the opinion that there is room for improvement. This was highlighted during a visit to the Provincial Intelligence Co-ordinating Committees (PICOC's) in Gauteng, North West Province and Limpopo. Some of the main problems are, systems that are not compatible, lack of resources and corruption amongst some officials in certain departments. Once again, the Committee has to report on the lack of implementation and non-compliance of the Minimum Information Security Standards (MISS) document by some state departments.

h. Investigations done by the Committee.

i. Right-wing activities. A complaint was received from a member of the public regarding right-wing activities. The Committee investigated the allegations and passed the information on to the relevant intelligence structures for further investigation and reporting.

ii. DI investigation. As reported in the JSCI's previous Annual Report, the Committee undertook an extensive investigation into alleged irregularities in a structure of the Defence Intelligence Division. The report on the investigation has not been finalised as the Committee awaits a response from the Office of the Minister of Defence.

iii. Activities of the Private Security Industry. Over the reporting period the Committee raised its concerns over the activities of the Private Security Industry. The JSCI welcomes the appointment of a Commission by The Minister for Intelligence Services, to look into the activities of the Private Security Industry. The Commission briefed the Committee on their terms of reference and the Committee looks forward to the final report of the Commission.

iv. Appearance by members of the Intelligence Structures before the Hefer Commission. The Committee was concerned about the possible exposure of sources should members be called to testify. These concerns were raised with the relevant authorities.

v. Intelligence Wall of Remembrance. The Committee called the Ministry to brief them on the Wall of Remembrance after allegations in the media regarding an excessive amount of money spent on a temporary structure. The Committee was satisfied with the explanation given to the contrary, however, they did caution the Ministry to review the final costs for the construction of the permanent structure.

i. Consideration of requests by the President, Minister or Parliament.

The Committee received a request from the Minister for Intelligence Services to investigate alleged irregularities, into the purchase of a Guest House for Intelligence. A report on this matter was tabled in Parliament on 22 May 2004 (ATC 60 of 2003).

j. Reports from the Secret Services Evaluation Committee on the Secret Services Account.

The President appoints members to the Secret Services Evaluation Committee in terms of Section 3A(1) of Act 56 of 1978, to evaluate and review the Secret Services Account. The JSCI did not interact with this Committee during the reporting period.

k. Receive reports from the Judge responsible for the issuing of directions as defined in section 1 of the Interception and Monitoring Prohibition Act, 1992 (Act 127 of 1992).

The Committee received a report from Judge Gordon wherein he gives a statistical explanation of all applications received from the various intelligence structure for the interception and monitoring of communications. The schedule of applications and their status is attached as Annexure A.

Judge Gordon has raised concerns with regard to the lack of legislation governing the intelligence gathering capabilities of the Directorate for Special Operations (DSO). This concern is shared by the Committee.

The Committee will interact with DSO to establish to what extent they conduct intelligence gathering.

4. INTELLIGENCE STRUCTURES

a. National Intelligence Co-ordinating Committee (NICOC):

The NICOC played a crucial role in the co-ordination of national strategic intelligence and in the co-ordination implementation process to create quality products for national clients. NICOC met its critical statutory obligation of producing the National Intelligence Estimate (NIE), from which National Intelligence Priorities are derived and was presented to the Committee.

NICOC continued to focus on Iraq and mercenary-related activities by South African nationals in the Cote d'Ivoire, which led to a subsequent arrest and prosecution. In line with foreign intelligence priorities, NICOC reported that it provided a range of products to its clients on a number of African countries. Border security was also the focus of NICOC during 2003.

During the reporting period the Committee visited the provinces of Gauteng, Limpopo, North West and Western Cape in fulfilling its oversight function in terms of co-ordination within the various intelligence structures.

The purpose of the visits was to ensure that there is co-ordination of functions and activities by all the security related departments in executing border control and securing the various ports of entry in our country. This is the continuation of a process that was initiated by the Committee in 2002 to ensure effective and efficient co-ordination and management of intelligence at both provincial and national levels.

It became clear that the provincial structures are confronted with challenges such as finances, human resources, infrastructure and support systems, corruption amongst certain officials and incompatibility of IT systems.

There are, however, a number of officials who could be commended for making an effort to execute their duties as effectively as possible under difficult circumstances. The findings and recommendations of the Provincial visits will be tabled in Parliament.

b. Intelligence Services Council on Conditions of Service (ISC)

The Committee recognises the establishment of the Council on 1 April 2003, with a mandate to make recommendations to the Minister for Intelligence Services, on the development of policies on conditions of service and human resources matters, and the improvements of salaries and fringe benefits of members on an annual basis.

The Council is required to submit a formal report annually to the Minister on its activities and findings, and this report will be forwarded to the Committee and to the Minister of Public Service and Administration. The Committee did not receive such a report in this financial year.

c. National Intelligence Agency (NIA)

NIA continues to face budgetary constraints but the process of reprioritisation has ensured that this does not compromise its core mandate and the safeguarding of Special Events.

The Committee notes that the decentralisation process that commenced in 2001 is envisaged to be an ongoing process. The full implementation of this process is severely

hampered by budget constraints. However, the implementation thus far has brought the NIA closer to realising its vision of being close enough to the clients in the provinces, to ensure timeous delivery of intelligence and intelligence related products. As a direct result of the appointment of Client Liaison Officers across the nine provinces, the NIA is forming greater partnerships with its internal and external clients, making intelligence more accessible and thereby strengthening national security.

The Committee commends the NIA on the increased number of vetting requests completed, the greater number of security appraisals and evaluation of state organs and their service providers and the pivotal role played by the NIA in Special Events.

d. South African Secret Service (SASS):

In the year under review new and more effective approaches to intelligence targeting, collection and production were developed by SASS.

During 2003/2004 SASS expanded its presence abroad, including an increased number of relationships with foreign services. This strengthened its capacity to deal with a number of threats to national security including organised crime, the threat of terrorism, and conflicts and political instability in Africa. In particular, SASS made contributions to the peace efforts in Burundi and the DRC. Following earlier years where financial resources were directed towards infrastructural developments, more funds were made available for intelligence operations, with an emphasis on human collection. The JSCI commends SASS on the pivotal role it plays in promoting peace and stability, especially in Africa.

e. Defence Intelligence (DI):

Defence Intelligence (DI), continued to produce high-quality military-related intelligence products in support of military personnel and to advise national clients. The crucial role that is played in deployments in the Great Lakes region in support of Government initiatives and SANDF operations cannot be overemphasised. They have also embarked on developing ties with strategic partners by means of intelligence liaison.

As reported in our previous report there has been no improvement in the condition of the DI building. Therefore the Committee appeals to the relevant authorities to seriously address these issues.

The Committee wishes to commend the DI, SASS and the PSU for the central role they have played between opposing military elements in the DRC.

This resulted in the signing of a power-sharing agreement among military elements that led to the strengthening of the fragile political process. Other successes were also achieved in the peace process in Burundi, the presidential elections in Rwanda and in resolving the crisis in Sao Tome.

f. Crime Intelligence:

The Crime Intelligence Division of the SAPS is a principal role-player within the intelligence environment with a specific function to investigate, combat and prevent crime. As SAPS forms part of the Justice Crime Prevention and Security Officer (JCPS) much progress has been made in joint operational ventures within other departments and agencies of the state.

Some of the major challenges facing the Department are capacity enhancement, career development, training and organisational methodologies and strategies in dealing with organised crime.

Despite human resource challenges, it still managed to successfully clamp down on organised crime by arresting top syndicate members, seizing large quantities of drugs, closing down unlawful laboratories and removing illegal firearms from society. The JSCI commends Crime Intelligence on these successes.

g. South African National Academy of Intelligence (SANAI)

Taking into account the relative infancy of this institution SANAI has made significant progress in fulfilling its mandate.

SANAI is mandated among others to:

- Provide quality and accredited education and training that develops new members of the intelligence community;
- Provide ongoing training and development for members of the intelligence community to ensure that their knowledge, skills and capacity are on par with changes in the intelligence external environment; and
- Development a curriculum that delivers nationally recognised qualifications and accommodates the dynamics, new demands and changes within this environment.

Training has been delivered across a wide range of intelligence tradecraft areas and within the area of general training. In 2003 a range of clients received training, including NIA, SASS, SAPS and NICOC. Further, training was also delivered to a number of external clients in line with the AU as well as SADC initiatives in support of the interests of the African continent.

Some of the major challenges facing SANAI are to accommodate the number of requests for training from a wide range of institutions; limited infrastructure and human capacity constraints; and limited budget allocation.

h. OFFICE OF THE INTERCEPTIONS CENTRE (OIC)

The Committee notes that a Steering Committee has been formed to drive the creation of the Interception Centres. Representatives on the Steering Committee include officials from Law Enforcement Agencies, Department of Communications, Department of Justice, National Communications Centre and Service Providers in the Telecommunications Industry.

5. INTERNATIONAL RELATIONS

The Committee continues to focus on Africa. The purpose was to interact with other Parliamentary Committees in order to exchange information on intelligence oversight. The countries that were identified were Nigeria, Egypt, Algeria, Zambia, Malawi and Seychelles. A visit to Nigeria was postponed because of elections in the country. Other visits did not materialise due to a busy Committee schedule and financial constraints.

The bi-annual International Review Conference will be held in the United States in late October 2004. South Africa, the United States and the United Kingdom constitute the preparatory committee for the 2004 conference. The JSCI hosted a planning session on 29 January 2004 in Pretoria.

As mentioned in our previous report, South Africa will host this conference in 2006. The aim of the JSCI is to encourage more African countries to participate in such conferences.

In this regard the JSCI recommended to the 2004 preparatory committee to invite Nigeria to attend the US conference. It is the hope of the JSCI that more African countries will be represented at the Conference in 2006.

6. CONCLUSION

After difficulties with office accommodation the JSCI was allocated 4 additional offices in the Marks Building. However, it is still problematic for the Committee to fully comply with the MISS. The Committee still face challenges in the filling of vacant posts. During this reporting period the position of Office Manager was vacated.

The JSCI could not have fulfilled its mandate without the support from the following; The Presidency, the Ministers responsible for intelligence, the Presiding Officer of Parliament, the Leaders of Political Parties in Parliament, the Chief Whips, the Office of Chair of Committees, the Heads of the Intelligence Structures, the Office of the Auditor-General, the Office of Judge Gordon, parliamentary and departmental officials, the staff of the JSCI, the media and the public. To all, the Committee expresses its sincere gratitude!

Despite the party political affiliations of its members, the JSCI has adopted a work ethic where the interests of intelligence and national security are placed first. For this the Chairperson is most grateful as this allows the Committee to operate with transparency and trust. This is clearly demonstrated in the trust that the Intelligence Structures place in the Committee during briefings and hearings.

FORMAL ADOPTION OF ANNUAL REPORT BY THE COMMITTEE

Annual Report of the Joint Standing Committee on Intelligence, having been put to the Committee, was adopted by the Committee on .....31 March.....2004.

.....

COMMITTEE CHAIRPERSON

DATE: 31 March 2004

ANNEXURE A

SUMMARY OF A REPORT BY THE OFFICE FOR THE CONTROL OF INTERCEPTION AND MONITORING OF APPLICATIONS ITO ACT 127 OF 1992

REPORTING PERIOD : JANUARY 2003 TO JANUARY 2004					
DESCRIPTION OF APPLICATION	**SAPS**	**NIA**	**SASS**	**FIC**	**DSO**
New applications received	176	39	1	1	15
New applications approved	175	36	1	1	15
New applications rejected	1	3	-	-	-
Renewal applications received	46	18	-	-	4
Renewal applications approved	46	18	-	-	4
Renewal applications rejected	-	-	-	-	-
Further particulars requested	25	10	-	-	1
Total number of applications handled	247	67	1	1	20
Crime related applications received	149	12	-	-	13
State Security related applications received	19	49	1	1	4
Drug related applications received	79	-	-	-	3
Amended applications/addenda to previous applications approved	20	6	-	-	-
Amended applications/addenda to previous applications rejected	-	-	-	-	-

ANNEXURE B

MEETINGS WITH INTELLIGENCE STRUCTURES

NICOC

9 April 2003	Elections in Nigeria and Post Election Era in Kenya
11 June 2003	Quarterly security assessment

NATIONAL INTELLIGENCE AGENCY

2 April 2003	Budget presentation
11 February 2004	Budget presentation and discussion of the AG's report 2002/2003

SOUTH AFRICAN SECRET SERVICE

1 April 2003	Budget presentation
18 February 2003	Budget presentation and discussion of the AG's report

CRIME INTELLIGENCE

11 February 2004	Budget presentation and discussion of the AG's report

ANNEXURE C

MEETINGS WITH MINISTERS AND OTHER INSTITUTIONS

18 February 2003	Judge Gordon
18 February 2003	Audior-General

ANNEXURE D

VISITS UNDERTAKEN BY THE JSCI

18-22 August 2003	Gauteng, Limpopo, North West
26-27 August 2003	Western Cape

ANNEXURE E

MEETINGS AND OTHER ACTIVITIES OF THE JSCI

25 June 2003	Public Interviews for the Inspector-General
29 January 2004	ISC planning meeting
5 February 2004	Oath of Office of the Inspector-General

MEETINGS OF THE JSCI

1 April 2003	Budget presentation SASS
2 April 2003	Budget presentation NIA
9 April 2003	Enquiry into Guest House, Briefing on Elections in Nigeria and Post Election Kenya, Defence Intelligence Investigation
15 April 2003	Continue Guest House and Defence Intelligence Investigation
14 May 2003	Committee Report on Guest House, Wall of Remembrance, Auditor-General, DI Investigation, Committee Program
21 May 2003	Briefing on Wall of Remembrance and Report on Interceptions and Monitoring by Judge Gordon
28 May 2003	Briefing on Regulations of Services and re-advertisement of IG post
11 June 2003	Finalisation of DI Report and Quarterly Security Assessment
19 June 2003	Short listing of candidates for IG, Visit by Minister to France, Spain, Germany, Consideration of draft Annual Report and Auditor-General's Report.
24 June 2003	Annual Report, Public Interviews for the IG.
6 August 2003	Report of the IG, DI Report, Report on Right-Wing activities, Legislation, Provincial visits, Intelligence Services Women's Day
13 August 2003	Briefing on General Intelligence Laws Amendment Bill, Contract of Employment of the IG
3 September 2003	Finalisation of the Contract of Employment of the IG, Adoption of the AG's report and feedback on Border Control visit
10 September 2003	Annual Report and Legislation
17 September 2003	Finalisation of the Annual Report and Legislation
19 November 2003	Report on Right-Wing activities, provincial meetings and attendance of Intelligence Services Day
26 November 2003	Report on the visit to the Provinces, Attendance of Intelligence Services Day,

2. **The Minister of Public Enterprises**

Report and Financial Statements of Denel (Pty) Limited for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

3. **The Minister for Agriculture and Land Affairs**

Report and Financial Statements of Ncera Farms (Proprietary) Limited for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

4. **The Minister of Minerals and Energy**

(a) Report and Financial Statements of the Council for Mineral Technology (MINTEK) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 31-2004].

(b) Report and Financial Statements of the Council for Geoscience for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 68-2004].

(c) Report and Financial Statements of the National Electricity Regulator for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 122-2004].

5. **The Minister for Safety and Security**

Report and Financial Statements of Vote 25—Department of Safety and Security for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 25 for 2003-2004 [RP 184-2004].

6. **The Minister for Justice and Constitutional Development**

Report and Financial Statements of the Independent Electoral Commission regarding the Management and Administration of the Represented Political Parties' Fund for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 116-2004].

TUESDAY, 21 SEPTEMBER 2004

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister of Public Works**

Guidelines for the Implementation of Labour-Intensive Infrastructure Projects under the Expanded Public Works Programme (EPWP).

2. **The Minister of Arts and Culture**

(a) Report and Financial Statements of the Playhouse Company for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

(b) Report and Financial Statements of the National Zoological Gardens of South Africa for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

(c) Report and Financial Statements of the Engelenburg House Art Collection for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

(d) Report and Financial Statements of the South African Library for

the Blind for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

(e) Report and Financial Statements of the Africa Institute of South Africa for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

(f) Report and Financial Statements of the Nelson Mandela National Museum for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 150-2004].

3. **The Minister for Safety and Security**

Report and Financial Statements of Vote 23—Independent Complaints Directorate (ICD) for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 23 for 2003-2004 [RP 121-2004].

National Assembly

1. **The Speaker**

(a) Report and Financial Statements of Vote 11—Public Service Commission (PSC) for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 11 for 2003-2004 [RP 120-2004].

(b) Report of the Public Service Commission on Implementing Financial Disclosure Requirements—a comparative desk study on best practice concerning the implementation of financial disclosure frameworks.

WEDNESDAY, 22 SEPTEMBER 2004

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister of Finance**

Report and Financial Statements of South African Revenue Service (SARS) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 175-2004].

2. **The Minister of Trade and Industry**

(a) Report and Financial Statements of Ntsika Enterprise Promotion Agency for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 140-2004].

(b) Report and Financial Statements of the Competition Commission of South Africa for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 107-2004].

(c) Annual Review of the Competition Commission of South Africa for 2003-2004 [RP 107-2004].

(d) Report and Financial Statements of the National Manufacturing Advisory Centres Trust (NAMAC) for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

(e) Report and Financial Statements of the National Lotteries Board for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

(f) Report and Financial Statements of the South African Bureau of Standards (SABS) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

(g) Report and Financial Statements of the National Gambling Board for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

3. **The Minister of Science and Technology**

Report and Financial Statements of the Africa Institute of South Africa for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

Note: On the Announcements, Tablings and Committee Reports dated 21 September 2004 there was an incorrect indication that this document had been tabled by the Minister of Arts and Culture.

4. **The Minister of Public Works**

Report and Financial Statements of the Construction Industry Development Board (CIDB) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 138-2004].

COMMITTEE REPORTS

National Assembly and National Council of Provinces

1. First Report of the **Joint Rules Committee**, dated 21 September 2004, as follows:

At a special meeting of the Joint Rules Committee on Tuesday, 14 September 2004, two matters were under consideration by the Committee, namely a proposed vision for Parliament and the new governance model.

Consideration of proposed vision for Parliament

The following options for a proposed vision statement for Parliament were presented:

OPTION 1

To build an effective Parliament that is responsive to the needs of the people and that is driven by the ideal of realising an improved quality of life for all the people of South Africa.

OPTION 2

To build an effective people's Parliament that is responsive to the needs of the people and that is driven by the ideal of realising a better quality of life for all the people of South Africa.

Mr D H M Gibson, on behalf of the DA, expressed support for Option 2, subject to the following amendment: To substitute "Parliament" for "people's Parliament". The vision statement would, therefore, read as follows:

To build an effective Parliament that is responsive to the needs of the people and that is driven by the ideal of realising a better quality of life for all the people of South Africa.

Mrs S A Seaton, on behalf of the IFP, initially proposed the omission of the first and third reference to "people", but subsequently withdrew the proposal and seconded the proposal by the DA.

Mr A C Nel, on behalf of the ANC, also supported Option 2, subject to the following amendment: To substitute "their needs" for "the needs of the people". The vision statement would, therefore, read as follows:

> To build an effective people's Parliament that is responsive to their needs and that is driven by the ideal of realising a better quality of life for all the people of South Africa.

Mrs P de Lille, on behalf of the ID, seconded the proposal by the ANC.

Mr N T Godi, on behalf of the PAC, also expressed support for the ANC proposal.

Mr D H M Gibson proposed as an alternative that "people's Parliament" be replaced by "democratic Parliament". The vision statement would, therefore, read as follows:

> To build an effective democratic Parliament that is responsive to the needs of the people and that is driven by the ideal of realising a better quality of life for all the people of South Africa.

After discussion, the Chairperson of the NCOP suggested that the proposed vision could be tabled in both Houses for debate and decision.

The Chief Whip of the Majority Party said that if that were the case, the ANC would reserve the right to return to its original proposal presented to the Joint Rules Committee at its meeting on 4 August 2004, namely:

> To build an effective people's Parliament that is responsive to the needs of the people and that is driven by the ideal of realising a better life for all the people of South Africa.

The Speaker, noting that apart from some matters of detailed wording there was broad agreement on the basic approach, appealed to all parties to continue talking to one another in order to reach consensus before the matter was put to the Houses for decision.

The Committee resolved that the proposed Vision for Parliament would be presented to both Houses for debate and decision, while parties would, in the meantime, continue their discussions in an attempt to reach consensus.

Consideration of new governance model

After a discussion, the Committee resolved that the Presiding Officers and the Secretariat would reconsider and refine the proposals before the Committee, with particular attention to the following:—

- the processing of policy and the role of the Chief Whips' Forum, the Quarterly Consultative Forum and the Joint Ad Hoc Committee on Parliamentary Budget;
- the relationship between the directing authority and the Joint Rules Committee;
- representivity on the directing authority; and
- the participation of the Secretary to Parliament in the directing authority.

An adjusted document would then be presented to the next meeting of the Committee, which would sit before the directing authority met for the first time. In principle the directing author-

ity was agreed upon and work had to proceed for it to be formed.

MONDAY, 27 SEPTEMBER 2004

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister for the Public Service and Administration**

   (a) Report and Financial Statements of Vote 10—Department of Public Service and Administration for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 10 for 2003-2004 [RP 170-2004].

   (b) Report and Financial Statements of the State Information Technology Agency (SITA) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 75-2004].

2. **The Minister of Public Works**

   Report and Financial Statements of Vote 6—Department of Public Works for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 6 for 2003-2004 [RP 185-2004].

3. **The Minister of Minerals and Energy**

   Annual Financial Statements of the Central Energy Fund (CEF) Group of Companies for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

4. **The Minister of Public Enterprises**

   Report and Financial Statements of Transnet Limited for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

TUESDAY, 28 SEPTEMBER 2004

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister of Finance**

   (a) Report and Financial Statements of Vote 8—National Treasury for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 8 for 2003-2004 [RP 141-2004].

   (b) Report and Financial Statements of the Corporation for Public Deposits for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

   (c) Report and Financial Statements of Vote 13—Statistics South Africa for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 13 for 2003-2004 [RP 163-2004].

   (d) Report and Financial Statements of the South African Reserve Bank for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2002-2004.

   (e) Annual Economic Report of the South African Reserve Bank for 2004.

   (f) The Address of the Governor of the South African Reserve Bank on 24 August 2004.

2. **The Minister for Justice and Constitutional Development**

Report received from the Minister of Justice and Constitutional Development on 23 September 2004 regarding the provisional suspension of Magistrate S E Tebe without remuneration pending an investigation into his fitness to hold office.

Note: This report replaces and supersedes the report tabled on 12 August 2004.

3. **The Minister of Minerals and Energy**

Report and Financial Statements of Electricity Distribution Industry Holdings (Proprietary) Limited for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

WEDNESDAY, 29 SEPTEMBER 2004

TABLINGS

National Assembly and National Council of Provinces

1. **The Speaker and the Chairperson**

Report and Financial Statements of the Office of the Auditor-General for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004 [RP 177-2004].

2. **The Minister of Finance**

Report and Financial Statements of the Financial Intelligence Centre for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 189-2004].

3. **The Minister of Health**

Report and Financial Statements of the Council for Medical Schemes for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 135-2004].

4. **The Minister for Provincial and Local Government**

(a) Report and Financial Statements of the Municipal Demarcation Board for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 165-2004].

(b) Report and Financial Statements of the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 167-2004].

5. **The Minister of Public Works**

Report and Financial Statements of the Independent Development Trust (IDT) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 86-2004].

6. **The Minister of Water Affairs and Forestry**

Report and Financial Statements of the Water Research Commission for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 143-2004].

THURSDAY, 30 SEPTEMBER 2004

TABLINGS

National Assembly and National Council of Provinces

1. **The President of the Republic**

Report and Financial Statements of The Presidency for 2003-2004, including

the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 180-2004].

2. **The Minister for Provincial and Local Government**

(a) Report and Financial Statements of Vote 5—Department of Provincial and Local Government for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 5 for 2003-2004 [RP 193-2004].

(b) Report and Financial Statements of the South African Local Government Association (SALGA) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

(c) Report and Financial Statements of the National House of Traditional Leaders for 2003-2004.

3. **The Minister for Agriculture and Land Affairs**

(a) Report and Financial Statements of Vote 26—Department of Agriculture for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 26 for 2003-2004 [RP 186-2004].

(b) Report and Financial Statements of Vote 30—Department of Land Affairs for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 30 for 2003-2004 [RP 168-2004].

4. **The Minister of Trade and Industry**

(a) Report and Financial Statements of the South African Quality Institute for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

(b) Annual Review of the Community Public Private Partnership Programme for 2003-2004.

5. **The Minister for the Public Service and Administration**

Report and Financial Statements of the South African Management Development Institute (SAMDI) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 127-2004].

6. **The Minister of Public Enterprises**

Report and Financial Statements of Vote 9—Department of Public Enterprises for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 9 for 2003-2004 [RP 143-2004].

7. **The Minister of Transport**

(a) Report and Financial Statements of the South African National Roads Agency Limited (SANRAL) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 157-2004].

(b) Report and Financial Statements of the Air Traffic and Navigation Services Company Limited for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

(c) Report and Financial Statements of the Airports Company South

Africa Limited (ACSA) for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

(d) Report and Financial Statements of the Urban Transport Fund (UTF) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 191-2004].

(e) Report and Financial Statements of the Cross-Border Road Transport Agency for 2002-2003, including the Report of the Auditor-General on the Financial Statements for 2002-2003 [RP 27-2004].

(f) Report and Financial Statements of the Airports Company South Africa and Air Navigation Services Company Ltd for 2003-2004.

8. **The Minister of Minerals and Energy**

(a) Report and Financial Statements of Vote 31—Department of Minerals and Energy for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 85-2004].

(b) Report and Financial Statements of the Central Energy Fund (CEF) Group of Companies for 2003-2004, including the Reports of the Auditor-General and the Independent Auditors on the Financial Statements for 2003-2004 [RP 132-2004].

9. **The Minister of Correctional Services**

Report and Financial Statements of Vote 21—Department of Correctional Services for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 21 for 2003-2004 [RP 192-2004].

10. **The Minister of Housing**

(a) Report and Financial Statements of Vote 29—Department of Housing for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 29 for 2003-2004 [RP 125-2004].

(b) Report and Financial Statements of the Rural Housing Loan Fund (RHLF) for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

(c) Report and Financial Statements of Servcon Housing Solutions (Proprietary) Limited for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

(d) Report and Financial Statements of Thubelisha Homes for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2002-2003.

(e) Report and Financial Statements of the Social Housing Foundation for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

(f) Report and Financial Statements of the National Housing Finance Corporation Limited for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

(g) Report and Financial Statements of the National Urban and Reconstruction Agency for 2003-2004.

11. **The Minister of Sport and Recreation**

Report and Financial Statements of Vote 20—Department of Sport and Recreation for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 20 for 2003-2004.

National Assembly

1. **The Speaker**

(a) Report and Financial Statements of the Special Investigating Unit (SIU) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 128-2004].

(b) **Letter from the Acting Minister of Foreign Affairs** to the Speaker of the National Assembly, in terms of section 65(2)(a) of the Public Finance Management Act, 1999 (Act No 1 of 1999), explaining the delay in the tabling of the Annual Report of the Department of Foreign Affairs for 2003-2004:

LATE TABLING OF 2003/4 ANNUAL REPORT IN NATIONAL ASSEMBLY

1. Section 40(1)(d) of the Public Finance Management Act No 1 of 1999, as amended, requires the Accounting Officer of the Department to forward to National Treasury within five months of the end of the financial year:

i) an annual report of the activities of that department, trading entity or constitutional institution during that financial year;

ii) the financial statements for that financial year after those statements have been audited; and

iii) the Auditor-General's report on those statements.

2. Section 65(1)(a) of the Public Finance Management Act requires me to table the said annual report and audited financial statements in the National Assembly within one month after the accounting officer for the department received the audit report.

3. In effect, the annual report and audited financial statements must be forwarded to National Treasury on or before 31 August and tabled in the National Assembly on or before 30 September.

4. The Department of Foreign Affairs did not comply with the requirements of sections 40(1)(d) and 65(1)(a) of the Public Finance Management Act in respect of the annual report and audited financial statements for the 2003/4 financial year because of the following:

4.1 The initial set of annual financial statements for 2003/4 were submitted to the Office of the Auditor-General on 31 May 2004, in accordance with section 40(1)(c) of the Public Finance Management Act.

4.2 However, during the conducting of the audit work, especially towards the end of the

prescribed two months period allowed to the Auditor-General in which to conduct audit work, the Office of the Auditor-General brought to the attention of the department that significant changes are necessary to the department's annual financial statements in order to present a true account of the financial affairs of the department.

4.3 The effecting of these changes to the annual financial statements constituted material changes to these statements and resulted in the re-submission of the statements.

4.4 In order to improve the preparation and presentation of the information contained in the department's annual financial statement so that the statements reflect the true position of the financial affairs of the department and to furthermore ensure the standard of accountability and quality of information expected by the South African public, the department re-submitted its financial statements on 30 July 2004.

4.5 In accordance with section 40(2) of the Public Finance Management Act, the Auditor-General is required to submit an audit report on these statements within two months of receipt of these statements. As a result of the re-submission of the statements on 30 July 2004, the Auditor-General is by law allowed a further period of two months from the date of receiving the re-submitted statements in which to complete audit work and issue an audit report. The audit report is therefore expected on 30 September 2004.

5. In view thereof, it was not possible for me to table the department's annual report and audited financial statements in the National Assembly, as prescribed.

6. The annual report and audited financial statements will be tabled in the National Assembly during mid October 2004.

7. I trust that you will find this in order.

Yours faithfully

B S MABANDLA MP

ACTING MINISTER OF FOREIGN AFFAIRS

MONDAY, 4 OCTOBER 2004

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister of Arts and Culture**

Report and Financial Statements of Vote 14—Department of Arts and Culture for 2003-04, including the Report

of the Auditor-General on the Financial Statements of Vote 14 for 2003-04.

National Assembly

1. **The Speaker**

The President of the Republic submitted the following letter dated 28 September 2004 to the Speaker of the National Assembly informing Members of the Assembly of the employment of the South African National Defence Force:

EMPLOYMENT OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE IN BURUNDI IN FULFILMENT OF THE INTERNATIONAL OBLIGATIONS OF THE REPUBLIC OF SOUTH AFRICA TOWARDS THE UNITED NATIONS

This serves to inform the National Assembly that I authorised the employment of the South African National Defence Force (SANDF) personnel to the Democratic Republic of Burundi as part of the United Nations Operation in accordance with the United Nations Security Council Resolution 1545 of 2004.

This employment was authorised in accordance with the provisions of section 201(2)(c) of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996), read with section 93 of the Defence Act, 2002 (Act No 42 of 2002).

A total of 1 099 personnel will be employed until the end of the transition period in September 2004. The contingent will be reduced to 1 078 personnel after September 2004 and 1 007 personnel after December 2004 until the end of March 2005. The SANDF personnel are already in Burundi and will only changeover to the United Nations mandate.

The cost of the deployment will be funded from the Department of Defence's current allocation for peace Support Operations and will be reimbursed by the United Nations.

I will communicate this report to the Members of the National Council of Provinces and the Chairperson of the Joint Standing Committee on Defence, and wish to request that you bring the contents hereof to the notice of the National Assembly.

Regards

SIGNED

T M MBEKI

TUESDAY, 5 OCTOBER 2004

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister for Justice and Constitutional Development**

Report and Financial Statements of Vote 24—Department of Justice and Constitutional Development for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 24 for 2003-2004 [RP 182-2004].

2. **The Minister of Minerals and Energy**

Report and Financial Statements of the South African Diamond Board (SADB) for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 194-2004].

3. **The Minister of Home Affairs**

Report and Financial Statements of Vote 4—Department of Home Affairs for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 4 for 2003-2004 [RP 175-2004].

4. **The Minister of Sport and Recreation**

Report and Financial Statements of the South African Sports Commission for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

WEDNESDAY, 6 OCTOBER 2004

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister of Health**

Report and Financial Statements of Vote 16—Department of Health for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 16 for 2003-2004 [RP 179-2000].

FRIDAY, 8 OCTOBER 2004

ANNOUNCEMENTS

National Assembly

1. **Membership of Committees**

(1) Mr N M Nene has been elected Co-Chairperson of the Joint Budget Committee with effect from 8 October 2004.

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister for Justice and Constitutional Development**

Government Notice No R.889 published in Government Gazette No 26603 dated 10 July 2004: Designation of a body for the purpose of section 212(4)(a) and (8) of the Criminal Procedure Act, 1977 (Act No 51 of 1977).

2. **The Minister of Labour**

Report and Financial Statements of National Economic Development and Labour Council for 2003-2004, including the Report of the Independent Auditors on the Financial Statements for 2003-2004.

National Assembly

1. **The Speaker**

Letter from the Minister of Public Enterprises dated 1 October 2004 to the Speaker of the National Assembly, in terms of section 65(2)(a) of the Public Finance Management Act, 1999 (Act No 1 of 1959), explaining the delay in the tabling of the Annual Report of Arivia.kom for 2003-2004:

Dear Madam Speaker

Tabling of Annual Report: Arivia.kom

In terms of section 65(1)(a) and (2) of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended, the Minister must table in Parliament Annual Report and Financial Statements within six months after the end of the financial year to which those statements re-

late. As the financial year of Arivia.kom ended 31 March 2004, the Annual Report and Financial Statements must be tabled in Parliament not later than 30 September 2004.

Unfortunately Arivia.kom is unable to table their report on the said date, due to unforeseen governance approval, printing and logistical problems.

This written explanation is submitted in terms of section 65(2)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999) setting out reasons for the delay.

Please accept my sincere apology.

Yours sincerely

Alec Erwin, MP

Minister of Public Enterprises

TUESDAY, 12 OCTOBER 2004

TABLINGS

National Assembly and National Council of Provinces

1. **The Speaker and the Chairperson**

   Annual Review of the Independent Commission for the Remuneration of Public Office-Bearers, 2004.

2. **The Minister of Education**

   (a) Report and Financial Statements of the Council on Higher Education for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004.

   (b) Government Notice No 983 published in Government Gazette No 26692 dated 18 August 2004: Appointment of a replacement to serve as a member of the South African Qualifications Authority (SAQA) in terms of section 4(4) of the South African Qualifications Authority Act, 1995 (Act No 58 of 1995).

   (c) Government Notice No 285 published in Government Gazette No 26119 dated 3 March 2004: Appointment of members to serve on the proposed management structures with the aim of developing additional subjects to be included in the National Curriculum Statement Grades 10-12 (General) in terms of the National Education Policy Act, 1996 (Act No 27 of 1996) and the South African Schools Act, 1996 (Act No 84 of 1996).

   (d) Government Notice No 995 published in Government Gazette No 26711 dated 23 August 2004: Amendment to the names of members to serve on the Ministerial Project Committee and Associated Subject Working Groups for the development of subject statements to be included in the National Curriculum Statement Grades 10-12 (General) in terms of the National Education Policy Act, 1996 (Act No 27 of 1996).

   (e) Government Notice No 1052 published in Government Gazette No 26767 dated 8 September 2004: Appointment of members to serve on the proposed subject working groups in terms of the National Education Policy Act, 1996 (Act No 27 of 1996) and the South African Schools Act, 1996 (Act No 84 of 1996).

(f) Government Notice No 1080 published in Government Gazette No 26788 dated 15 September 2004: The development of a National Curriculum Statement Grades 10-12 (General)—Second phase: Call for written submissions from the Stakeholder bodies and members of the public in terms of the National Education Policy Act, 1996 (Act No 27 of 1996).

(g) Government Notice No 981 published in Government Gazette No 26690 dated 18 August 2004: Extension of the term of office of the current members serving on the Second South African Qualifications Authority for the period 26 April 2004 until 26 October 2004 in terms of the South African Qualifications Authority Act, 1995 (Act No 58 of 1995).

(h) Government Notice No 982 published in Government Gazette No 26691 dated 18 August 2004: Calling for nomination of persons to serve as members on the Third South African Qualifications Authority for the period 27 October 2004 until 26 October 2007 in terms of the South African Qualifications Authority Act, 1995 (Act No 58 of 1995).

(i) Government Notice No 820 published in Government Gazette No 26560 dated 8 July 2004: National Policy regarding further Education and Training programmes: Approval of Additional Languages as National Education Policy to be listed in the National Curriculum Statement Grades 10-12 (General) in terms of the National Education Policy Act, 1996 (Act No 27 of 1996) and the South African Schools Act, 1996 (Act No 84 of 1996).

(j) Government Notice No 1081 published in Government Gazette No 26789 dated 17 September 2004: National Policy regarding further Education and Training programmes: Approval of the draft policy document, National Policy on the Conduct, Administration and Management of the Assessment of the Senior Certificate as National Education Policy in terms of the National Education Policy Act, 1996 (Act No 27 of 1996) and the South African Schools Act, 1996 (Act No 84 of 1996).

COMMITTEE REPORTS

National Assembly

1. Report of the **Portfolio Committee on Water Affairs and Forestry** on the **Water Services Amendment Bill** [B 17—2004] (National Assembly—sec 75), dated 6 October 2004:

   The Portfolio Committee on Water Affairs and Forestry, having considered the subject of the **Water Services Amendment Bill** [B 17—2004] (National Assembly—sec 75), referred to it and classified by the Joint Tagging Mechanism as a section 75 Bill, reports the Bill without amendment.

WEDNESDAY, 13 OCTOBER 2004

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister of Communications**

   Report and Financial Statements for Vote 27—Department of Communica-

tions for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 27 for 2003-2004.

National Assembly

1. The Speaker

(a) Letter from the Minister for Agriculture and Land Affairs dated 23 September 2004 to the Speaker of the National Assembly, in terms of section 65(2)(a) of the Public Finance Management Act, 1999 (Act No 1 of 1959), explaining the delay in the tabling of the Annual Report of Inala Farms for the year ended February 2004:

Dear Madam Speaker

TABLING OF ANNUAL REPORT FOR INALA FARMS IN TERMS OF SECTION 55(1)(d) OF THE PUBLIC FINANCE MANAGEMENT ACT (PFMA)

The Land Bank has decided to foreclose on the bonds registered against the property of Inala Farms (Pty) Ltd., which is listed as a Schedule 3B company in terms of the PFMA, due to the fact that the proceeds from the farming activities on the property were not utilised to service the Land Bank loans.

Although there are ongoing discussions between the Department of Land Affairs and the Land Bank to find a solution to somehow salvage the property for the benefit of the land reform beneficiaries involved in the farming activities on the property, it is however, anticipated that the outcome will result in Inala Farms (Pty) Ltd. being delisted as a public entity.

Under the circumstances, Inala Farms (Pty) Ltd. will not be in a position to table an annual report for the financial year ending 28 February 2004, in terms of section 55(1)(d) of the PFMA.

In terms of section 65(2)(a) of the PFMA, I am therefore tendering this written explanation on why Inala Farms annual report was not tabled by August 2004 in terms of section 65(1)(a) of the PFMA and regret not having submitted a written explanation earlier.

Kind regards

A T DIDIZA

MINISTER FOR AGRICULTURE AND LAND AFFAIRS

(b) Letter from the Minister of Health dated 10 September 2004 to the Speaker of the National Assembly, in terms of section 65(2)(a) of the Public Finance Management Act, 1999 (Act No 1 of 1959), explaining the delay in the tabling of the Annual Report of the National Health Laboratory Services for 2002-2003 and 2003-2004:

Dear Madam Speaker

LATE SUBMISSION OF ANNUAL REPORTS: NATIONAL HEALTH LABORATORY SERVICES

The National Health Laboratory Services was formed when the old SAIMR and ninety-seven (97) state controlled diagnostic laboratories merged in 2002 to form the National Health Laboratory Services.

The first Annual Report for 2002/03 is due to be released and will be tabled shortly.

The second Annual Report for the period 2003/04 is due for submission to you before the end of August 2004. As a result of problems experienced during the previous year, the auditors extended their testing and review on the 2004 accounts for the period ending March 2004.

The Annual Report will now be submitted to you before the end of October 2004.

A similar letter has been sent to National Treasury.

Kindly acknowledge receipt of this communication.

Kind regards

DR M E TSHABALALA-MSIMANG

MINISTER OF HEALTH

(c) Letter from the Minister of Health dated 5 October 2004 to the Speaker of the National Assembly, in terms of section 65(2)(a) of the Public Finance Management Act, 1999 (Act No 1 of 1959), explaining the delay in the tabling of the Annual Report of the Department of Health for 2003-2004:

Dear Madam Speaker

TABLING OF THE 2003/04 ANNUAL REPORT OF THE NATIONAL DEPARTMENT OF HEALTH

I write to you to submit my Department's Annual Report for the Financial Year 2003/04, in terms of Section 65(2)(a) of the Public Finance Management Act, 1999 (Act No 1 of 1999). I want to express my sincere apology for the late tabling of this Report.

As you might be aware, the building where my Ministry and the Department are housed, has been experiencing physical structural problems over the last five months. The problems ranged from constant water-pipe-bursting, fire threats, telecommunications and internet breakdowns and other interruptions. As a result of these problems, our staff had to be constantly evacuated from this building whilst the problems were being addressed.

As I indicated, we experienced this situation over a period of about five months. This consequently impacted very negatively on our functioning as the National Ministry and Department of Health. As I write to you now, my officials have been scattered and are housed in three different buildings which are not even located within the same vicinity. This again continues to impact very negatively on our functioning.

It is in this background that our timely processing of our 2003/04 Annual Report was severely affected, and hence the delay. I am glad however, to mention that despite the problems and hurdles mentioned above, we were able to produce the Report which is now ready as I am accordingly submitting as enclosed.

I trust that you and Parliament will accept my apology.

Kind regards

DR MANTO TSHABALALA-LA-MSIMANG MP

MINISTER OF HEALTH

(d) Letter from the Minister of Finance dated 28 September 2004 to the Speaker of the National Assembly, in terms of section 65(2)(a) of the Public Finance Management Act, 1999 (Act No 1 of 1959), explaining the delay in the tabling of the Annual Report of the Government Employees Pension Fund for 2002-2003 and 2003-2004:

Dear Madam Speaker

SUBMISSION OF THE FINANCIAL STATEMENTS OF THE GOVERNMENT EMPLOYEES PENSION FUND (GEPF) FOR THE FINANCIAL YEAR ENDING 31 MARCH 2003

In terms of the provisions of section 6A of the Government Employees Pension Law, 1996 (Proclamation No 21 of 1996), the Minister of Finance has been appointed as the interim trustee of the Board of Trustees for the GEPF until such time as a duly elected Board of Trustees (Board) has been appointed.

Section 9(1) of the Law provides that the Board shall in respect of each financial year draw up annual financial statements for the Fund and shall submit copies of such statements, duly audited in terms of section 13 of the Law, to the Minister of Finance.

The statements mentioned in terms of section 9(2) shall consist of—

* a statement of funds and net assets;
* a revenue account;
* a cash flow statement;
* notes to explain such statements;
* a report by the Board as referred to in section 10 of the Law; and
* any such other statement that may be prescribed.

The statements are to be compiled in conformity with Generally Accepted Accounting Practice (GAAP) and be accompanied by a report of the auditors of the Fund as prescribed in section 13 of the Law.

Section 9(6) further provides that the Minister of Finance shall within 30 days of receipt of such financial statements, submit the financial statements, report of the auditors and information referred to, to Parliament together with such comments as the Minister may wish to make.

The financial statements and reports required by Law for the financial year ending 31 March 2003 have been compiled and audited by the external auditors of the Fund, Deloitte and Touché, Pricewaterhouse Coopers Inc. and Faizel Sondiyazi Inc.

The financial statements are presented are unqualified, in all material respects, and fairly represent the net assets of the Fund as at 31 March 2003 and

the results of its activities and cash flows for the year ended, in accordance with GAAP as applicable to retirement funds, and the Rules of the GEPF.

You will note that on page 42 of the Annual Report the reasons for the late submission of the Annual Report are explained.

They relate to problems experienced in relation to an accounting policy change, the implementation of a new investment accounting system as well as changes to the annual report to improve disclosure and to reflect a more precise position of the Fund.

Due to the above-mentioned matters that annual report and financial statements could not be submitted in the time period required by section 13 of the Government Employees Pension Law. Steps have been taken to ensure that the 2003/04 annual report is published within the required legislative framework.

Apart from the above, no significant matters occured after the financial year had ended, up to the date of approval of the financial statements, which could have a significant impact on the financial statements of the Fund.

Kind regards

TREVOR A MANUEL, MP

MINISTER OF FINANCE AND INTERIM TRUSTEE OF THE GEPF

THURSDAY, 14 OCTOBER 2004

ANNOUNCEMENTS

National Assembly and National Council of Provinces

1. **Assent by President in respect of Bills**

   (1) **Immigration Amendment Bill** [B 11B—2004]—Act No 19 of 2004 (assented to and signed by President on 12 October 2004).

2. **Classification of Bills by Joint Tagging Mechanism:**

   (1) The Joint Tagging Mechanism (JTM) on 12 October 2004 in terms of Joint Rule 160(3), classified the following Bill as a section 75 Bill:

   (i) **Securities Services Bill** [B 19—2004] (National Assembly—sec 75)

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister of Trade and Industry**

   (a) Report and Financial Statements of the International Trade Administration Commission of South Africa for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 188-2004].

   (b) Report and Financial Statements of the Micro Finance Regulatory Council (MFRC) for the year ended 31 December 2003.

COMMITTEE REPORTS

National Assembly

1. Report of the **Portfolio Committee on Finance** on the **Securities Services**

Bill [B 19—2004] (National Assembly—sec 75), dated 5 October 2004:

> The Portfolio Committee on Finance, having considered the subject of the **Securities Services Bill** [B 19—2004] (National Assembly—sec 75), referred to it and classified by the Joint Tagging Mechanism as a section 75 Bill, reports the Bill with amendments [B 19A—2004].
>
> The Committee further recommends that the Minister of Finance be requested to consult with the Minister of Trade and Industry on the feasibility of including the names of persons disqualified in terms of Clause 96 of this Bill in the national register of disqualified directors and officers contemplated in the **Companies Amendment Bill** of 2004.

Report to be considered.

FRIDAY, 15 OCTOBER 2004

ANNOUNCEMENTS

National Assembly and National Council of Provinces

1. **Classification of Bills by Joint Tagging Mechanism:**

   (1) The Joint Tagging Mechanism (JTM) on 15 October 2004 in terms of Joint Rule 160(3), classified the following Bill as a section 75 Bill:

   (i) **Financial Services Ombud Schemes Bill** [B 20—2004] (National Assembly—sec 75)

2. **Draft bills submitted in terms of Joint Rule 159**

   (1) ***Judicial Matters Amendment Bill***, 2004, submitted by the Minister for Justice and Constitutional Development on 6 October 2004. Referred to the **Portfolio Committee on Justice and Constitutional Development** and the **Select Committee on Security and Constitutional Affairs.**

3. **Translations of Bills submitted**

   (1) **The Minister of Finance**

   (i) **Wysigingswetsontwerp op die Nasionale Betalingstelsel** [W 14—2004] (National Assembly—sec 75)

   This is the official translation into Afrikaans of the **National Payment System Amendment Bill** [B 14—2004] (National Assembly—sec 75).

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister in The Presidency**

   Report and Financial Statements of the International Marketing Council for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 174-2004].

National Assembly

1. **The Speaker**

   Report of the Public Service Commission on the Investigation into the Appointment of Professional Cubans in the South African Public Service.

TUESDAY, 19 OCTOBER 2004

ANNOUNCEMENTS

National Assembly and National Council of Provinces

1. **Bills passed by Houses—to be submitted to President for assent**

(1) Bills passed by National Council of Provinces on 19 October 2004:

(i) **Public Audit Bill** [B 1—2004] (National Assembly—sec 75)

(ii) **Public Investment Corporation Bill** [B 6B—2004] (National Assembly—sec 75)

(iii) **Government Employees Pension Law Amendment Bill** [B 15—2004] (National Assembly—sec 75)

2. **Translations of Bills submitted**

(1) **The Minister of Finance**

(i) **Wetsontwerp op die Openbare Beleggingskorporasie** [W 6—2004] (National Assembly—sec 75)

This is the official translation into Afrikaans of the **Public Investment Corporation Bill** [B 6—2004] (National Assembly—sec 75).

(ii) **Wysigingswetsontwerp op die "Government Employees Pension Law"** [W 15—2004] (National Assembly—sec 75)

This is the official translation into Afrikaans of the **Government Employees Pension Law Amendment Bill** [B 15—2004] (National Assembly—sec 75).

National Assembly

1. **Messages from National Council of Provinces to National Assembly in respect of Bills passed by Council and transmitted to Assembly:**

(1) Message from National Council of Provinces to National Assembly:

Bill, subject to proposed amendments, passed by Council on 19 October 2004 and transmitted for consideration of Council's proposed amendments:

(i) **National Payment System Amendment Bill** [B 14B—2004] (National Assembly—sec 75) (for proposed amendments, see Announcements, Tablings and Committee Reports, 6 October 2004, p 852).

The Bill has been referred to the **Portfolio Committee on Finance** of the National Assembly for a report on the amendments proposed by the Council.

2. **The Speaker**

I have, in terms of section 10 of the **Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, 2004,** on 14 October 2004 granted permission to Dr G Woods and Ms P de Lille, at their request, to give evidence on the records of the proceedings or evidence given before, or any document submitted to, Parliament or a House or committee in the trial of the State versus Schabir Shaik.

3. **Membership of the Assembly**

The following member will be vacating his seat in the National Assembly with effect from 1 November 2004:

Kannemeyer, B W.

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister of Finance**

Report and Financial Statements of the Public Investments Commissioners for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 99-2004].

2. **The Minister of Social Development**

Report and Financial Statements of Vote 19—Department of Social Development for 2003-2004, including the Report of the Auditor-General on the Financial Statements of Vote 19 for 2003-2004 [RP 198-2004].

3. **The Minister of Water Affairs and Forestry**

(a) Government Notice No 1012 published in Government Gazette No 26731 dated 27 August 2004: Notice of list of protected tree species under the National Forests Act, 1998 (Act No 84 of 1998).

(b) Government Notice No 1031 published in Government Gazette No 26749 dated 3 September 2004: Restrictions on the use of water for agricultural use and for domestic and industrial use from the Gamtoos River Government Water Scheme (The Kouga Dam and the Gamtoos Canal) in the Fish-to-Tsitsikamma Water Management Area (WMA 15) in the Eastern Cape Province, in terms of the National Water Act, 1998 (Act No 36 of 1998).

(c) Government Notice No 1042 published in Government Gazette No 26752 dated 10 September 2004: Correction notice in respect of lists of protected tree species in terms of the National Forests Act, 1998 (Act No 84 of 1998).

(d) Government Notice No 1099 published in Government Gazette No 26807 dated 17 September 2004: Notice to protect a tree in terms of section 12 of the National Forests Act, 1998 (Act No 84 of 1998).

(e) Government Notice No 1098 published in Government Gazette No 26799 dated 23 September 2004: Water Research Fund: Rates and Charges in terms of the Water Research Act, 1971 (Act No 34 of 1971).

(f) Government Notice No 1103 published in Government Gazette No 26799 dated 23 September 2004: Restrictions on the use of surface water for agricultural purposes and urban and industrial purposes from any resource in the catchment of the Loskop Dam (Secondary Catchment B1 and B2) in terms of the National Water Act, 1998 (Act No 36 of 1998).

(g) Government Notice No 1104 published in Government Gazette No 26799 dated 23 September 2004: Establishment of the Upper Komati River Water User Association, Magisterial District of Belfast and Carolina, Mpumalanga Province, Water Management Area Number 5 in terms of the National Water Act, 1998 (Act No 36 of 1998).

(h) Government Notice No 1105 published in Government Gazette No 26799 dated 23 September 2004: Establishment of the Lower Modder River/Krugersdrift Water User Association, Districts of Boshof, Bloemfontein, Petrusberg and Jacobsdal, Province of the Free State, Water Management Area Number 13 in terms of the National Water Act, 1998 (Act No 36 of 1998).

National Assembly

1. **The Speaker**

(a) Report on an Investigation into Allegations of Undue Delay, Un-

lawful and Improper Conduct and Prejudice in the rendering of services at Braamfontein Refugee Reception Office (Now Rosettenville Premises).

(b) Letter from the Minister of Social Development dated 19 October 2004 to the Speaker of the National Assembly, in terms of section 65(2)(a) of the Public Finance Management Act, 1999 (Act No 1 of 1999), explaining the delay in the tabling of the Annual Report of Social Development for 2003-2004:

Dear Madam Speaker

EXPLANATION ON THE LATE SUBMISSION AND TABLING OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE DEPARTMENT OF SOCIAL DEVELOPMENT FOR THE YEAR ENDED 31 MARCH 2004

In terms of section 65(1)(a) of the PFMA, I am required to table in the National Assembly the annual report and financial statements of my department and public entities reporting to me within one month after the accounting officer for the department received the audit report from the Auditor-General. Sub-section (2)(a) further requires me to table a written explanation in Parliament in circumstances where I am unable to table such reports within six months of the end of the financial year (ie 30 September 2004), setting out the reasons why they were not tabled.

In this regard I would like to report that I was unable to table the annual report and audited financial statements of the Department for the year ended 31 March 2004 within the prescribed period for the following reasons:

1. Firstly, a number of senior management positions in my department became vacant following the departure of the previous incumbents of those posts. These include the post of Deputy Director-General: Integrated Development, the post of Chief Director: Development Implementation Support, the post of Chief Director: Corporate Services and the post of the Chief of Staff in the Ministry. Due to unforeseen circumstances, all these posts remained vacant for a period exceeding six months. The remaining senior managers had to share the responsibilities previously assigned to these positions.

2. Secondly, the management crisis that hit the National Development Agency, which is a schedule 3A public entity reporting to me necessitated that I deploy, since October 2003, two of the other remaining senior managers, ie the Chief Financial Officer and the Director: Stakeholder Management as part of the envoy that took over responsibility for the day-to-day management of the NDA following the suspension of its Chief Executive Officer (CEO) and its Chief Operations Officer (COO). Due to unforeseen delays in finalising the cases against these two NDA officials, my officials find themselves still re-

sponsible for assisting the NDA almost a year after their deployment to that organisation.

3. Thirdly, the process of establishing the new South African Social Security Agency has put an enormous pressure on the senior managers who have to cope with the huge task and responsibility of meeting the deadlines announced by the President for the operationalisation of the Agency while they still have to carry on with their day to day running of their programmes.

The department is busy addressing its capacity challenges. Three of the four vacant senior management posts have been filled over the last two months and only the post of Chief Director: Corporate Services is still being filled. Following the resignation of the CEO of the NDA and the ensuing process of filling that position, the Department officials (Envoy) will be released from these other duties and resume their normal responsibilities in the department.

The Department has, however, managed to table its annual report and financial statements during October 2004.

Kind regards,

signed

Dr Z S T Skweyiya, MP

MINISTER

(c) Letter from the Minister of Finance dated 13 October 2004 to the Speaker of the National Assembly, in terms of section 65(2)(a) of the Public Finance Management Act, 1999 (Act No 1 of 1999), explaining the delay in the tabling of the Annual Report of the Public Investment Commissioners for 2003-2004:

Dear Madam Speaker

PUBLIC INVESTMENT COMMISSIONERS: TABLING OF ANNUAL REPORT

In terms of section 65(1)(a) of the Public Finance Management Act, 1999 (Act No 1 of 1999), the Executive Authority responsible for a public entity must table the relevant public entity's annual report within one month after the public entity has received its audit report. The Public Investment Commissioners' (PIC) annual report needs to be tabled by 30 September 2004. In terms of section 65(2)(a), the Executive Authority should inform the Parliament of the reasons for a delay in the tabling of an annual report, should a public entity fails to meet the deadline determined by section 65(1)(a). I unfortunately have to inform Parliament that I will be unable to table the PIC's annual report for the financial year ended 31 March 2004 by 30 September 2004.

Although the audit fieldwork for the PIC was timeously completed, differences in opinion regarding matters raised in the report of the Auditor-General resulted in delays.

The process in finalising the annual report of the PIC was as follows:

- 25 August 2004: The special subcommittee, delegated by the Board, approved the annual financial statements

- 30 August 2004: The PIC received a draft copy of the Auditor-General's report
- 6 September 2004: The Deputy Minister of Finance, the PIC and the Auditor-General met to discuss the draft report
- 7 September 2004: The PIC, the Auditor-General and KPNG met to discuss the draft report
- 14 September 2004: The PIC receives the final Auditor-General's report

Due to the delays as mentioned above, the publishers of the PIC's annual report was not able to submit it to the printers in time to meet the deadline of 30 September 2004. The annual report is, however, now in the process of being finalised and printed and it is expected that it will be tabled in Parliament no later than 18 October 2004.

Kind regards

signed

Trevor A Manuel, MP

MINISTER OF FINANCE

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 15:02.

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

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS—see col 4552.

CONGRATULATIONS TO NATIONAL COMMISSIONER JACKIE SELEBI

(Draft Resolution)

The CHIEF WHIP OF THE MAJORITY PARTY: Madam Deputy Speaker, I move without notice:

That the House—

(1) notes—

(a) the appointment of National Commissioner of the SA Police Service, Jackie Selebi, as the president of the International Police Organisation; and

(b) that Commissioner Selebi is the first African to hold this post.

(2) recalls—

(a) the courageous commitment of Commissioner Selebi as Vice-President of Interpol for Africa since 2002; and

(b) that Interpol, with its 182 member states, facilitates cross-border co-operation and supports all authorities whose mission is to prevent or combat international crime;

(3) believes that Commissioner Selebi's election will strengthen the AU's role in the international arena, and his experience as Commissioner of the SA Police Service will prove valuable to Interpol member countries;

(4) endorses Commissioner Selebi's commitment to help strengthen Interpol's weaker regions; and

(5) congratulates Commissioner Selebi on his election as Interpol president, and wishes him all success.

Agreed to.

BEST WISHES TO KELEBOGILE MASEKO

(Member's Statement)

Ms J L FUBBS (ANC): Hon Deputy Speaker, hon members of the House, the ANC welcomes the assistance given by the MEC for health in the North West Province to 16-year-old Kelebogile Maseko. She has been suffering from kidney problems for some time and her family could not afford to pay her escalating private medical bills for the treatment. Since her case came to the attention of the MEC for health, Comrade Mandlenkosi Mayisela, a possible donor has been found in her brother, Tshepo. The last blood tests done on Kelebogile and her brother were found to be compatible.

The cost of private health care continues to exclude the poor, even in moments of the most critical need. It is for this reason that the ANC supports the efforts of the Ministry of Health to reduce the general cost of health care in South Africa and for South Africans.

The ANC wishes Kelebogile Maseko a speedy recovery. [Applause.]

LAND REFORM DISCREPANCIES

(Member's Statement)

Mr A H NEL (DA): Baie dankie, Voorsitter. Die SAKP se Rooi Oktober-veldtog vir grondhervorming is hoogs onverantwoordelik en sal slegs meebring dat onderhandelings vertraag word en rassespanning

onnodig toeneem. Is die werklike rede nie om 'n baie emosionele saak soos grondhervorming te misbruik vir politieke doeleindes nie? Dit lyk asof Dr Nzimande, die leier van die SAKP, se standpunt teen grondhervorming soos in die Grondwet bepaal, 'n aanval is op sy alliansievennoot, die ANC se markgedrewe ekonomiese beleid. Miskien moet die President miskien weer 'n slag die ultralinkses vasvat. Meer onheilspellend nog, is dat Mayende, die DG vir Grondsake hierdie veldtog verwelkom vir die politieke gewig wat die SAKP, volgens hom, agter grondhervorming ingooi. Hierdie amptenaar van die staat vereenselwig hom met beleidstandpunte wat direk indruis teen die Grondwet van die land. Die algemene beleid van die regering, asook uitsprake oor grondhervorming van die Minister van Landbou en Grondsake. Dit is hierdie kontrasterende uitsprake tussen 'n Minister en haar amptenaar en tussen alliansievennote wat vertroue in Suid-Afrika se ekonomiese stelsel en die bestuur daarvan ondermyn en veroorsaak dat mense huiwerig is om hier te belê. *(Translation of Afrikaans member's statement follows.)*

[Mr A H NEL (DA): Thank you very much, Chairperson. The SACP's Red October campaign for land reform is highly irresponsible and will only result in negotiations being delayed and racial tensions being increased unnecessarily. Could the real reason not be that the very emotional issue of land reform is being misused to serve political purposes? It seems as if the standpoint of the leader of the SACP, Dr Nzimande, against land reform as stipulated in the Constitution, is an attack on the market-driven economic policy of its alliance partner, the ANC. Maybe the President should tighten his hold on the ultra-left group again. What is even more portentous is that the DG of Land Affairs, Mayende, welcomes this campaign for the political clout that the SACP, according to him, is putting behind land reform. This state official is identifying with policy standpoints that are in direct opposition to the Constitution of the country, the general policy of the government, and also pronouncements about land reform by the Minister for Agriculture and Land Affairs. It is these contrasting pronouncements between a Minister and her official and between alliance partners that undermine confidence in South Africa's economic system and the management thereof, causing people to be hesitant to invest here.]

The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: Madam Deputy Chair, could the officers please check the interpreting for us. We could not hear the speaker because there was some American election campaign going on. So, we couldn't pick up the sound.

The DEPUTY SPEAKER: Sorry about that, Minister. We will certainly attend to that.

POLICE OFFICERS SUSPENDED

(Member's Statement)

Mr V B NDLOVU (IFP): Madam Deputy Chair, two police officers attached to the Khayelitsha Magistrates' Court have been suspended pending the outcome of a criminal investigation. The two police officers were arrested on charges of corruption after allegedly smuggling drugs to awaiting-trial prisoners.

This type of behaviour from people who are supposed to uphold the law and set an example is totally disgraceful. It is through these incidents that corrupt and unlawful police officers tarnish the good name and reputation of, and undermine the good work that is being done every day throughout the country by many outstanding police officers.

These corrupt officers must be weeded out after thorough investigation, dealt with if the public confidence is to be restored in the Police Service, and fired thereafter.

WORLD OSTEOPOROSIS DAY

(Member's Statement)

Mr I M CACHALIA (ANC): Madam Chairperson, hon members of the House, today

the African National Congress joins the international community in observing 20 October as World Osteoporosis Day. We affirm our commitment to increasing the awareness of the condition of osteoporosis among South Africans.

Osteoporosis is a condition whereby bones become porous and thus fragile and weak, and are liable to break very easily. It is estimated that one in three women and one in 12 men will contract the condition during their lifetime. Heavy drinking and smoking are significant contributors to this condition.

There are, however, natural ways to reduce the chances of contracting the disease. Eating healthy food is one critical route; reducing weight through natural means and exercising also plays an important role in the prevention and management of the condition.

The ANC encourages all South Africans to adopt healthy eating habits, good and sensible lifestyles and to exercise regularly.

INCREASE IN KIDNAPPING CASES

(Member's Statement)

Ms N M MDAKA (UDM): Madam Chair, the UDM is disturbed by an apparently increasing trend towards the kidnapping of young people and children, especially girl children, in the country.

Though some, like the case of Leigh Matthews, become headline news, many of these cases are hardly reported in the media. However, it seems that these cases are prevalent throughout the country.

We call upon government to create immediate response units across the country to ensure that the moment a person is reported missing, a dedicated team of specially trained officers take charge of the case. It seems that often the people who are kidnapped in these circumstances have one or two days before the inevitable murder occurs. The police's ability to respond quickly and effectively to make use of this window of opportunity in the first two days is therefore of paramount importance.

While most police officers are dedicated and committed to serving their communities, the complexities and time constraints of kidnapping cases are factors that they are simply not trained to deal with.

We contend that the current child protection units should have dedicated, trained officers who can be called upon whenever a case of this nature is reported. In this way, we can save not only . . . [Time expired.]

PROPOSED TOLL ROAD A THREAT TO DUNE MINING IN PONDOLAND

(Member's Statement)

Mr L W GREYLING (ID): Madam Chair, the Independent Democrats call on the government to be transparent in its handling of the proposed N2 toll road and dune mining in the Pondoland region. The proposed developments threaten to irrevocably change the region and a vision needs to be drawn up with all role-players and local people for the area. This has often been stated by Minister Van Schalkwyk, but the ID has seen very little action to back up his words.

At a meeting with the Pondoland Royal House in July, the ministerial delegation attempted to lock out all other stakeholders from the meeting. Thankfully, they failed, but departmental officials did manage to bar the media from the event. The ID finds these actions completely unacceptable and against the spirit of transparency.

A speech was then given to certain members of the media at a press conference held at Umtata. It was passed off as being a speech by King Sigcau and in it support is given to both the mining and N2 toll road. I heard every word of the king's speech, and he certainly did not give his support to these developments.

Minister Van Schalkwyk also assured the Royal House that he would run full public

participation processes with the people of Pondoland. It has been three months and still we see no action. Instead we hear of media walkabouts being planned with select members of the press and the Director-General of Environmental Affairs and Tourism. It is not the media that the government needs to talk to. They need to listen to the people of Pondoland. The ID calls on the Minister to live up to his word and run these processes in a transparent and inclusive manner.

GOVERNMENT'S ABORTION CAMPAIGN

(Member's Statement)

Mrs C DUDLEY (ACDP): Madam Chair, health committees and provincial legislatures have been discussing the abortion amendment Bill this past week, but the public have been refused the opportunity to make submissions.

Government is proceeding with the further liberalisation of the abortion law, which will put increased pressure on pro-life health professionals to do their abortions for them. The nurses' union, DENOSA, has repeatedly said two thirds of their members are against abortion, but it is clear that government is intent on imposing these amendments on South Africans; once again determined to ignore the will of the majority on this issue as they did in 1996.

A recent HSRC study confirms that more than half of South Africans are of the opinion that abortion is wrong under any circumstances, with 64% of this number being the opinion of black South Africans. Many more believe it is wrong but acknowledge specific circumstances.

Doctors for Life in South Africa have questioned the legality of the process going on in the provinces at present where the public and interested bodies like themselves have been denied the right to make submissions on the Bill.

The purpose of the new Bill is to make abortions more accessible but no attempt has been made to rectify the appalling deficiencies of the present legislation whereby mandatory provisions for counselling and obtaining the patient's informed consent are often flagrantly ignored. In addition, despite the fact that the purpose is to increase demand and delivery of abortions, nothing has been done to ensure personnel will be available to carry out the task.

It is of course well known that government expects doctors and nurses to take part in abortions regardless of their convictions and this Bill clearly claims to facilitate greater participation.

GREAT ARTS AND CULTURAL FESTIVAL—MACUFE

(Member's Statement)

Mofumahatsana K R MAGAU (ANC): Modulasetulo, mokete o moholo wa matsatsi a leshome wa bonono le botjhaba ba Afrika, Macufe, o sa tswa ho feta ka katleho e kgolo matsatsing a tswa feta. Mokete ona o bontshitse moya o motle o renang ka hara naha dilemong tse leshome tsena tsa tokoloho eo re e ketekang. Makgolo a mabedi a dikete tsa batho a bile teng moketeng ona wa Macufe, hoo ho bileng le ditholwana tse ntle moruong wa baahi ba Freisetata. Katleho ena e netefaditse hore Macufe e na le thaka tse mmalwa haholo ka hare ho naha.

Macufe e itshupile hantle jwalo ka sebaka se kgethehileng sa ho bontsha bonono le botjhaba ba Afrika le ba matjhaba a fapaneng ka ho neha monyetla ho bomaithutwane ho tsa bonono le botjhaba moketeng o moholo hakaale. Mmuso wa Freisetata, bahwebi le setjhaba, ba bontshitse kamano tsena di phapaleditse moruo matla a kgolo, haholo Mangaung.

Mokgatlo o moholo wa ANC re itumeletse ha Macufe e tsepamisa tsamaiso ya setjhaba ka setjhaba molemong wa sona le boAfrika Borwa ba rona boo re leng motlotlo ka bona.

Ke a leboha. [Mahofi.] *(Translation of Sotho member's statement follows.)*

[Ms K R MAGAU (ANC): Chairperson, the ten-day African arts and cultural festival, Macufe, was successfully hosted during the past few days. This festival was a manifestation of the good spirit prevalent in the country over the last ten years of freedom we are celebrating. Two hundred thousand people attended Macufe, and that had a positive impact on the wealth of the citizens of the Free State province. This phenomenal success has ensured that Macufe has few competitors nationally.

Macufe has proved itself beyond doubt to be a venue conducive to showcasing African arts and culture internationally by giving opportunities to beginners in arts and culture to display their talent in such a big festival. The Free State provincial government, business and the people have all shown that such relations have a great potential for economic growth, especially in Bloemfontein.

As a big ANC party, we are pleased because Macufe focuses on administration of the people by the people for their benefit, and on our being South African, which we are proud of. Thank you. [Applause.]]

The DEPUTY SPEAKER: I hope the House knows that Macufe is a wonderful acronym for the Mangaung Cultural Festival.

DARFUR CRISIS

(Member's Statement)

Mr D H M GIBSON (DA): Madam Chairperson, Chad, Sudan, Egypt, Libya and Nigeria announced this week that Darfur is an African problem needing an African solution. They are quite wrong. Darfur has been described as the world's greatest humanitarian crisis. This being so, it is a problem for the whole international community, not just Africa.

I want to warn against declarations made, knowing that the AU does not have the resources to make a meaningful difference in Darfur. False challenges for the AU will simply undermine it and discredit it before it has got off the ground. The international community has a responsibility as large as Africa's. We need money and resources to help alleviate the suffering and the human tragedy which is unfolding before the averted eyes of many. South Africa must use its prestige to persuade the rest of the world to assist the African Union. We must not be accused of having pursued quiet diplomacy in the face of the displacement of a million people and the rape and murder of tens of thousands of others. [Applause.]

ROAD CARNAGE IN NORTH WEST

(Member's Statement)

Mr B E PULE (UCDP): Madam Chair, the UCDP has noted with concern the carnage caused on the roads between Koster, Lichtenburg and Mafikeng in the North West. This is because the road between Swartruggens and Zeerust has become very expensive owing to the exorbitant charges at the tollgate.

The bypass through Boshoek, Tlokweng and Pella is also of concern as the congested traffic passes through these villages en route to either Botswana or Mafikeng. This traffic consists mainly of trucks. Both these roads have now become killer roads. It should also be noted that these roads have not been designed to carry such heavy traffic.

The intervention of the Department of Transport will be highly appreciated because the Botswana government has also imposed a levy of 40 pula for every car entering Botswana from South Africa. Previously, South Africans only paid 10 pula for the whole year, as opposed to 40 pula for every trip you undertake to Botswana. Thank you.

CONGRATULATIONS TO WINNERS OF COMMIUNITY BUILDER AWARDS

(Member's Statement)

Nkskz B TINTO (ANC): Umbutho wesizwe I-ANC uvuyisana kwaye wothulela

umnqwazi lamaqobokazana angamashumi amathathu anesithandathu (36) ngokuphumelela kwabo iimbasa ngenxa yemisebenzi ekuhlaleni. Baphumelele imbasa eyaziwa njenge-Women Waging Peace Award. Baphumelele le mbasa ngenxa yemisebenzi efana nokulwa ubukrelemnqa, ukulwa ukuxhatshazwa kwabafazi kunye nabantwana.

La maqobokazana enza lemisebenzi engajonge ntlawulo okanye nzuzo koko kukuthanda abantu. Unkskz Nono Silimela waseNyanga East, uNkskz Gladys Mjezu wase New Crossroads, uNkskz Roeda Gallant wase Manenberg kunye nomama Aziza Rasool ngamanye amakhosikazi athe aphumelela lembasa. La maqobokazana angumzekelo omhle kwaye angumngeni kulutsha lwanamhlanje ukuba lufake isandla ekwakhiweni kwesizwe nokulwa intlupheko nendlala ekuhlaleni. Ndiyabulela. [Kuyaqhwatywa.] *(Translation of Xhosa member's statement follows.)*

[Mrs B TINTO (ANC): The people's organisation, the ANC, congratulates and takes its hat off to 36 working women for winning awards due to their service in the community. They won the award known as the Women Waging Peace Award. They won this award due to services such as their fight against crime and against the abuse of women and children.

These working women perform these services without expecting any remuneration or benefit, but just for the love of the people. Mrs Nono Silimela of Nyanga East, Mrs Gladys Mjezu of New Crossroads, Mrs Roeda Gallant of Manenberg and Mrs Aziza Rasool are some of the women who won this award. These women are a good example and a challenge to today's youth to contribute to community building and the alleviation of poverty in our community. Thank you. [Applause.]]

COSATU AND THE NATIONAL GOVERNMENT

(Member's Statement)

Dr S M VAN DYK (DA): Agbare Voorsitter, lede van die publiek het met verbystering kennis geneem van Cosatu se roekelose aanslag op deelnemende regering. Die media berig dat Cosatu met die ANC se nasionale koukus beraadslaag het en aangedring het op voorkeurbehandeling wat betref die parlementêre strukture in die bepaling van nasionale beleid. Dit skep noodwendig 'n ondraaglike situasie omdat Cosatu in dieselfde verklaring die sakesektor, wat verantwoordelik is vir die Suid-Afrikaanse ekonomie, as magte van vernietiging beskryf.

Cosatu maak daarop aanspraak dat hy 'n inspraak het in die samestelling van die regering—dit terwyl sy lede net uit 1,3 miljoen mense bestaan, wat slegs 3% van die bevolking in Suid-Afrika verteenwoordig. Cosatu behoort duidelik kennis te neem dat hy nie deur kiesers verkies is om op 'n politieke grondslag te regeer nie, en dat die vakbondorganisasie in terme van individuele steun geen legitimiteit geniet as 'n politieke party nie.

Dit sal 'n kwade dag in Suid-Afrika se geskiedenis en vir die demokrasie wees indien die ANC hom aan sy neus sal laat rondlei deur 'n klein, nie-politieke organisasie. Dit is ook kommerwekkend dat die ANC nog nie sedertdien standpunt ingeneem het teen Cosatu se opdringerigheid van deelnemende regeerder nie. Dit skep die persepsie dat die ANC-meerderheid gedienstig is aan die Cosatu minderheid se arrogante eise. [Applous.] *(Translation of Afrikaans member's statement follows.)*

[Dr S M VAN DYK (DA): Hon Chairperson, members of the public have taken note of Cosatu's reckless attack on participatory government with some perplexity. The media reports that Cosatu has deliberated with the ANC's national caucus and has insisted on preferential treatment regarding the parliamentary structures in determining national policy. This unavoidably creates an intolerable situation as Cosatu has, in the same statement, described the business sec-

tor, which is responsible for the South African economy, as powers of destruction.

Cosatu lays claim to having a say in the constitution of the government—this when its members comprise only 1,3 million people, which represents merely 3% of the population of South Africa. Cosatu should clearly note that it has not been elected by voters to govern on a political basis, and that the trade union organisation cannot lay claim to any legitimacy as a political party on the grounds of individual support.

It will be a dark day in the history of South Africa and for democracy if the ANC allows itself to be led by the nose by a small nonpolitical organisation. It is also worrying that the ANC has since then not taken a stand against Cosatu's obtrusiveness as an element of participatory government. This creates the perception that the ANC majority is subservient to the arrogant demands of the Cosatu minority. [Applause.]]

EDUCATION NEEDED ON HIV/AIDS AND SEXUAL VIOLENCE

(Member's Statement)

Ms M M MDLALOSE (IFP): Madam Chair, a study published recently in the British Medical Journal which was based on a national survey of nearly 300 000 children, aged between 10 and 19 years old, and taken from 5 162 classes in 1 481 South African schools, has revealed some very alarming and disturbing views on sex and violence, as well as HIV and Aids.

Many of the children believe that raping someone you know or unwanted touching are not seen as examples of sexual violence. If we are to overcome and survive the HIV/Aids pandemic, as well as put an end to the culture of sexual violence that is plaguing our country, we have to start by ensuring that our youth are better educated and informed on these issues.

Government, parents, teachers and all other relevant parties should intensify efforts to try and educate our youth on issues such as HIV/Aids and sexual violence so as to wipe out the frightening and inaccurate misconceptions that many still have on these issues.

ARTWORKS IN FOYER OF PARLIAMENT

(Member's Statement)

Mr D V BLOEM (ANC): Chairperson, on entering the Chamber this afternoon, hon members would have passed an exhibition of portraits of Cabinet Ministers, including that of President Mbeki and Deputy President Jacob Zuma in the exhibition area within Parliament.

This is no ordinary exhibition. It is an exhibition of the artwork of a young man named Gareth James. He hails from Belhar on the Cape Flats, and he is incarcerated in Goodwood Correctional Centre. He is one of thousands of young men and women in correctional centres throughout the country. He is paying his debt to society for a crime that he has committed and been convicted for.

His talents and skills with paintbrushes are nurtured in prison. He is part of a generation of our youth caught up in crime. Prison should not be the place for him and others such as him. Through the rehabilitation programmes of Correctional Services young Gareth is given a second chance in life.

The ANC believes that we must become aware of the wasted skills and talents that are behind prison walls. In fighting the scourge of crime, we must give more Gareths hope for the future and assist them in becoming our future leaders, artists and entrepreneurs. Well done, Gareth! [Applause.]

LAND RESTITUTION

(Minister's Response)

The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: Chairperson, I want to thank my colleague, Minister Manuel, for helping we with the translation of the state-

ment of the hon member, which I didn't hear. When I listened to the interpreting earlier, I really thought I was in Washington or somewhere in California, listening to the campaign and the assessment of how the race for President is going in the US. But I am in South Africa.

An HON MEMBER: How is it going?

The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: Well, I would have loved to tell you, but it will take my time and the hon Chairperson will ask me to sit down.

I have noted the concern raised by the member, but I don't agree with the statement that the campaign by the SACP would in any way undermine the economic policy of the ANC with regard to the land reform issue. That I would not agree to. Probably, it is necessary for me to indicate to the hon member that the alliance is a strategic alliance. As independent bodies with views on matters, sometimes we agree and sometimes we don't. That doesn't mean that we are not in alliance.

So, in this instance, regarding the campaign of Red October, the SACP is within its rights to express its view, as your own party at some stage did express its view on the basic income grant, and interestingly at that time you were on the same side as the SACP, Cosatu and the SACC on the matter. [Laughter.] [Applause.] That didn't make a shift in any economic policy or in the social policy we have chosen.

But nonetheless, on the issue of the civil servants and how they express themselves, I'll take note of that matter and have discussions with the director-general regarding the matters you have raised.

Indeed, all of us will appreciate that the land matter is a very emotive issue and not an easy one, but with humility and responsibility we need to find the solution to this challenge. Obviously, as we move towards the deadline of meeting particularly the restitution cases, there will be all sorts of emotions expressed, as we have seen also in the hearings that have taken place. I therefore hope that the member, with others and myself in this House, will ensure that we support the resolution of this matter in a manner that is amicable and that creates stability in our country. Thank you. [Applause.]

COSATU AND THE NATIONAL GOVERNMENT

(Minister's Response)

The MINISTER OF LABOUR: Xa engafun' ukusebenza ndithini? [If someone does not want to work, how do I make them work?] Chair, I just want to inform the House that Cosatu is the biggest labour movement in this country. It is an organisation that has been tried and tested in the struggle in this country. They fought for our liberation; they fought for our freedom. In 1994 workers of this country put us where we are today. This democracy belongs to the workers of this country. It belongs to Cosatu.

Yes, we have political freedom, but Cosatu knows—like I know, like the ANC knows, like the SACP knows—that we have not achieved economic freedom. [Applause.] It is therefore crucially important for Cosatu to continue to raise these issues until we achieve the economic freedom that we have been fighting for in this country of ours. We are not here to represent our jackets; we are representing those members who elected us. Viva, Cosatu, Viva! [Applause.]

ARTWORKS IN FOYER OF PARLIAMENT

(Minister's Response)

The MINISTER OF CORRECTIONAL SERVICES: Chairperson, as much as we have zero tolerance on crime, we have to be humane when dealing with offenders. These jackets represent human beings who wear them and who have made mistakes in society. We have to be humane when we correct them.

I want to thank the hon member for bringing to the attention of this House the artistic abilities of Gareth James and the plight that faces juveniles and young people in correctional centres throughout our country. Gareth James is serving a 10-year sentence at Goodwood Correctional Centre. He is 26 years old and is sitting up there in the public gallery.

He is one of the thousands of young people in our prisons. This is no place for them, but they have offended society. I fully agree with this and they must pay their debt to society. However, their incarceration should never be punitive in nature. It should rather be directed at them as they accept responsibility for their actions, as they correct their offending behaviour and prepare themselves for the day when they are released and integrated back into society.

Gareth is no different from those. He has such ideals and wants to forge a career out of his artistic skills. Before entering prison, he had never painted in oil and had never had formal training. He wants a qualification that will prepare him for life after his release.

As the Department of Correctional Services, we can offer him the materials to engage in his God-given talent. But, we are also asking society out there to assist us. The first seat of correction is the family. If the family is not playing its role in carrying out corrections, our jails will be overflowing with young people who should not be in jail, such as Gareth. [Applause.]

POLICE OFFICERS SUSPENDED

(Minister's Response)

The MINISTER FOR SAFETY AND SECURITY: Chairperson, there are three statements that were made today that fall within the ambit of my line function. I am going to respond to those statements. I am wondering if I should not also respond to something that was said here yesterday. [Laughter.]

The HOUSE CHAIRPERSON (Mrs C-S Botha): Minister, I think you should confine yourself to today's discussion.

The MINISTER FOR SAFETY AND SECURITY: Thank you very much. The first matter was, of course, raised by the hon Ndlovu. I am very happy that he raised the question of misdemeanour on the part of some of our police officers. He was correct when he said that there are many we arrest who act in the way that those two police officers at Khayelitsha acted. We are going to deal with people like that because they do not belong in the Service when they do not service our people in ways that are prescribed in terms of our programme for safety and security in this country.

I am therefore responding to your question and, at the same time, sounding a further warning to police officers who act in this way. They are going to be arrested and prosecuted. As I say, there are a number of examples of instances when we have acted in that way.

A UDM member talked about kidnapping and made reference to the abduction and murder of Leigh Matthews. The member also made a suggestion about specialised units to deal with matters such as this. I would like to indicate that, indeed, we have well-trained police officers. The mere fact that they were able to investigate as thoroughly and as exhaustively as they did in order to arrest the . . .

The HOUSE CHAIRPERSON (Mrs C-S Botha): Hon Minister, your time has expired. But please continue and finish off your sentence.

The MINISTER FOR SAFETY AND SECURITY: I am responding to three statements. The first statement related to what the hon Ndlovu had raised. I am now dealing with the second statement from the UDM member.

The HOUSE CHAIRPERSON (Mrs C-S Botha): Minister, if I understand correctly, Ministers have two minutes within which

they have to respond. There is a maximum of five ministerial responses and we allow two minutes per Minister's response.

The MINISTER FOR SAFETY AND SECURITY: Fine then, but not unless you are suggesting that I have already exhausted my six minutes.

Mr M J ELLIS: Madam Chair, may I suggest that the hon Minister acquaints himself with the Rules with regard to members' statements. You are quite right that in actual fact the Minister has two minutes.

The HOUSE CHAIRPERSON (Mrs C-S Botha): Thank you. Hon Minister, that is the position. However, there is one more opportunity for a Minister to respond. If no other Minister is going to respond, perhaps you would like to take those two minutes and continue.

Mr T M MASUTHA: Madam Chairperson, on a point of order: I just wanted to find out, if you could rule, at what stage Mr Mike Ellis acquired the status of a presiding officer to make rulings on these questions.

The HOUSE CHAIRPERSON (Mrs C-S Botha): I think I could have managed that one by myself. Thank you very much. Minister, there is an opportunity of two minutes. If you wish, you could continue to respond.

The MINISTER FOR SAFETY AND SECURITY: I want to use those two minutes to apologise to you if I have violated the Rules of this House. I wish to indicate that throughout, from when we started this exercise, I was under the impression—and in fact this what I had done—that each statement merited two minutes in answer. But, if that is wrong, I apologise.

The HOUSE CHAIRPERSON (Mrs C-S Botha): Thank you very much. May I just, perhaps, spell out for the House the Rule that does exist which states that a maximum of five ministerial responses are allowed. A response should not exceed two minutes. The executive is recognised in the following order: the Minister, Deputy Minister and Minister of the same cluster. Therefore, I wish to repeat again: There is an opportunity for a fifth response, Minister. Feel free to use it.

Thank you. If not, then we will proceed. The Secretary will read the first Order of the Day.

CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON FINANCE—SECURITIES SERVICES BILL

There was no debate.

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Chairperson, we move that the report be adopted.

Motion agreed to.

Report accordingly adopted.

SECURITIES SERVICES BILL

(Second Reading debate)

The MINISTER OF FINANCE: Hon Chairperson, hon members, the Security Services Bill brings regulation and supervision of South Africa's capital markets, including the custody and administration of securities, the provision of clearing house services and the control of market abuses in line with international standards on securities regulation. The Bill consolidates and modernises provisions contained in the following four pieces of legislation: The Stock Exchanges Control Act, the Financial Markets Control Act, the Custody and Administration of Securities Act and the Insider Trading Act. The Bill also repeals these four Acts.

The objects of the Bill before the House are, firstly, to increase confidence in the South African financial markets by requiring that securities services are provided in a fair, efficient and transparent manner; secondly, to promote the protection of regulated persons and their clients; thirdly, to reduce systemic risks in our markets, and fourthly,

to promote the international competitiveness of the securities services in our markets.

I would like to highlight new features contained in this Bill, which relate to previously unregulated matters. These are the following: Firstly, there is the business of buying and selling unlisted securities. The registrar may under certain circumstances prohibit a person from carrying on such businesses or impose certain conditions thereon. Secondly, regarding the reporting of off-market transactions in listed securities, it is only prudent that such transactions are reported to the registrar and to the relevant exchange on which the securities concerned are listed. This is also an approach followed internationally. Thirdly, in the Bill provision has been made for the registrar to assume responsibility for the functions normally performed by an exchange if it is considered necessary to do so.

In future, approval to be a nominee who acts as a registered holder of securities on behalf of other persons will be required. The nominee will either have to be approved by the relevant exchange, the central securities depository or the registrar. We also make provision for the demutualisation of self-regulatory organisations under the ambit of the Bill, and for the possibility of the amalgamation of two or more exchanges or central securities depositories. This is a forward-looking provision that reflects the flexibility of the Bill.

The regulation of demutualisation amalgamation of such bodies has become necessary in the wake of international trends. At the 1999 annual meeting of the World Federation of Exchanges at least 46 of its 52 members indicated that they were in the process of demutualisation or were intending to demutualise.

Lastly, let me mention that the Bill also establishes an enforcement committee with the power to impose an administrative sanction on a person who fails to comply with the provisions of the Bill. Insider trading is to be dealt with severely. The fine for what is broadly termed "market abuse" has been increased substantially to a fine not exceeding R50 million, or imprisonment for a period not greater than 10 years, or both.

I hereby present the Securities Services Bill to the House for consideration and approval. I thank you. [Applause.]

Mrs R R JOEMAT: Madam Chairperson, hon members, from the start I would like to bring to the attention of the House that the Bill is also available in isiZulu.

Certain Bills that our committee deals with are of a highly technical nature and this Bill is one of them. I ask myself how this Bill will improve the lives of the people in my constituency. Will it make a difference in the lives of the majority of people who voted for the ANC? I do not have a clear yes or no answer, but what I can say is that we need to regulate the South African financial markets to ensure that revenue that is due is collected, and by achieving this we then can insure that the income that we do derive from this Bill will be spent, especially on the poor.

The word "security" basically means an undertaking of payment for loans and to give a guarantee to do so by pledging the transaction on documentation. As evidence of the loan, certificates of stocks, bonds, etc are used. And if you do not honour this agreement, you forfeit whatever you agreed on as security.

The general public is aware of security transactions when they purchase a house or a motor vehicle. The asset that you purchase is used as security. For security, companies also use the projected goods or stock that they will manufacture, or in the case of a mining company the minerals that will be mined are used as security. Countries, for example, also use their expected revenue as security to secure loans. That is why the first thing to be paid from our country's budget is the service cost and interest of our debt.

In financial markets there is buying, investing and selling of different types of financial instruments. These services are offered by financial institutions and individuals and therefore must be regulated.

This Act aims to increase confidence in the South African financial markets by requiring that securities services be provided in a fair, efficient and transparent manner; to contribute to the maintenance of a stable financial market environment; to promote the protection of regulated persons and clients; to reduce systematic risk and to promote the international competitiveness of securities services in the Republic.

Therefore, organisations or individuals that offer these services will be regulated according to the rules as spelt out in this Bill, giving guidelines to the buyer and the seller.

The Bill before us consolidates, amends, repeals and also corrects and improves certain Acts relating to investments. The Acts that will be affected are: The Stock Exchanges Control Act, the Financial Markets Control Act, the Custody and Administration of Securities Act, the Insider Trading Act, the Financial Services Board Act, the Companies Act and the Insolvency Act.

New features in this Bill create the possibility for emergence of separate institutions dealing with different functions, for example trading clearing houses and warehousing. It also consolidates and tightens up on insider trading. Historically, little effective legislation existed and insiders enriched themselves at the expense of the public.

This Bill provides for a modernisation and a more effective securities trading environment. National Treasury has supported proposals for South Africa to emerge as a securities trading centre, serving the African market as well as the South African market.

It will bring the regulation and supervision of all aspects of South African financial markets in line with international development and regulatory standards. South Africa has been a member of the International Organisation of Securities Commissions since 1992 and therefore must abide by their objectives and principles regarding securities regulations, which are internationally regarded as containing the minimum standards of a law regulating securities services.

Our financial markets must be regulated. South Africa has been praised for the efficient running of its financial markets. Compared to other emerging markets, we achieved an impressive phase of vast financial market improvements. Among 22 of the world's emerging markets, a London-based international rating agency placed South Africa in seventh place. South Africa was the only African market included in the world's top 24.

In drafting this Bill a broad consultative process was followed, and none of the institutions and persons consulted opposed the Bill.

Finally, I am sure that I can speak on behalf of the committee to express our appreciation to the members of the National Treasury and Sars who have this enormous volume of work on taxation laws that they produce year after year. I want to appeal to the Minister to closely watch for burnout and fatigued staff members and to introduce a burnout leave system. We must look after such dedicated staff to ensure that the good work continues. The ANC supports the Bill. Thank you. [Applause.]

Dr P J RABIE: Madam Deputy Chair, hon Minister and hon members, the Securities Services Bill is a very technical Bill and a lengthy piece of legislation that aims at consolidating the Stock Exchanges Control Act of 1985, the Financial Markets Control Act of 1989, the Custody and Administration of Securities Act of 1992 and the Insider Trading Act of 1998. What is significant is that the amended Act adds a significant number of new provisions to the Bill.

The Bill also amends section 91A of the

Companies Act, 1973, section 1 of the Financial Services Board Act, 1990 and section 35A of the Insolvency Act of 1936.

This Bill was drafted based upon principles set out by the International Organisation of Securities Commissions, IOSCO, the Financial System Stability Assessment Programme of the World Bank and the International Monetary Fund. This Bill relates directly to the Johannesburg Stock Exchange, the only licenced stock exchange in South Africa and, in particular, to stockbrokers. On page 59 of the Bill, a number of significant empirical statistics are mentioned.

In March 2003, 566 individuals were members of the SA Institute of Stockbrokers, practising in 66 member firms of the Johannesburg Stock Exchange. The number of companies with equity shares listed on the Johannesburg Stock Exchange was 463, in March 2003. The average number of trades per day, in March 2003, was 14 266. Market capitalisation of all securities listed on the Johannesburg Stock Exchange amounted to R1 461 billion, on 28 February 2003, ranking the Johannesburg Stock Exchange as the 17th largest stock exchange.

The Bill also relates to derivative instruments, namely the Financial Derivatives Division and the Agricultural Products Derivatives Division. The Bill also regulates the Board Exchange of South Africa, which is the only licensed financial exchange listing debt securities in Africa.

South Africa is becoming one of the most sought-after emerging markets, as the rand has retained remarkable currency strength against the currencies of our major trading partners in the past fiscal year.

Suid-Afrika kan slegs sy posisie as 'n gesogte beleggingsbestemming behou indien daar 'n deursigtige, regverdige stelsel van wette bestaan wat beleggers se belange beskerm en wat gemeet kan word aan internasionale standaarde. Die DA is van mening dat hierdie wetsontwerp sistemiese risiko rakende finansiële instrumente sal verminder, binnehandel rakende koop en verkoop van aandele sal ontmoedig en 'n kultuur van sakevertroue op die Johannesburgse Aandelebeurs sal aanmoedig. Dit kan vermeld word dat daar met 'n breë spektrum van belanghebbende finansiële instellings geskakel is rakende die gegewe wetsontwerp en dat die Finansiële Diensteraad dié wetsontwerp vir kommentaardoeleindes op hul webtuiste vir 'n geruime tyd al vertoon het.

Die DA ondersteun die wetsontwerp. Die waarde van dié wet is dat die prosedure waarvolgens transaksies rakende sekuriteite vir handel duidelik volgens internasionaal voorgeskrewe standaarde omskryf word. Hierdie wetsontwerp se sterk punt is dat binnehandel as verskynsel deeglik omskryf word en dat persone wat oor inligting beskik, tot voor- of nadeel van aandeelhouers, vervolg kan word.

'n Verdere betekenisvolle veranderlike rakende die wetsontwerp is dat die wetsontwerp geen finansiële gevolge vir die fiskus inhou nie. Voorsitter, ek dank u. *(Translation of Afrikaans paragraphs follows.)*

[South Africa will only be able to maintain its position as a sought-after investment destination if there is a transparent, fair system of laws that protects the interests of investors and that complies with international standards. The DA is of the opinion that this Bill will reduce systemic risk with regard to financial instruments, discourage insider trading regarding the buying and selling of shares and promote a culture of business confidence in the Johannesburg Stock Exchange. It is worth mentioning that consultation concerning this Bill has taken place across a broad spectrum of financial institutions and that the Financial Services Board has posted this Bill on its website for comment for a considerable period of time.

The DA supports this Bill. The value of this legislation is that the procedure regarding

transactions relating to securities for trade is clearly defined in accordance with internationally prescribed standards. This Bill's strength lies in the fact that insider trading as a phenomenon is clearly defined and that persons in possession of information, to the advantage or disadvantage of shareholders, can be prosecuted.

A further meaningful variable regarding the Bill is that the Bill has no financial consequences for the fiscus. Chairperson, I thank you.]

Mr T E VEZI: Madam Chair, this Bill seeks to consolidate the various Acts mentioned under the scope of the Bill. Apart from correcting and improving the repealed Acts, the Bill seeks to add a significant number of new provisions to those Acts. Some of the new provisions relate to previously unregulated matters. This is to bring the regulation and supervision of all aspects of the South African financial markets in line with international developments and regulatory standards.

The approach proposed is that off-market transactions in listed securities be allowed between financial institutions, subject to reporting requirements to the registrar and the exchange on which the securities are listed. The purpose of the relevant clauses of the Bill is to give the Financial Services Board more effective and expeditious enforcement.

A person, and not only an association of persons, as is currently the case, may apply for an exchange licence. The same applies to a central securities depository licence and a clearing house licence. The alternative approach that has been adopted is that all secondary markets should be regarded as exchanges, all of which are subject to the same basic requirements. Market or price manipulation, as described in the Bill, and making false, misleading or deceptive statements, promises and forecasts, in respect of listed securities and public companies, fall under the Director of Market Abuse.

As the Bill seeks to consolidate the repealed Acts, it is expected that the majority of the provisions of the Bill embrace the subject matter of the repealed Acts.

The IFP supports the Bill.

Mr Y WANG: Thank you, Madam Chair, hon Minister, hon members and, indeed, those who are watching TV now. [Laughter.]

An HON MEMBER: Will they spot you?

Mr Y WANG: Yes, they must have spotted me by now. [Laughter.] The ID supports this Bill, because the consolidation of this legislation from bits and pieces into one piece of legislation is consumer friendly and is good for the public.

As a member of the Y generation, I would like us to appeal to the Cabinet and to hon members that we would like to see more electronic legislation-related Bills and a move towards e-government.

I fully support the Bill and I hope this hon member will remember my appeal. Thank you.

Mr K D S DURR: Chairperson, this Bill is a confidence builder in our financial markets and to our securities services providers. When it comes to markets, confidence is a vital ingredient. People worldwide have confidence in structures that they recognise and understand.

This modernisation and streamlining of the four pieces of legislation, as well as the updating thereof and the creating of consistency, brings us in line with the best practice in the world. The legislation reduces systemic risk, increases international competitiveness and reduces risk.

Of course, when one reduces risk, one reduces the cost of trading, and when you reduce the cost of trading you stimulate business; when you stimulate investment, you create jobs, and when you create jobs, the ACDP will always support the measure.

Our congratulations to the Minister, the

department and the over 80 different institutions that have an interest in the legislation, and which were consulted. This has indeed been an example of taking government to the people. We support the measure. I thank you. [Time expired.] [Applause.]

Mr W D SPIES: Hon Chairperson, the trading of shares in companies is one of the most fascinating features of any free market. The way in which a perfect market rewards performance, on the one hand, and punishes failure, on the other, has formed the basis for all classical economic theories in the past.

The markets are, however, not always accurate in establishing the true state of affairs in a company, and some of the worst corporate failures in history, such as Enron, in the United States, and even Saambou Bank, locally, have come as a total surprise to most individual shareholders. It is therefore crucial that investors in shares should be put in as close to an equal position as possible as those people who know the companies best.

The challenge always is to limit regulation of markets to the bare minimum necessary to force imperfect markets towards perfection. It is doubted whether it will ever be possible to ensure that directors or other so-called insiders do not trade their personal shares without consideration of their superior knowledge of the company in question. Any effort, however, to limit and punish insider trading should be applauded. We therefore support the Bill. Thank you. [Time expired.]

Mr M T LIKOTSI: Chairperson, this Bill is aimed at the consolidation of affected, outdated Acts and their repeal, such as the Stock Exchanges Control Act of 1985 and other related Acts.

Legislation is promulgated to protect citizens of our country from all forms of abuse.

The Financial Markets Advisory Board was established by section 3 of the Financial Markets Control Act. This Act was repealed by section 117 but still exists to date. This abnormality will be addressed by the introduction of this Securities Services Bill.

Our country is still in a developmental phase. The first decade of our democracy was mostly used to scrutinise past laws and establish new policies and laws suited to all the citizens of our country. We are living in a global village and our membership of recognised international organisations, such as the International Organisation of Securities Commissions, will pay dividends for our fiscal discipline. I thank you.

Miss S RAJBALLY: Chair, the Securities Services Bill consolidates a number of Bills and in addition provides for a number of new provisions with regard to these sectors.

In today's times when we talk about the JSE, many people prick up their ears and there is concern about investments. A huge instrument of income and investment, the JSE is the only licensed stock exchange in South Africa and it shows that South Africa is a competitor in the global market.

The MF supports the Bill aimed at attaining a stable financial market environment. This will lead to the establishment of South Africa's securities services as an international competitor. This Bill is applicable to the necessary parties and clearly defines securities services.

The MF notes that the Bill clearly is aimed at preventing the offences related to the prohibitions in clause 4. We further support the establishment of a self-regulatory organisation. It also deals with the functions of a number of other bodies and the new provisions appear to be well established.

The MF seeks a stronger South African market and to promote South Africa as a strong global competitor. The MF supports the Securities Services Bill. Thank you, Chair.

Mr M JOHNSON: Chairperson, hon Minister, from the outset our challenge is that of demystifying this very important piece of legislation to our economy. In introducing this Bill, allow me to go back 49 years to when the Freedom Charter declared:

> The people shall share in the country's wealth; all other industry and trade shall be controlled to assist the wellbeing of the people.

The Freedom Charter is further enhanced by the Reconstruction and Development Programme that states, among other things, that it seeks to meet the basic needs of our people via sustainable economic growth.

The latest BEE Charter and the subsequent legislation are some of the milestones that take us forward to a transformed society that is nonracial; nonsexist and democratic through a deracialised economy. Guided by the Nedlac Financial Services Summit agreements, the industry initiated a Financial Services Charter, which further includes a need to unlock and enhance domestic and international commerce through a transformed sector that is transparent and reflective of the demographics of our society.

Lastly, the Financial Services Charter commits itself and the industry to job creation and access to financial services for the poor. The objects of the Bill above state that it seeks to create securities services that are transparent and aligned to the demands and challenges of the transformation of our society, especially in the economic sphere that still remains the domain of white business. Our experiences of BEE listings continue to be a worrying factor in this regard. As we speak, these account for a mere 3% of the total listed stocks on the JSE securities exchange.

The opportunities for job creation and poverty eradication from these financial services, especially guided by the charter, are the following: for those of our young people who graduate from colleges, it offers them training and learnership programmes. The charter also purports to advance a programme that looks at a 50% procurement service to be in the hands of BEE entities by the year 2008. The charter also advances a programme of mentorship and, lastly, it advances gender equity in our society, especially in our economic sphere.

The ANC believes that via these opportunities a new graduate will find experience opportunities and that the inexperienced will be monitored. Our BEE will be equitably empowered and our society will be better represented by a financial service that balances gender participation in its makeup.

We trust that, mystified as it was, this Bill is now demystified, and we are now able to relate to it, especially in relation to job creation and poverty eradication.

The ANC supports this Bill. I thank you.

The MINISTER OF FINANCE: Thank you very much, hon Chairperson. Let me express appreciation to all the parties for supporting the Bill. I would like to draw the attention of the hon Rajbally to the fact that the JSE is not the only registered exchange; there is also the Bond Exchange and AltX, each of which will define its own rules. It is important to recognise that all of these will be dealt with and covered by the Bill before the House.

The Bill, as we know, has long been in gestation and during the period that the Bill was being discussed, there have been a series of very important admissions. One of these was by quite a senior stockbroker, about the fact that 10 years ago virtually every trade was done on an insider basis. The other one was that as much as there was trade between large institutions in South Africa, because of the concentration of wealth, they had been off-market trades. Nobody knew who actually owned the scrip and the result has been very extensive abuse of the system.

Also, there is a case at the moment in Pietermaritzburg that reflects just how abusive some players in the market can be. One hopes that a Bill like this will be able to deal with those kinds of issues to protect small investors who also include the holders of pension funds, namely workers who invest pension funds in institutions. If there are no

rules to cover market conduct, then we will see the kinds of abuses that Gary Porritt is accused of in Pietermaritzburg at the moment.

When the hon Joemat asks about the ANC members, we should firstly recognise that 70% of the electorate voted for the ANC and that is a big spectrum of South Africa. But, very importantly, nobody is going to remain poor permanently, but also, between the very rich and the very poor are many South Africans whose pensions depend on the regulation of market conduct, which is what legislation like this is about. We cannot leave the markets to regulate themselves. We need good legislation and we need to ensure that the rules are complied with and we need to ensure that small investors and consumers, ultimately, are protected.

In conclusion, however, I wish to express our sincere appreciation for the support and I trust that the other House will deal with it quite speedily. Thank you very much.

Debate concluded.

Bill read a second time.

CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON CORRECTIONAL SERVICES—VISIT TO BRANDVLEI YOUTH CENTRE AND DRAKENSTEIN JUVENILE DETENTION CENTRE

Mr D V BLOEM: Chairperson, indeed, it is an honour to participate in this debate. Let me make it very clear from the outset that no child belongs in jail. The Freedom Charter says:

> All shall be equal before the law. Imprisonment shall be only for serious crimes against the people, and shall aim at re-education, not vengeance.

Laat ek my toespraak begin deur te sê dat apartheid hierdie land onherstelbare skade aangedoen het. As enigiemand dit wil sien, moet hy net na ons tronke gaan waar ons kinders en jeugdiges aangehou word. Kom ons kyk wie hierdie kinders en jeugdiges is. Dit is kinders van Guguletu, Mitchells Plain, Bonteheuwel, Elsiesrivier en Langa. Dit is meestal swart kinders wat oral in ons tronke is. Oral oor die land sal jy hulle daar kry. Daar is nie wit kinders in een van hierdie tronke nie. Ek vra myself die vraag: Is dit net swart kinders wat met die gereg bots? Is dit net swart kinders wat stout is? Is dit net swart kinders wat vir huisbraak, verkragting, moord en dwelmhandel gearresteer word? Waar is die wit kinders? [Tussenwerpsels.]

Die rede waarom daar so baie van ons kinders en jeugdiges daar beland, is die omgewing waarin die kinders hul bevind en waar hulle grootword. Ons is gegooi op plekke waar die resultaat niks anders kon wees as dit waarmee ons vandag sit nie. Kinders so jonk as 10 jaar oud behoort aan tronkbendes, die 28s, die 26s en ander. [Tussenwerpsels.] Waar leer hulle dit? Ons moenie hierdie probleme ligtelik opneem nie. Ons moet die oorsprong van hierdie probleem ken. Apartheid was 'n euwel.

Daar is ook 'n ander rede waarom so baie kinders en jeugdiges in ons tronke sit. Van ons landdroste is baie negatief. Hulle wil nie saamwerk nie. Daar is kinders in die tronk wat nie daar hoort nie. Laat ek 'n voorbeeld gee van een so 'n geval. Verlede maand het ek die Kroonstadse Jeugsentrum besoek waar verhoorafwagtendes aangehou word. Daar het ek 'n sestienjarige swart seun gekry wat al vir 11 dae daar gesit het. Die rede waarom hy daar sit, is omdat hy vermoedelik vyf sjokolades gesteel het.

Ek het hom gevra of daar enige borg was. Sy antwoord was: "Nee, daar is geen borg nie." Hierdie seun is 'n eerste oortreder. Hy was nooit tevore in die tronk nie en hy sit nog altyd daar. Is dit reg dat ons dit aan die kinders doen? Van ons landdroste moet net verander en saamwerk.

Nege-en-negentig persent van hierdie kinders is daar vir ekonomiese oortredings. Wat kan ons doen om dié probleem aan te

spreek? Ons as ouers moet meer betrokke raak in die lewe van ons kinders. Kom ons bestee meer tyd met hulle en verbeter die lewensomstandighede waarin ons mense hulself bevind. Kom ons kyk na die begroting van die departement. Is dit nie nodig dat ons meer geld moet bewillig om verbeterings aan te bring nie? Die betrokkenheid van ons gemeenskapsorganisasies en kerkgenootskappe is ook baie belangrik.

Ons Minister en departement het oor die afgelope maande regtig aandag gegee aan sommige van dié probleme. Een van ons grootste probleme is oorbevolking in al ons sentrums landwyd. Ek is oortuig dat die Minister baie ernstig is om oplossings te vind vir dié probleme. Daar is wel voorstelle wat ek graag wil maak sodat die Minister daarna kan kyk. *(Translation of Afrikaans paragraphs follows.)*

[Let me begin my speech by saying that apartheid has inflicted irreparable damage on this country. Anybody who wants to see this, can merely go to our prisons where our children and juveniles are being held.

Let us see who these children and juveniles are. They are children from Guguletu, Mitchells Plain, Bonteheuwel, Elsies River and Langa. It is mostly black children who are in our prisons everywhere. All over the country you will find them there. There are no white children in any of these prisons. I ask myself: Is it only black children who fall foul of the law? Is it only black children who are naughty? Is it only black children who are being arrested for burglary, rape, murder and drug trafficking? Where are the white children? [Interjections.]

The reason so many of our children and juveniles end up there, is the environment in which they find themselves and in which they grow up. We were dumped in places where the result could only be what we are facing today. Children as young as 10 years old belong to prison gangs like the 28s, the 26s, and others. [Interjections.] Where do they learn this? We should not take these problems lightly. We must acknowledge the origin of this problem. Apartheid was an evil.

There is also another reason so many children and juveniles are languishing in our prisons. Some of our magistrates are very negative. They don't want to co-operate. There are children in jail who do not belong there. Let me cite one example of such a case. Last month I visited the Kroonstad Juvenile Detention Centre where awaiting-trial prisoners are held. There I found a 16-year-old black boy who had been kept there for 11 days. The reason he is being held there, is that he is believed to have stolen five chocolates.

I asked him whether there was any bail. His reply was: "No, there isn't any bail." This boy is a first-time offender. He had never been to prison before, but he is still languishing there. Is it right that we should do this to the children? Some of our magistrates just need to change and begin to co-operate.

Ninety-nine percent of these children are detained for economic reasons. What can we do to address this problem? We as parents must become more involved in our children's lives. Let us spend more time with them and improve the living conditions in which our people find themselves. Let us look at the department's budget. Is it not necessary that we should allocate more money to bring about improvements? The involvement of our community organisations and churches is also very important.

Our Minister and the department have over the past months paid a lot of attention to some of these problems. One of the greatest problems is overcrowding in all our centres all over the country. I am convinced that the Minister is very serious about finding solutions to these problems. However, there are some proposals I would like to submit to the Minister for consideration.]

Minister, we must look at the responsibility

to have additional youth correctional centres to ensure that all children who are sentenced to imprisonment are catered for in institutions that are developed to meet their specific needs.

Traditional prisons cannot facilitate the rehabilitation of our children. No child should be sentenced to imprisonment in a prison that does not have adequate infrastructure, including sufficient educational, recreational and development programmes. Solutions to the problem of overcrowding in prisons should be prioritised, as it affects our children.

We as a committee would like to give the department 12 months to address this problem that I have raised today. We will certainly follow up the progress on this report.

Laat ek afsluit met 'n beroep op die wrede, genadelose dwelmbase, bendeleiers en sindikaatleiers wat ons kinders gebruik om hul vuilwerk te doen. Kom ek vra hulle baie beleefd of hul weet wat hul aan ons kinders doen. Ons kinders is die toekoms van hierdie land. Sonder hulle het ons land nie 'n toekoms nie.

Ek hoor van hierdie agb lede aan my linkerkant het nou en dan iets om te sê. [Tussenwerpsels.] As hulle geweet het wat in ons gevangenisse plaasvind, sou hulle nooit sulke opmerkings gemaak het nie. Gister was ek by Lindelani, 'n plek van veiligheid. Tienjarige kinders word aangehou vir diefstal. Dit is baie emosioneel om hierdie kinders daar te sien.

Vra jy hierdie kinders wat hulle gedoen het, dan sê hulle: "Oom, ek het gesteel omdat ek honger was"; "Ek het gesteel omdat ek 'n rugbybal wou hê"; "Oom, ek het gesteel omdat ek gesien het dat my buurman se kind iets het". As julle geweet het wat in die gevangenisse plaasvind, sou julle nooit só gepraat het en 'n grap gemaak het van dit wat vir ons ernstig is nie. [Tussenwerpsels.]

Dit is baie emosioneel om ons kinders ... [Tussenwerpsel.] ... want júlle kinders sit nie daar nie. Daarom kan jy so praat. Ons huil in ons harte omdat ons kinders gebruik word. Ons kinders het nie 'n toekoms nie as gevolg van julle. Apartheid het hierdie ding veroorsaak. [Tussenwerpsels.] Daarom is julle nie bekommerd oor wat ons daar binne sien nie. [Tussenwerpsels.]

Jy moet gaan kyk wat gaan daar aan, dan sal jy beter kan weet dat jy een van die mense was wat gesorg het dat 'n plek soos Mitchells Plain ontstaan het. [Tussenwerpsels.] Jy was een van die mense wat gesorg het dat Belhar daar is. [Tussenwerpsels.] Jy was een van die mense wat gesorg het dat Elsiesrivier daar is. [Tussenwerpsels.] Jy was een van die mense wat gesorg het dat Guguletu daar is. [Tussenwerpsels.]

Ons kinders sit in die tronk. Jy is nie bekommerd daaroor nie. Dit is die vuilwerk wat apartheid aan ons kinders gedoen het. [Tussenwerpsels.] Ons kan nooit ophou om te praat oor hierdie ding ... [Tussenwerpsels.] Ons moet hierdie ding stop. Ons huil in ons harte vir ons kinders. Baie dankie. [Tyd verstreke.] [Applous.] *(Translation of Afrikaans paragraphs follows.)*

[Let me conclude with an appeal to the cruel, ruthless drug lords, gang leaders and syndicate bosses who use our children to do their dirty work. Let me ask them very politely if they know what they are doing to our children. Our children are the future of this country. Without them our country has no future.

I notice that some of these hon members to my left have something to say now and then. [Interjections.] If they knew what was going on in our prisons they would never pass such comments. Yesterday I was at Lindelani, a place of safety. Ten-year-old children are held there for theft. It is a very emotional experience to see these children there.

If you ask these children what they have done, they say: "Sir, I stole because I was

hungry"; "I stole because I wanted a rugby ball"; "Sir, I stole because I saw my neighbour's child had something". If you knew what was going on in the prisons, you would never speak like this or make a joke of something that is very serious to us. [Interjections.]

It is a very emotional experience to see our children . . . [Interjections.] . . . because your children are not languishing there. That is why you can talk like that. We cry in our hearts because our children are being used. Our children do not have a future because of you. Apartheid has caused this thing. [Interjections.] That is why you are not worried about what we see in there. [Interjections.]

You must go and look at what is going on there, then you will have a better understanding that you were one of the people who contributed to the emergence of a place like Mitchells Plain. [Interjections.] You were one of the people who contributed to the creation of Belhar. [Interjections.] You were one of the people who contributed to the emergence of Elsies River. [Interjections.] You were one of the people who contributed to the creation of Guguletu. [Interjections.]

Our children are languishing in jail. You are not worried about that. That is the filthy effect apartheid had on our children. [Interjections.] We can never stop talking about this thing . . . [Interjections.] We must stop this thing. We cry in our hearts for our children. Thank you very much. [Time expired.] [Applause.]]

Mr C M MORKEL: Madam Chair, Minister, colleagues, ladies and gentlemen, I do not want to react to someone else's speech. I think that some of the issues that the previous speaker has raised are correct, but there is a whole range of other issues that he neglected to cover. We have been in this new South Africa for 10 years. How many of the challenges that we face in our prisons, do have their roots in the past 10 years and beyond?

We need to ask ourselves, are those challenges being dealt with? Is our democracy able to eradicate what has been happening in the last 10 years? One of them is that the Department of Correctional Services, as we said in the debate on the Budget Vote, faces the challenge of not having enough resources. Not enough resources are allocated to the department, and we can see that by the facilities at both the Brandvlei Youth Centre and the Drakenstein Juvenile Detention Centre.

I will highlight some of the issues, but I don't want to read the reports that many of you would have seen in the ATC on 15 September. We went there with specific questions, and I would just like to read them to you. What is the capacity of the centres, and how many juveniles are currently incarcerated there? How many of the juvenile offenders are there, sentenced and not sentenced? What educational facilities and training are provided for these juveniles? What general services are currently provided which are lacking? What measures are in place to ensure the successful reintegration of offenders into society?

We sought answers to those questions. At Brandvlei we found that there are juveniles who are incarcerated there for between two and eight years. Many of them are between the ages of 14 and 20 years. The prison is overcrowded by 150%, Minister. There are 503 offenders accommodated in a facility that can only accommodate 288, as it was built for that purpose in 1996. We therefore recommend that if the existing structure on-site there is renovated, it can accommodate an additional 600 offenders.

These are the challenges that we can address. With regard to the original staff complement for the 288 offenders that the facility was to accommodate when built, there are only 73 staff members there. That was for the 288 inmates; now they have 503, and it is obviously insufficient. There is a shortage of professional staff, and in areas of adult

education, in particular, there are shortages there. Offenders serving sentences of less than one year do not have access to formal education, so we are going to have the repeat offenders coming back.

Although there are facilities being provided there by outside institutions like UCT and Kfm—providing a radio station—and also courses in welding, woodwork, pottery and so on, they are insufficient to get these qualifications formerly recognised outside. These youngsters are not going to get jobs out there, and they will come back. Therefore we ask that you address that.

We also saw that there was an absence of a kitchen facility. They have to transport the food from Medium A section to that facility. These are things that the prison was built for in 1996. The facilities are shared with adult prisoners, contrary to your department's policy. This applies to the visitor facilities in particular. The department must therefore work with Public Works to eradicate some of these issues.

At Drakenstein with 658 male prisoners, there are 331 in the maximum security facility of the centre. Of the 33 under 18s, 23 are in the medium section, whilst 10 are in the maximum. It is the only facility in the area for juveniles who need to be held in a maximum prison. Adult prisoners maturing at juvenile facilities are also a problem evident here; that is, those who turn 21 whilst they are in the juvenile facility.

The department needs to indicate how it will deal with this category of prisoners after they have turned 21, because when they graduate to the adult facilities, they are likely to become more hardened prisoners. Here the department must also deal with the speedier filling of posts and the competitiveness of salaries, especially for professional staff, who leave the department to find employment elsewhere, especially the nurses and psychologists.

Communication surrounding the issue of weekend overtime and the establishment of a seven-day workweek is also a problem, as it is elsewhere. The provision and formal recognition of education is a problem here too. There are problems with the dispensing of antiretrovirals here as well and, obviously, it is something that needs to be communicated to the Health Department, especially to their local facilities.

Challenges with regard to the rehabilitation and integration of offenders must be dealt with urgently by the department, and in this regard we ask that you, in particular, work with the other departments in the justice cluster to deal with the overcrowding in these facilities, because it is in overcrowding that there are shortages in the facilities. We do not always disagree in the portfolio committee, as you know, Minister. There are many things that we agree on.

There are common challenges. The DA wants to make its contribution, but we understand the challenges that you face. We cannot simply blame the period before the 10 years of democracy. There are challenges that we know you are trying to deal with; they are resource challenges, and we will make our contribution in lobbying for more funds for you. [Applause.]

Mrs S A SEATON: Madam Chair, hon members, unfortunately I was unable to participate in the actual visit to Drakenstein and Brandvlei due to commitments in the Whippery. I actually apologised to the committee for not having been able to participate, and I thank Nkosi Biyela for having attended where he could over the past month. The portfolio committee has been extremely active over the past few weeks. I must say I am pleased to see that at last this committee has really come to grips with the many challenges of the department, the concerns of the public, and the wellbeing of both the departmental officials and the incarcerated.

I commend the chairperson and all members of the portfolio committee on the very

comprehensive report. What really does concern me, is that despite our transformation and modernisation over the past decade, and all the good intentions of all parties concerned, we continue to see an ever-increasing prison population, an increase in overcrowding of the institutions and, of most concern to me, an ever-increasing number of young offenders incarcerated under these appalling conditions with totally inadequate ablution facilities, few resources and very few staff.

To top all this is the problem that, due to general overcrowding, many adults, as we've heard, are being incarcerated in the same institutions as juveniles, because of the lack of other facilities, notwithstanding the decision taken by this Parliament in the early 90s that no juvenile may be incarcerated along with adults. Unfortunately that legislation may never have been passed, because we have never implemented it. Due to a lack of resources and facilities it does not look like it is about to be implemented for some time.

Mr Bloem has actually made the comment that no child should be in prison. I fully support that. It is a privilege to be on the portfolio committee and, believe it not, a privilege to have to work in those prisons. It is only when you work in those prisons with prisoners that you actually understand the real implications of young people being in prison.

It is clear from the report that there are still many obstacles to overcome in order to promote genuine rehabilitation, and to cut down on the recidivism in South Africa. We clearly have to make it possible, if not compulsory, for all juveniles, even those serving a period of under one year, to have formal education, which is compulsory. This, of course, means that we have to ensure that we have adequate facilities, qualified persons, and really, when we talk about one teacher training or teaching 113 offenders in Drakenstein, that is an impossible situation.

If we want to combat crime we have to do everything possible to motivate all offenders, especially juveniles, to change their ways. This cannot be achieved if they are individually left idle in overcrowded facilities, with nothing to do, other than to learn from their more corrupt peers how to develop their criminal skills.

There is no doubt that young people who are kept actively involved in institutions such as Drakenstein, dealing with things that they are dealing with in the agricultural and productive field, become far more motivated and are far more prone to be successful than those who are in other institutions. I am pleased to see the Drakenstein prisons continuing to develop and expand the agricultural production facilities. I sincerely hope that other institutions are going to go the same way, and that we build new institutions along those lines, because we really do need to make a change for our young people.

We again urge the courts to look at alternative sentencing, and not to put young people into prisons. We really cannot afford to have our young people in such institutions, and we need to do something about it, each and every one of us. The IFP accepts and supports the report. Thank you. [Applause.]

Mr S MAHOTE: Thank you, Chairperson. Hon Minister, hon members, ladies and gentlemen, let me echo what my chairperson has said. I am honoured to participate in this debate which is both sensitive and, given our experiences as parents, also disturbing in nature.

As we all know, the family unit is recognised as the bedrock of any healthy and prosperous nation. South African history and circumstances are steeped in tragic tales of children having to grow up in families without mothers or even without both parents. If one factors in social phenomena such as the legacy of apartheid, poverty, the migrant labour system and hardship in general, one inevitably arrives at daunting long-term challenges. And the issue of youths and

juveniles in correctional and detention centres represents one such daunting challenge.

At the same time one does not ignore the fact that those who engage in criminal acts do not originate only from dysfunctional families. To this end, the categories of offenders who come from affluent families attest to this. However, a sober analysis of the composition of South Africa's youth offender population drives home the reality that the vast majority of juvenile offenders come from communities and facilities plagued by poverty, hunger, absent figures of authority and care, distorted value systems and general hardship—some of the very factors directly associated with dysfunctional families and dysfunctional communities.

Xa ikomiti ejongene necandelo leenkonzo zoluleko ibityelele amaziko ogcino-lulekolutsha eBrandvlei Youth Centre nase-Drakenstein Medium B Detention Centre, ngaphandle kokubuza imibuzo, eyona ngxaki ibigqamile yingxinano ebuhlungu kula maziko. Inyaniso yeyokuba iziko ngalinye lithwaliswa umthwalo wezaphulimthetho ezinokwanela amaziko amabini. Ngaphezulu, ukunqongophala kweenkonzo nenkqubo yeenkonzo zoqeqesho kwenza ukuba le meko ibe mandundu. Zonke ezi zinto zezinye zeenyaniso eziyintlonze nje kumfanekiso wemeko yala maziko.

Kubaphuli-mthetho baseBrandvlei, sisiqingatha nje esithatha inxaxheba kwiinqubo zemfundiso. EDrakenstein sisinye esithathwini. Kunzima kakhulu kwezoqeqesho ngenxa yale ngxinano. *(Translation of Xhosa paragraphs follows.)*

[When the Portfolio Committee on Correctional Services visited the youth rehabilitation centres at the Brandvlei Youth Centre and the Drakenstein Medium B Detention Centre, without asking we could identify the main problem as being overcrowding. The truth of the matter is that each centre accommodates the number that is supposed to be taken by two centres. Moreover, the lack of services and a training programme makes these circumstances more difficult. All of these facts reflect the truth of what is happening.

For Brandvlei prisoners there is a small percentage that takes part in educational programmes. At Drakenstein it is only one third that participate. Training is very difficult because of overcrowding.]

Another cause for concern is the shortage of medical and social work personnel. This situation seriously compromises the physical and mental health of these young offenders. We are all conscious of the extent to which communicable diseases such as TB and HIV/Aids thrive in unhygienic social conditions and more so in overcrowded prisons. Also, the scourge of gang culture and drugs demands sufficient person power to turn this tide.

Furthermore, we believe that the shortages and challenges outlined above are certainly not conducive to the process of rehabilitation. As the ANC, we, however, believe that everything is not doom and gloom. In relation to detention of children, the South African Constitution of 1996 provides the following rights for children: not to be detained, except as a last resort; if detained, only to be detained for the shortest period of time; to be kept separate from detained persons over the age of 18 years; and, to be treated in a manner and kept in conditions that take account of their age.

What is most encouraging is that the Department of Correctional Services has drafted a White Paper on correctional services that will replace the 1994 one, and it has already been approved by Cabinet. This draft White Paper on Corrections arises out of a need for a long-term strategic policy and operational framework that recognises corrections as a societal responsibility. It also flows from the need for the Department of Correctional Services to gear all its activities to serving a rehabilitation mission that ensures true delivery of appropriate programmes without

compromising security; and that ensures that the people who leave the correctional centres have appropriate attitudes and competencies that enable them to successfully integrate back into society as law-abiding and productive citizens.

In respect of youths in detention, the department's position is unambiguous, as contained in the White Paper. It states that different age groups of children require different service delivery and should, as far as possible, be accommodated separately. It further seeks to align its policies with those of other integrated justice system departments to ensure that appropriate policies are in place for different age categories of children. Where this is not an option, they should be accommodated in secure facilities that are designed for children.

Through the White Paper and as part of its division for youth offenders, the department provides for diversion, alternative sentences and alternative detention centres run by the Department of Social Development. The Department of Education should also be utilised for the correction of such children.

Moreover, and most encouraging, through the White Paper again, the department is aligning itself to the United Nations rule for the protection of juveniles deprived of their liberty. As the ANC, we have no doubt that this development will go a long way towards ensuring that challenges we have alluded to, such as overcrowding, are tackled in an integrated and coherent manner. [Time expired.] [Applause.]

Mr S N SWART: Chairperson, hon Minister, the ACDP has studied the report and supports its contents, and we just wish to highlight certain aspects.

Firstly, we share the view that education and school attendance should be compulsory for all juvenile offenders. It is crucial that offenders receive education and training to enable them to be reintegrated into society once they have served their sentences. The painful truth, however, is that many juvenile offenders are abused, raped and forced to become involved in criminal and gangster activities and continue with these activities when they leave prison. Imprisonment becomes an initiation into a lifetime of criminal and gangster activities instead of a means of rehabilitation. Instead of receiving a proper education and training, many graduate from the university of crime.

Possibly the saddest part of all is the fact that, as the hon Bloem pointed out, many of these juvenile offenders are serving sentences for property crimes such as theft. These juveniles do not present a danger to society and should not be incarcerated. The *Cape Argus* printed an editorial from which I would just like to quote. They said:

> We are sentencing many young men to a slow and painful death, simply by arresting them for petty crimes and sending them to overcrowded prisons where they fall into the clutches of hardened criminals. There must be a better way.

And there is a better way, hon Minister. The restorative justice approach is the way and this is what the ACDP has advocated for many years. The Child Justice Bill contains innovative restorative justice principles to prevent such youths from being locked away in universities of crime by implementing principles such as diversion.

In the year 2000 I represented our country at a United Nations crime conference where I proudly extolled the virtues of the restorative justice approach. I was very proud of the Child Justice Bill at that stage, then drafted by the SA Law Reform Commission. Sadly, today, some four years later, the Child Justice Bill is yet to be passed by this House. This is unacceptable and I would implore the hon Minister to discuss this issue with the Minister for Justice and Constitutional Development, and to urgently attend to the finalisation of the Child Justice Bill. I thank you. [Time expired.] [Applause.]

Mnr P J GROENEWALD: Agb Voorsitter, ek het nou geluister na wat die agb Bloem hier te sê gehad het en my advies aan die agb lid is dat hy vir hom 'n ander bril moet kry, vanweë die feit dat dié agb lid deur daardie bril net wit en swart sien. Ek wil vir u sê die agb lid se optrede hier vanmiddag is 'n tipiese optrede van die ANC, in die sin dat die oomblik as hy nie 'n probleem of 'n krisis kan hanteer nie, hy dit op apartheid blameer.

Ek wil graag by agb lede weet hoe lank nog hulle apartheid die skuld wil gee vir alles. [Tussenwerpsels.] Ek wil vir die agb lid sê armoede kan nooit 'n rede of 'n oorsaak wees vir die pleeg van 'n misdaad nie. As die agb lid dit dalk nie weet nie, die blankes het ook 'n armblankevraagstuk beleef in hul geskiedenis. Hulle was arm, hulle was bywoners, maar hulle het hulle nie tot misdaad gewend om te kan oorleef nie.

Nee, Mevrou die Voorsitter, ek wil vir die agb lid sê hy slaan die bal heeltemal mis. Hulle moet begin optree en kundiges aanstel om die probleem te kan hanteer. Die standpunt van die VF Plus is baie duidelik. As ons gaan kyk na jeugmisdaad vandag, dan moet ons ook 'n bietjie verder gaan kyk—verby daardie bril van die agb lid.

En as ons na die probleem gaan kyk, dan sê die VF Plus die probleem kom in by dissipline. Dit het tyd geword dat ons dit weer ernstig moet oorweeg om lyfstraf terug te bring in ons stelsel. Daarom sê ons dit moet by die skole begin en die agb lid moet mooi luister: as ek praat van skole dan praat ek van blanke en swart skole, dat lyfstraf moet terugkom soontoe, dat ons kinders kan leer wat dissipline is, want dan sal ons jeugmisdaad begin afneem.

Ander aspekte wat ander sprekers hier genoem het is uit die aard van die saak belangrik, maar die VF Plus wil lyfstraf daarby voeg, want daar is baie mense . . . Die agb lid praat hier van iemand wat 'n bietjie sjokolade gesteel en toe in die gevangenis beland het. As hy twee of drie "cuts" gekry het, sal hy nie weer sjokolade vat nie. Hy sal nie in die tronk wees nie en dit sal nie op die onkoste van die belastingbetaler wees nie. Ek dank u. [Tyd verstreke.] *(Translation of Afrikaans speech follows.)*

[Mr P J GROENEWALD: Hon Chairperson, I have listened to what the hon Bloem had say here and my advice to the hon member is that he should get another pair of spectacles, as this hon member seems to see only black and white through those spectacles. I want to tell you that the hon member's behaviour here this afternoon is typical behaviour from the ANC, in the sense that the minute they cannot deal with a problem or a crisis they blame it on apartheid.

Iwould like to know from hon members how much longer they are going to blame apartheid for everything. [Interjections.] I want to tell the hon member that poverty can never be a reason or a cause for committing a crime. If the hon member was not aware of it, the whites also experienced a poor white problem in their history. They were poor, they were sharecroppers, but they did not resort to crime to survive.

No, Madam Chairperson, I want to tell the hon member that he is missing the mark. They must begin to act and appoint experts to be able to deal with the problem. The position of the FF Plus is very clear. If we look at juvenile crime today, we also have to look a little further—beyond that hon member's spectacles.

And if we look at the problem, the FF Plus says that the problem arises with discipline. It is time we once again seriously considered reintroducing corporal punishment to our system. For that reason we say that it must start with the schools and the hon member must listen carefully: when I talk about schools I am talking about white and black schools, that corporal punishment must be reintroduced there, so that our children can learn what discipline is, because then our juvenile crime will start to decrease.

Other aspects that other speakers mentioned

here are of course important, but the FF Plus wants to add corporal punishment to them, because there are many people . . . The hon member spoke about someone who stole some chocolate and went to prison. If he had received one or two "cuts", he would not take chocolate again. He would not be in prison and it would not be at the expense of the taxpayer. I thank you. [Time expired.]]

Mr M T LIKOTSI: Deputy Chairperson, firstly, the PAC of Azania wishes to compliment the Portfolio Committee on Correctional Services for submitting its report to the House on its visit to the said areas. Government established these youth and juvenile centres with the good intention of protecting the youth and juveniles from abuse at the various adult Correctional Services facilities.

The PAC is disturbed by the conditions to which these juveniles and youths are exposed at these centres as these conditions may psychologically affect them in their upbringing. Overcrowding and an unhealthy environment lead to mortality at a very young age. It is an open secret today that this generation will not survive for more than 45 years. The conditions found at these centres paint a broader national picture regarding our correctional services. Nationally, there is overcrowding and a lack of facilities befitting human beings in our correctional services. To date, the PAC has received much correspondence from inmates who were incarcerated for politically motivated activities, especially Azanian People's Liberation Army, Apla, operatives who are still languishing in our prisons. This then makes a mockery of our democracy because people died for us, and others who sacrificed their youth for us are still languishing in our prisons. We demand their immediate release as another measure to curb overcrowding in our prisons, Mr Minister.

The PAC further urges government to stop privatising correctional services through awarding contracts to foreigners. I hereby refer to Group 4 prison next to Grootvlei in the Free State province. That prison does not fully conform to the required standard of the Correctional Services Act in our country. Inmates are subjected to the worst incarceration conditions, and those that apply to be moved nearer to their home base are refused permission without valid reasons. I thank you.

Miss S RAJBALLY: Thank you, Madam Deputy Speaker. I also want to associate myself with thanking the Portfolio Committee on Correctional Services for bringing about this debate. Crime is one of the most serious challenges in South Africa, and juvenile delinquency is, sadly, a great contributor to our problem of crime.

The seriousness of the issue may be observed through the reality of our overcrowded prisons and the large number of juveniles residing in such prisons. Regarding prisoners, our aim is not only to restore the balance of society that is disrupted by crime, but also to inculcate the reformation of these offenders into law-abiding citizens through punishment by imprisonment.

In order to prevent them and others from committing crime and through deterrence from engaging in criminal behaviour, government and the community have been working hard to combat crime in South Africa. The MF has also worked hard at promoting a safer South Africa and deterring juveniles from criminal behaviour by incorporating them into the MF youth programmes that facilitate and promote law-abiding behaviour. As is evident from the report, not only is it sad to note the number of juvenile delinquents, but it is also unpleasant to note the harsh conditions of imprisonment that they are forced to live under.

Overcrowding, a lack of facilities, and a lack of professional assistance in the sectors of education and health care, and so other more factors not only contribute to poor living conditions but also minimise the chances for

success of efforts to deter such juveniles from criminal behaviour. The reality is that conditions in both Brandvlei Youth Centre and Drakenstein Medium B Juvenile Detention Centre are really bad.

Having looked at the report and the recommendations, the MF calls upon government to treat this issue with great seriousness. We need to roll up our sleeves in order to mediate in a process aimed at correcting these inefficiencies with immediate effect. We would like to mention, though, that renovating these facilities would alleviate the overcrowding situation, but we need to work at stopping crime in our communities with greater earnestness.

The promotion of skills and the education of juveniles are crucial to reformation and bringing these juveniles back into society as great contributors and law-abiding citizens. I couldn't agree more with the Minister when he says the parents of these juveniles must be totally involved as well in rehabilitating these children. Let's stamp out crime and give our youth a bright future. Let's open our hearts and our homes and give these juveniles a chance to live in a better South Africa. Thank you very much. [Applause.]

Mrs L S CHIKUNGA: Madam Chairperson, hon Minister and hon members, regardless of what your offence is, once you enter the high walls and heavy doors of prison you have entered a world which is unique in every sense; the world that speaks in terms of 26s, 27s and 28s; the world that uses concepts such as "wyfies" and "upping the cool"— indeed, you will be in prison.

Regarding the prison world, medical treatment of its population is guaranteed by the Bill of Rights and details are spelt out in the Correctional Services Act. Primary health care services that are in line with the national Department of Health requirements have to be provided for our prisoners. In most cases, doctors who provide medical care are appointed by the provincial departments of health, and nurses are in the employment of the Department of Correctional Services. These nurses should have primary health care as a qualification.

According to the inspecting judge, in 2003 about 19 000 prisoners' complaints were about the inadequate provisions of health care in prisons. Key health problems include TB, a common problem in almost all our prisons. Our prisons, which are so overcorwded, favour the easy spread of this disease. The human immunodeficiency virus and Aids are also a serious problem. A large number of our prisoners are sexually active males under the age of 30 years who, even in our communities outside prison, constitute a very high-risk group for contracting HIV and Aids, and prisons are no exception.

Due to the constrained nature of prisons and because they are aggravated by overcrowding, sexual relations may lead to the spread of sexually transmitted infections and HIV and Aids. Imagine two men having to share a single bed every day for 8 to 15 years. That situation is most likely to lead to sexual relationships or homosexuality. The committee have seen victims of prison rape. Sodomy seems to be part of prison life as many men resort to it as a means of survival and a deterrent to further sexual abuse. Both rape and sodomy have a high potential for the spread of STIs and HIV and Aids, and by their very nature they undermine human rights.

In the majority of our prisons there is an acute shortage of professional health care staff. In August 2004 the Portfolio Committee on Correctional Services visited Brandvlei and Drakenstein juvenile prisons. In Drakenstein we saw overcrowding. There was one registered nurse who was a sister, and there was one nursing auxiliary. There were three funded posts for registered nurses, but only one had been filled and two had been vacant since December 2003. The nurse-to-patient ratio was high and there was one doctor who visited prisons every day. There were three confirmed HIV-positive

patients. There was one permanent psychologist, and we appreciate that.

There were, of course, many positive things that we saw in this prison. Amongst them was that all three social workers' posts had been filled. These social workers cater for the needs of juvenile offenders in this prison. Furthermore, there were a number of external service providers who assisted by providing services in a variety of areas including life skills, and arts and craft. Offenders in this prison received gala awards from the former President, Mr Nelson R Mandela and the Duke of Edinburgh in June 2004. The programmes aim to change the outlook on life and behaviour of offenders.

Brandvlei prison was also overcrowded. The population of 503 was cared for by two social workers, one permanent psychologist, whom we appreciate, and one nurse. The doctor visited the facility once per week and could spend only one hour at the juvenile centre. The most prevalent diseases included TB, HIV and Aids. We saw nine active TB patients as well as three HIV-positive patients. It was pleasing to find that various NGOs and other organisations presented HIV and Aids courses to inmates, and 30 of them had received certificates as peer educators on HIV and Aids.

The main question is: Where to from here? In solving these problems in our prisons, and in order to deliver a better life for all our inmates, we have to reduce our prison population drastically. The Department of Correctional Services cannot do this alone. Only an integrated approach will solve the problem of overcrowding in prisons.

In order to ensure acceptable health care in our prisons, the department has to look seriously at the issue of improving salaries of professional staff such as nurses, social workers and psychologists so as to attract and retain them in our system. The budget issue has to be looked into critically in order to address some of these urgent challenges. In fact, Comrade Minister, it may mean finding more funds if possible.

In conclusion, issues that are raised in this debate are raised because we are a caring society. We believe that our children are our future and that they should be moulded and provided with opportunities that will ensure that one day when they are out of prison they live a better life—normally, they are not supposed to be in prison. The Portfolio Committee on Correctional Services requests this Parliament to endorse this report.

Within the few minutes that I still have left, I just want to raise the issue regarding some members who debated here today. It was surprising for us to see them for the first time when they stood at this podium. They don't attend meetings, and they don't know what is happening. They come here to make a noise, and banikeza isithombeokungeyiso. [they are giving a false picture.]

Comrade Chairperson, regarding the IFP members, the last time they attended the meetings of Correctional Services was when the Minister owayekhona kwakuseyindoda abayithembayo. Uma sekungene omunye uNgqongqoshe asizange siphinde sibabone. [Ubuwelewele.] [who was in the office was the man that they could trust. When another Minister took over we never saw them again. [Interjections.]]

Madam Chairperson, it is not correct for a member to come here and say there were regulations that were never implemented. Thank you, Chairperson. [Time expired.] [Applause.]

The MINISTER OF CORRECTIONAL SERVICES: Chairperson, let me first of all thank the portfolio committee, very well led by the hon Dennis Bloem . . . [Laughter.] . . . for the oversight role that all the members are playing. I really appreciate the fact that this report is tabled in this House. Not many members of this House know what is happening in our correctional centres. Let me

make it easy for them: They don't know what is going on in our prisons.

We call them correctional centres. You might call them prisons. Eventually, you will get used to the language that we are using in the White Paper. The members have contributed quite well today, but I only want to say one thing to hon member Groenewald. One of the things that will be written about you on your grave will be "Defender of Apartheid". [Laughter.] I will make sure that it is written there. [Laughter.] [Applause.] He is the hon member who defended apartheid until the last drop of blood. [Interjections.]

The other members have contributed quite well. The rational way in which the hon Morkel has looked at this thing clearly says that there is some maturing that has happened in him. It is quite good. I really appreciate that. Hon Seaton is an old hand. She knows Correctional Services. [Applause.]

Let me talk very quickly about juveniles in correctional centres. I am quite aware of the focus of the portfolio committee this year, that is, it is on juveniles in our centres. I quite agree with the members who spoke. Young children and juveniles do not belong in prisons. [Interjections.]

I will take a point of order, and I will eat you up! Try it. [Laughter.] Because you asked a question, and then I was. . . [Interjections.] I can't sit on them. You know I have lost some weight now. [Laughter.] I look quite nice and young. I am energetic, and I will eat him up. [Laughter.]

Negotiations are going on within the JCPS cluster. The JCPS cluster is seized with this issue of young people in prisons. We are also seized with the problem of overcrowding within our prisons, and we are trying our best to deal with that. We are also looking at alternatives for young people—diversions for them not to go to prisons, because as you rightly pointed out, Mr Swart, they sometimes become universities of crime. But because of the shortage of space, they are put into prisons, and I don't like that. It hurts when you see most of these young people in prisons.

We are dealing with that. The reports of the inspecting judge, Judge Fagan, are also assisting us in dealing with that through the justice system. There are delays in the system. We are trying to get rid of those delays so that these young people can do community corrections, and the community can participate in making sure that they are not in prison.

The staff inmates are very bad. But we have groups that consist completely of new recruits. In Zonderwater, we have 461 new recruits. In Kroonstad we have 543 new recruits. I am hoping that once these recruits are out of our system, we will get another group of young recruits, because we need more young people to come and work in Correctional Services. Our motto at Correctional Services is: We serve with pride and humility. That is the motto that we are trying to instil within Correctional Services.

The programmes of rehabilitation at the core of the White Paper are corrections and rehabilitation. As I said when I talked about Gareth James here, the first step in correction is the family. If families do not participate in that code of correction, then we are in trouble, because this is a conveyer-belt situation. We are at the end of the conveyer belt, and they come back again, through the family, into the justice system. Somewhere, somehow families have to play a very strong role. We should act against parents who do not want to assist us in that. We should introduce legislation that will make sure that those parents take responsibility for their children.

We are working on the retention of our professional staff. I do hope that in no time we will have social workers, psychologists, as well as teachers and doctors. We need doctors to work for us within Correctional Services.

Correction is a societal responsibility. All of us have a role to play. It is very true that if we allow crime to be committed, we will have these problems. But if we were playing our role as communities to curb crime, then we wouldn't have the kinds of problems that we have. So let us all stand up and fight crime. Whether you are a DA or ID member, crime affects all of us.

The last thing I want to say very quickly is that I have taken note of what the portfolio committee chairperson has said regarding 12 months to deal with overcrowding. But another thing that I need to quickly talk about is the issue of gangsters within our correctional centres. We cannot allow gangsters and we cannot glorify them. We can't allow them to suck young people into that void. We are going to make sure that we crush the gangs in the prisons. [Applause]

That is one thing that I vowed to do. We are going to crush them. There is no doubt about it. [Applause.] I don't care a damn. I nearly used French. Whether they are 26s, 27s or 23s, the fact is that they don't belong in those prisons.

We are dealing with the issue of overtime with the unions and we are getting there. We are supposed to have compulsory education in all our centres and we are working very hard. Restorative justice is an issue that we are trying to get through so that they can acknowledge the crime that they have committed. But we also need to work towards making sure that the victims' families also accept them back into society.

We will also look at the Child Justice Bill. We will make sure that the Justice Minister and I sit and look at that. Regarding political prisoners, we will also have a programme to look at that. I can promise you we are busy dealing with that.

I would like more of our members to go out there and see for themselves the situation within the prisons that we have to deal with. When you see a 19-year-old, and he tells you that he has been sentenced to 162 years, then how do you sleep at night—even knowing that he has committed a crime? But still, 162 years for someone who is 19 years old! Parents have to take responsibility.

If you go to the Drakenstein Prison and you see a 14-year-old, you wonder where the parents are. What were they up to? What responsibility are they taking? [Interjections.] Meneer [Mister] Groenewald, I am talking about parents' rights across the board, not parents as you define them. These are some of the things that worry me.

But I must also say that the work that has been done by correctional officials all over the country, starting with the Commissioner of Correctional Services and those officials that work in the Zonderwater and Kroonstad Prisons, is work that I think will turn Correctional Services around. I am beginning to be very passionate about Correctional Services. On weekends, instead of going and watching sport, I go to correctional centres, because I want to see what those young people and other people who are there are doing.

Women in prison and the young children that they have in those centres are other issues that worry me, particularly when women are there because of domestic violence in their homes. No children should be born in prisons. These are some of the things that we have to address. I am asking hon members to make time for themselves. Go out there into those cells. I go into those cells, overcrowded as they are, and I talk to those young people. I try and understand what we can do to assist.

I am not soft on crime; not at all. I have zero tolerance for crime. But we have to find ways and means of making sure that these young people do not end up being habitual criminals that come in time and time again. The chairperson has also mentioned the areas of bias when dealing with some of these cases. It is an area that we have to look at.

We serve with pride and humility. Thank you. [Applause.]

Ms E NGALEKA: Chairperson, I move, on behalf of the Chief Whip of the Majority Party:

That the report be adopted.

Thank you.

Motion agreed to.

Report accordingly adopted.

CONSIDERATION OF FIRST REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS—COUNCIL FOR MEDICAL SCHEMES

CONSIDERATION OF SECOND REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS—REGISTRAR FOR MEDICAL SCHEMES

CONSIDERATION OF THIRD REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS—FILM AND PUBLICATION BOARD

CONSIDERATION OF FOURTH REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS—BALA FARMS

CONSIDERATION OF FIFTH REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS—BANK SETA

Mr F BEUKMAN: Chairperson, thank you for the opportunity to introduce the first five Scopa resolutions of the new parliamentary term on behalf of the committee. In terms of Rule 206 of the National Assembly, Scopa must consider the financial statements of all executive organs of state and institutions when those statements are submitted to Parliament, any audit reports issued on those statements, and any reports issued by the Auditor-General on the affairs of any executive organ of state, constitutional institution or other public body. Any other financial statement or report may be referred to this committee. We must then report on any of those financial statements or reports to the Assembly, and that is what we are actually doing this afternoon.

In a normal calendar year, Scopa will receive in the region of about 200 reports. To enable Scopa to deal with the reports effectively, we have categorised them in terms of a set of criteria. A category A will entail a hearing, for instance, as the one we had today on Public Works. Category B will entail further interaction with the department, and C will mean that we will adopt a resolution without taking further action.

The five reports to be adopted this afternoon in the House are in categories B and C. Scopa envisages that in future we as a committee will also utilise this opportunity in the House to discuss a report, especially those dealing with category A departments. Category A departments are those with claims of qualified audit reports. Hopefully, we could also involve portfolio committees with regard to those discussions.

Coming to the reports, the first one is from the Council for Medical Schemes. We have studied the report. Scopa commended the management of the council for the unqualified audit opinion expressed by the Auditor-General, and trust that future audit opinion shall be equally unqualified. We are of the view that no further interaction with the Council for Medical Schemes is necessary.

The second report deals with the Registrar for Medical Schemes. It is also an unqualified report. Scopa is of the view that no further interaction with the accounting authority of the Registrar for Medical Schemes is necessary for the financial year under review.

The third report deals with the Film and Publication Board. It is also an unqualified audit opinion expressed by the Auditor-

General. We, as a committee, trust that future audit opinion shall be equally unqualified. We are of the view that no further interaction with the accounting authority of the Film and Publication Board is necessary.

The fourth report deals with a so-called classified schedule 3 institution and national government business enterprise, Bala Farms. Bala Farms is really part of one of the former homeland administrations that has been in the process of being wound up by the accounting authority of Bala Farms.

There are certain issues that we as a committee feel that should be followed up and reported to Parliament. We have noted with concern that the company, Bala Farms, is in the process of disposing of all its properties, but no timeframe has been set for this process. The company would however continue as a going concern until the properties have been disposed of.

Scopa recommends that within two weeks after tabling of this resolution and adoption by the House it should be provided with the current status of the entity with regard to the winding-up process. We should also be provided with lease agreements and their timeframes; details regarding the plan of action for those properties where leasing is not a viable option; the investment policy being used to ensure optimum risk return; the list of properties that were disposed of; the valuations of the properties and to whom they were disposed of and a detailed report on what processes were followed to establish the respective beneficiaries and the respective selling prices.

A number of those farms have already been sold, but we are of the opinion that more detail should be provided. Scopa will follow up on information requested, as well as specific matters raised during the consideration of the next annual report.

The last report I am going to deal with this afternoon is the fifth one that deals with the Banking Sector Education and Training Authority. The committee commended the management of the Bank Seta for the unqualified report, and trusts that future audit opinion shall be equally unqualified.

The committee further commended the audit committee for the comprehensive report provided. However, we believe that because this Seta was exempted by the National Treasury from the requirement of Treasury regulation 31(3) to invest surplus funds with the co-operation of public deposits, surplus funds were invested in an institution with an investments rating. This is in line with investment policy as required by the Treasury regulations.

Therefore, Scopa recommends that the following information should be provided to Parliament: A copy of the investment policy for unspent funds, which includes consideration of both risk and return; full details of the investment portfolio of unspent funds and a documented strategy on how it intends to utilise its unspent money for the intended purposes, while also ensuring value for money. This is in effect the content of these five reports, and we believe that these reports should be adopted. Thanks a lot. [Applause.]

Ms E NGALEKA: Chairperson, on behalf of the Chief Whip of the Majority Party, I move:

That the reports be adopted.

Motion agreed to.

Reports accordingly adopted.

The House adjourned at 17:12.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

ANNOUNCEMENTS

National Assembly and National Council of Provinces

1. **Assent by President in respect of Bills**

(1) **Companies Amendment Bill**

[B 10D—2004]—Act No 20 of 2004 (assented to and signed by President on 15 October 2004).

National Assembly

1. **Correction of tablings entry**

The Speaker, on 19 October 2004, tabled a report submitted by the Public Protector (see Announcements, Tablings and Committee Reports, p 905). The entry relating to that tabling should have read:

Report of the Public Protector on an Investigation into Allegations of Undue Delay, Unlawful and Improper Conduct and Prejudice in the Rendering of Services at Braamfontein Refugee Reception Office (now Rosettenville Premises).

2. **Referral to committees of papers tabled:**

The following papers have been tabled and are now referred to the relevant committees as mentioned below:

(1) The following papers are referred to the **Portfolio Committee on Trade and Industry**. The Reports of the Auditor-General and the Independent Auditors on the Financial Statements are referred to the **Standing Committee on Public Accounts** for consideration:

(a) Report and Financial Statements of the Competition Tribunal for 2003-2004, including the Report of the Auditor-General on the Financial Statements for 2003-2004 [RP 103-2004].

(b) Report and Financial Statements of the South African National Accreditation System (SANAS) for 2003-04, including the Report of the Independent Auditors on the Financial Statements for 2003-04.

(c) Report and Financial Statements of the Council for Scientific and Industrial Research (CSIR) for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 82-2004].

(2) The following papers are referred to the **Portfolio Committee on Labour** and the **Portfolio Committee on Minerals and Energy**. The Reports of the Auditor-General are referred to the **Standing Committee on Public Accounts** for consideration:

(a) Report and Financial Statements of the Mining Qualifications Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 53-2004].

(b) Report and Financial Statements of the Chemical Industries Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 40-2004].

(3) The following papers are referred to the **Portfolio Committee on Labour** and the **Portfolio Committee on Finance**. The Reports of the Auditor-General are referred to the **Standing Committee on Public Accounts** for consideration:

(a) Report and Financial Statements of the Financial and Accounting Services Sector Education and Training Au-

thority (FASSET) for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 38-2004].

(b) Report and Financial Statements of the Bank Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 39-2004].

(c) Report and Financial Statements of the Insurance Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 50-2004].

(4) The following paper is referred to the **Portfolio Committee on Labour** and the **Portfolio Committee on Water Affairs and Forestry**. The Report of the Auditor-General is referred to the **Standing Committee on Public Accounts** for consideration:

Report and Financial Statements of the Forest Industries Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 47-2004].

(5) The following papers are referred to the **Portfolio Committee on Labour** and the **Portfolio Committee on Agriculture and Land Affairs**. The Reports of the Auditor-General are referred to the **Standing Committee on Public Accounts** for consideration:

(a) Report and Financial Statements of the Sector Education and Training Authority for Secondary Agriculture for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 58-2004].

(b) Report and Financial Statements of the Primary Agriculture Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 155-2004].

(6) The following papers are referred to the **Portfolio Committee on Labour** and the **Portfolio Committee on Trade and Industry**. The Reports of the Auditor-General are referred to the **Standing Committee on Public Accounts** for consideration:

(a) Report and Financial Statements of the Clothing, Textiles, Footwear and Leather Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 41-2004].

(b) Report and Financial Statements of the Food and Beverage Manufacturing Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 46-2004].

(c) Report and Financial Statements of the Wholesale and Retail Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the

Financial Statements for 2003-04 [RP 62-2004].

(d) Report and Financial Statements of the Manufacturing, Engineering and Related Services Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 54-2004].

(7) The following papers are referred to the **Portfolio Committee on Labour** and the **Portfolio Committee on Communications**. The Reports of the Auditor-General are referred to the **Standing Committee on Public Accounts** for consideration:

(a) Report and Financial Statements of the Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority (MAPPP) for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04.

(b) Report and Financial Statements of the Information Systems, Electronics and Telecommunications Technologies Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 49-2004].

(8) The following paper is referred to the **Portfolio Committee on Labour** and the **Portfolio Committee on Transport**. The Report of the Auditor-General is referred to the **Standing Committee on Public Accounts** for consideration:

Report and Financial Statements of Transport Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 61-2004].

(9) The following paper is referred to the **Portfolio Committee on Labour** and the **Portfolio Committee on Education**. The Report of the Auditor-General is referred to the **Standing Committee on Public Accounts** for consideration:

Report and Financial Statements of the Education, Training and Development Practices Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 44-2004].

(10) The following paper is referred to the **Portfolio Committee on Labour** and the **Portfolio Committee on Public Works**. The Report of the Auditor-General is referred to the **Standing Committee on Public Accounts** for consideration:

Report and Financial Statements of the Construction Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 42-2004].

(11) The following paper is referred to the **Portfolio Committee on Labour**, the **Portfolio Committee on Health**, and the **Portfolio Committee on Social Development**. The Report of the Auditor-General is referred to the

Standing Committee on Public Accounts for consideration:

Report and Financial Statements of the Health and Welfare Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 48-2004].

(12) The following paper is referred to the **Portfolio Committee on Labour**, the **Portfolio Committee on Provincial and Local Government** and the **Portfolio Committee on Water Affairs and Forestry**. The Report of the Auditor-General is referred to the **Standing Committee on Public Accounts** for consideration:

Report and Financial Statements of the Local Government, Water and Related Services Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 51-2004].

(13) The following paper is referred to the **Portfolio Committee on Labour**, the **Portfolio Committee on Safety and Security**, the **Portfolio Committee on Correctional Services** and the **Portfolio Committee on Justice and Constitutional Development**. The Report of the Auditor-General is referred to the **Standing Committee on Public Accounts** for consideration:

Report and Financial Statements of the Police, Security, Legal, Justice and Correctional Services Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 55-2004].

(14) The following paper is referred to the **Portfolio Committee on Labour**. The Report of the Auditor-General is referred to the **Standing Committee on Public Accounts** for consideration:

Report and Financial Statements of the Services Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 126-2004].

(15) The following paper is referred to the **Portfolio Committee on Labour** and the **Portfolio Committee on Minerals and Energy**. The Report of the Auditor-General is referred to the **Standing Committee on Public Accounts** for consideration:

Report and Financial Statements of the Energy Sector Education and Training Authority for 2003-04, including the Report of the Auditor-General on the Financial Statements for 2003-04 [RP 45-2004].

(16) The following paper is referred to the **Portfolio Committee on Labour**, the **Portfolio Committee on Environmental Affairs and Tourism** and the **Portfolio Committee on Sport and Recreation**. The Report of the Auditor-General is referred to the **Standing Committee on Public Accounts** for consideration:

Report and Financial Statements of the Tourism, Hospitality and Sport Education and Training Authority for 2003-04, including the Report of the Auditor-General on

the Financial Statements for 2003-04 [RP 60-2004].

TABLINGS

National Assembly and National Council of Provinces

1. **The Minister of Foreign Affairs**

   Report and Financial Statements of Vote 3—Department of Foreign Affairs for 2003-04, including the Report of the Auditor-General on the Financial Statements of Vote 3 for 2003-04 [RP 203-2004].

2. **The Minister of Trade and Industry**

   (a) Annual Report of the Council for the Non-Proliferation of Weapons of Mass Destruction for 2002-03.

   (b) Report and Financial Statements of the National Empowerment Fund for 2003-04, including the Report of the Independent Auditors on the Financial Statements 2003-04.

   (c) Report and Financial Statements of the Support Programme for Industrial Innovation (SPII) for 2003-04, including the Report of the Independent Auditors on the Financial Statements 2003-04.

   (d) Report and Financial Statements of Technology for Women in Business (TWIB) for 2003-04.

COMMITTEE REPORTS

National Assembly

1. Report of the **Portfolio Committee on Finance** on the **National Payment System Amendment Bill** [B 14B—2004] (National Assembly—sec 75), dated 20 October 2004:

   The Portfolio Committee on Finance, having considered the **National Payment System Amendment Bill** [B 14B—2004] (National Assembly—sec 75) and proposed amendments of the National Council of Provinces (Announcements, Tablings and Committee Reports, 6 October 2004, p 852), referred to the Committee, reports the Bill with amendments [B 14C—2004].

Report to be considered.

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 14:00.

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

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS—see col 4565.

QUESTIONS AND REPLIES — *see that book.*

NOTICES OF MOTION

Mr R JANKIELSOHN: Thank you, Deputy Speaker. I hereby give notice that I intend moving the following motion:

That the House—

(1) notes that—

(a) with reference to the Firearms Control Act the Minister of Safety and Security stated that: "Unfortunately, the processes that must enforce the Act are not working effectively.";

(b) the implementation of the Act has caused a great a deal of confusion at grass-roots level; and

(c) the Act is negatively affecting various businesses and industries in South Africa, and

(2) therefore resolves that the House debates the various issues surrounding the implementation of the Firearms Control Act.

The HOUSE CHAIRPERSON (Mr G Q M Doidge): Are there any further notices of motion? None. We come to motions without notice. Are there any motions without notice? Please continue, hon member. Is that a notice of motion?

Dr E NKEM-ABONTA: I hereby give notice that I shall move:

That this House discuss the effectiveness of South Africa's industrial policy.

Thank you.

The HOUSE CHAIRPERSON (Mr G Q M Doidge): Are you done, hon member? We come to motions without notice. Are there any motions without notice? If there are none, we proceed. We now come to motions on the Order Paper. We now come to the motion on the Order Paper in the name of the Chief Whip of the Majority Party. I recognise the Deputy Chief Whip.

REPLACEMENT ON JUDICIAL SERVICE COMMISSION

(Draft Resolution)

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Chairperson, I move the motion printed in the name of the Chief Whip on the Order Paper, as follows:

That the House, in terms of section 178(3) of the Constitution, 1996, replaces Adv J H De Lange with Mr N P Nhleko on the Judicial Service Commission with immediate effect.

Agreed to.

NATIONAL PAYMENT SYSTEM AMENDMENT BILL

(Consideration of Bill and of Report thereon)

There was no debate.

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Chairperson, I move:

That the Bill, as amended by the committee, be passed.

Motion agreed to.

Bill accordingly passed.

The House adjourned at 15:55.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

THURSDAY, 21 OCTOBER 2004

ANNOUNCEMENTS:

National Assembly and National Council of Provinces:

1. **Bills passed by Houses—to be submitted to President for assent**

   (1) Bills passed by National Council of Provinces on 21 October 2004:

   (i) **National Payment System Amendment Bill** [B 14D—2004] (National Assembly—sec 75)

National Assembly:

1. **Messages from National Council of Provinces to National Assembly in respect of Bills passed by Council and transmitted to Assembly:**

   (1) Message from National Council of Provinces to National Assembly:

   Bill, subject to proposed amendments, passed by Council on 21 October 2004 and transmitted for consideration of Council's proposed amendments:

   (i) **National Energy Regulator Bill** [B 9B—2004] (National Assembly—sec 75) (for proposed amendments, see Announcements, Tablings and Committee Reports, 14 October 2004, p 868).

   The Bill has been referred to the **Portfolio Committee on Finance** of the National Assembly for a report on the amendments proposed by the Council.

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 14:01.

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

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS—see col 4629.

MEDIUM-TERM BUDGET POLICY STATEMENT, REVENUE LAWS AMENDMENT BILL, INTRODUCTION OF ADJUSTMENTS APPROPRIATION BILL

The MINISTER OF FINANCE: Madam Speaker, Cabinet colleagues, Governor Mboweni, honourable members and fellow South Africans.

NgoFebruary satyala umthi, ngoku ihlobo lithwasile. [In February we planted a tree, and now summer is approaching.]

Look at it. You know, in February, Madam Speaker, we planted a tree and those members who failed to plant the trees that we gave them have clearly incurred fruitless expenditure. But now it is spring. Our trees are flowering. They are full of colour, energy and are filled with passion. The spirit of springtime inspires South Africans to reach new heights.

The 2004 MTBPS is tabled in an environment of rising economic growth, increased investment, strong business confidence, low inflation and low interest rates. The economy has recovered remarkably well from the slowdown experienced last year. Encouraging signs of a significant increase in employment are also evident.

A year ago, hon members, we had to report on an uneven scorecard: rapid growth in the retail sector and strong increases in corporate investment combined with weak manufacturing production and a decline in exports. Today, the economy is expanding in a much more balanced fashion. Investment is growing across a wide range of sectors and manufacturing is recovering strongly. The housing boom has contributed to an upswing in construction, and the services sector continues to expand steadily. Inflation is now firmly within the target range and the low interest environment should last into 2005 and beyond.

While the factors driving the present economic boom include a strong international economy, high commodity prices and improved confidence, the main reason that we find ourselves in this position is that the reforms of the past decade are bearing fruit. Sound fiscal policy and the introduction of inflation targeting have contributed to low interest rates and a buoyant property market.

The trade reforms implemented during the 1990s mean that we are able to penetrate a range of international markets with a diverse array of products. Eight years ago, the current account deficit, that is, the difference between our imports and our exports, was seen as a binding constraint to higher growth. Today, the capital inflows and the resilience of the economy show that our economy can grow faster and can finance a higher current account deficit.

We are mindful that the current strength of the rand, particularly against the dollar, creates difficulties for some of our mines and other exporters or import-competing industries. We would like to see greater stability in the exchange rate. But Finance Ministers and central bankers throughout the world have learnt the hard way over the past two decades. Their attempts to fix the price of currencies carry huge costs for taxpayers. It may just be a feature, Governor Mboweni, that governors of central banks are not particularly good forecasters.

But, while there are adjustment problems for

industry at R6 to the dollar, there would also be growth-inhibiting stresses at R10 to the dollar, particularly with oil prices at their current levels.

Madam Speaker, because of the tough choices we have consciously made over the years and because we continue to pursue sound economic policies, we are in a position to make faster progress in creating work and fighting poverty. After a decade of reform, business now sees substantially lower risk, substantial productivity gains and a more resilient and competitive productive sector.

While unemployment remains a critical policy challenge in South Africa, encouraging signs are beginning to emerge that growth is being translated into employment gains across the economy.

Between March last year and March this year the labour force survey estimates that employment increased by around 400 000 jobs and that the unemployment rate fell by 3,4% points.

Honourable members, we are not pursuing economic growth for the sake of economic growth. Our approach is part of a broad-based development strategy to create work and improved opportunities for the millions of South Africans who survive on meagre subsistence activities or on remittances or grants. We pursue higher economic growth so that we can generate the resources to plough into education, health care, social security, fighting crime and reducing poverty. We pursue higher economic growth as part of a sustainable strategy to address deep-seated poverty and social exclusion in our society.

In opening the Third Parliament in May this year, President Mbeki said:

> The core of our response to all these challenges is a struggle against poverty and underdevelopment, which rests in three pillars. These are: encouraging the growth and development of the first economy, increasing its possibility to create jobs, implementing our programme to address the challenges of the second economy and building a social security net to meet the objective of poverty alleviation.

Our policy agenda focuses on both growing the formal economy and expanding economic opportunities for those who are marginalised; those who, without direct policy interventions, will not benefit from the fruits of a growing economy.

Reducing this social exclusion through drawing in the millions of people who find themselves trapped in the second economy is a fundamental principle of our policy stance. To achieve this objective, we will have to intervene directly in the way in which the fruits of economic growth are shared, in the way in which economic opportunities are parcelled out.

South Africa's development challenge is to build a single and integrated economy that benefits all, encompassing both growing, competitive relations with the global economy and a caring, inclusive network of social services and support for the disadvantaged. This is, hon members, on a larger scale, the central challenge also of our international relations: the struggle for modernisation and solidarity against deeply embedded inequalities, conflict and prejudice.

The policy challenge we face involves important choices about the sequencing and complementarity of critical interventions. In the short term, investment and job creation can be accelerated through targeted incentives and public works programmes. For sustained longer-term growth, interventions required include investment in economic infrastructure, spatial development reforms, and a more effective competition policy. In the short term immigrant skills may be critical. In the longer term, further education and training yield increasing returns. In the short term, the distribution and pricing of

water and energy resources can be made more efficient. In the longer term, new supply capacity has to be built.

Similarly, in social policy there are sequencing and co-ordination issues. Housing development can be accelerated, but it also needs to be better aligned with spatial plans, job creation and community services. The integration of public and private health networks through social health insurance is a long-term goal, but the modernisation of public hospital infrastructure and administration is a critical precondition. Land redistribution and agricultural development need to be given greater impetus, but completion of the restitution programme is the pressing claim on resources over the MTEF period ahead.

The Medium-Term Budget Policy Statement outlines the choices that government has made about the sequencing of reforms and priorities for the period ahead. The Statement presents an overview of government's economic, social and development policy priorities in the context of projections for the performance of the economy over the next three years and a coherent framework for fiscal policy and the national Budget.

Let me comment briefly on certain aspects of our medium-term strategic framework. First, government aims to facilitate an increase in the rate of investment: gross fixed capital formation in both the public and private sectors from 16% GDP at present to 25% by 2014.

The investment required for growth must come largely from the business sector. Private sector gross fixed capital formation growth of 7% last year and 7,6 % in the first half of this year is encouraging. An environment supportive of continued investment growth in the years ahead will include moderate inflation, low interest rates, a broadly stable competitive currency and the implementation of appropriate micro-economic reforms.

Overhauling the public transport systems, investment in ports and the renewal of rail rolling stock are key challenges for the public sector, and will rely in part on appropriately structured public-private partnerships. Public-sector investment priorities also include health and education infrastructure, roads, housing, water and electricity services.

Second, in intervening in the second economy, we must balance direct income support with investing in human capital amongst poor communities. The acquisition of skills, the emergence of new businesses and agricultural improvements, better work opportunities and improved livelihoods are critical determinants of social and economic mobility, and are links between the first and second economies, between security and vulnerability and also between accumulation and survival.

Policies and programmes organised around this objective cover a wide spectrum. This includes the Expanded Public Works Programme, which aims to extend job creation into a widening array of public services and infrastructure needs; the new directions in housing and municipal grants, which seek to give greater impetus to community development; small and microenterprise development is set to be boosted by regulatory reforms, microcredit initiatives and business support; a progressive expansion of investment in skills is under way, including growing numbers of registered learners in workplace opportunities; revitalisation of further education; and stepped up financial assistance for students. Land restitution, land reform and agricultural support programmes aim to expand the opportunities and resources of rural communities.

Our third objective deals with social services, income support and human development. We need to acknowledge that our social security net is under severe strain. Rapid growth in disability and foster care grant applications indicate both rising income support needs and apparent deficiency

in administrative systems. A sustainable social security system must balance, bringing in everyone who is entitled to grants and keeping out everyone who is not entitled to them.

The caseloads of public hospitals and clinics reflect large numbers of victims of crime and road accidents and a rising burden of HIV and Aids, TB and other diseases. Unemployment and social dislocation impact on crime and household insecurity. Social welfare services are unable to respond adequately to the range of needs and distress that confront them.

There are several important directions for reform. The creation of a single social security agency should contribute, in time, to more cost-efficient grants distribution and improved targeting of income support programmes.

Government is putting in place steps to reduce the number of grants going to people who do not warrant them. These include a clear definition of disability and tightening procedures for other grants. Comprehensive proposals for the modernisation of tertiary health services have been developed, building on the successful implementation of targeted hospital rehabilitation projects.

Renewal of the primary school nutrition programme is in progress, following its transfer to provincial education departments. Steady progress is being made with early childhood development programmes and the reorientation of further education colleges.

In strengthening social services, we must be mindful of the continuous challenge to enhance the quality of services, increase value for money and improve the targeting of our services.

Fourthly, a challenge for the decade ahead is to improve the performance of the state, to consolidate the institutional reforms of democratic transition, to build capacity where service delivery falls short and to promote greater participation and interaction of people with organs of government. This is partly about creating an environment conducive to growth and development, particularly in respect of local government planning, administration and the promotion of business opportunities.

Government's responsibilities for combating crime and violence, ensuring safety on our roads and security in commuter transport services, promoting an efficient and effective justice system enjoy particular priority. Expanding public services needs to be appropriately balanced against the costs of equitable compensation of public service employees. The 2005 Budget will provide for further improvements in the remuneration of police and educators. That is all. [Applause.]

Thank you, Madam Speaker. I was wondering whether everybody had been lulled to sleep in the House. [Laughter.]

Fifthly, South Africa's partnerships with other states in the SADC region and across Africa are aimed at promoting both democracy and more rapid development. Priorities include the development of efficient transport and communications networks, co-operation in energy and water affairs, expansion of business and trade links and the promotion of shared interests in the wider international community. We also share in the international responsibility to address the impact of both drought and famines, and we should add locusts, occasionally.

Pressing challenges include the normalisation of the situation in certain southern African countries with a view to faster economic growth and strengthened relations within the SADC region. Participation in peace-keeping missions will remain an important responsibility. Within the context of Nepad strengthening the institutions of the African Union and the SADC is an ongoing priority. South Africa continues to play an active role in multilateral institutions, in pursuit of a more just international order and more rapid growth and development in Africa.

Greater co-ordination between government and the private sector is needed in South Africa's own international marketing, tourism promotion, trade and industrial relations, a financial centre for Africa and hosting of international events. Planning is under way for South Africa's largest international opportunity yet, the hosting of the 2010 Soccer World Cup. [Applause.]

While the economy grew by just under 3% a year between 1994 and 2004, our projections, and those of most analysts, suggest that the economy is set to grow at a sustainable higher rate over the next five years. When we forecast that the economy would grow by 2,9% this year, most analysts stated that our projections were too optimistic. We cannot find any of them now. But today we are able to reaffirm that we anticipate that we will reach this level of growth, and that most other economic analysts have had to revise upwards their projections towards our own.

Continued fiscal impetus, firm commodity prices and a more competitive real exchange rate are expected to reinforce the effects of lower interest rates and rising disposable income to support average growth rates of around 4% in the medium term.

Our projection for CPIX confirms the wise leadership that Governor Mboweni has given to monetary policy. [Applause.] The CPIX will remain firmly within the target range over the next three years. For 2004, CPIX is projected to be an average of 4,4% despite the rapid increase in the international price of oil this year. With this success in hand, we reaffirm our commitment to low inflation and to the inflation target range of between 3 and 6%. The changes we made to the inflation-targeting framework last year—that is, the shift towards a continuous target—have reinforced the credibility of the target and contributed towards the lowering of inflation expectations.

Although high oil prices pose risks to both global growth and our inflation outlook, we are confident that the inflation-targeting framework can deal with such external shocks without damaging the long-term trajectory of declining inflation. We are also confident that the resilience in our economy will mitigate the negative impact of high oil prices.

We are mindful that various prices or price trends in our economy are controlled or influenced by government. Statistics South Africa has released a discussion document on administered prices, proposing the introduction of an index to monitor this component of consumer price inflation. The regulation of tariff setting by public utilities is a complex matter, requiring detailed understanding of underlying costs, investment requirements, demand conditions and the impact of prices on many different users. Administered prices in the electricity, water, transport, education and health sectors have been examined, and we recognise that in all these sectors there is room for improvement in the price-setting process and the efficiency of prices.

Cabinet has agreed that we should extend further our work on administered prices with a view to achieving an appropriate balance between price stability, financing investment requirements and meeting service-delivery objectives.

As in other aspects of public policy, the sequencing of reforms is critical in respect of exchange controls. Our end goal is to abolish exchange controls on individuals and companies and put in place a set of prudent financial benchmarks to protect the institutional savings built up over decades by our working people.

Following discussions with the Governor of the Reserve Bank, I am pleased to announce several further steps. We propose to abolish exchange control limits on new outward foreign direct investments by South African corporates. Application to the South African Reserve Bank's Exchange Control Department will still be required in terms of

existing foreign direct investment criteria, including demonstrated benefit to South Africa. In addition, South African corporates will be able to retain foreign dividends offshore. Foreign dividends repatriated to South Africa after 26 October this year may be transferred offshore again at any time for any legal purpose. Further details will be published by the South African Reserve Bank.

In line with promoting foreign investment into South Africa and positioning ourselves as a financial centre for Africa, we announced in February this year that foreign companies, governments and institutions may list in South Africa's bond and securities exchanges. Next month, we will have our first foreign listing in the form of Aquarius Platinum, an Australian mining concern. To support these aims further, we are eliminating restrictions on investment by South Africans in these companies.

In pursuing broad-based economic development, black economic empowerment remains a key objective. Over time, we have to extend economic opportunities to those who were denied access to own the means of production because of their race or gender. As the economy grows and opportunities expand we must ensure that a larger proportion of these opportunities go to historically disadvantaged people. Broad-based black economic empowerment is about extending the number of women and black people who own their own businesses, broadening the number of blacks who own meaningful stakes in larger companies and achieving greater representivity in management positions in industry. [Applause.] Quite correctly, therefore, the Financial Services Charter places ownership as one important dimension of empowerment. But, it also identifies human resource development, increasing access to financial services, outsourcing and procurement from black companies and investment in community development as key elements of economic transformation.

Members of this House will, I am sure, share my concern that many of the proposals appearing these days do not contain such a multi-dimensional view of black economic empowerment. In some cases, the ownership criteria in their draft charters are, sadly, not realistic, leading to unnecessarily complex and risky financing structures. This is self-defeating. While increasing the level of ownership of black people in corporate South Africa is absolutely important, building the economy, increasing production, creating jobs, developing young black managers and investing in social development are just as critical in shaping economic transformation. [Applause.]

As a tangible sign of how soundly structured charters can contribute towards increasing access to services, major banks launched the Mzansi bank account yesterday. This initiative stems directly from the Financial Sector Charter and will go a long way towards bringing in the unbanked millions into our financial system.

Turning then to the fiscal framework, one of our most successful areas of economic reform has been in the implementation of fiscal policy. After a concerted effort to reduce the deficit between 1996 and 2001, we were able to use the dividends of lower interest costs to increase public expenditure in real terms. In addition, we were able to use fiscal policy as a means of stabilising the economy during the economic slowdown earlier this decade.

In 2003-04, we recorded a budget deficit outcome of 2,4%, although revenue fell somewhat below expectations. This year, while our revenue forecasts suggest a marginally higher revenue performance, higher spending on social security grants and higher personnel costs result in borrowing rising to 3,2% of GDP compared to a budgeted 3,1%.

For the 2005 Budget, it is expected that rising corporate profits, the continued strength in VAT and personal income tax

receipts and further broadening of the tax base will result in a moderate increase of the overall tax burden.

The Budget deficit will widen to 3,5% next year, bringing the net borrowing requirement to its highest level relative to GDP since 1997-98.

Recognising the importance of maintaining a sustainable fiscal stance over the medium term, the deficit will be reduced to 2,7% by the fiscal year which ends on 31 March 2008. The costs of servicing our debt stabilised at 3,6% of GDP.

Non-interest spending on services is projected to rise by 4,3% a year in real terms over the next three years. The revised fiscal framework makes provision for an additional R50 billion to be added to departmental budget estimates.

Of this, about R21 billion is required to finance rapid growth in the take-up of disability and foster care grants. The recently signed salary agreement has also required additional resources to be added to personnel budgets. The requirements of land restitution proposals, social grants and salary adjustments will take up the greater part of the available additional resources in the first and second years of the MTEF. In the third year, additional allocations will also be made for infrastructure, further education and training, municipal services and other key priorities.

The Budget framework also takes account of a rising public sector borrowing requirement as state-owned enterprises fund a large proportion of their capital investment plans by borrowing from the capital markets. In addition, strong growth in infrastructure spending by provincial and municipal governments will contribute to the general government borrowing requirement. The public sector borrowing requirement is expected to reach 4,6% of GDP in 2007. Although this borrowing increases the overall debt of the public sector, the increased investment, targeted at economic infrastructure, is strongly supportive of economic growth.

However, Madam Speaker, it is not our borrowing but our revenue capacity that has built the foundation of our fiscal position. After a decade of fundamental reforms of our tax structure and improvements in revenue administration, these foundations are firm.

We are once again able to report that revenue is likely to exceed its target for the current fiscal year. Last year, the outcome was R5,1 billion short of the original Budget estimate because of low profits in resources sectors primarily.

The contribution of companies to tax revenue remains below target this year, but this is offset by a notable recovery in personal income tax and VAT receipts.

In 2003, we announced an exchange control amnesty partly in order to broaden our tax base. We received about 43 000 applications. To date 16 033 have been adjudicated, yielding a total of R826 million in levies payable. At this stage, indications are that the value of foreign assets declared by applicants will be about R65 billion, and we estimated that this will raise about R2,2 billion in levies. The long-term benefit to the economy is a wider tax base and a new relationship of trust between citizens and the authorities. We take this opportunity to thank South Africans for their participation in this amnesty. [Applause.]

Madam Speaker, the 2004 Revenue Laws Amendment Bill, which gives effect to the main tax proposals announced in the Budget Speech on 18 February this year is also tabled before this House today.

Allow me to highlight a few areas that are dealt with in this Bill. We announced several measures to encourage investment inflows and to underpin South Africa's role as a regional economic centre. Government is eliminating the existing tax on interest-

bearing investments by residents from Swaziland, Namibia and Lesotho.

Changes have also been made to the VAT system to support our position as a freight distribution hub. The proposals contained in the Revenue Laws Amendment Bill will also contribute to broad-based empowerment by offering tax breaks for truly broad-based share plans directed at lower level employees. Companies will be permitted to provide shares of up to R9 000 in value to employees over a three-year period without any fringe benefit tax consequences, provided this arrangement meets the prescribed conditions, one of which is that 95% of the employees must benefit from the scheme. [Applause.] At the same time, tax benefits from share options for high-income earners become subject to more stringent limitations.

Against the background of the robust trend in consumer spending and our need to avoid undue reliance on borrowing, tax relief will not be a prominent feature of our 2005 Budget. However, efforts to simplify . . . I thought that would pick up an applause as well, Madam Speaker. [Laughter.] Efforts to simplify the income tax system and reduce the compliance burden on small businesses will continue. Consideration is also being given to possible reforms of the tax treatment of medical scheme membership and health insurance.

To limit the ease with which deemed business travel cost can be claimed against the existing motor vehicle tax allowance, taxpayers can expect certain adjustments in these tax rules. These changes will have the effect of reducing the present encouragement of high-value vehicle purchases financed, in effect, through travel allowances incorporated into cost-to-company salary structures. The tax system should allow for legitimate business travel costs, but this need not be accompanied by such a high tax loss, as is presently the case.

The National Treasury is currently undertaking parallel reviews of the South African retirement fund industry from both a regulatory and a tax perspective. The new regulatory framework will form the foundation of an improved retirement industry, directed at the following key policy objectives: more transparent disclosure rules regarding cost structures of retirement and risk benefits, the encouragement of preservation of built-up reserves while discouraging early withdrawals and improving competition in the industry by providing incentives for portability between one scheme and the next.

A discussion paper on the regulatory aspects of pension funds will be released for comment later this year. A subsequent tax policy discussion paper will deal with the existing shortcomings of the retirement fund tax regime and proposals to align the South African tax position with international best practice. The central aim of the pension fund reform initiative is to promote and protect individuals' savings for their retirement. I do hope that we will be able to deal with this matter in some detail on 23 February when the Budget is tabled.

In respect of the mining industry, two tax initiatives will be advanced during 2005. The 2003 Mineral and Petroleum Royalty Bill will be revised, taking into account comments from various stakeholders. It will address outstanding issues such as differentiation of royalty rates, marginal mine treatment, the elimination of double royalty risk and transitional matters.

Secondly, a holistic review of the mining sector will focus on the low effective tax rates of mining companies, recommendations relating to the gold mining tax formula, the appropriateness and international comparability of the current mining investment allowances and the consideration of special allowances for exploration activities and mining rehabilitation programmes. Possible tax measures to assist the small-scale mining sector will also be investigated. Proposals will also be brought to Parliament next year

to deal with tax matters relating to South Africa's hosting of the 2010 Fifa World Cup Soccer Competition.

I turn now to the Adjustments Appropriation Bill, through which the executive seeks Parliamentary authority for its revised spending plans for the current fiscal year. The Adjustments Appropriation Bill provides for various kinds of changes to spending plans, detailed in section 30(2) of the Public Finance Management Act. As members will recall, the law sets strict limits to the adjustments that may be proposed.

This year, adjustments raise the estimated main Budget expenditure level of R368,9 billion by a further R2,8 billion. Details are set out in the 2004 Adjusted Estimates of National Expenditure, which includes breakdowns of all the changes on each national Budget Vote.

In the February Budget, funds were set aside for contributions for black economic empowerment and drought relief. The adjusted appropriations include R150 million for the National Empowerment Fund to finance proposed BEE financing products based on an agreed business plan. An amount of R430 million is allocated towards emergency drought relief interventions on the votes of the Departments of Provincial and Local Government, of Water Affairs and Forestry and of Agriculture.

The revised estimates include R1,65 billion for unforeseeable and unavoidable expenditure, recommended by the Treasury Committee. A total of R2 billion in roll-overs of funds unspent last year is added to the national department appropriations.

Including adjustments to conditional grants, the additional allocations to provinces amount to R4,2 billion and will assist in meeting the revisions arising out of the wage settlement and for faster than expected growth in social grants beneficiary numbers.

As in the past, the Treasury Committee has been scrupulous in reviewing requests from national departments for funding of unforeseeable and unavoidable expenses. The larger amounts are the following: R599 million on the Department of Public Works Vote to settle outstanding claims for rates and service charges owed to municipalities; R500 million for working capital requirements for the Pebble Bed Modular Reactor Company, following unanticipated delays in its negotiations to secure a foreign equity investment partnership; R200 million to settle targeted land restitution claims on the Land Affairs Vote; R45 million for the Independent Communications Authority of South Africa's VAT liability resulting from a dispute that has, as usual, been resolved in favour of the South African Revenue Service; R73 million to Public Works for essential repair work on important buildings, for the installation of lifts and for office and residential accommodation for members of the executive appointed after the 2004 elections; R40 million to Social Development for improving the integrity of the grant system and for implementing steps to address deficiencies in the administration of social grants.

There are also smaller adjustments arising from important matters.

The Department of Sport and Recreation receives an allocation of R1,6 million for the additional capacity required for the department's responsibilities relating to the 2010 FIFA World Cup. Provision is also made, members will be relieved to hear, and I see a number of them smiling at me, for salaries and office staff of the newly appointed Deputy Ministers in the Departments of Sport and Recreation, Foreign Affairs, Communications, Science and Technology, and a new ministry for Arts and Culture, Minister Mangena. [Applause.] So, you no longer have to share the house with Dr Jordaan. Each one of you is now taken care of.

Madam Speaker, these and other changes are set out in the Adjusted Estimates. I am also pleased to be able to report that, partially

offsetting these increases in expenditure, departments have identified savings of R1,1 billion, mainly resulting from downward revisions in the costs of the strategic arms procurement, Minister Lekota. The National Treasury has also reduced its projection of the costs of servicing state debt by R815 million.

Taking these changes into account, we expect expenditure on the national Budget this year to amount to R371,7 billion. The revised estimate of revenue is R328,2 billion, bringing the projected deficit for the year to R43,5 billion, or 3,2% of GDP.

For the next three years, national transfers to provinces and local government will grow by 4% and 4,3% a year in real terms. Provinces receive an additional R33,5 billion while municipalities will receive a further R2,8 billion. The additional amounts for provinces provide for the increased take-up of social grants, higher personnel costs, increased infrastructure spending and a consolidation of education and health spending.

The payment of social security grants will shift to the national sphere once the social security agency is up and running. As an interim measure, provinces will continue to deliver social grants, but these will now be financed out of a conditional grant as opposed to their equitable share components.

The provincial equitable share formula is adjusted to take account of this shift as well as new data from the 2001 Census. The restructured equitable share formula has larger education and health components as well as elements taking into account backlogs in infrastructure and an economic activity component. The shift in the social grants function will allow for better planning and budgeting, which should allow for more stable education and health budgets going forward.

In addition to a step-up in provincial infrastructure grant, the housing grant and allocations for the municipal equitable share and municipal infrastructure grants receive substantial boosts. Minister Mufamadi is a very nice chap. This will allow for the new housing strategy to be phased in over the next three years, together with expanding the provision of basic household services.

In conclusion, South Africa is reconstructing its social and economic order under intense international scrutiny. For those who believe that inequality and fear can give way to development and compassion, our progress during the first decade of freedom has been a source of hope. Our success in building a dynamic economy and better opportunities for our children and grandchildren will assist in charting a new course for overcoming divisions in a fragmented world.

Governing is about making choices. The privilege of hard-won democracy carries with it the profound responsibility to make these choices, rather than have them imposed on us. We make these choices guided by our vision of a people-centred society in which the interests of the poor are advanced, in which economic growth is accompanied by broad-based development and in which the divisions between our first and second economies progressively diminish.

Madam Speaker, I hereby table for consideration in this House, the following documents: the 2004 Adjustments Appropriation Bill, the 2004 Revenue Laws Amendment Bill, the 2004 Adjusted Estimates of National Expenditure and the 2004 Medium-Term Budget Policy Statement. Hon members and all those listening to this, I thank you for your patience. [Applause.]

The Bills, together with the related papers tabled, referred to the Portfolio Committee on Finance for consideration and report.

MOTION OF CONDOLENCE

(The late Mr Dumisani Makhaye)

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Madam Speaker, I move without notice:

That the House—

(1) notes with shock and profound sadness the untimely death of Dumisani Makhaye, who passed away on 24 October 2004;

(2) recognises that Dumisani Makhaye was a South African patriot who, throughout his youth and adult life, demonstrated a deep commitment to the liberation of the people of our country and the continent of Africa;

(3) remembers that—

(a) Dumisani Makhaye was one of the stalwarts of our people's struggle for a nonracial, nonsexist, democratic South Africa;

(b) in 1991, he was elected into the executive committee of the ANC Southern Natal region;

(c) at the time of his death, he was a serving member of the National Executive Committee of the ANC;

(d) he was Chairperson of the Standing Committee on Finance in the KwaZulu-Natal provincial legislature from 1994 to 1999, served as MEC for Housing from 1999 to 2004, and at the time of his death was serving as MEC for Local Government, Housing and Traditional Affairs in the KwaZulu-Natal province;

(4) believes that he leaves a legacy that epitomises heroism and dedicated service, and that his untimely death has robbed South Africa of a great son who still had a tremendous contribution to make to the reconstruction and development of our nation; and

(5) conveys its deepest-felt condolences to the Makhaye family, his loved ones and the ANC.

Agreed to.

The SPEAKER: The condolences of the House will be conveyed to the family.

MOTION OF CONDOLENCE

(The late Mr Mbongeni Jan Ngubeni)

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Madam Speaker, I move without notice:

That the House—

(1) notes with shock and profound sadness the death of Mbongeni Jan Ngubeni, a former member of this House, who passed away on Saturday, 24 October 2004;

(2) recognises that Mr Ngubeni was a South African of unwavering commitment to the goal of the realisation of a better life for all;

(3) recalls that he played an active role as a member and leader of the ANC and the SA National Civics Organisation;

(4) acknowledges his valued contribution as a member of this House;

(5) believes that his commitment to the creation of a nonracial, nonsexist and democratic South Africa will serve to inspire future generations to continue working for the creation of a free and just society; and

(6) conveys its sincere condolences to the Ngubeni family, their friends and the ANC.

Agreed to.

ZAMBIA'S INDEPENDENCE CELEBRATIONS

(Draft Resolution)

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY moved without notice:

That the House—

(1) notes that on Sunday, 24 October 2004, the government and people of Zambia observed their country's 40th independence celebrations;

(2) recalls—

(a) the contribution that the government and people of Zambia made in the struggle to defeat colonialism and apartheid; and

(b) that, since her independence, Zambia became host to many Southern African liberation movements; and

(3) wishes the people and government of Zambia well in their 40th independence celebrations.

[Applause.]

Agreed to.

ELECTION OF LINDIWE MASEKO

(Draft Resolution)

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Speaker, I move without notice:

That the House—

(1) notes—

(a) the election, of the hon Lindiwe Maseko, MPL, as Chairperson of the Commonwealth Women Parliamentarians for the next three years;

(b) that Ms Maseko's election took place during the 50th Commonwealth Parliamentary Conference held from 29 August to 9 September in Canada; and

(c) Ms Maseko became the first directly elected representative of women parliamentarians on the Commonwealth Parliamentary Association (CPA) Executive Committee;

(2) believes that Ms Maseko's election as Chairperson of the Commonwealth Women Parliamentarians represents another milestone in the struggle for meaningful participation of women in structures of global governance; and

(3) congratulates Ms Maseko on her election as Chairperson of the Commonwealth Women Parliamentarians and wishes her success in her new and very important role. [Applause.]

Agreed to.

MEMBERS' STATEMENTS

CONGRATULATIONS TO MEMBERS OF THE PUBLIC WHO RECEIVED RDP HOUSES

(Member's Statement)

Ms S P RWEXANA (ANC): Mam'uSomlomo, umbutho wesizwe i-ANC uvuyisana neentsapho ezingamashumi amahlanu zase Mizamo Yethu, ngokufumana kwazo izindlu ezakhiwe ngezitena. Le nto yenzeka ngenxa yemfesane yabemi baseIreland, abathe bazinikela ekwakheni ezi zindlu bengajonge nzuzo. Phakathi kwabantu abaza kuzuza kweli phulo ngumama uNongenile Mshiyo, ominyaka ingamashumi amathandathu anesine nophila ngendodla. Uthi ebengazi ukuba uya kuze afumane indlu esemgamgathweni esaphila. Kule minyaka ilishumi elinesihlanu elapha kwelentlanzi, okoko wahlala etyotyombeni, namhlanje uziva echwayitile kukubuyiselwa isidima sakhe. Umama uMshiyo uthi ubulela uRhulumente oxhuzula imikhala kweli lizwe ngemisebenzi neenzame zakhe

zokuphucula ubomi neemeko zokuhlala zabantu belijongile. Ndiyabulela. [Kuyaqhwatywa.] *(Translation of Xhosa member's statement follows.)*

[Ms S P RWEXANA (ANC): Chairperson, the ANC would like to congratulate the 50 families of the Imizamo Yethu community who were given the keys to their RDP houses recently. These houses have been built for free with the assistance of Irish citizens who were committed to seeing the building campaign becoming a success.

Mrs Nongenile Mshiyo, a 64-year-old woman, who also receives a monthly grant, is one of the people who received a house and she said that she had lost hope that she would ever own a house. She says that she has lived in a shack since she came to Cape Town more than 15 years ago. Today she is very happy because she feels that her dignity has been restored. Mrs Mshiyo is grateful to the ANC-led government for its efforts to improve the lives and living conditions of its citizens whilst they are still alive. I thank you. [Applause.]]

TAXPAYERS' MONEY SHOULD NOT BE USED TO FUND DEPUTY PRESIDENT'S LEGAL BILLS

(Member's Statement)

Dr J T DELPORT (DA): Madam Speaker, the DA is concerned at reports that the Office of the President is considering using taxpayers' money to fund the Deputy President's legal bills in the Shaik trial. Deputy President Jacob Zuma is not facing charges in this case and the allegations linking him to fraud and corruption charges, against his benefactor Schabir Shaik, referred to acts which occurred before Mr Zuma became Deputy President.

Furthermore, none of the allegations referred to the Office of the Presidency or that of the Deputy Presidency. On the contrary, all the allegations referred to him in his personal capacity as an, albeit influential, ANC member. The legal costs may well exceed half a million rand. This money should be used for service delivery and not to protect the reputation of an ANC member whose financial difficulties have come under public scrutiny.

In these circumstances it is Mr Zuma, in his personal capacity, who should foot the bill. Taxpayers should not in any way be burdened with his legal costs. There is no moral or legal imperative for the government to do so. The DA urges the President to reject this application for funding. [Applause.]

SURVEY SHOWS CORRUPTION AS A MAJOR CONCERN AMONG FOREIGN INVESTORS

(Member's Statement)

Mrs S A SEATON (IFP): Madam Speaker, in a survey conducted by the bilateral chamber consultative committee investor survey among several European and Scandinavian chambers of commerce, members have found that 70% of the respondents view corruption as the most significant future concern in South Africa despite high confidence levels. The concern for corruption was followed by a concern for the competency of the Public Service, flexible labour relations, crime and violence.

A 79% bad to very bad return was made on the government's HIV/Aids policy, which means that this has also damaged the image of the country and crippled our chances for luring foreign investment. This is a clear indication that there is much work that needs to be done to combat these fears that ultimately hinder foreign investment, and that hinders economic growth with regard to foreign investment.

The government needs to invest time and money to, first of all, stamp out corruption and its devastating effects. Time and money need to be invested in further lowering the crime and violence levels as well as improving perceptions on labour relations. The government should also simultaneously wage a campaign for improving perceptions

about stability and growth in South Africa in order to make the country friendlier for investment.

CONGRATULATIONS TO THE COMMUNITY BUILDER OF THE YEAR 2004

(Member's Statement)

Mr M P SIBANDE (ANC): The ANC congratulates Miss Peggy Mkhondo and her team on winning the Community Builder of the Year Award. They won the award in recognition of the success of the Titirheleni Vamanana Project, a brick-making and fencing project. The project started out with six women, and today it has grown four times in size.

The annual Community Builder of the Year Award ceremony, which was held on 21 October 2004, is sponsored by the *Sowetan*, Old Mutual and SA Broadcasting Corporation (SABC). The focus of the programme is to recognise people who do extraordinary things in their communities, often with little or nothing in the way of resources.

The ANC commends this shining example of the people's contract in action, where communities and businesses come together in the fight against poverty. [Applause.]

OLD AND NEW SPRINGBOK RUGBY HEROES

(Member's Statement)

Adv A H GAUM (NNP): Speaker, ons het die afgelope paar dae twee van ons oud-Springbokrugbyspelers verloor: ds George Daneel, wat voor sy dood in die ryke ouderdom van 100 die oudste lewende Springbok was, en die legendariese Okey Geffen. Ds Daneel was deel van die toerspan na Engeland, waar die Springbokke geen afrigter gehad het nie en tog al die toetse gewen het, wat 'n mens nogal laat dink. *(Translation of Afrikaans paragraph follows.)*

[Adv A H GAUM (NNP): Speaker, we have lost two of our former Springbok rugby players in the past few days: Rev George Daneel, who, before his death—at the ripe old age of 100—was the oldest living Springbok, and the legendary Okey Geffen. Rev Daneel was part of the touring team to England where the Springboks were without a coach and still won all the tests, which rather makes one think.]

What made the prop forward Okey Geffen so remarkable was not so much his scrumming ability as his extraordinary ability to kick the ball between the posts with unerring precision.

Ons eer die nagedagtenis van hierdie twee groot sportmanne en betuig ons meegevoel aan hul naasbestaandes. [We honour the memory of these two great sportsmen and express our sympathy to their next of kin.]

While we salute yesteryear's Springbok greats, we welcome our new heroes that are included in the Springbok group for the tour to England, Ireland and Argentina. The outrage amongst some with regard to this group is cause for concern. It is a pity that there isn't much more appreciation amongst some minority communities as this team bears testimony to the progress that has been made with regard to transformation in rugby.

It is also regretted that some newspapers only highlighted criticisms of the team selection, and treated the fact that this Springbok group of 33 is the most representative of all time as a side issue. We believe that South Africans should have confidence in this team and the Springbok selectors that also selected the Springbok team that won us our second Tri-Nations Cup.

There should also be much more appreciation for South African rugby's efforts to select a representative, high-quality Springbok team that is willing and able to take on and conquer the top rugby teams of the world. I thank you. [Applause.]

DIPLOMATIC IMMUNITY FOR RAPE SUSPECT

(Member's Statement)

Mnr P J GROENEWALD (VF Plus): Adjunkspeaker, die VF Plus het met skok

verneem dat 'n afhanklike van 'n diplomaat wat adv Gerda Ferreira aangerand en gepoog het om haar te verkrag, skotvry daarvan afgekom het as gevolg van diplomatieke immuniteit. Diplomatieke immuniteit kan nooit 'n paspoort tot misdadige optrede wees om vervolging vry te spring nie.

Die VF Plus doen 'n beroep op die regering om dadelik in te gryp sodat die oortreder vervolg kan word. Die regering behoort dadelik te onderhandel vir die uitlewering van die oortreder. Die diplomatieke korps behoort ook 'n rol te speel om misdadigers wat agter immuniteit skuil, uit te lewer ten einde die integriteit van die diplomatieke korps te verdedig en te handhaaf. Die VF Plus versoek spoedige optrede in dié verband.

Wat die situasie vererger, is dat die oortreder nie direkte familie van die diplomaat is nie, en ook nie by die diplomaat inwoon nie. Die indruk word gewek dat politieke immuniteit so wyd moontlik gedefinieer word ten einde 'n misdadiger te beskerm. Dit is vir die VF Plus onaanvaarbaar, en vereis onmiddellike optrede. Dankie. *(Translation of Afrikaans member's statement follows.)*

[Mr P J GROENEWALD (FF Plus): Deputy Speaker, the FF Plus learnt with shock that a dependant of a diplomat, who assaulted Adv Gerda Ferreira and attempted to rape her, was let off the hook as a result of diplomatic immunity. Diplomatic immunity can never be a licence for criminal behaviour to escape prosecution.

The FF Plus appeals to the government to intervene immediately so that the offender can be prosecuted. The government ought to negotiate immediately for the extradition of the culprit. The diplomatic corps should also play a role in the extradition of offenders who hide behind diplomatic immunity, in order to defend and maintain the integrity of the diplomatic corps. The FF Plus calls for speedy action in this regard.

What aggravates the situation is the fact that the culprit is not a direct relative of the diplomat, and neither does he lodge with the diplomat. The impression is being created that diplomatic immunity is being defined as broadly as possible in order to protect a criminal. This is unacceptable to the FF Plus and requires immediate action. Thank you.]

TEACHER ELIZABETH NEKHWEVHA WINS LIFETIME ACHIEVEMENT AWARD

(Member's Statement)

Mr C L GOLOLO (ANC): Madam Speaker, 5 October is International Teachers' Day, a day on which South Africa has based its National Teachers Awards. The fifth National Teachers Awards ceremony was held last week in Pretoria.

The ANC salutes Miss Elizabeth Maboakae Nekhwevha, a teacher who has been in the teaching profession for the past 27 years. Last week her dedication paid off when she won the Lifetime Achievement Award. This was in recognition of her courageous work in establishing a remedial unit for learners with learning problems. While utilising RDP funds, she led efforts in the reconstruction of her school.

The ANC further thanks all the teachers across the length and breadth of our country and encourages them to emulate the example of those who won. I thank you. [Applause.]

DELAYS IN DEALING WITH TRAVEL VOUCHER SCANDAL

(Member's Statement)

The CHIEF WHIP OF THE OPPOSITION (DA): Madam Deputy Speaker, MPs not involved in the travel voucher scandal are becoming increasingly irritated at the huge delays which have occurred. Travelgate was uncovered two years ago, and the delays mean that the scandal will still hang over Parliament and MPs well into next year.

Reports that the SAPS is holding documents relating to Travelgate and has refused, or

about stability and growth in South Africa in order to make the country friendlier for investment.

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Reports that the SAPS is holding documents relating to Travelgate and has refused, or

neglected, to hand these to the Scorpions came as a shock to many. Turf battles between rival organisations cannot be permitted to prolong Parliament's embarrassment about allegations of widespread dishonesty and corruption. The hon Minister of Safety and Security needs to instruct the commissioner to hand over the documents without delay.

Parliament itself seems to be dragging its feet, and I would like to know why Bathong, the travel agent, has not been liquidated. Interrogation in liquidation will uncover the truth.

The DA insists that those who are convicted of being dishonest with public money must be punished and they must lose their seats in Parliament. [Applause.]

SOUTH AFRICAN PARENTS ADMIT TO HITTING CHILDREN

(Member's Statement)

Ms S RAJBALLY (MF): Madam Deputy Speaker, the acknowledgement on the front page of the *Sunday Times* that half of South African parents admit to hitting their children and that a third of these parents admit to beating their children severely, was shocking. It was explained in this article that parents tend to hit their children with the intent to cause pain, not injury, for the purpose of correction or control.

A study was carried out nationally by the HSRC with approximately 1 000 respondents nationally. It was deduced that this violence is transferred from generation to generation. Though it is felt that parents have a right to chastisement, as it serves to teach the young social skills in terms of right and wrong, violence is not supported, especially if it is taken into the future. There are other ways to instil discipline. Parents should seek advice on this, and education regarding discipline should be advanced at school so as to avoid such violence in future adults. Also, alternate methods of discipline should be suggested that would not cause as much physical or emotional trauma as that of chastisement.

At present, as parents we need to realise that at some stage beating may turn into abuse. Further, children are innocent and, as adults, we need to educate them as to what is right and wrong. However, greater benefit may be attained by using civilised methods of discipline. I thank you.

LOW-COST ENVIRONMENTALLY FRIENDLY ENERGY

(Member's Statement)

Ms L N MOSS (ANC): Madam Deputy Speaker, the ANC applauds the decision taken by the Minister responsible for energy in the Southern African Development Community to sign the intergovernmental memorandum of understanding on the Western Power Corridor Project, Westco.

Westco is a joint venture project by national power utilities aimed at providing low-cost, affordable and environmentally friendly energy. The project will build power stations at various sites in a number of countries, including the Democratic Republic of Congo, Angola and Namibia.

This regional initiative is a Nepad flagship project that will further enhance our efforts to unite Africa politically, economically and socially. Positive spin-offs will flow from this initiative, providing sustainable energy to our people throughout the region.

The ANC believes that the provision of cheap, reliable and sustainable energy will strengthen our efforts aimed at the achievement of a better life for all the people of Africa. I thank you. [Applause.]

GOVERNMENT DECISION TO RELEASE CRIME STATISTICS ANNUALLY

(Member's Statement)

Mr R JANKIELSOHN (DA): Deputy Speaker, Parliament should use the constitu-

tional powers of subpoena at its disposal to force the Minister of Safety and Security to release crime statistics on a more regular basis. The decision by government to release crime statistics on an annual basis—and then five months after the due date—is not in the interests of accountability or transparency.

A briefing by the SA Institute for Security Studies to Parliament confirmed that the annual national release of crime statistics leads to suspicion and questions about the accuracy of such statistics.

The regular release of crime statistics at local level will assist individuals to assess the types of crimes and the frequency of crime committed in their neighbourhoods. This will enable them to take preventative measures to secure their property and their families. The public have the right of access to information that affects their lives in such a dramatic manner.

The Portfolio Committee on Safety and Security should also receive regular updates on crime statistics in order to enable it to carry out its oversight function.

Parliament represents the interests of the people of South Africa and not the interests of the Minister of Safety and Security. The moratorium on crime statistics is an executive decision that may be ruled on by Parliament if it has the political will to hold the executive accountable. Thank you. [Applause.]

MANY INJURED IN TWO BUS ACCIDENTS

(Member's Statement)

Prince N E ZULU (IFP): Madam Deputy Speaker, what was meant to be a day of joy and celebration turned into a nightmare when eight people were killed and 62 injured after the bus that they had been travelling in overturned between Vryheid and Dundee in KwaZulu-Natal on Saturday 23 October 2004. The passengers were returning to their homes after attending wedding festivities. In a separate incident a few days earlier one person was killed and 42 injured when a school bus was involved in an accident in Johannesburg.

We offer our deepest condolences to the families of the deceased and wish all the injured a full and swift recovery. We also urge the relevant authorities to conduct thorough investigations into these two incidents. I thank you.

87TH BIRTHDAY OF O R TAMBO ON 27 OCTOBER

(Member's Statement)

Ms M R MORUTOA (ANC): Deputy Speaker, on 27 October 1917 a giant South African, Oliver Reginald Tambo, was born in Bizana, a small rural town in the eastern part of Pondoland.

As we celebrate the first decade of liberation tomorrow, our celebrations will assume a heightened sense of pride and commitment. Tomorrow, South Africans from all walks of life will celebrate the 87th birthday of Comrade President Oliver Tambo.

O R Tambo led the liberation forces of our people during the most difficult times in the history of our country. He led us through bans and banishments. He motivated us to rise up against the full might of apartheid colonialism. Comrade O R led our efforts to mobilise the international community in support of the noble objective to create a nonracial, nonsexist, truly democratic and prosperous South Africa.

His leadership, as we began the efforts aimed at normalising the political climate in our country and as we worked for peace among all our people, remained and remains a beacon in our history. His unshakable commitment to justice, peace and freedom remains our guarded asset embodied in the letter and spirit of our Constitution. Long live the spirit of Oliver Reginald! Long live! Thank you very much. [Applause.]

CRIME PREVENTION, JUSTICE CRIME PREVENTION AND SECURITY

(Minister's Response)

The MINISTER OF SAFETY AND SECURITY: Madam Deputy Speaker, I want to share with the hon Gibson the experience of how our systems of democratic governance work, which is obviously an experience he's never going to be participating in during his lifetime.

There are structures that government has formed. The Ministries of Justice and Safety and Security serve on a structure that is called Crime Prevention, Justice Crime Prevention and Security. That structure is serviced by a cluster of directors-general and the Director of Public Prosecutions also serves in that cluster. What this means is that if there is a problem at any level of prosecutions, the Director of Public Prosecutions approaches the national Commissioner of the SA Police Service. If there is no joy there, the Director of Public Prosecutions approaches the Minister of Justice, and the Minister of Justice raises that problem with the Minister of Safety and Security. In that kind of communication you do not require any documents.

All of these people work together on a daily basis, and each one of them is just a phone call away from the other one. I have not heard from the Minister of Justice that such a problem exists. I have not heard from the National Commissioner that such a problem exists, and I'm not in the business of picking things up from the street and responding officially to such things. [Applause.]

Mr Jankielsohn, please raise the same question next week, because I would want to engage fully with you on that question. Because I only have two minutes now, I won't be able to deal with it. [Interjections.]

The DEPUTY SPEAKER: Order! Order! Hon Minister, you actually have more than two minutes. Three statements were referred to your portfolio, which means you have a total of six minutes, and you have just used two and a half minutes. [Applause.]

Mr M J ELLIS: Madam Deputy Speaker, on a point of order: That is not the way the Rule reads. He is allowed two minutes. If there are other Ministers who require time as well, he can reply again after that. He does not automatically get three turns just because three questions were directed at him.

The DEPUTY SPEAKER: Order! Hon Minister, I have made a ruling and you therefore have the floor. [Applause.]

The MINISTER FOR SAFETY AND SECURITY: Madam Deputy Speaker, hon Jankielsohn, you know what happens when we are compiling a report. Let's for example take an ordinary company; the first day one starts compiling that report will be many months away from the time that report will be tabled. You should know this. In other words, if the financial year ends on 31 March, the report you will give starts on 1 April, and therefore some of the information in that report will be 12 months old. You should understand that.

It is the same with statistics. [Interjections.] What we have said in regard to statistics is the following: One needs to explain away statistics. They are figures only. We need to explain what those figures mean, and the only way to explain them is in an annual report. Please, Mr Jankielsohn. [Interjections.] The annual report is therefore submitted within a timeframe that has been defined by this Parliament, and we are acting within the ambits of the laws of this Parliament to do these things the way that we do them. Please, Mr Jankielsohn, that is how it is done. [Interjections.] [Applause.]

FIGHT AGAINST CORRUPTION

(Minister's Response)

The MINISTER OF DEFENCE: Madam Deputy Speaker, the attention of the House has been drawn to the urgency with which

we need to tackle the question of corruption. I must agree with the hon member that it is in the interests of our country that this issue be given priority attention. I think that explains why, in the programme of action for government in this term of office, we have made a commitment to place it very high on our agenda. I must therefore say that we agree with the member that the battle against corruption must not ease, but rather be intensified.

Now, of course in saying that, we must immediately add that corruption is of such a nature that it does not involve the executive alone. The executive must lead in the battle against corruption, but society as a whole—all the political parties in this country and other sectors of society, such as business, sporting bodies and so on—must be mobilised in the battle against corruption.

I have been reflecting, since the member commented, on how many of the members of our various political parties have been seen to be working with communities, coming to the police stations, or even supporting efforts to expose corruption, because it is clear that people who are talking about corruption in this House, whether on the side of the ruling party or the opposition, are aware that there is corruption. However, it is surprising that none of us is seen in actual practical campaign work, either leading communities or working with them, to expose corruption there where we see it happen, whether in police offices, the Department of Transport offices, and so on. We do not see this leadership coming from the parties.

CORPOREAL PUNISHMENT

(Minister's Response)

The DEPUTY MINISTER OF EDUCATION: Hon Deputy Speaker, we would like to support Ms Rajbally by endorsing her sentiments. We have abolished corporeal punishment in our schools and took it from the statute books. We do believe that the issue of violence in the home is something that has to be addressed.

The Constitution specifically provides that every person has a right to be free from all forms of violence, from either public or private sources. In relation to the rights of the child, the Constitution also provides that a child should be free from maltreatment, abuse and degradation. We do believe that whilst at school we ensure that no corporeal punishment is executed, there is a responsibility at home to ensure that our children are free from any form of violence.

May I also respond to the issue regarding the national awards by saying that whilst we support and endorse the statement, and in fact salute Ms Elizabeth Mabakae, the recipient of the award, we would also like to indicate that at the national awards ceremony there were awards in different categories, namely primary school, high school, as well as ABET and early childhood development. The event was a great success, and in fact affirmed our commitment to quality education and dedication from amongst the teachers. Thank you. [Applause.]

THE EFFECTIVENESS OF SECTOR EDUCATION AND TRAINING AUTHORITIES (SETAS) IN IMPROVING THE SKILLS OF BOTH THE EMPLOYED AND UNEMPLOYED IN SOUTH AFRICA

(Subject for Discussion)

Mr C M LOWE: Deputy Speaker, could I at the outset thank the ANC for agreeing to this debate this afternoon and for the wonderful floral display that they have put on especially for the debate. [Laughter.] It is a matter of huge importance, given our skills crisis in the country and also the critical unemployment figures, and on that score I would have hoped to have seen the Minister of Labour here this afternoon, taking part in

the debate, or at least here on the benches. It is a really shame that he is not here.

Nonetheless, I hope that we shall have a constructive debate that focuses on finding solutions, because government's Seta system fails to address South Africa's current skills crisis, which is the main supply-side cause of our 42% unemployment rate. All recent research shows that there is a gross lack of intermediate and high-end skills, while this year's HSRC skills survey showed that less than 40% of school-leavers found jobs.

Nearly 90% of all registered Seta learners drop out before completing their courses, because they see it as a stopgap while they search for a real job. Twenty-five per cent of Sacob's learners absconded or found other work and are in breach of their contracts.

The data from the National Skills Authority up to June this year show that only 9 502 of a total of 70 000 registered learners have completed their learnerships since implementation in March 2001, a completion rate of just 14%. There is little, if any, information available to say how many of those paltry 9 502 learners actually found a job after completing their learnerships. As to the remaining 60 498, who knows?

Small, medium and micro businesses, SMMEs, meanwhile, the only net generator of new jobs in the next decade, are bogged down by the administrative burden of implementing learnerships. They cannot afford to cut through the layers of red tape as large corporations do, because the accreditation requirements prevent them from becoming workplace training providers. Yet, it is in these small businesses, not the large corporates, that we must train and reskill to create jobs if we are ever to reduce the 8,4 million unemployment queues.

Solving a problem of this magnitude means clearly delineating responsibilities between the Department of Education and the vocational training initiative used. Yet it seems that the Departments of Education and Labour are involved in a turf war over who is responsible for what. The integration of a National Qualifications Framework, which was meant to resolve this standoff, is now two years overdue.

The Seta system costs R3,2 billion a year and ratchets up the payroll tax of business by 1%. In the last three years Setas underspent by R2,8 billion, and many face problems of institutional capacity. Only 21% of the 120 000 firms paying the levy in 2002 had grants disbursed to them. This situation has now improved, but not substantially, and more than 80% of grants disbursed are to entities other than SMMEs with more than 200 employees.

The idea that a few bureaucrats can effectively co-ordinate vocational skills acquisition in an economy is long outdated. So far, the state has classified 701 types of learnerships, but no matter how many they list, or how many initiatives they launch, they will still fail to match development programmes to employers' needs.

The administrative rigmarole required is too onerous for small businesses that stand to claim back a measly R325 per month on a reasonable payroll of R50 000. It is simply not worthwhile for small businesses to fill out all the paperwork and employ a skills development facilitator to implement the required formal training when the business owner knows that on-the-job training, not recognised in the current scheme, is a far better development solution.

The Minister reported that eight Setas required attention and two were underperforming, but our detailed analysis of all the Seta annual reports showed that only 43 145 learnerships were arranged in 2004, at an average cost of just under R18 000 per learnership. Even if we accept the official claim that 69 000 people are currently enrolled in learnerships, for which we can find no statistical evidence, this figure is still just a drop in the ocean and assists less than 0,9% of the 8,4 million unemployed South Africans.

Large businesses may benefit, but the system is failing small businesses. There are nowhere near enough learnerships to fill the skills deficit and, where they are taking place, the fallout rate is nearly 90%. There are no statistics to show how many learners successfully find full-time employment. It's time for radical change!

The DA's solution to the skills crisis is to allow businesses, which are by their very nature forward thinking, to decide which skills will be required in the future. Companies and private sector bodies have the analytical, logistical and managerial ability to develop skills far more effectively than Setas. We estimate that it will cost between R1,6 billion and R2,5 billion to fully reimburse employers for approved training, including schemes administered by employer associations.

The combined, decentralised actions of thousands of South African businesses will result in an economy-wide, responsive, efficient training environment. If the entire existing budget for Setas, currently at R3, 2 billion, were channelled into such an initiative the amount left over would easily fund a nationwide tax rebate equivalent to one third of tertiary institution fees for four years of successful study.

Combining such a scheme with a tax deduction of 150% of the first R2 000 per month of every employee's salary would create a situation where businesses are incentivised not only to employ more workers, but also to train and develop them to meet the future skills needs of the business.

If such an initiative was backed up by labour law reform for SMMEs, liberalisation of the labour market and the provision of opportunities and bursary vouchers to promising students and young people, we could beat our skills and unemployment crisis. It's time to stop the name-calling and the finger-pointing, and for government to take the initiative.

I sincerely hope that the ANC speakers that follow me this afternoon will respond to the issues I have raised and address themselves to finding solutions. We are all in this together and we have got to find a solution to the unemployment and skills crisis that we face. I thank you. [Applause.]

Mr S A MSHUDULU: Thank you, Madam Deputy Speaker. Hon Ministers, hon members of this House, distinguished guests and the country at large, I join this debate on behalf of the ANC at the time when government is tabling a Medium-Term Budget Policy Statement to the nation. It takes only a responsible and accountable government to do this.

Our subject, as has been presented today, will allow us to educate the DA a bit. When we passed the Skills Development Act in 1998, the ANC-led government wanted to provide an institutional framework to devise and implement national sector and workplace strategies to develop and improve the skills of the South African workforce; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy grant scheme and a national skills fund; and to regulate employment services.

This is against a background not pleasant to most of us in South Africa. As a black man, I tell you of the background that humiliated us through a fragmented, inferior and irrelevant education system—an apartheid and colonial education system that was not developmental; a system that was used as a tool of discrimination, marginalisation, exploitation and displacement. We come from a situation where the very members of the DA were beneficiaries of these inhuman systems. [Applause.] Today, they pretend to be better advocates of our own democracy.

The central truth about the apartheid labour market, with its distortions, was to ensure that it served the needs of the white minority. In addition, the job reservation Act pre-

vented blacks from entering specific professions, whilst various education Acts ensured that we could never get the skills that would be required to participate above certain levels in the labour market—a deliberate attempt to keep black workers, women and the disabled unskilled and illiterate.

During the free elections of 1994, 1999 and 2004, our people demonstrated their confidence in the ANC by voting it into power. That happened because of its progressive policies that include human resource strategy as a core policy priority aimed at undoing the ravages of the past. For this reason, the ANC-led government is investing a lot in skills development to maximise productive capacity. Hence, in these 10 years of its mandate, the ANC has not disappointed the people's expectations, despite the severe constraints inherited from the apartheid system.

However, skills development should be seen in the context of a component of a broader set of strategies whose outcomes need to be measured against the Vision 2014 goals: government aims to halve unemployment by 2014, halve poverty by 2014, and radically reduce inequalities that were created by those members on that side by accelerating equity and broad-based black economic empowerment, as earlier alluded to by the Minister of Finance.

It is important that we remind this House that the National Skills Development Strategy for 2001 to 2005 has five objectives, namely developing a culture of high quality lifelong learning, fostering skills development in the formal economy for productivity and employment growth, stimulating and supporting skills development in small businesses, promoting skills development for employability and sustainable livelihoods through social development initiatives, and assisting new entrants into employment. Therefore, the ANC and the majority of South Africans cannot support the DA's call that only business should drive training. They failed 48 years ago.

The following evidence supports this total rejection, and previous experiences under apartheid are particularly pertinent here in that most white males benefited under apartheid. The nature of the so-called South Africa's skills crisis is such that most of our unskilled workforce is composed of historically disadvantaged persons. In order to ensure equal distribution and access to opportunities, government intervention is required. The disparities in South Africa are so vast that simply repealing discriminatory laws and allowing market forces to dictate training conditions cannot address them.

We know that, with the rise in population and the rise in economically active people, during the period between 1997 and 2000 there was an increase of 8,7 million to 11,4 million because of the legacy of apartheid which, of course, was reflected in the same *Mail and Guardian* he quoted from. He did not read the other part, which stated that Africans were about seven times more likely to be unemployed than any other population group if we didn't speed up, because of the past.

In response to these challenges, our President, for instance, last year called on Nedlac constituencies to start a dialogue which led to last year's Growth and Development Summit—which they failed to talk about. One of the themes was "more jobs, better jobs and decent work for all". Challenges dealt with were: how best to deal with the South African structural unemployment; how parties could commit themselves to millennium goal targets; how to spearhead public investment initiatives; how to make the Expanded Public Works Programme work towards addressing infrastructure backlogs; how to facilitate and give an account on sector strategies; and making procurement of government services accessible to all. The second theme was "advancing equity, developing skills, creating economic opportunities for all and extending services to all".

To this end, parties at Nedlac—which were

not represented by the DA but by government, business, labour and the community—agreed that they should accelerate efforts to overcome inequalities left by apartheid. That was agreed at Nedlac. [Interjections.] That member must behave. It was agreed that parties would work through the Setas to achieve the National Skills Development Strategy goal of ensuring that at least 70% of workers have at least basic literacy and numeracy by March 2005.

Parties agreed to strengthen the Setas. Nedlac will set key performance indicators and ensure annual monitoring and evaluation. In addition, parties will ensure more senior representation in the board by people who have a responsibility. That means whatever steps the Minister has taken have been dictated by an Act of Parliament, one which was passed in this House.

In conclusion, we should therefore note that constituencies at Nedlac recognise the important role the government has played in addressing challenges posed by the legacy of apartheid and incorporating the products of social dialogue in policy framework in a number of areas. More detail will be covered by my colleagues in terms of successes, but let me conclude in Sesotho.

Modula setulo, mphe sebaka ke kgutlele hae kapa bohweng. Bana ba DA, ba itseka ka phethoho tse tlisitsweng ke mmuso o eteletsweng pele ke ANC. Tebe-tebe eo ba re siileng ho yona, ya hore batho ba bangata ba ha bo rona ba seke ba ruteha, ha ba na tharollo ya yona hobane thuto ya bona e ne e ena le kgethollo.

Mesebetsing mane, nnakeneemosebetsi, ke bona ba neng ba ithut ka ditjhelete tsa difeme. Ho ne ho ena le di-Industry Training Boards, tse neng di laolwa ke bona, sepheo e le hore . . . *(Translation of Sotho paragraphs follows.)*

[Chairperson, allow me to go back to my roots. Those from the DA are protesting about the changes that the ANC-led government has brought about. They dug a grave for us when they caused a multitude of our people to become illiterate; they do not have a solution to that because their education was biased.

In the workplace I was an employee, and they were the ones who were given financial assistance by the company. There were Industry Training Boards that were under their authority, the reason for that being . . .] [Time expired.]

Prince N E ZULU: Deputy Speaker, the Seta under discussion today is demarcated into 13 constituencies, ranging from the national Department of Education, universities, trade unions, political parties, down to nongovernmental organisations with a budget of well over R77 million up to the end of March 2004. The Seta has underperformed, like its sister Setas, but nevertheless its flag is still flying on the country's landscape. It has plans to improve its performance, leading up to March 2005, especially in the areas of learners with disabilities and other special needs.

On numerous occasions the Minister has been reported as being gravely concerned about the performance of Setas in general. They are failing to provide the job market with the necessary skills. Rural youth and young women are the immediate victims of joblessness in the country. The high level of unemployment denotes a national crisis of proportions too ghastly to contemplate. This Seta will have to accept that a massive restructuring of it is necessary and cannot be avoided. It has to step up the initiatives it has set for itself to achieve.

The unemployment crises cannot wait any longer for Seta in the boardrooms before the upcoming generation is devoured by poverty and want. Foreign skills cannot be a lasting solution to our country's economic ills. The Seta has problems in the areas of accredited black training providers, the reluctance of some employers to commit to the idea of hosting learnerships within their organisations, etc. These obstacles can be dealt

with decisively if the Seta accelerates its speed and activism in the marketplace. The Seta has to make itself more visible in the regions and provinces in order to attract registration of learnerships in the areas of information and communication technology in rural areas.

It was unfortunate that ideas such as co-operatives and credit unions as a primary means of development of communities in rural and semi-urban areas were never canvassed. Co-operatives and credit unions build business confidence amongst their members, hence their motto: Education, knowledge and conviction in a sustained group action. This idea, if canvassed correctly, can afford their clients incredible outputs within the first five years of its implementation.

Interestingly, a presentation this morning by the Department of Labour revealed that a worker co-operative proposal was on the cards. One would hope that such proposal would be canvassed wide enough to make co-operatives and credit unionism a reality for young entrepreneurs. I thank you.

Ms S N SIGCAU: Madam Deputy Speaker and hon members, the need for skills development in this country is undisputed. In fact, the UDM supports the view that the lack of skills is one of the leading obstacles to greater economic growth, as well as domestic and foreign investment.

For the employer the skills development levy has become another tax, requiring further time and effort to comply with. As a result, many employers do not bother with accessing these funds, neither for training purposes, nor to participate more actively in Setas, since this would entail further time and administration that takes them away from their core business.

We urge government to urgently intervene in the management of these Setas to ensure that they are managed effectively. We believe that the overwhelming majority of employers are aware that greater skills development will be an asset, not only to their individual businesses, but also to the economy as a whole. They realise that more skills mean higher productivity. We recognise that the overall output of Setas have increased in the past few years. However, this is less an indication of success than a reminder of the previous low level of performance.

Whilst tens of thousands of people have benefited from skills development, the reality is that millions have yet to receive any benefit. I thank you. [Applause.]

Mr V C GORE: Madam Deputy Speaker, an ex-colleague of mine once said that the Minister had been in labour for nine months, but had not delivered. This may well be true, but perhaps a better description is that the current Minister has given birth to a child, perhaps a bungling, stumbling child, but a child nonetheless that requires nurturing and caring in order for it to grow up and achieve its full potential.

This is particularly relevant in today's debate on whether Setas are effective or not. Setas are fully committed to transformation. We passionately believe that dramatic and drastic action needs to take place in order to undo the damage of the past.

We believe that the great injustices of the past have resulted in great imbalances, and left an inheritance of great challenges. One of the greatest of these challenges must surely be unemployment and the associated scourge of poverty. There can be and there must be no debate on the solutions to the higher unemployment rate: skills, skills and more skills.

The Setas are an attempt to overcome the shortcomings in the higher educational sector to ensure the most efficient transfer of skills to as many previously disadvantaged individuals as possible in the shortest possible time. The idea is laudable and should be supported.

There have been some successes, and there

have been many failures. However, as we all know, nothing is perfect, and we are not going to get it right the first time. In this regard, we must be unashamedly brave in rooting out fraudulent service providers. We need to continue to support sector approaches such as domestic worker training and ensure that all learnerships are accessible for all people with disabilities, and not just a few token specially designated learnerships.

In conclusion, the ID is a party that wants to build and not destroy. We want to be part of the solution, and not the problem. We believe that Setas are delivering, but not fast enough. The Setas require much support and nurturing, some honest debate and introspection and the courage to fix what is broken and not to destroy what is working. Above all, hon members, we must ensure that we simply do not throw out our baby with the bath water. I thank you.

Mrs C DUDLEY: Madam Deputy Speaker, the ACDP believes the purpose for the existence of Setas is of tremendous importance to nation-building. It is critical for us to succeed in effectively facilitating skills development en masse in South Africa. While many unskilled and unemployed South African citizens have been empowered to create or find employment because of Seta training programmes, the concern is whether these successes are sufficient in relation to the number of people that have not managed to access the various Seta training initiatives.

It has been suggested that, in view of the amounts of money going into Setas, too few people have actually benefited and it is time to radically assess the situation in terms of value for money. Have we established whether or not the current approach is adequate for the task, or is there a need for a rethink in order to better meet the needs for mass education of unskilled and unemployed people? Should we be expanding the role of secondary and tertiary education institutions to take over these functions instead?

Problems facing some Setas include the old friends of bureaucracy, corruption and mismanagement; the inability to spend budgeted funds within given timeframes; funds being allocated to programmes and training that leave students without the relevant skills to make them employable in the formal sector; and not adequately reaching the intended target market of previously disadvantaged communities effectively.

What is it that has made some Setas successful while others have failed? My personal experience of helping people access a learnership through a Seta was fraught with obstacles. Surely, there must be a better way. Thank you.

Ms O R KASIENYANE: Thank you, Madam Deputy Speaker. It makes me really proud to stand before all here today to celebrate what this ANC-led government has managed to do in the past 10 years, particularly on the issues of skills development. Hon Mshudulu has already spelt out the situation and the political realities, which demand government intervention in skills development. However, allow me to briefly remind some who may have forgotten where we started from in 1994.

I believe that by now, every member of Parliament has received copies of the annual report of the 24 Setas. To those who have read the reports, like ourselves, we know that the Auditor-General's report qualified not a single Seta during the 2003-04 financial year. [Applause.] We have also read how Setas collectively contributed towards the achievement of a total of 69 000 learners by the end of March this year, and that this figure had since increased to 75 000 by the end of August this year. [Applause.] We know that Setas have contributed towards the training of a further 3,5 million adults in various skills programmes, apprenticeships, HIV and Aids, Abet and SMME initiatives.

I am saying this is the crucial time because there are two major processes that are currently under way: the Seta renewal of certificate of establishment process and the final negotiations process on the second National Skills Development Strategy 2005 to 2010.

Before the passing of the Skills Development Act in 1998, we had 33 industry training boards established under the Manpower Training Act. If the ANC government had not intervened, I am convinced that today we would be sitting with maybe 60 ITBs or more focussing on specific industries. We have since moved from a voluntary manpower training system that used to generate about R100 000 million per annum across 33 industry training boards to a compulsory skills development levy grant that is generating in the region of R3,9 billion per annum used by 25 Setas and the National Skills Fund. The amount of money involved in these processes has, no doubt, generated a lot of interest amongst politicians, the general public, the media, etc, to the extent that if I open a newspaper and there is no story about a Seta, whether good or bad, I become worried.

Despite the DA's call for Setas to be scrapped and the negative reports from the media, we are very supportive of the steps initiated by the Minister to review the Seta landscape and make the necessary adjustments as the situation in the next five years is going to be qualitatively different from the pre-1999 to 2000 period. We know that the Minister will consider the performance of each Seta over the last four years. On the advice of the National Skills Authority, he will align the new landscape with the new strategies and charters adopted by various departments. He will consider the views of the various departments and economics sector stakeholder, as these Setas are there to serve their needs and not only his department.

Setas are organs of people's power and we know that because they affirm 85% blacks, 54% women and 4% people with disability. [Applause.] These equity targets are something that is not welcome in the DA circles as they are aimed at enforcing transformation. The Portfolio Committee on Labour has interacted with nine Setas. Recently, the Banks Seta briefed us on its achievements. Everybody who attended that meeting commended this Seta on the work it has done. However, we also highlighted that they need to investigate ways and means to take their training programmes on microfinancing into the deep rural areas. They have given us a commitment that they will endeavour to do so. We all know that the rural working poor are among the most vulnerable in South Africa, and helping them achieve financial responsibility through this kind of training is just one way in which the ANC-led government is fulfilling our end of the people's contract.

There has been a real challenge in that several of our SMMEs have not taken advantage of the opportunities that are available to them through learnerships, and this is a situation that needs our serious attention. The problem cannot simply be that they find the administrative process too difficult, as some members of the opposition have been known to suggest. It is very dangerous to underestimate the level of sophistication of our people and I will suggest that business owners are more than capable of handling the administrative side of registering a learnership.

It is true that some SMME owners do not know which Setas to register their learners with. Obviously, this is an unacceptable state of affairs. We have sought and received assurances from various Setas that they will attend to this matter. We will also continue to use our multipurpose community centres, labour centres, constituency offices and other means of communication to make people, including the small business owners, aware of the opportunities available to them. We will strive to ensure that all South Africans are able to access these benefits.

Something that is of great concern to the ANC is that we must ensure that people who complete their learnerships go on to find jobs. As President Mbeki said during his state of the nation address, it is important to realign skills development to those areas where skills are scarce so as to ensure that we improve the capacity of these learners to ensure income-earning employment.

If 85 000 people have completed learnerships, then 85 000 people must find jobs. This realignment is an area we are attending to. Our skills development strategy that is going to be launched, of course in April next year, will draw on these and other lessons learnt in order to shape and direct our work in this arena for the coming years.

Setas play a fundamental part in the ANC-led government's vision to halve unemployment and poverty by 2014, and we cannot allow issues such as bad management, corruption and ineffective implementation to divert us from these goals. Equally, we cannot allow ourselves to be persuaded that we must leave something as fundamental as equity in skills development in the hands of market forces. The market by its nature is not overly concerned with issues of equity and we do not expect it to be. [Time Expired.] [Applause.]

Mr W D SPIES: Agb Adjunkspeaker, daar word dikwels gesê dat 'n mens versigtig moet wees om nie die baba met die badwater uit te gooi nie. Ek dink enige pleidooi vir die summiere skrapping van Setas loop, na ons mening, juis die gevaar om dit te doen. Daar is beslis tekortkominge in die huidige funksionering van Setas en as fasiliteerders van opleiding behoort Setas sentra te wees van uitnemendheid wat as rolmodel kan dien vir die industrie.

In ons voorbereiding vir hierdie debat het ons verskeie rolspelers geraadpleeg, en tipiese voorbehoude wat deur die mense genoem is, is die volgende.

Eerstens is daar 'n klaarblyklike onvermoë by sekere Setas om tydig aansoeke om akkreditasie deur verskaffers van opleiding af te handel en eenheidstandaarde vir sekere opleiding vas te stel. Tweedens is daar sekere belangrike groei-industrieë wat nie gedek word nie weens die onbuigsaamheid van sekere sektorale vaardigheidsplanne.

Derdens is daar ook by sekere werkgewers 'n neiging om die 1%-vaardigheidsheffing as 'n koste te beskou wat nie verhaal gaan word nie, en sodoende word eienaarskap vir opleiding en ontwikkeling op die owerheid afgeskuif. In die laaste plek is werkgewers ook onwillig om werknemers vir lang tye weg te stuur van die werk af vir behoorlike opleiding, en dit plaas ook sekere beperkinge op die opleiding wat verskaf word.

Ons as die VF Plus meen dat daar eerlik gekyk moet word na die tekortkominge, en die ontbrekende skakels moet in die proses gevind word.

Organisasies tree op volgens die maatstawe wat vir hulle ingestel is. Tans is die maatstaf vir die uitkeer van fondse die voldoening aan sekere burokratiese reëls. Indien die klem, na ons mening, verskuif word na uitkomste eerder as die nakoming van sekere reëls, kan hierdie hindernisse oorkom word en glo ons kan die stelsel beter werk. Baie dankie. *(Translation of Afrikaans paragraphs follows.)*

[Mr W D SPIES: Hon Deputy Speaker, it is often said that one has to be careful not to throw out the baby with the bath water. We are of the opinion that any argument for summarily scrapping Setas will run the risk of doing just that. Shortcomings certainly exist in the current functioning of Setas and, as facilitators of training, Setas should be centres of excellence that can serve as role models for the industry.

In preparation for this debate we consulted various role players and typical reservations that were mentioned, were the following:

Firstly, there is the apparent inability of some Setas to timeously process applica-

tions for accreditation by providers of training and to establish unit standards for certain training. Secondly, there are certain important growth industries that are not covered as a result of the inflexibility of certain sectoral skills plans.

In the third instance, there is also a tendency among certain employers to see the 1% skills levy as a cost that will not be recoverable, thus resulting in ownership of training and development being pushed onto the authorities. In the last instance, employers are also unwilling to send employees away from work for long periods of time to undergo proper training, and this also places certain restrictions on the training that is provided.

We as the FF Plus are of the opinion that the shortcomings should be reviewed honestly, and that the missing links should be identified in the process.

Organisations operate according to the criteria that are set for them. At present the criterion for the payout of funds is compliance with certain bureaucratic regulations. We believe that if emphasis is placed on outcomes rather than on compliance with certain rules, these obstacles can be overcome and the system will be able to operate more effectively. Thank you.]

Mr M T LIKOTSI: Deputy Speaker, the promulgation of the Skills Development Act, Act 97 of 1998, brought much hope to many unemployed youth and working people who perpetually worked below their level of qualification. This Act has brought some positive results in that some African people are being elevated to top managerial positions and others to senior management levels.

The percentage between 2000 and 2001 is about one percent, which does not reflect well on the good intentions of the Act. Our country has a high level of unskilled people of all ages. They are therefore unable to compete on par with their fellow countrymen and women who were advantaged all along. In order to develop our country to the level of a first world country, government should invest immensely in human capital.

The decisions of the Growth and Development Summit of June 2003 has yet to be implemented, thus weakening any endeavours for effective job creation in the country. The PAC is committed to compulsory and free education up to tertiary level. The state should increase the budget for education and streamline the curriculum as per the needs of our country.

We must all be committed to reshaping our country by providing skills to all those who must be capacitated. Business must play their part wholeheartedly in implementing the spirit of the Act. I thank you. [Applause.]

Ms S RAJBALLY: Thank you, Madam Deputy Speaker. The Setas were introduced largely to promote and enhance skills development in South Africa. The Setas are definitely a valuable instrument in overcoming the seriousness of poverty and unemployment by promoting the eagerness to build the South African economy.

The National Skills Development Strategy, launched in 2001 by the Minister of Labour, operates on the principles of target setting, monitoring and evaluation of the processes of skills development. This is valuable information in assessing our progress, loopholes and challenges in skills development. The 5 strategic objectives, 12 success indicators, and 3 equity indicators, which were then set as challenges for the Setas, in reality appear quite large.

From the report released in 2002 by the NSDS, it is clear that the more organised Setas were attaining greater progress. However, as recently reported in the papers, the Setas will not succeed in sending the minimum of 80 000 people through learnerships by March 2005. This has been blamed on the unrealistic target set in the strategy for the success indicator.

Furthermore, the setting and the manage-

ment of the majority of Setas are effective. The Minority Front feels that Setas have great potential in developing the necessary skills in South Africa. But this potential can only be effectively achieved if the correct tools and plans are implemented. Setas aim to promote skills development and act as mediators between learners, employers and trainers in learnership agreements.

In order to mediate, Setas need to be organised, well established and effectively managed. The co-operation of small and large businesses and their staff could assist in the effectiveness of Setas. The Minority Front calls for the architects to assist with regard to the loopholes in Setas, so as to stimulate actual potential in order to focus on skills development in South Africa. Thank you very much. [Applause.]

Dr E NKEM-ABONTA: Madam Chair, let us face the fact that unemployment is about our single biggest socio-economic problem. It is a very intractable problem, which has defied all standard orthodox attempts of dealing with Aids. Unless we try something radical, different, creative and pragmatic—something all our political parties and trade unions would support—the future would be bleak and even dangerous.

Yes, we could see our beloved country, as one commentator graphically put it, as a privileged, multiracial elite perched atop a simmering cauldron of repressed expectations that will never be met. Fortunately, such an Armageddon is not ineluctable if we all close ranks and tackle the matter in concert with resolve and creativity.

Our President has informed us that we have two economies in our country. The one is developed with employees enjoying protection and decent salaries, while the other is underdeveloped and rife with unemployment and lowly skilled or unskilled players. Millions of our unemployed belong to the so-called second economy.

The President's hypothesis of a two-economy system, or a two-tier economy, is useful, at least in one respect. It naturally suggests a two-tier type of solution. I would therefore accept it for the purpose of this speech. We could retain our current market labour legislation arrangements for the first economy, despite the inefficiencies they engender, if only for the fact that neither the government, nor the trade unions, want to see any dilution of the first economy employee privileges.

For the second economy we ought to try something new. Most players in the second economy are willing to work for much lower wages and lower levels of protection than that obtained in the first economy. Currently they cannot do so, because our labour laws do not allow them. Since these second economy players are insufficiently skilled for work in the first economy, employers are reluctant to hire them at first economy levels of protection and wages.

The results have been, of course, high structural and growing unemployment. Unemployed persons in the second economy should be freed from our current labour laws if they so desire. The solution, as I have already hinted, is a two-tier labour market. Persons who have been unemployed for more than six months should, on request, be given the certificate of exemption from current labour laws. Employers of such persons would also be exempt from the consequences of such legislation.

I would be free to enter into a job contract with a holder of an exemption certificate. A person so employed would still be protected by common law. Such an arrangement will encourage the employment of the unskilled and lowly skilled, affording them the opportunity to acquire on-the-job skills and to build an employment record.

So empowered, they will be able to exit the second economy and obtain employment in the first economy, which would be expanding as a result of the gains made by relaxing legislation for the second economy. In this

way, a bridge is built between the two economies, which would one day disappear after the first economy shall have absorbed the second. Thank you.

Mr M S MANIE: Madam Deputy Chair, the thrust of what Mr Lowe was proposing to us is that we should scrap all the Setas that we have set up and go back to the old dark days of apartheid, where only business could decide, on its own, whether it should train or should not train people. Now, if we cut away all the trimmings of what he has said and how he said it, that is, in fact, what he has proposed to us.

I must say I find it strange that after having been exposed to how we have worked, setting up the Setas, he could come up and propose a debate that is based on, in fact, such . . .

AN HON MEMBER: Reality!

Mr M S MANIE: Reality! In fact, the old reality of what existed there is what they now want to reintroduce. However, we are not stupid anymore. We are now 10 years into our new democracy and we can see through these things. [Applause]

Now, let us look at what we have proposed. We've taken our economy and divided it into 25 economic sectors. We said, instead of doing it the old way, let the people in the industry, organised business and organised labour come together and, based on the needs of the industry and the sector, together, determine what the needs of the industry are. Out of that, you will develop what courses, what training and what strategy you have. Doesn't that sound a lot better than saying we should scrap the whole thing and do it the old way? [Interjections]

Anyway, I think the fact that Mr Lowe is suggesting that unemployment in South Africa is due to the nonperformance or underperformance of Setas, just gives me an indication that he is not the kind of person that one should trust to solve the unemployment problem. [Applause.] What he will do is to come up with something that suggests that unemployment can only be solved by addressing the skills problem.

Skills, of course, are an important component of our economy as a whole and must be addressed. However, you cannot just address that in isolation and say there is a skills problem and, therefore, we have unemployment. That is very narrow and simplistic and I hope some of the people who voted him into Parliament will wonder why the man is here, especially when he comes up with such very narrow and simplistic solutions. [Applause.]

Let me just say that the question of learnerships was one of the things that Mr Lowe referred to, but it's not just a question of learnerships. We all acknowledge that, because of Bantu education, because of the old apartheid system and because some of you are sitting there and shouting so loudly now, you have been party to some of the reasons that we have the skills crisis in our country. [Applause.]

Obviously, we could not leave the thing as it was, but it is not just about learnerships. We need to upgrade the complete skills base of our country. We all understand that. Even young children who are in primary school understand it, so it's not something that we have to be told. We know that it is an important component, but it is also training that goes beyond just learnerships, training that looks at not only white-collar workers and skilled workers, but also at people throughout the labour market. I think that is what we are talking about.

Now, because most of what my comrades said here previously, covers what I wanted to say, I just want to end off by saying that I acknowledge that setting up the 25 new Setas did not happen without problems. However, let's look at what had to be done. In certain cases, it was easy to take some of the training institutions and training boards and convert them to form the basis of the Setas. In other sectors and industries, we

actually had to create completely new entities from scratch. We had to create the infrastructure, we had to staff them and we had to create the kind of systems to actually make it operate.

Obviously, whilst we were doing that, we were not then able to spend the money that was accumulated to spend in that sector, because we said that before we start training in that sector, the sector should come up with a skills plan for itself, so that the kind of people that are trained in that sector can actually be absorbed in the sector.

I know that when I was a young man and people were trained as apprentices, in the old days, there was very little or no correlation or connection between your apprenticeship training and what was actually required of a person going out into the field and doing the work. Many people saw that as a problem, but in the old days, the system said things had to be done that way.

I remember when I did an apprenticeship in electronics we were doing integrated circuits and transistors every day, but the theory that they taught us and the things that we were tested on were the old valves. I don't know if people understand electronics. [Interjections.] However, for those who do understand, if you take that and apply it where people did motor mechanics apprenticeships, they would be tested on outdated engines and gearboxes that did not exist any more and when they qualified they would have to go and practise on things that were not related to what they had been tested on.

So, obviously, we had to overhaul, radically, that kind of system and produce people at our training institutions who could be absorbed into our actual industries. I think we have done an enormous amount of work, but there is a lot more to be done. However, I think we have to acknowledge that some of these things are not going to be without problems.

In conclusion, I just want to say that when I listen to some of the proposals of Mr Lowe and company, of how they would like to do the training in this country, then I feel extremely happy that they will never have the chance to rule this country and put those proposals into place. [Laughter.] [Applause.]

Mr C M LOWE: Chairperson, thank you very much and thank you to the speakers for taking part in the debate this afternoon. It's a great pity that so many ANC speakers did not use the opportunity to really address the issues and actually face up to some of the realities, Mr Manie.

For the first time this afternoon, I realise why the ANC removed you as Chairperson of the Portfolio Committee on Labour. [Interjections.] This afternoon, we failed the 8 million unemployed people of South Africa, and we failed the people that are looking for skills, development and training.

Mr Manie asked about some realities. Let me share some realities with you. Up to 8,4 million people are unemployed and there is something like 500 000 skilled jobs that we cannot fill, and yet you are talking about 69 000 or 75 000 learnerships that are being created. That is not even 1% of the problem.

Then, if we even take those 70 000 learnerships, less than 10 000, which is 14%, of those learners actually complete their courses. What I want to say to you this afternoon is that the reality is that we are failing, and I would have hoped that the ANC would have joined us so that, together, we can find solutions. [Interjections.]

It is not working. The Setas are not working. We accept that the ANC will need to fundamentally change the framework and the strategy of what has happened in the past but, recalling the horrendous racist apartheid skills and the Bantu education, as true as it is, that is not relevant. I would refer you to your MP colleagues who are not even here this afternoon and who are now your allies. They were the ones who put that into place.

What happened in the past does not help at

all. It was wrong and we need to change it. We need to stop living in the past and look to the future. Summits and strategies have their place but they are no solutions. That is the problem: We have got no solution before us today, a year on from the Growth and Development Summit, and we are no closer to filling that job deficit of 8 million people. That is the problem we have to face. Attacking the DA won't create new skills, it won't find more jobs and it certainly won't solve the problem.

I want to make an offer this afternoon to the ANC on behalf of the DA. We are open to an answer. We are there to sit down and make it work. That takes more than rhetoric. Thank you. [Applause.] [Time expired.]

Debate concluded.

The House adjourned at 16:18.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

FRIDAY, 22 OCTOBER 2004

ANNOUNCEMENTS:

National Assembly and National Council of Provinces:

1. **Membership of Committees**

   (1) Mrs W S Newhoudt-Druchen has been elected Chairperson of the Joint Monitoring Committee on Improvement of Quality of Life and Status of Children, Youth and Disabled Persons with effect from 22 October 2004.

   (2) Mr D D Gamede has been elected Deputy Chairperson of the Joint Monitoring Committee on Improvement of Quality of Life and Status of Children, Youth and Disabled Persons with effect from 22 October 2004.

National Assembly:

1. **Messages from National Council of Provinces to National Assembly in respect of Bills passed by Council and transmitted to Assembly:**

   (1) Message from National Council of Provinces to National Assembly:

   Bill, subject to proposed amendments, passed by Council on 21 October 2004 and transmitted for consideration of Council's proposed amendments:

   (i) ***National Energy Regulator Bill*** [B 9B—2004] (National Assembly—sec 75) (for proposed amendments, see Announcements, Tablings and Committee Reports, 14 October 2004, p 868).

   The Bill has been referred to the ***Portfolio Committee on Minerals and Energy*** of the National Assembly for a report on the amendments proposed by the Council.

   Note: The Announcements, Tablings and Committee Reports of 21 October 2004 incorrectly indicated that the Bill has been referred to the Portfolio Committee on Finance.

2. **Membership of Committees**

   Ms M P Mentor has been elected Chairperson of the Standing Committee on Private Members' Legislative Proposals and Special Petitions with effect from 22 October 2004.

TABLINGS:

National Assembly:

1. **The Speaker**

   Letter from the Minister of Social Development dated 21 October 2004 to the Speaker of the National Assembly, in terms of section 65(2)(a) of the Public Finance Management Act, 1999

(Act No 1 of 1999), explaining the delay in the tabling of the Annual Report of the National Development Agency (NDA) for 2003-2004:

Dear Madam Speaker

EXPLANATION ON THE LATE SUBMISSION AND TABLING OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE NATIONAL DEVELOPMENT AGENCY FOR THE YEAR ENDED 31 MARCH 2004

The National Development Agency (NDA) is a Public Entity that is listed as a Schedule 3A of the Public Finance Management Act, 1999 (Act No 1 of 1999) [PFMA] and reports directly to me in my capacity as its Executive Authority.

In terms of section 65(1)(a) of the PFMA, I am required to table in the National Assembly the Annual Report and Financial Statements of my department and public entities reporting to me. Sub-section (2)(a) further requires me to table a written explanation in Parliament in circumstances where I am unable to table such reports within six months of the end of the financial year (i.e. 30 September 2004), setting out the reasons why they were not tabled.

In this regard I would like to report that I was unable to table the annual report and audited financial statements of the NDA for the year ended 31 March 2004 for the following reasons:

1. The finalisation of NDA's annual audit by the Office of the Auditor-General was delayed because of the problems and management challenges faced by the NDA during the period under review, including:

1.1 The late submission of annual financial statements of NDA to the Office of the Auditor-General by a period of two weeks due to the adjustments that had to be made on them before the audit could be commenced; and

1.2 The fire that broke out at NDA offices in July 2004 whilst the audit was in progress, which destroyed some financial information, which was essential for the completion of the audit. The auditors had to carry out additional alternative procedures and in some instances repeat the work previously performed in order to verify some of the information submitted to them as audit evidence following the fire.

The NDA Board has recommended the appointment of the Chief Financial officer to take over the work currently done by the consulting firm, KPMG and the post of the Chief Financial Officer has been advertised. I believe that the filling of these two critical positions will assist in improving financial and strategic management and bridging the leadership gap at the NDA.

The audit has now been completed and I expect to table the Annual Report of the NDA in November 2004 as soon as the Board submits it to me. I trust that this motivation will receive favourable consideration by Parliament.

Kind regards,

signed

Dr Z S T Skweyiya, MP
MINISTER

COMMITTEE REPORTS:

National Assembly:

1. Report of the Portfolio Committee on Agriculture and Land Affairs on Study Visit to KwaZulu-Natal, Mpumalanga and Limpopo, dated 12 October 2004:

The Portfolio Committee on Agriculture and Land Affairs, having undertaken a major study tour of KwaZulu-Natal (KZN), Mpumalanga and Limpopo from 1 to 13 August 2004, reports as follows:

1. Background to the Study Tour

1.1 The Portfolio Committee undertook a Provincial Oversight Visit to KwaZulu-Natal; Mpumalanga and Limpopo from 01 to 13 August 2004. The delegation was a multi-party committee under the leadership of the Chairperson, Mr NH Masithela (ANC) included Ms BM Ntuli (ANC); Mr DM Dlali (ANC); Ms HM Blose (ANC); Mr Z Kotwal (ANC); Mr BA Radebe (ANC); Mr TDH Ramphele (ANC); Dr EA Schoeman (ANC); Mr AH Nel (DA); Mr MV Ngema (IFP); Mr J Bici (UDM) and Mr PJ Nefolovhodwe (AZAPO).

The following staff members accompanied the delegation for support: Mr J Boltina (Committee Secretary); Ms Z Jara (Committee Assistant); Ms N Mafani (Secretary to the Chairperson) and Mr V Ngaleka (Researcher). Department of Agriculture was represented by Mr Bonga Msomi (Senior Manager: Land Use and Soil Management); Mr Richard Selemela (Directorate Land Use and Soil Management); Ms Saloshna Moodley (Directorate Land Use and Soil Management) and Mr Adam Mthombeni (Parliamentary Officer).

The Members of Provincial Legislatures on Agriculture and Environmental Affairs accompanied the delegation in their respective Provinces.

1.2 The purpose of the visit was two-fold. Firstly, it was to inspect projects funded by the Department of Agriculture and Land Affairs (Department) under the Land Care Programme in the Department in the three provinces. The Land Care Programme is one of the key rural development programmes of the Department since 1998. It is a programme that is informed by the Integrated Sustainable Rural Development Strategy of the government. Its objective is to foster community involvement in the management of the environment and natural resources, while improving the quality of community life. It promotes the use of soil, water and vegetation resources in a responsible manner for the benefit of the current and future generations. There are about 346 Land Care projects around the country. The Land Care Programme focus is on Watercare, Veldcare, Soilcare and Juniorcare.

1.3 Secondly, the purpose was to visit land restitution projects that have been undertaken by the Land Claims Commission. The Portfolio Committee had decided to focus on the land restitution because the process was entering its final

stages. The land restitution programme has restored or is the process of finalising the return of commercial lands to communities that were disposed of their lands.

1.4 The delegation held sessions with officials of the Provincial Departments of Agriculture, Land Claims Commission, stakeholder such as the communities and beneficiaries of the projects. In some instances, the delegation spoke to the previous and/or current owners of land that is being claimed.

1.5 The report sets out the findings and recommendations of the delegation as it emerged from the presentations by the various stakeholders. It also provided an analysis of the salient issues that were identified in the three provinces and it also extracts the common problems identified and recommendations put forward for action.

2. KWAZULU-NATAL PROVINCE

2.1 Day 1 - (02 August 2004)

Provincial Department of Agriculture and Environmental Affairs

The delegation met with the Acting Head of the Department of Agriculture and Environmental Affairs in the province, Dr Dludla. The Chairperson of the Portfolio Committee, addressed the meeting on the purpose of the visit. One of the reasons was to check the extent to which policies and budgets approved by Parliament were being adhered. The other reason was to meet the beneficiaries, to assess successes and failures that were being experienced by the projects. Dr Dludla briefed the delegation on the role of the Department. The Department had just finalised streamlining itself from operating 5 regions to 2 regions. It now has one head office instead of two head offices. The Department has three main areas. These are:

- Agriculture
- Environmental Affairs
- Wild Life

The Environmental Affairs component was inherited from the former Traditional Affairs Department. A Chief Executive Officer, together with a board, manages the Wild Life component of the Department separately.

The Department began to take seriously landcare in KZN in 1998. The first grant for landcare was received in 1998 from the national Department. In the first years, there was not much that happened. The concept was new and it took sometime to be assimilated by both the officials of the Department and the communities. The concept of landcare was most appropriate to KZN at it was one of the most rural provinces. However, most people in the province did not adhere to practices that promote land

preservation and productive use of land. The consequences are land degradation, infestation by alien weed, water scarcity, poor land management and soil erosion. The Department adopted a community-based approach to land care, which does not only focus on land preservation, but it also promotes food security and poverty alleviation. There are five major elements to their community-based approach to landcare:

- Awareness programmes to restore productivity of land
- Capacity building to ensure sustainable and productive use of land
- Implementation of new methods of land use
- Monitoring and evaluation of landcare impact
- Policy and research

Key achievements:

- In 2004, a Landcare Steering Committee was set up to drive the programme in KZN
- Workshops were held for the stakeholder for the Landcare project owners
- Inactive projects have been visited and activated through training
- Landcare staff attached to projects to facilitate and administer them

Challenges:

- Buy-in from the Regional Manager of the Department
- District Landcare facilitators to be identified
- Capacity building on implementation of Landare
- Monitor and evaluate mechanism set up to implement Landcare
- Forge partnership with relevant stakeholder, that is, IDPs, Public Works Programme
- Promote participation of women in the projects

Issues for further clarity:

- In the discussions that ensued, the delegation identified the matter of rollover as still a problem that needs focused attention. At the moment, the rollover is at R1,5 million. The Portfolio Committee will liaise with its Provincial counterpart, the National Department and the Ministry on the issue of rollovers after it had deliberated on the visit and when preparing its report for Parliament.
- The Department must within three months report on how the money will be used as well as providing implementation of the programme within this regard.

KwaDindi

At KwaDindi, the Committee delegation met with the community and farmers. The delegation was addressed by the community leaders on the implementation of the landcare projects in the community, which were soil restoration and water preservation. The community used local labour in the construction of the contours and the water tank.

In the first financial year, 2000/01, the community was granted R100 000 by the Department. In the second financial year, 2001/03 they were granted R200 000. The people working on the project were paid R20 in the first year and R30 in the second year.

The youth in the community had set up Fish Farming project with the help of the Eskom. The fish project is still at its infancy.

Achievement:

The community has build contours that are restoring and preventing further soil erosion. The contours also protect the communities from rain floods that have been threatening communities living below the mountains. It has also successfully built a water tank for the community that provide water for human consumption and irrigation of gardens and fields. The farmers have managed to set up a farm that produces poultry and agricultural produce.

The Portfolio Committee noted with satisfaction that the community work together. It saw the traditional leader, councillors, provincial and national government working together. The youth and women are actively involved in community projects such as the Fish Project.

Challenges:

The Portfolio Committee noted that the projects needed to be strengthened in terms of both financial and personnel resources.

The Community expressed a desire to be assisted and trained to acquire expertise in production methods.

The community is in short of seeds, tractors that are affordable.

The Fish Project needs government involvement in one way or the other in order to ensure sustainable management of the project.

The long-term sustainability of the LandCare Project was that it still needs financial support for completion and long-term sustainability.

Engadini Land Restitution Project

The Portfolio Committee met the Provincial Land Commissioner, Ms Shange and the beneficiaries of the land restitution programme. About 100 people had submitted a land claim. Out of the 100 people who had claimed, 11 people opted for an alternative land while the rest opted for monetary compensation. The land is about 124 hectors. They received cattle and equipment. The project is involved in dairy farming. The farmers have received support from neighbouring farmers. Besides the dairy farm, the farmers produce maize, cabbages and run a bakery.

Achievements:

The farmers managed to ensure that the farm does not lie idle after the transfer. They have also branched out into maize production, vegetables and a bakery.

They are planning to have a bread and breakfast, and acquire a further 20 cattle.

Challenges:

The farm is not completely fenced and they need assistance from government in that respect.

They need more milt buckets and milking equipment.

They have had problems with securing a stable market for their milk.

They have problems with water as their dam has dried and the farmers have ploughed trees, which contributes to the drying up of the water dam.
They operate a very old tractor that constantly needs repairs.

Recommendations and Issues for clarification:

The PC noted that the Department of Environmental Affairs need to look at the issue of tree planting close the dam of the farmers. The Department of Agriculture should assist the farmers in that regard.

The Department officials undertook to finalise the fencing of the farm.

2.2 <u>Day 2</u> - (03 August 2004)

KwaXimba Land Restitution Project

The Land Claims Commission and the beneficiaries of the land restitution programme at KwaXimba hosted the Portfolio Committee delegation. The project has 600 beneficiaries over 4 800 hectors of land. The beneficiaries opted for land instead of

financial compensation. The property is well developed and was purchased at a price of R22 million. The Land Claims Commission has paid 50% of that amount and is in the process of negotiating an exit package for the landowner. An amount of R1. 3 m has been set aside for operational expenses to assist the farmer to continue with the business. The proposed use of the land by the beneficiaries includes land for settlement, grazing, commercial farming, game, eco-tourism and access to ancestral graves. The beneficiaries intend to form co-operatives to run the 6 properties. The Board of Trustees that runs the project on behalf of the community has development plans in place.

Achievements:

The community has developed a vision, with concrete development plans in place. It has struck partnerships with the surrounding municipalities, such as eThekwini and uMngungundlovu. Financial institutions such as IDC, Ithala and Khula will also become on board.

The community has a game farm and guesthouses that were in good condition. The community has plans to build 20 new chalets. It has over 1000 game species in the game farm.

Challenges:

Since the claim was lodged, the business has come into a standstill. The Portfolio Committee found that problematic as it lead to a faster depreciation of the property. It will also cause star up problems later.

Recommendations / Issues for Clarification

The Portfolio Committee was of the view that means should be found to ensure that businesses continue to be run whilst the claim is still being processed. In the case of landowners that fail to be cooperative, measure should be found to discourage that behaviour.

Bergville (Emmause) Landcare Project

The Bergville Landcare Project has a land care and soil conservation projects. It is covers 50 000 hectors of land. A household is allocated on average 1 hector. The community was critically supported by the Agricultural Research Council (ARC) to institute soil and water conservation. The farmers were taught new ways of land tillage and crop cultivation. The farmers produce mainly maize, dry beans and soya beans. The yield of the land was 1 to tons per hector. It has subsequently increased to 4 tons. The ARC has trained 25 leader farmers, who in turn have trained 70 farmers in the Mpontsile area only.

Achievements:

The Portfolio Committee noted the problem of the small size of farming land available to a household. It is not possible to run commercial farming except to farm for home consumption.

Challenges:

The community does not have a tractor, lime, fencing and a milling machine. They need more arable land except that in the area there is not room for acquiring any more land. Although there is water that a commercial farmer nearby has, the community has little access to water.

Meeting with the South African Sugar Association (SASA)

The presentation, on behalf of SASA, was done by its chairperson, Mr Roger Stewart. It focussed on:

- The economic location of the sugar industry
- The sugar markets in the world context
- BEE
- Regional economic development
- Sugar industry challenges and
- Government support for the sugar industry

Government support for the sugar industry is focussed on three areas:

- Customer tariff protection
- Equitable share of export exposure, provided through legislation and industry agreement
- Support for broad based BEE

The SASA identified the following challenges:

- The Rand exchange rate impacting negatively on intended level of tariff protection
- Adverse weather conditions resulting in 12% drop in production
- Incentivised Industry Expansion dilutes overall industry returns
- World price of sugar eroded by subsidy induced overproduction
- Domestic sugar market steadily eroded by the preferential access granted to some regional sugar producers.

2.3 Day 3 - (04 August 2004)

The Mangethe Land Restitution Claim

The community was still defending the Mangethe land claim in court. The Land Claims Commission that its decision will be vindicated by the High Court. The beneficiaries and the Commission briefed the Portfolio Committee. The community had initially claimed 1000 hectares of land. The community has acquired 750 hectors so far. The valued of the claim was R14 million. There are 199 beneficiaries of the land. The community received R4, 8 million, which is managed by the Ithala Fund Management. The amount had been set aside for production. The land is mainly as a commercial sugarcane business. The community intend to set aside land for settlement, eco-tourism, cattle farming, goats and explore alternative crops for the land.

Achievements:

The Portfolio Committee noted that the beneficiaries have opted for a professional manager to run the farm along business lines. The community seems to have financial and personnel management system in place.

The community has, besides the Trust, set up a registered company Bhekamafa (Pty) Ltd to trade on behalf of the Trust. Furthermore, they have managed to set up accounts with suppliers.

The municipality has come on board to provide the community in term of its IDP plans. The Sugarcane Association has offered to support the farmers in terms of training and capacity building.

A number of institutions are on board to support the farming community, such the National Department of Agriculture in terms of extension and advise.

The community intends to opt for 1-year leases for that area it does not use and for the forest to go for an equity partnership

Challenges:

The Mangethe land restitution project is the largest commercial project of its kind in the KZN and it therefore poses tremendous challenges in terms of ensuring that it continues to be a successful commercial venture.

The farmers do not have sufficient tractors. They need fertiliser, access to markets and diversification to counter the negative impact of a saturated sugar market.

Issues for clarification

The Portfolio Committee was once more emphasised the need to have a transitional mechanism in place as demonstrated by the cooperation of the previous owner. The previous owner continued to pay the workers while the matter was being processed.

3. MPUMALANGA PROVINCE

3.1 Day 1 - (05 August 2004)

Mlondolozi Landcare Project

The objective of the Mlondozi Landcare project is to provide for food security in the poorest parts of the province in order to alleviate poverty. It intends to do so by developing a sustainable infrastructure and human resources. Its goal is to have a significant impact on households led by single women who are breadwinners.

The project has been in existence for about 5 years. About 164 farmers were selected to be part of the project on their accessibility of the farms and whether their fields are fenced. The projects began as a small liming project and expanded into livestock production. The problem in the Mlondozi area is lack of rainfall and the soil lacks nutrients. The community began with trial runs by planting in areas where they had used lime. They introduced non-tillage technologies, which does not erode the soil and is less costly. The community saw an improvement in its yields.

Achievements:

Initially, the project was covered an area of 4000 hectares of arable land in the Mlondozi community with the cost born by the government. The yield of the farms improved.

A number of farms joined and adopted the non-tillage technologies. It has expanded into exploring the production of crops such as maize, sunflower, dried bens and soya beans.

Challenges:

The community face the issue of whether it will be able to continue with the project without the government support. The lime that is suitable to the area is obtained from the Northern Province, with the result that the cost of the lime is very high.

The farmers have problems with access to the market, transport, training and capacity building.

Issues for clarification

The Portfolio Committee noted the need for an exit strategy by the Department to ensure that the project does not collapse when it ultimately withdraws.

The Department should attempt to assist with access to markets, mill machines.

The Department has to explore the issue of water provision through either boreholes or dams for the community.

Mashego / Mndlui Restitution Project

The Land Claims Commission granted the claimants restoration of their land in 2003 and 2004. The property was returned to the two communities at the value of R63 million. It benefits about 500 Mdluli households, 600 Mashego households and 850 current occupiers of the land. The previous owner is the HL Hall and Sons Pty Ltd. The new owners are in the process of acquiring the necessary managerial, marketing and farming expertise from a mentorship programme under the guidance of the HL Hall and Sons Pty Ltd. The current land use includes pecons, litches and sugarcane plantations.

The Mashego part of the land is made up of 774 hectares of land. About 327 hectares of that is for sugarcane plantation, 135 for grazing and 213 is for arable land with water rights. The clan intends to diversify into poultry, piggery, tourism, bread and breakfast.

The Mdluli clan has set up a Trust to run the enterprise. They have embarked on a number of exchange programmes, locally to Zebediela and internationally to the United Kingdom.

Achievements:

The projects have continued to operate both during the negotiations and after the restitution has been finalised.

There are processes in place to transfer skill to the new owners.

Challenges:

The issue of access to markets, packaging, and sales services is still problematic. These problems are compounded by the fact that the farmers do not have a transport to ferry the sugarcane and the machinery for processing. The farmers therefore still need the support of the Department.

Issues for clarification

The Portfolio Committee noted the successful transition that was managed by the Land Claims Commission. It further noted the challenges faced by the farmers and the continued need for support from the government.

Meeting with the Sanford land owners and Claimants

The Portfolio Committee met with the Sanford landowners and claimant. The meeting arose because the two delegation were unhappy about the manner in which the restitution in relation their land was processed.

The claimants were making an appeal to ensure the process is completed quickly. There are investors waiting to invest in the land and are unable to do so because of the delays.

The meeting resolved that the Portfolio Committee would consider the submission made at its formal meeting. It requested the Land Claims Commission to submit its response to the claims and allegations, and on how the matter will be resolved.

Issues for comment

The issue of the process of valuation claims need to be attended by the RLCC.
The Portfolio Committee aligns itself with the sentiments expressed by the Deputy Minister that land -owners should desist from inflating prices of land under restitution.

3.2 Day 2 - (06 August 2004)

Schulzendal / Ehlanzeni Landrace Project

The Portfolio Committee was welcomed by the MEC, Ms Nomsa Mtsweni, at Ehlanzeni Landcare. There are 30 landcare projects in the district. Of the number, 14 of these projects are soil rehabilitation and 16 veld improvement projects. The projects are community driven and receive about R3, 000, 000 from government.

The veld improvement project at the Matshamo Traditional Authority consist of 155 farmers who are farming over an area of 3000 hectares of land with 2 500 ngunicattle.

The Mawewe project is also focuses on veld improvement. The community is involved in cattle, goats and game farming. It is curbing erosion of dams. There are about 300 livestock farmers covering an area of 9 200 hectares of land. They have about 4 900 livestock as well an unknown number of game species.

Achievements:

There is overwhelming community support for the projects in all the areas. The Department has trained the community on production principles that ensure sustainable use of resources.

There are proper veld management and landcare management system in place.

The farmers are adhering to recommended carrying capacity of the land.

Challenges:

The community need to balance at all times production with sustainable utilisation of land resources.

They have to battle with bush encroachment such as the lantana.

Giba Land Restitution Project

The Portfolio Community met the Giba Community, which is under Inkosi Mathebula. The land they had claimed used for the cultivation of banana, litches and ginger. The new owners have entered into a partnership with the South African Farm Management. SAFM is a private company that was set up to enable emerging farmers to enter mainstream formal and commercial agriculture. The Minister has signed the heads of agreement with the SAFM. The company and the new owners are in the process to sign a fifteen-year lease. In terms of the proposed lease agreement, SAFM will organise management and finance on behalf of he community. However, the farm will carry the risk. SAFM does not invest money into the project but will be entitled to profits during the duration of the lease agreement.

Achievements:

The land transfer has been completed. Out of the 15 farms, 2 are in a good state.

The Committee that runs the farms on behalf of the community has 25 members, 6 of whom are women.

Challenges:

The farms have not been able up till now to break-even. The income in 2003 was R542 000 and expenditures R1, 6 million.

The company is constrained to lay off workers it had inherited to reduce costs because of the terms of the transfer.

The rest of the farmers are not in a good state. Three of the farms are in a fair state and 10 in a very bad state.

Recommendation:

The Portfolio Committee requested that it should be furnished with the agreement signed by the Minister and the proposed 15-year lease agreement.

4. LIMPOPO PROVINCE

4.1 Day 1 - (11 August 2004)

Koringkopies Landcare Project

The Portfolio Committee visited the Koringkopies landcare project that began in 1999. The project had two phases. The first phase of the project began in April 2000 to September 2002. Its activities included 2,756 km fencing, building of 1,7 km concrete canal, drinking trough, 144 hectares garden, upgrading of 2 storage dams and soil conversation. The expenditure incurred by the Department was R924 770, 00.

The second phase began in August 2003 and is coming to an end at the end of August 2004. It has been allocated a sum of R891 000,000 .The second phase includes a 11, 4 km fencing, soil conversation, 8 hectares de-bushing and building of irrigation canals.

The members of the committee have been trained in bookkeeping, veld management, community development, livestock management, gabion making and veld fire protection.

In the future the Committee of the project plans create a tourism park, upgrading of 2 storage dams, fencing the remaining 6,5 km and make further gabions. It intended to use its acquired skill in gabion making to generate funds.

Achievement:

The Portfolio Committee noted the sterling work that had been done by the community with the assistance of the Department. The community seem able to manage finances allocated to it properly, and effectively and efficiently.

The project was awarded a medal and a floating trophy for being the best land care project in the Limpopo province.

Challenges:

The project would like assistance to an amount of R4 million in order to complete the project and put in place an exit strategy for the Department. In addition it indicated that require skill in marketing.

Issues for clarification

The Portfolio Committee noted and requested the Project Committee to submit a copy of its business plan that indicate how it had arrived at the figure of R4 million that it requires for assistance. It requested that the business plan should be submitted as a matter of urgency.

The Elandskraal Irrigation Scheme

The project began in 1987. The purpose was to turn the community into commercial farmers.. The Department of public works gave them a grant of R4 million for infrastructure development in 2001. Subsequently, 138 hectares of land was added to their land. Because of the additional land, there are 28 farmers who are in operation. A further R2 million was allocated for another infrastructure development in area that covers 34 hectares.

The farmers have been trained conflict resolution, animal husbandry, bookkeeping, project management, and scheme project management.

Currently, the farmers are utilising about 496 hectares of the land, with 85 being not utilised. There are in total 196 farmers involved in the project. Out of the 196, 94 are men, 57 women, 10 disabled people and 35 young people.

Achievement:

The Portfolio Committee was impressed by the spirit of "Vukuzenzele" that was demonstrated by the community. It had been able to overcome many hurdles from the past such as between traditional leader, community structures and the youth.

The Department had done sterling work in extending services to the community through its extension officers and by training the community in a variety of skills.

Challenges:

There is a problem of theft of crops and shortage of pipes for irrigation.

Their income is one a year. That is after harvesting. However, since they are renting the land from the government, they must pay R15 per hectare a month. They found that that was a problem, which they would to see it addressed.

There are 15 boreholes in the area but they can only utilise one of them.

The farmers have problem regarding harvesting time. Because emerging farmers rely on the surrounding commercial farmers for machinery, their harvesting is always late. They would like to be assisted with a tractor and other agricultural equipment to reduce their dependence on the commercial farmers.

The Independent Development Trust (IDT) has appointed a contractor that does not communicate with them. They request the Department to intervene on the matter.

Lastly, the farmers are indebted to the Land Bank and are experiencing problems with the repayment of the loan.

Issues for clarification

Portfolio Committee requested the Department to look at the matter of the IDT contractor with the aim to find an amicable resolution. It also requested the Department to investigate the issue of the loan and see what relief could be obtained.

42 Dav 2 - (12 August 2004)

Zebediela Citrus Farm

The Land Claims Commission on the acquisition of the Zebediela Citrus farm briefed the Portfolio Committee. The farm was previously a government property. The community lodged a claim for the return of the land.

The community entered into a strategic partnership with the Hendy Fruit Group to form the Zebediela Citrus Estate (Pty) Ltd. The company pays a yearly rental to the Bjatladi CPA of R1 million. The shareholding in the company is as follows:

- The strategic partner 55%
- Bjatladi CPA 30%
- Workers Trust 15%
- Molemoe Tribal Authority 2%

The government chose the community a settlement grant of R16 million. The grant has been used to rehabilitate roads, fencing, boreholes and electricity. The strategic partner is supposed to contribute R50 million for the running capital of the company. The strategic partnership is meant to run for 15 years.

The CPA intends to upgrade the packing facilities, the dairy project, livestock production, plant production nuts and grapes.

Achievement:

The community seem to have a plan to revitalise the farm by exploiting professional skills of the strategic partner and ensure the transfer of skills simultaneously.

It has also embarked on a skills acquisition programme for the members of the CPA.

Challenges:

The farm was vandalised before the new owners moved in and there are a number of repairs that have needed to the farm.

The farm has experiences security problems and the CPA had to train some of its members to deal with the problem of theft.

Issues for clarification:

The Portfolio Committee requested a breakdown of the salary percentage of the company.

Furthermore, it requested to be supplied with a copy of the agreement entered into between the CPA and the strategic partner and business plan.

Manavhela Land Restitution

The Manavhela community was dispossessed of their land in 1929. The land claim process began in 2001. On the 27 February 2002, the Manavhela Community Property Association was established and the land was handed back to the community on the 13 April 2002. The land claimed covers an area of 2 500 hectors, with about 600 families on the land from 6 villages.

The community has three projects. The first project is a nature reserve. It also provides conference facilities. The nature reserve is patronised by local and overseas visitors. The animals in the farm are owned by WESSA and government has undertaken to purchase them on their behalf.

The second project is house rental. The accommodation is available to tourist, for conferences and meetings. It is a major source of revenue.

The third project is poultry farming. It was allocated R30 000 by government. From 2003, it began to make profit. The future plan is to expand the poultry farming.

Achievements:

The community has succeeded to market the nature reserve both locally and internationally. It continues to generate revenue for the farm.

The poultry has managed to become profitable and therefore does not require any further government support.

Challenges:

The Portfolio Committee noted that the Land Claims Commission did not provide for the transfer of owner of the game species when the land claim was settled.

It also expressed concern about the male dominated nature of the Communal Property Association. And it also identified, at face value, weaknesses in the management of the farm.

4.3 Day 3 - (13 August 2004)

Lwatshatshimu Land care Project

The Portfolio Committee delegation met officials of the Department and members of the community. The floods that took place a few years ago affected the area very badly. The project began in 1999. The project took sometime to be in a sustainable position due to conflicts in the community. There were divisions in the community between the traditional leadership, community structures and youth organisations. It took a number of workshops and meetings to resolve the community. The community has since acquired a sense of unity. There 1665 farmers that are involved in the project. The project has 850 women, 970 men and 150 youths.

The land care project focuses on soil conservation and fighting alien plants. People were employed to work in the project for 3 months. The community of Lwatshatshimu had received support and training from the Department of Agriculture and Land Affairs. The Department provided the community with caterpillars to maintain the roads to the community.

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

Achievements:

The Portfolio Committee noted the high levels of women and youth participation in the projects. The participation of women is also reflected in the leadership structures of the leadership.

The community has managed to resolve the conflicts and divisions of the past to attain a high level of unity that is reflected the structures in the community involved in the project.

Challenges:

The major concern of the community is to put in place prevention strategies that will avoid the consequences of flood disasters. They would still need further assistance from the government.

Issues for clarification:

The Portfolio Committee noted some of the concerns of the community and expressed the hope that the Department will consider some of the issues raised by the community.

5. RECOMMENDATIONS

- That both Departments of Agriculture and Land Affairs must present exit plans before the Committee at least before the end of the year, so as to check the readiness of the community or beneficiaries as well as the sustainability of the projects;

- The Departments should seriously consider the issue of Strategic partners that is developing proper criteria and also to ensure that the strategic partners do not have major share holding in the companies

- The Department / Commission must employ the services of people who have business knowledge that would assist it and to negotiate for the community to run the company efficiently and effectively

- Beneficiaries /People who work in the Land Care projects should be compensated reasonably for the duration of the project (labour law should be taken into account);

- The Department of Land Affairs should ensure that a proper valuation is made so as to avoid excessive amount of money being paid, particularly to land speculators;

- Department of Agriculture should within the World Trade Organization continue to work with community and assist them to ensure the sustainability of the projects.(the assistance can be financial or technical and structural support)

- The Department should find a mechanism that would ensure that businesses continue to be run whilst the claim is still being processed in cases of restitution. In case of landowners that fail to co-operate, measures should be found to discourage that behaviour;

- Department should first evaluate and then provide copies of business plans and 15 years lease agreements entered into between the communities and the strategic partners so as to ensure that communities are not disadvantaged.

- A proper co ordination and working relationship between department of Agriculture and Land Affairs should be developed and the be tabled to the committee before the end of the year

- The Department should seriously consider helping the small scale farmers particularly land care projects beneficiaries with the market of their products

- The problems that we identified by the anticipated group valuations should be attended speedily, there should be no further delays in whatever evaluations needed to be done.

- The problems identified on which negotiations should be unlocked and finalized immediately and should be reported to the committee within two months.

- The communication between the sellers, claimants and the commission should be improved.

- The review of the sellers and the offer between two parties should be properly evaluated and agreed upon as soon as possibly failing which, the restitution law must take its cost.

6. CONCLUSION

The pattern that emerges is that projects that the Department support and fund need an exit strategy to ensure that the business or project does not falter when it withdraws. The risks of collapse are very clear in the land restitution projects. Their collapse would severely undermine the government programme of land restitution and redistributing land to meet the 30% target to transfer land to black people.

The issue of an exit strategy is inextricably linked to matters such as skills transfer and training. It is an area that needs continuous monitoring and evaluation.

The delegation is satisfied that it attained the objectives set by the Portfolio Committee on Agriculture and Land Affairs for the oversight visits and thank all stakeholders who assisted and participated in the programme. ''.

Report to be considered.

MONDAY, 25 OCTOBER 2004

TABLINGS:

National Assembly and National Council of Provinces:

1. **The Minister of Finance**

   (a) Government Notice No R1128 published in Government Gazette No 26853 dated 30 September 2004: Policyholder Protection Rules (Short-term Insurance), 2004, in terms of the Short-term Insurance Act, 1998 (Act No 53 of 1998).

   (b) Government Notice No R1129 published in Government Gazette No 26854 dated 30 September 2004: Policyholder Protection Rules (Long-term Insurance), 2004, in terms of the Long-term Insurance Act, 1998 (Act No 52 of 1998).

   (c) Government Notice No 1130 published in Government Gazette No 26860 dated 30 September 2004: Statement of the National Revenue, Expenditure and Borrowing as at 31 August 2004 in terms of the Public Finance Management Act, 1999 (Act No 1 of 1999).

   (d) Government Notice No 2174 published in Government Gazette No 26863 dated 4 October 2004: Draft Preferential Procurement Regulations, 2004, in terms of the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000).

2. **The Minister of Health**

   (a) World Health Organisation (WHO) Framework Convention on Tobacco Control, tabled in terms of section 231(2) of the Constitution, 1996.

   (b) Explanatory Memorandum on the World Health Organisation (WHO) Framework Convention on Tobacco Control.

3. **The Minister of Arts and Culture**

   Replies from the Minister of Arts and Culture in regard to the 109th report of the Standing Committee on Public Accounts, 2003:

   Referred to the **Standing Committee on Public Accounts.**

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 15:02.

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

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS— see col 4724.

NOTICES OF MOTION

Mr M RAMGOBIN: Chair, I hereby give notice that on the next sitting day of the House I shall move:

That the House—

(1) discusses the United Nations proclamation of 2002 that declared 2004 as the International Year to Commemorate the Struggle Against Slavery and its Abolition.

[Applause.]

Mr G R MORGAN: Chairperson, I give notice that at the next sitting day of the House I shall move on behalf of the DA:

That the House—

(1) notes that the people of Pondoland urgently require developments that will reduce poverty and that the significant developments currently being considered in Pondoland in regard to the N2 toll road and dune mining have major environmental implications;

(2) recognises that consultation with the people of Pondoland regarding these developments has been insufficient; and

(3) therefore resolves to debate the various issues surrounding these developments in Pondoland.

Mrs C DUDLEY: Chairperson, I give notice that at the next sitting of this House I shall move on behalf of the ACDP:

That the House—

(1) debates whether or not the right message is going out in terms of the prevention of sexually transmitted infections and pregnancy;

(2) reminds itself that in view of warnings from doctors that condoms regularly fail and do not provide full protection against pregnancy or disease;

(3) recognises that family medicine experts in the latest edition of *South African Family Practice*, the official journal of the *South African Academy of Family Practice and Primary Care*, pointed out that even if male condoms are correctly used, the contraceptive failure rate is relatively high; and

(4) notes that referring to research on contraceptive failure published in the *South African Medical Journal* last year, authors said that the survey showed that 17% of contraceptive failures were among people whose partners used the male condom.

ESCALATION OF VIOLENCE AGAINST WOMEN AND CHILDREN

(Draft Resolution)

Ms S RAJBALLY: Chairperson, I move without notice:

That the House—

(1) notes that—

(a) each day articles about violence against women and children appear in our newspapers and although Parlia-

ment and the public have worked hard at stopping such violence we need to do more;

(b) it brings tears to one's eyes when reading of the little four-year-old Pretoria girl who was raped and indecently assaulted by her mother, granddad, uncle, domestic worker, a prostitute and another man and one asks: How sick is this world?;

(c) Nono Meriet Nhlapo was stabbed and beaten for more than five hours by her jealous boyfriend in the East Rand and poor Selija Julia Thabethe, may she rest in peace, who was stabbed eighteen times and disembowelled by her lover; and

(d) there are sick horrors that continue to destroy the fabric of society, violate our Constitution and destroy our people; and

(2) calls on all South Africa to put an end to this violence against women and children and show that barbarism is unacceptable and will not be tolerated.

Agreed to.

WATER SERVICES AMENDMENT BILL

(Second Reading debate)

The MINISTER OF WATER AFFAIRS AND FORESTRY: Thank you very much, Chairperson. Colleagues and hon members, the primary function of the Water Services Act of 1997 is to provide water services to other water services institutions, mainly municipalities, in their service areas. "Service area" in this case is understood to mean a service area within the borders of our country.

The water boards, being creations of the Water Services Act of 1997, can only do what the Act permits them to do; hence it is necessary for Parliament to amend this Act. The amendment will create an enabling environment for the water boards to operate outside the borders of our country.

The reality we face today, in a world where globalisation has touched every continent and country, is the need to use our own competitive advantage wherever we can. However, most importantly, the Nepad programme becomes instructive for all of us on the continent to work towards a better Africa and a better world. We are, therefore, challenged to share with the rest of the continent the knowledge and skills available in our country.

Our legislative framework and the way we have been able to deliver water to all citizens efficiently in a short space of 10 years are recognised the world over. The water boards have been significant in contributing to this very positive image. Some of our water boards are recognised leaders in their fields; and at times they are approached by other bodies and institutions to assist with water-supply activities in other countries. This type of international recognition is a feather in the cap for these boards. Indeed, this recognition should make us hold our heads up proudly.

In bringing the Water Services Amendment Bill before you, we are asking this House to recognise that South Africa has world-class public institutions in our water boards that have been approached by international organisations, such as the African Development Bank and others, to assist in devising and advising on programmes for basic water services.

Today we are asking the House to pass the amendment to the Water Services Act to allow our water boards to provide these services, as indicated, outside South Africa. However, I want to emphasise that we are allowing the water boards to operate across the borders for various reasons. The first

reason is that some of the water boards have accumulated expertise and experience over time—some of them are as old as 100 years and some as old as 50 years—which they have certainly accumulated through the taxpayer's money, as they are public entities.

Since the formalisation of the sphere of local government and the creation of wall-to-wall municipalities, the functions of the Department of Water Affairs and Forestry have changed from that of service delivery to that of policy and regulation formulation, making us the leader in the water sector. I hope that my colleagues are listening very attentively, so that they realise that we don't have the budget to deliver, as the budget is with the municipalities.

The legal framework goes on to give powers to municipalities, as service authorities, to appoint their preferred service providers. As a Minister with powers given by the Water Services Act to establish water boards with the purpose of providing water services to other institutions, mainly the municipalities, this new situation clearly challenges me and the department to find a strategic function for the water boards. Hence, it has become necessary to open up these opportunities so that they can expand to other areas in terms of their operations.

We want to make the point that in creating this enabling environment for our water boards, we are conscious that all this needs to happen within a specific regulatory framework and that we have to ensure that the initiative does not only benefit the water boards. In other words, this initiative isn't only for water boards to make profits, as water boards will have to plough back through the process of building sustainable communities for future generations. Hence, the Bill provides for two phases in the process of legalising this initiative.

During the first phase, four Ministers, namely the Minister of Water Affairs and Forestry, the Minister of Finance, the Minister of Public Enterprises and the Minister of Trade and Industry, determine the limits within which a water board's intended operation abroad may be authorised. These limits include, firstly, that the activities should be permissible; secondly, that the activities are undertaken with permissible countries, and thirdly, that the amount of capital involved should be permissible.

It is important to mention that during the first phase each of the four Ministers has the right to veto a proposal, and during the second phase each of the two Ministers has the right to veto. I think this process will ensure that any venture abroad by a water board will be subject to close scrutiny and ring-fencing in order to protect the South African consumer, who is supplied by a particular water board, from being detrimentally affected by the board's international ventures.

The second phase is the actual consideration of a water board's application to operate abroad. This is done in consultation with the Minister of Finance.

I now put this amendment for your approval, hon members. Thank you. [Applause.]

Ms C C SEPTEMBER: Thank you, Chairperson. Hon members, I rise on behalf of the ANC in support of the Water Services Amendment Bill before us today. As the Minister said, this Bill will, on approval of this House, enable the water boards in South Africa to perform activities outside the borders of South Africa.

At the same time, we are paying tribute today to the late Oliver Reginald Tambo who was born on this day. His legacy lives on in South Africa. Comrade O R left us a significant and enduring heritage, one that enhanced our new Constitution, one that contributed to the inclusive and equitable policies of our democratically elected govemment and one that affirmed the abiding vision of the ANC itself.

The amendments are enablers for the extension of current skills and capabilities to the rest of the continent in the delivery of basic

services by Africans for Africans. Therefore, they should facilitate the delivery of services, and be seen to assist the agenda for the delivery of basic services, ensuring adequate infrastructure and promoting stability.

It is befitting that on 8 October this year, the Norwegian Nobel Committee informed the world that it had decided to award the Nobel Peace Prize for 2004 to Madame Wangari Maathai for her contribution to sustainable development, democracy and peace.

As we debate this Bill today to enable water boards to perform activities outside the borders of South Africa, we appreciate the fact that Madame Maathai chose to improve the low economic status of women through, amongst other things, the protection of forests, water catchment areas, and so on.

This Bill will—and the services to be received must—contribute to more and similar activities in Africa. As Nepad has identified the protection of the indigenous African tropical forests and rainforests; our soil, rivers, lakes and water resources; our biodiversity; our wildlife and natural habitats; and our coastal areas and oceans as a priority task, this amending Bill will enable South Africa to further contribute to this process. It is conceived as important to enable parastatals to make their contribution to Nepad, and as forms of expertise and capacity-building. The principle of parastatals and state-owned enterprises operating extraterritorially is not something new to South Africa.

This amending Bill will allow water boards to make a contribution, as Eskom, Transnet and others have done and are doing.

Water is a basic service and like all basic services it is a key driver for socio-economic development, peace, stability and democracy in the national context. South Africa is a key player in the Nepad programme for the development of Africa. It has a responsibility to share its capacity, knowledge and expertise with the rest of Africa.

Exchanging capacity and expertise demonstrates the spirit of the Freedom Charter. Indeed the Freedom Charter says: "The doors of learning and culture shall be opened." And here South Africa is doing that and sharing its experience beyond its borders. The principles of the Freedom Charter are still valuable today, because we are sharing in the country's wealth. Here, we are spreading the country's wealth even beyond our borders. In this instance, it would be the wealth of knowledge that we would be contributing.

Because of our geographic limits in terms of the availability of water, very careful attention must be paid to the location of new settlements. The long-term environmental costs of sourcing water from neighbouring countries and provinces must be given greater consideration. Hence, we participate in activities outside the country.

We are confident that when permission is granted to water boards to perform activities outside South Africa, that this will be done with the utmost responsibility and with consideration towards the people of South Africa too. Therefore, we ask that this Parliament, through the Portfolio Committee on Water Affairs and Forestry, be empowered with this information on a regular basis.

Secondly, as we enable the activities of the water boards when permission is granted, they should give due consideration to the institutional reform strategy process currently under way in the department, to institutional co-operation and decision-making, to guidelines and principles, to the allocation of roles and responsibility, and to the identification of key stakeholders.

The ANC, in its manifesto in 2004, correctly said and reflected that our task over the next five years with regards to Southern Africa, Africa and the world is to continue to work to contribute whatever we can so that, together with all the people of our region and the continent, we address political stability and the economic and social problems that

confront all of us, leading to the victory of the African Renaissance.

Our own Chief Albert Luthuli, Africa's first Nobel Peace Prize winner and who at the time was the president of the ANC, said in his acceptance speech:

> Scientific inventions, at all conceivable levels, should enrich human life, not threaten its existence. Science should be the greatest ally, not the worst enemy of mankind.

More importantly, there should be a relationship between society and the right to life. The right to life is water. I thank you. [Applause.]

Mr D K MALULEKE: Chair, hon Ministers and hon members, I would like to reiterate what we as the DA have always said that where there is a meeting of minds, the DA is ready, willing and able to make a contribution to the development of this country and to make sure that South Africa is an investor-friendly environment which can meaningfully address the unemployment situation we find ourselves in today.

It is a known fact that South Africa is a water-stressed country. Therefore it is very important to exercise water conservation methods. I do not believe that anybody can argue with the fact that water is life and life is water. The DA supports the Water Services Amendment Bill.

The Bill seeks to amend section 30 of Act 108 of 1997 by the addition of the following subsections:

> The Minister must, in consultation with the Minister of Finance, the Minister of Trade and Industry and the Minister of Public Enterprises and by notice in the *Gazette*, determine the nature of activities that a water board may perform outside the boarders of the Republic; the countries in which such activities may be performed; and the maximum amount of capital that a water board may take out of the Republic when an activity contemplated in subsection (4) is performed.
>
> The Minister may, in consultation with the Minister of Finance, authorise a water board to perform an activity outside the borders of the Republic.

Water boards are established in terms of section 28 of the Water Services Act, Act 108 of 1997, in terms of which a service area is determined for the water board. This service area is understood to mean a service area within the Republic of South Africa. As a water board is a statutory body, it only has the powers conferred upon it by statute. Should a water board, therefore, wish to operate outside the borders of the Republic of South Africa, it lacks the statutory authority to do so.

As I have mentioned, South Africa is water stressed, but Africa is blessed with natural and human resources. An urgent need has, therefore, arisen to create statutory authority to enable water boards to operate extraterritorially. It is conceived as important to enable parastatals to make their contribution to Nepad, also in the form of expertise and capacity-building.

If the Americans can think up a space programme to go to the moon and come back, surely we can if the political will is exercised. Water can be channelled from the Great Lakes region to the south via the DRC, Angola, Namibia, Botswana and South Africa. Clearly, technology is so advanced that there can be no legitimate excuse to say that it cannot be done.

If our lives are dependent on water, then you cannot put a price on life. I know that some will argue that it is too expensive, but we can have a project of that magnitude in view of the fact that we now have the SADC region. Also, unemployment is a problem through-

out the region. I envisage this kind of project to be a SADC RDP. It could be a double-barrel programme, with electricity generators constructed along the way in countries where there is a shortage of electricity. And, of course, our water problems could be solved in that way.

I am sure that we could also address the issue of food security by implementing viable agricultural programmes, because we would have enough water for irrigation schemes. If one looks at the flow of wasted water from the Great Lakes region all the way to the Atlantic Ocean, I think that common sense should prevail. I would like to urge our Minister of Water Affairs and Forestry to initiate exploratory talks with the SADC region. I would like to believe that they do have . . . [Time expired.]

Mr M W SIBUYANA: Chair, although there is still much more work that needs to be done within our own borders, we believe that South Africa's water boards have much to offer countries outside our borders.

Our neighbours in Southern Africa and in the rest of Africa can benefit from the expertise and experience that these water boards have gained over the years. They can therefore contribute to improving the lives of many people.

In the past there was legal uncertainty as to whether water boards could operate outside the borders of South Africa. The service areas of the water boards, established in terms of the Water Services Act, Act 108 of 1997, were understood to mean service areas within the borders of South Africa. This amendment to the Act will now provide much-needed certainty around this important issue.

There are already water boards that have expressed interest in operating outside the South African borders. This proposed amendment to section 30 of the Water Services Act will provide for a process to authorise extraterritorial activities of water boards.

As I mentioned earlier, there is still much that we need to do for the people within our borders as there are still many areas that, and many people who, have inadequate access to water. We hope that the water boards will not embark on activities in other countries while ignoring or not giving attention to the people and communities within our borders who are so rightfully deserving. I thank you.

Ms S N SIGCAU (Sylvia N): Chairperson and hon members, although this is a very short Bill, it raises a very complex and problematic issue regarding water boards operating outside South Africa.

Whilst we welcome the inclusion of four Ministers in the decision-making procedure that will lead to permission being granted for such extraterritorial activity, we remain concerned. The fact remains that there are overwhelming water service needs inside the borders of this country.

Without disputing the objectives of Nepad, our first priority must remain the citizens of this country. We urge the Ministers to consider any such applications with great circumspection. Water boards must realise that their first duty is to the people of South Africa. However, the UDM welcomes the Water Services Amendment Bill. I thank you, Chairperson. [Applause.]

Mr K D S DURR: Chairperson, this is a simple Bill with far-reaching consequences. It would not be an overstatement to say that if we want our water-poor region to be a success, a precondition must be the wise and productive use of our limited water resources.

Often, as with food, water availability is not the problem, but distribution is the problem. In the field of distribution, our water boards, with almost a century of experience, have an

enormous amount of technology. The advice of South Africa's water boards have been sought from the Middle East and Africa in the fields of water purification, impounding, transport, management, distribution, the application of industrial water and so on.

We have seen the benefits of co-operation in protecting the natural habit in the great transnational wildlife parks. We can do the same with transnational co-operation with catchments and water.

Our great water boards, as I have said, have a huge amount of experience. The ACDP believes that the Bill will help us protect our vital water interests; provide for co-operation, technology transfer and potential joint ventures with our neighbours; unlock large opportunities for regional development; and will allow us to assist others in raising capital for water projects internationally as well as in the financial hub of Johannesburg.

Our water boards have long experience in this. They are well known in the capital markets of Europe, and they have an impressive track record which they can share with others. This will create economies of scale for joint projects and unlock opportunities for co-operation within the framework of Nepad, which this legislation will underpin. It will allow us to use and stretch the limited and scarce technical capacity in our region in this field for the common good.

In fact, our water boards are already working, and this will simply regularise some activities that are already taking place. I remember being very proud when I stood on a golf course in Bahrain and knew that it was being watered by water which has gone through desalination—South African technology—at 90 000 gallons a day and that this technology was home-grown. I thank you. The ACDP supports this measure. [Applause.]

Mr S SIMMONS: Chairperson, the NP supports the Water Services Amendment Bill. The NP is of the opinion that granting water boards the power to operate outside the borders of the Republic of South Africa and without being prejudicial to local municipalities, would not only be in the interests of South Africa, but also in the interests of the African Union, Nepad and the Southern African countries.

Besides delivering a service, our water boards would also empower the respective countries requesting their services with knowledge—the necessary skills that they lack—and regional development. I thank you, Chair.

Ms S RAJBALLY: Chairperson, the supply of fresh running water to so many poverty-stricken areas in the Republic of South Africa has been successfully supported, and yet still many areas need to be supported. There have been recent concerns, shared by the public at large, of possible water restrictions and shortages.

The MF has no objection to water boards operating extraterritorially as long as such operations are convened under the applicable Ministers' supervision, authority and discretion. The MF agrees that this will contribute to our efforts in terms of Nepad. We support this supervision as long as it does not compromise water services to local South Africans or the authorities of local municipalities in this regard.

Further, the public needs to know that the government, together with the water services boards, aims to supply all South Africans with clean, healthy water and that the needs of our people are always first and foremost.

Further, the public should be advised that extraterritorial water services would by no means compromise any South African's access to clean running water. Considering the fact that the earth is primarily made up of

water, it is hoped that a solution will soon be reached to correct the water shortage. The MF supports the Bill. [Time expired.] [Applause.]

The HOUSE CHAIRPERSON (Mr G Q M Doidge): I now call the hon B G Mosala, who is making his maiden speech. [Applause.]

Mr B G MOSALA: Chairperson, hon behalf of the ANC I also rise to support this Bill.

Eighty-seven years ago on 27 October, Comrade Oliver Reginald Tambo, a legend in our struggle who contributed to our existence in this Chamber, was born. Today, as I participate in the debate on this amending Bill, I am driven by the spirit of this giant who liberated us from the shackles of the ordeal that was apartheid. We salute you, comrade.

If not for the historic reburial of Comrade Mxolisi Majombozi, a young lion, by the ANC Youth League, the ANC Youth League would have been at the graveside of this legend today. We salute you, comrade. May your undying spirit, as we remember your birthday, rest in peace.

Water boards, as bulk suppliers of this life-giving commodity, fulfil an extremely critical role in the economy of our country. It is a role that most of us would easily take for granted, but it is a function that ensures that the wheels of industry keep turning, that power is generated and that life in our homes proceeds normally.

When a water board is established according to section 28 of the Water Services Act, Act 108 of 1997, a service area within which the board may operate is determined. This House has already alluded to this, but it is important to emphasise that this service area hitherto has had to be within the borders of the Republic of South Africa.

The Water Services Amendment Bill now seeks to provide statutory authority for a water board to operate extraterritorially as a statutory body. Confining the boards to trading solely within the borders of South Africa has clearly been stifling their capacity to compete globally. They are now being given the opportunity through this Bill. We can only hope that they will face this challenge responsibly.

Proper control and monitoring measures have been built into this Bill in the sense that there will be interministerial consultation, and the nature of the activities will be monitored and will have to be approved. Even the countries in which such activities may be performed will have to be approved. The amount of capital that a water board may take out of the Republic will also have to be determined and approved.

There is absolutely no doubt that South Africa, as an acknowledged world leader in water services and water-resource management, is yet to prove that this Bill will benefit the Republic of South Africa and its people. Our contribution to Nepad has already been alluded to.

Modulasetulo, ho bohlokwa hore ke totobatse hore mmuso wa rona o etelletsweng pele ke mokgatlo o moholo, o maikemisetsong a ho ntlafatsa le ho matlafatsa, esitana le ho nolofatsa kgwebisano pakeng tsa lefatshe la rona le dinaha tse mabapi le tse hole le rona ka metsi. Re lokela ho utlwisisa hore metsi ke sesebediswa seo mang le mang a nang le tokelo ho sona.

Metsi ke bophelo. Re lokela ho boela re utlwisisa hore ka molao ona, mmuso ha ore metsi a na le beng ba ona, mme kgwebisano ka metsi e kgethetswe ba itseng feela. Empa re lokela ho utlwisisa hore ho na le ba seng ba ile ba ikitlaetsa ho hlwekisa metsi, le ho a lokisetsa tshebediso. Ba jwalo he, ba fuwa monyetla wa ho hweba le mafatshe a mang. Mekhatlo e teng ka hara naha, e fumana tokelo ena. *(Translation of Sotho paragraphs follows.)*

[Chairperson, it is important that I should clarify that our government, led by the

majority party, is prepared to develop and strengthen water business and to make water business easy between our country and neighbouring countries as well as those that are far from us. We have to understand that water is an essential commodity that everyone has the right to.

Water is life. We have to again understand that by this law, the government does not say water has a rightful owner, nor that water business is only for the chosen few. But we have to understand that there are those who have committed themselves to purifying water, and to preparing it for consumption. People like that are given an opportunity to do business with other countries. Parties that are in the country get this right.]

We also have to note, as some concerns have been raised, that water is not being privatised. This Bill must not be seen as an attempt to privatise water services. The Bill clearly enhances the potential for skills transfer, job creation and capacity-building. It is a Bill that makes it easier for countries to bridge the infrastructure gap.

Metsi a tswang mehloding e Lesotho a phalla dinokeng tse phallang lefatsheng la rona. Metsi ao ke ona a ntlafatsang moruo wa rona. Kahoo ho hotle hakaakang ho sebedisa bokgoni le boitsebelo ba rona ka tshebediso ya thepa ya mafatshe a mabapi. *(Translation of Sesotho paragraph follows.)*

[Water from the Lesotho source runs through rivers that are in our country. That water develops our economy. How beautiful it is to use our expertise and skills when using the property of neighbouring countries.]

The Bill recognises that Africa has an abundance of natural resources and that the people who hold the key to her development live on this continent. We remain convinced that stability on the continent of Africa will emerge if African countries assist in developing one another in the spirit of Batho Pele. This Bill aims to achieve this objective.

In the run-up to this moment, the stakeholders who participated in the hearings that discussed the Bill showed tremendous support. They showed concern at times, but will continue to engage in this matter. Together, with water, we shall improve the lives of South Africans.

We appreciate and value the support that we seem to have received from the opposition. We note all the concerns raised. To those who opposed this Bill, we invite you to read it once more, because we suspect that you might not have understood the contents sufficiently. The ANC supports this Bill. I thank you. [Applause.]

The MINISTER OF WATER AFFAIRS AND FORESTRY: Thank you very much, Deputy Chair. Deputy Chair, I just want to thank all the members who participated in this debate, lead by the very capable chairperson of the portfolio committee, Connie September. I thank all of you for your support and I know that you will help in monitoring the implementation of this Act.

Mr Maluleke, regarding the issue that you have raised about SADC, there are a number of such initiatives that are already under way, and we will inform you when the time comes. Somebody said that our people remain a priority. I think it was the hon Sigcau. We definitely cannot agree with you more. That is why we are regulating this initiative. I had the pleasure of addressing the water boards—their association. They understood fully what this initiative meant for them.

In conclusion, I would just like to say that there can be no better way to honour O R Tambo than extending services to Africa that will contribute to sustainable development in the spirit of the African Renaissance. Thank you very much. [Applause.]

Debate concluded.

Bill read a second time.

CONSIDERATION OF SIXTH REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS—CHIETA

CONSIDERATION OF SEVENTH REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS—CETA

CONSIDERATION OF EIGHTH REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS— DIDTETA

CONSIDERATION OF NINTH REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS—ESETA

CONSIDERATION OF TENTH REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS—ETDP-SETA

Mr F BEUKMAN: Chairperson, thank you for the opportunity to present on behalf of Scopa the following reports to the House. I would like to say a special word of thanks to cluster 1 of Scopa, under the able leadership of the hon Pierre Gerber, who evaluated the financial statements and reports of the Auditor-General and these institutions.

The reports refer to five Setas or Sector Education and Training Authorities. Yesterday there was a discussion in the House on the subject of education and training authorities that highlighted the role of these institutions and the need for them to function effectively. From the perspective of Scopa, we are especially interested in their progress with regards to governance, financial management and adherence to prescribed financial procedures.

The financial statements of the Setas have been audited in terms of section 188 of the Constitution, read with sections 3 and 5 of the Auditor-General Act, and with section 14 of the Skills Development Act.

Although the five Setas received unqualified audit reports from the Auditor-General, there are various issues in relation to investment policy, internal control and internal audit that need urgent attention. The mentioned Setas should report to Parliament what steps are practically implementable to rectify the current deficiencies and weaknesses.

With reference to the sixth report, namely the Chemical Industries Education and Training Authority, Chieta, Scopa recommends that within two weeks of tabling this resolution, Chieta provide Scopa and Parliament with the following: a copy of the investment policy for unspent funds, which includes consideration of both risk and return, full details of the investment portfolio of unspent funds, and a document strategy on how it intends to utilise its unspent money for the intended purposes, while also ensuring value for money.

With regard to the seventh report, namely the Construction Education and Training Authority, or Ceta—that's not a rugby team, but a Seta—we especially referred to matters emphasised by the Auditor-General. The committee noted with concern the transfer of assets and liabilities. The transfer of assets, amounting to more than R5,8 million, and liabilities in excess of R4,2 billion, belonging to the now abolished Building Industry Training Board and the Building Industry Training Scheme, has not been finalised. The consultants who investigated the matter are currently in dispute with the Department of Labour and this is delaying the finalisation of the process.

Regarding the internal audit, as a result of the fact that the internal audit function was established in March 2003 and will only be fully functional in the next financial year, the Auditor-General could not place any reliance on the work of the internal auditor. There is also no materiality, and a significant framework has yet to be developed as required by Treasury regulations. The committee expects the accounting authority to expeditiously rectify the issues in question.

Then, with regard to the eighth report,

namely the Diplomacy, Intelligence, Defence and Trade Education and Training Authority, Didteta, a matter emphasised by the Auditor-General was the nonapproval of procurement policy. This specific Seta had not yet approved its procurement policy. Therefore, there was no formal basis for authorisation of acquisition of goods and services. The board should therefore indicate why Parliament should not regard this as an irregular expenditure in terms of the PFMA.

With regards to the internal audit and audit committee, Scopa is concerned that the audit committee was only established in February 2003 and that possibly, as a result, the audit committee was not in a position to fully comply with its reporting requirements in terms of the Treasury regulations. Also, there was no materiality and a significant framework had not been developed, as required by Treasury regulations. Scopa expects the accounting authority to expeditiously rectify the issues in question.

The committee also recommends that within two weeks of tabling this resolution they also provide Parliament with an investment policy, as well as full details of the investment portfolio of unspent funds.

Then, with regard to the ninth report, namely the Energy Sector Education and Training Authority, Eseta, there are weaknesses with regard to internal control. We also believe that certain weaknesses with regard to the segregation of duties and the proper delegation of authority should be rectified. With regard to internal audit and the audit committee, we also believe that rectification should take place with regard to requirements indicated by the Treasury regulations.

Then, the final report is the tenth report, which deals with the Education Training and Development Practices Sector Education and Training Authority, ETDP-Seta. One of the matters emphasised by the Auditor-General was weakness in internal control. The following internal control weaknesses were identified: a complete fixed-asset register was not available, and the approved budget and the budget recorded on the accounting system reflected an unreconciled difference. The committee expects the accounting authority to expeditiously rectify all identified weaknesses.

In terms of those five reports, we believe that it is urgently necessary that these Setas rectify these matters and report back to Parliament so that we can have progress reports with regard to those matters. Thank you very much. [Applause.]

There was no debate.

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: Chairperson, I move that the Reports be adopted.

Motion agreed to.

Reports accordingly adopted.

THE IMPACT AND CHALLENGES OF GOVERNMENT POLICIES ON POVERTY REDUCTION AS WE CELEBRATE SOCIAL DEVELOPMENT MONTH

(Subject for Discussion)

Mrs T J TSHIVHASE: Deputy Chairperson and hon members, as October is Social Development Month, we must celebrate our achievements. As the ANC government, we have done a lot to improve the lives of the people of our country.

Tshifhingani tsha muvhuso wo fhiraho, vhathu vha Afurika Tshipembe vho kwamea vhukuma nga masiandaitwa a vhukoloni, khethano nga lukanda, khethano nga mbeu na minwe milayo ya u tsikeledza. Vho vha vhe kha vhushai, tsiku, ndala na u sa kona u swikelela zwa matshilisano khathihi na masheleni. Minwaha ya fumi ya demokirasi yo vha yo livha kha u fhata lushaka, u tutuwedza vhupfumedzani, na u khwathisedza zwiimiswa zwa u fhata na u tshimbidza demokirasi. Kha yeneyi minwaha ya fumi, ro kona u nekedza magavhelo a edanaho u unda vhana khathihi na tshumelo dza zwa mutakalo dza mahala kha vhana vhare fhasi ha minwaha ya rathi.

Muvhuso wo divhadza uri u do engedza tshelede ya u unda vhana u swika kha vhana vha vhukale ha minwaha ya 14. Hu khou lavhelelwa uri u engedzwa ha tshelede hu do kona u swikelela vhana vha milioni dza 3,2 kha minwaha ya fumi ine ya khou tevhela. U itela u kona u langa tshivhalo tshihulwane ngaurali, muhasho wo da na muhumbulo wa u khethekanya vhana nga zwigwada u ya nga minwaha; Sa tsumbo, vhana vha vhukale ha minwaha ya sumbe na ya malo vho vha vha tshi fanela u ita khumbelo ya tshelede ya u unda nga nwaha wa 2003-04, vha vhukale ha minwaha ya tahe u ya kha ya fumi na muthihi vha tshi tea u ita khumbelo nga 2004-05 ngeno vhothe vha minwe minwaha vha tshi tea u ita khumbelo nga 2005-06. Mbekanyamushumo iyi i do hwala vhudifhinduleli ha u vhona uri maga aya a tevhelwe. *(Translation of Venda paragraphs follows.)*

[During the time of the previous regime, the people of South Africa were highly affected by the legacies of colonialism, racial and gender discrimination as well as other oppressive laws. They were living in poverty, squalor, and starvation and did not have equal access to social economic security. Ten years of democracy was based on nation-building, reconciliation and the strengthening of development structures to build and improve democracy. During this period we managed to issue sufficient grants to maintain children and to offer free health-care services to children younger than six years.

The government announced that it would increase the funds to maintain children until they are 14 years of age. It is anticipated that the increment would be accessible to 3,2 million children in the next 10 years. To manage such a huge number, the government introduced a phased approach whereby children are clustered according to their age groups. For example children who are seven and eight years old were supposed to have been registered for the grants in 2003-04, while those between nine and 11 years were supposed to have been registered in 2004-05, whereas all other age groups are supposed to be registered in 2005-06. This programme will carry the responsibility of ensuring that these grants are adhered to.]

There has long been concern that the provinces do not have the capacity to administrate social security efficiently and effectively. One of the areas of particular concern is the fact that when money is allocated to provinces as part of their equitable share, there is no guarantee that the money earmarked for social grants will not be used for other provincial priorities than what it was intended for. The department has repeatedly been taken to court over the suspension of grants, and repeatedly the courts have ruled against the department.

A review of the regulations of the Social Assistance Act, Act 59 of 1992, has not been completely successful in eradicating the problem of the suspension of grants. During February 2003 another judgment was passed against the government. In the light of these challenges, and in the light of the recommendations made by the Taylor committee, Cabinet has in principle given approval for the establishment of a dedicated national public entity to administer and pay grants. This means that full responsibility for the social grants function may shift to the national government.

Zwa zwino vhana vha Afurika Tshipembe vha khou kona u swikelela magavhelo a tevhelaho; gavhelo la u unda vhana na vha undi vhavho, "foster care and care dependency grant". Nga nnda ha ayo magavhelo hu kha di vha na manwe manzhi o fhambanaho ane vhadzulapo vha Afurika Tshipembe vha khou diphina ngao. Manwe a hone ndi ane a nga sa "Grant in Aid, War Veteran Grant, Grant for the Aged na Grant for the Disabled".

Vhana vha tshivhalo tshi hovhelelaho milioni thanu vha Afurika Tshipembe, zwa zwino vha khou wana magavhelo a u unda. Izwi zwi ri swikisa kha tshelede i linganaho R769 milioni, ine ya khou badelwa kha vhana nga muvhuso nwedzi munwe na

munwe. Vhana vha vho wana zwiliwa na zwikoloni. Luafhulelo luhulwane lwa tshelede iyi lune lwa edana 24,3% lu khou badelwa kha vundu la KZN tshelede nwedzi munwe na munwe hone ya edana rannda dza milioni dza R186 nga nwedzi. Vundu line la tevhela ndi Eastern Cape nga 16,7%, Limpopo nga 16,7%, Gauteng nga 12,6%, Mpumalanga nga 8,3%, North West nga 8,1%, Western Cape 6,1%, Free State nga 5,7%, ha kona u fhedzisela Northern Cape nga 1,6%. *(Translation of Venda paragraphs follows.)*

[At the moment South African children can access the following grants: the foster care and care dependency grants. Except for these grants, there are still many different kinds which South African people are enjoying. Some of them are the grant in aid, the war veterans grant, the grant for the aged and the grant for the disabled.

Presently, approximately five million South African children are receiving support grants. This brings the money the government is paying for each child per month to R769 million. Children are also getting food at schools. The greatest segment of this amount totaling 24,3% is being paid at KZN per month. The Eastern Cape province follows with 16,7%, Limpopo with 16,7%, Gauteng with 12,6%, Mpumalanga with 8,3%, North West with 8,1%, Western Cape with 6,1%, Free State with 5,7% and lastly the Northern Cape with 1,6%.]

Basically, foster care grants are paid to more than 200 000 people in South Africa every month. The amount of R110 million a month goes to KwaZulu-Natal, the larger recipient of foster care grants. This allowance is the greatest segment of the grant. It is followed by the Eastern Cape, the Free State, the Western Cape, Limpopo, Gauteng, the North West, the Northern Cape and Mpumalanga.

A total of more than 78 000 South African children are receiving the care dependency grant. This amounts to approximately R58 million, which is being paid out to beneficiaries on a monthly basis. In his 2004-05 Budget Speech, the Minister of Finance announced a general increase in the amounts paid for various grants.

Ri na vhana vhanzhi vhane vha khou wana masheleni. Hu na dzithandela dzi linganaho 3 500 dzine vhathu vho newa masheleni khadzo ane a lingana R521 wa dzimilioni. Zwa zwino ri tshi khou amba, hu na vhana vhanzhi vhane vha khou wana magavhelo. Ri kha di vha na khaedu khulwane ngamaanda vhukati ha vhathu vhashu vha ne vha kha di dinwa nga vhushai. Hu na magavhelo ane a khou nekedzwa nga muvhuso. Vhanwe vhana vha kha di kundelwa nga u ya zwikoloni, vhanwe vha kha di kundelwa u badela dzitshelede dza mitendelo wa tshikoloni. R I na vhana vhane vha khou vhaisala nga HIV/Aids, vhana vha si na mahaya, vhana vho di imisaho sa vhabebi vhane vha khou thogomela midi.

Ri khou zwi dzhiela nzhele zwauri zwothe zwe ra swikelela zwo konadzea nga vhutama vhu re hone vhukati ha muvhuso na madzangano o diimisaho nga othe, khathihi na lushaka lwothe nga u angaredza. Ndi zwine ra ri, ri tea u farisana ra ita mutingati kha khaedu dzothe dzo ri livhanaho. Ndi tama u ita khuwelelo kha dzithama dzashu dza zwa matshilisano na madzangano o diimisaho zwauri, kha ri shume rothe ro khwathisa u itela u bveledza muano wa vhutshilo ha khwine kha rothe. *(Translation of Venda paragraphs follows.)*

[We have many children who are receiving money. There are 3 500 projects whereby people were given funds totaling R521 million. As we are talking, there are many children who are receiving grants. We are still faced with a huge challenge with regard to our people who are living in poverty. The government is disseminating grants. Some children cannot go to school, whereas others cannot pay school fees. We have children who are suffering from HIV/Aids, homeless children and child-headed households.

We are taking into consideration that all we

have achieved was made possible as a result of the co-operation between the government, NGOs and the nation as a whole. That is why we say that we must unify and act collectively in meeting all the challenges facing us. I would like to call on our social partners and the NGOs to strengthen our working relationships in order to accelerate the motto: A people's contract for a better life for all our people.]

We have a people's contract for a better life for all our people. Let us take up all these challenges together.

Rothe ro sedza lifhasi nga u angaredza sa zwe Muphuresidende vha ri kha ri lwe na vhushai. Ndi a livhuwa. Tshanda ntha ha tshinwe. [U vhanda zwanda.] *(Translation of Venda paragraph follows.)*

[Let us take up these challenges together. We are all looking at the global world as a whole as the President has urged us to wage a fight against poverty. I thank you. [Applause.]]

Ms H WEBER: Thank you, Madam Chair. Social Development Month should be a month of great celebration but, alas, it is confined to those who receive their grants timeously and without many hassles, and to those who have a job. We are therefore seeing many a disillusioned, frustrated South African. We are witnessing people being put in positions—which they are not qualified for—to balance out job equity. This not only leads to frustration but to inefficient productivity. Although the government has attempted to relieve poverty through various grants being paid out, this is a far cry from creating jobs.

There is nothing more uplifting for a breadwinner than to leave his or her home to go to work and bring back money for which he or she has put in a hard day's work. This, unfortunately, is a scenario for about half the population. The rest linger around, disillusioned and losing their self-worth. Some are trained, but have been retrenched. Others look for training, but the doors are closed. How often do we see notices that say, "No jobs?"

The paying of grants does help to put some food on the table but, as the hon Minister rightly said, we must avoid becoming a welfare state. The government did come up with black economic empowerment with an eye on giving the previously disadvantaged a chance to better themselves. This, unfortunately, has only created a few billionaires to the detriment of the masses.

The DA has had policies in place which have been worked out and proven to be economically viable. Our basic income grant would be an easier grant to manage. Such a grant would not discriminate against unemployed young men or have a proviso that a young girl must have a child to access such a grant. It would kick-start young entrepreneurs to at least try to help themselves.

Child support grants are proving to be unmanageable, with those really needing them having difficulty in getting the necessary documentation required to access these grants. It is laudable that the grant recipient age limit is to be increased but, still, this is not creating jobs as the government promised.

The National Development Agency, NDA, which set out to be a good institution, is now dysfunctional, thwarted by fraud and corruption. This once more is proof that the government has a problem with implementing many of its policies. Setas, which also seemed to be a good idea, are also suffering at the hands of incompetent administrators.

There are blueprints out there, and I am sure that we should be looking at proven ways of training and of creating jobs. The DA believes that greater faith should be placed in the private and NGO sectors as delivery mechanisms for poverty relief. Experience has shown that spending vast sums of money on the creation of new expensive bureaucratic structures to deliver poverty relief over time simply results in the poor being short-changed.

The DA's aim is to get the best, most

cost-effective and affordable aid directly to poor people. Thus, one creates bigger individuals and smaller government. The government's policy of helping those people receiving grants to start food gardens by supplying them with starter packs of seeds also seemed like a good idea but, once more, has been weighed down with bureaucracy as people have to wait for the Department of Agriculture to show them how to create a food garden. Many an NGO has had great success in such fields and, I am sure, if given the opportunity and some government funding would make successes of such ventures. This would have the desired effect of people being able to feed themselves.

A further major challenge facing South Africa is how to address the ever-increasing problem of child-headed households. We have the situation of children bringing up children. Not only is this causing children to suddenly become adults, but it is also depriving them of going into a profession of their choice and depriving them of a childhood.

South Africa has a wealth of talent and job opportunities waiting to be created, were it not for unnecessary bureaucracy, inefficient delivery and government interference. Free the economy and encourage normal job creation and we will have a poverty-free country.

In 1996, small, medium and micro enterprises were to be promoted by government, but the people have found it difficult to get the required training. Government would do well to establish business support centres in disadvantaged areas that are easily accessible to as many people as possible. This is one of the many suggestions that the DA has in its policy for job creation. The training of people to run a business would prevent so many small businesses from being closed down in many rural areas. I thank you. [Applause.]

Mnu M J BHENGU: Mama Somlomo neNdlu yakho ehloniphekile, selokhu saqala ukufika kuleli Phalamende ngo-1994 siye size njalo lapha ngaphambili sizokhuluma ngobubha nangokuhlukumezeka, njengoba singabantu abampofu. Kukhona into eyodwa kodwa esiye sikhohlwe ukuyisho: ukuthi ubuphofu lobu buyawuhlukumeza umqondo womuntu, bubuye futhi buhlukumeze nobuntu bomuntu uqobo. Kuphinde kwenze into ebuhlungu kakhulu ngoba kuthatha ubuhlakani bomuntu abuphiwe uNkulunkulu kwehlise izinga labo. Lokho-ke kudalwa isimo esisodwa sohlelo lwama-Bhunu okwakhuthiwa i-apartheid.

Manje-ke mina ngifuna kube khona okwenzekayo, singalokhu siza lapha ngaphambili sizothi . . . *(Translation of Zulu paragraphs follows.)*

[Mr M J Bhengu: Madam Speaker and hon members, since we arrived here in Parliament in 1994, it has been our practice to come to the podium and talk about poverty and abuse since we are poor people. There is something that we tend to forget: That poverty renders frustration, demoralisation and reduces the person. Poverty also hampers the intelligence of a person that was given to him by God.

All this was created by the apartheid system. Therefore, I want us to do something and stop coming here to say . . .]

. . . poverty reduction, poverty reduction, poverty reduction. Let us get action. For instance, I want to know: Do departments prioritise poverty programmes, or do they put them aside and concentrate on other problems? I want to whether there is any synergy amongst departments in implementing poverty reduction programmes. Isn't it time to have a single directorate that will concentrate on actually establishing all the poverty reduction programmes?

Asikakafiki leso sikhathi lapho sizoba nomuntu oyedwa ozothi, "Cha, manje ngisebenza indaba yokunciphisa ububha nobuphofu"? Thina njengamalungu ePhalamende silokhu sigqoka kahle bese

sizokhuluma lapha kodwa abantu bakithi emakhaya le bayahlupheka. Ngendlela abahlupheka ngayo . . . Kubuhlungu kabi ngoba abanye bethu abakwazi ukuhlupheka. Manje lapha sisuke sikhulume ngezibalo zama-statistics namaphesenti. Konke lokho kuwumbhedo ngoba abantu bayahlupheka. *(Translation of Zulu paragraph follows.)*

The time has not yet come where a person will come forward and say: No, now is the time to work towards alleviating hunger and poverty. As members of Parliament we dress smart and continue to debate here, yet our people in the rural areas are starving. If you look at the degree of their starvation, its quite painful because some of us here have not experienced starvation. Our problem is we come here and rush to talk about figures and statistics. Action of this kind is frivolous because our people are starving.]

Even policy formulation should be done in such a manner that there is co-ordination and synergy of all these poverty reduction programmes. Therefore, the IFP says the time has come for us to embark on a holistic perspective when we talk in terms of poverty reduction. We should actually begin to teach our people to become independent and self-reliant, instead of embarking on piecemeal solutions that only ease the brunt of poverty. This is because we believe that human development for self-reliance and sustainability is what the government should focus on in terms of policy formulation for poverty reduction.

We believe that understanding the dimensions of poverty is essential to the formulation of policies and programmes which aim to reduce poverty. That is why measuring performance and sustainability becomes vital, but understanding the depth and extent of poverty fully is only the first step, which is necessary but not sufficient to achieve poverty alleviation.

Ngakho-ke ngithi, nansi inselelo: Iminyango ayiqale ibhukule ukuze abantu bakithi babone ukuthi ngempela uhlelo lokwehlisa ububha nobuphofu luyenzeka ngokubonakalayo. [Ihlombe.] [Therefore I invite you to this challenge. The departments should start with the implementation of poverty alleviation programmes. [Applause.]]

Mr M DIKO: Madam Chair, as we celebrate Social Development Month, the Minister of Finance has expressed his concern regarding the rapidly expanding demands that social grants place on the Budget. He described this as unsustainable. One cannot help but notice the irony: Before the election there was a big rush to encourage people to register for social grants, but afterwards we are told that this is an unsustainable burden on the government.

At the heart of this issue is the responsibility of government to reduce poverty and the mechanisms that it uses to achieve this goal. The UDM does not dispute the urgent and overwhelming need to assist the many poor people. However, we are saying that the main way of dealing with poverty eradication would be job creation.

Job creation remains the most important priority. And, whilst government assures us that there are plans currently afoot to deliver jobs, we must remind them that throughout their 10 years there have always been plans, strategies and summits. The pertinent question is whether the latest plans will deliver the promised jobs and how we would monitor progress in this regard.

We believe that improved performance with regard to job creation will ensure that social development and the proper upbringing of our people become a reality and therefore give impetus to our freedom. Thank you.

Mr L W GREYLING: The ID's vision for South Africa is of a country where every person can realise their true potential through either being employed or creating employment for others. In this society, nobody will have the need for social assistance as they will be able to provide a sustainable livelihood for themselves.

This is, no doubt, a vision which many of us share in this House. But, the present reality, unfortunately, dictates that this will merely remain a dream for many years to come. We need to face the facts. Despite the efforts of government in extending the social security net, millions of South Africans still live in abject poverty.

Unemployment and the tragic legacy of a divided society are in many cases responsible for this situation. Unfortunately, though, even with the best policy and political will in the world, overcoming this legacy will take many years. Unemployment in South Africa is of a structural nature and its causes are far more complex than simple labour laws.

As we believe in a caring state, the ID believes that the government needs to extend the social security net so that the millions of impoverished South Africans who do not qualify for any of the five grants can also receive assistance from the state.

The ID recognises the increase in budget share that is dedicated to social assistance grants in South Africa, but we need to recognise that this money is also spent on developing our people. In many communities, these grants are the only injection of money that they receive and can, through the multiplier effect, increase economic activity.

Auniversal basic income grant needs to be considered and not a means-tested one, as the DA proposes. Means tests simply direct resources into a bureaucracy and create huge administrative burdens. The system is already reeling under this effect, as I saw on a recent visit to a pay station in KwaZulu-Natal.

I spoke to people who had had to wait in line for more than seven hours, only to be informed that they had to come back the following month to see if their grant had been approved. They are forced to do this for months on end. We need to restore dignity to our people and reform these administrative systems. A comprehensive social security net will also break the dependency that people have on employed workers and other poverty-stricken families who are forced to look after them. We need to do this, because it is the right thing to do. [Time expired.]

Mrs C DUDLEY: Madam Chair and hon Deputy Minister, I am not entirely sure why we are celebrating. Perhaps, it's because the annual report of the Department of Social Development has now been tabled. We understand reasons for the delay include senior management vacancies, pressure caused by the establishment of the National Social Security Agency and a management crisis at the National Development Agency —not a rosy picture.

The challenges facing government in terms of poverty reduction are great and, in my opinion, this department is burdened with too wide a responsibility, rendering it ineffective in its role both as service provider and in social development. Job creation and skills development projects are weak and floundering, not due to lack of enthusiasm but lack of expertise, experience and skill.

Where is Labour? Where is Trade and Industry? Where is Agriculture and Land Affairs? This should be their baby. Growing the economy and developing skills cannot be the primary focus of the only portfolio handling social services or, should I say, not handling them.

On a trip to the Eastern Cape I recently witnessed, once again, the enormity of the task facing Social Development. Without budgets or capacity to deliver services to abandoned babies; neglected, abused and orphaned children; children in trouble with the law; the elderly; the sick; and the dying, money spent on development initiatives is a mockery.

We witnessed the department's efforts in extending grants, providing early childhood development and skills development, and job creation projects. Clearly, policy is being

implemented, and funds are going to development and poverty alleviation projects, but these projects are at the direct expense of desperately needed social services. Escalating substance-abuse issues, for example, cannot hope to get the necessary attention, despite work on a new master plan, because there is just no budget.

In response to ACDP queries on the impact of certain policies including grants, assurances were given that assessments were under way. The challenges are ominous; the impact, frankly, minimal. Thank you.

The DEPUTY MINISTER OF SOCIAL DEVELOPMENT: Madam Deputy Chair and hon members, let me first take this opportunity to thank the House for having introduced this timely debate on the impact and challenges of government policies on poverty reduction. Its relevance and significance are uplifted by the fact that October is Social Development Month.

This being our seventh Social Development Month since the advent of democracy and given that we are at the tail end of the tenth anniversary of the celebration of the International Year of the Family, the department has focused its efforts on strengthening families and communities for a better quality of life for all, especially our children.

To achieve this, the Department of Social Development over the past decade has focused its attention on creating a caring society. These goals require that we accelerate our service delivery system from a welfare-based system to a social development-oriented system. Inherent in this system is a people-centred-development approach. This has required a departure from a problem-centred approach to a solutions-oriented approach that builds the requisite skills while creating self-employment and sustainable livelihoods.

The latter twin objectives are not without challenges. It is therefore appropriate that at this time and in the context of our 10-year celebrations, we pause and review the challenges confronted by government with regards to policies and programmes aimed at poverty eradication.

Such a review, which has been conducted in the form of a discussion paper, has provided us with valuable lessons and is the basis of our fresh mandate and social contract, as elaborated on by President Mbeki during the state of the nation address.

These lessons have included the transformation of the Public Service through the adoption of a co-operative governance framework and enabling legislation such as the PFMA; the improvement of service delivery through the National Planning Framework and Integrated Development Plans; and the broadening of access to services such as health care and education as displayed by adult literacy rates that are currently up to 83%.

In order to enhance social justice, the department, together with its various partners, has drafted a model for service delivery. This model will provide a national framework that will give guidelines for developmental service delivery. The draft service delivery model was tabled at the recent Minmec. It is aimed at ensuring that services are delivered with ethos and with the values derived from the eight Batho Pele principles. The implementation of this model will improve systems, work processes and institutional structures, which will collectively improve service delivery at every level and location.

The model will only work properly if it has all the necessary human resources required and if it is implemented in partnership with all those that share our common vision of a better life for all. This approach is not only a polemic standpoint, but one that will assist in building social cohesion through community-based, nongovernmental and faith-based organisations. Such partnerships are necessary to realise the constitutional right of access to social security, which remains

one of the key social development priorities in the context of comprehensive social security.

We have conducted a yet-to-be-released report, which interrogated the economic impact of social grants on particular sectors of our communities. I am pleased to confirm that the current social security system as a whole reduces by 45% the total rand destitution gap. In simple terms, this means that a whole lot more people would be poorer without social grants.

It is because of this—the inconsistent norms and standards across provinces—and in response to the reported fraud and corruption in our system, that we remain committed to ensuring that the Social Security Agency is operational by April 2005. Again, to effectively attain this, we will require partnerships.

These partnerships have also created a basis for the Moral Regeneration Movement to restore dignity, respect, pride and optimism. Such partnerships provide the potential for intensifying the fight against the scourge of drug abuse through the creation of community-based prevention programmes. In addition, the department has embarked on a full-scale youth development programme to ensure that our young people use the opportunities available to them for a better life.

The Minister pointed out in his budget address to this House that poverty alleviation and unemployment could not be addressed in isolation from one another. Similarly, as stated previously by President Mbeki in his state of the nation address and reiterated by Minister Manuel yesterday, a society in which large sections of the population depend on social welfare cannot be sustainable.

Poverty eradication should be addressed within a wider set of developmental strategies and programmes, which include all departments and all spheres of government. The central location of poverty eradication means that it is a key criterion by which submissions to the Medium-Term Expenditure Framework should be measured and by which all government developmental programmes are judged by Cabinet.

This department intends to provide a number of work opportunities for South Africans through the Expanded Public Works Programme. In the social sector, work opportunities are being created in the areas of early childhood development and in community and home-based care programmes.

In addition, given the short-term nature of such work opportunities, the department will also focus its efforts on facilitating access to credit and financing for entrepreneurial projects for young people through initiatives, such as the National Development Agency and the Umsobomvu Youth Funds.

The special commitment by the business sector to exploring synergies between corporate social investment and public investment initiatives must be pursued and strengthened in pursuit of creating sustainable work programmes.

Therefore, the critical task is to consolidate, formalise and institutionalise partnerships in the social development sector. This will be achieved by following up on the commitments made during the Growth and Development Summit. All commitments are focused explicitly on combating poverty and creating work opportunities.

The role of Social Development is just one contributor to the broader collective process of reflecting and interrogating the relationship between social development policy and poverty eradication. This will require that we pay careful attention to the economic fundamentals and the social imperatives. Such attention requires integrated government programmes.

Some of the integrated government programmes include the Integrated Sustainable Rural Development Programme, the Urban Renewal Programme, the Expanded Public

Works Programme, the Integrated Municipal Infrastructure programmes and Working for Water programmes.

The two main co-ordinating strategies for development are the Integrated Sustainable Rural Development Programme and the Urban Renewal Programme. These seek to co-ordinate all development programmes across the three spheres of government and parastatals to ensure maximum impact. In particular, they seek to ensure that developmental programmes are targeted to meet basic needs whilst identifying potential, so as to respond to the Integrated Development Plans.

Given that the core responsibility of all departments is to eradicate poverty, Parliament has a significant role to play in monitoring the implementation of commitments made during the Growth and Development Summit. In this regard, progress reports on the various clusters of government have been posted on the government website, in addition to being in annual departmental reports.

Changing population trends show that there is an increase in the number of potentially economically active people as a result of large numbers of young people entering the labour market. Young people aged between 10 and 19 constitute the largest part of the population. Furthermore, women and youths aged between 15 and 24 are experiencing the most difficulty entering the mainstream economy and the labour market. They also represent the groups that are the most vulnerable to HIV/Aids and unplanned pregnancies. All these factors necessitate the socio-economic integration of young people into our society as a priority.

Therefore, the priorities are youth skills development programmes and the location of youth development structures in the Presidency, with similar structures in provinces and in the Department of Social Development in order to collectively ensure the economic integration of young persons.

The department has a particular focus on strengthening families, and also offers the potential of providing capacity and utilising the skills of older persons, a large number of whom carry the burden of supporting family members who are unemployed, sick and abandoned.

Given the increased coverage of grants at a rate above inflation, the key challenge that remains in improving social security in the next decade is to ensure more effective delivery to rural beneficiaries, a reduction in the incidence of fraud and corruption, the development of a framework for comprehensive social protection, and the reduction of the number of people dependent on grants through job creation.

In addressing the link between poverty and development, it is imperative to reach beyond the borders of South Africa. President Thabo Mbeki, in his opening address at the World Summit on Sustainable Development, said: "All of us understand that the goal of shared prosperity is achievable because, for the first time in human history, human society possesses the capacity, the knowledge and the resources to eradicate poverty and underdevelopment."

This places a responsibility on us as this House to ensure that the issues of poverty, unemployment and underdevelopment are placed firmly on the agendas of regional, continental and global organisations. I therefore take this opportunity to welcome the location of the Pan-African Parliament on our shores in the hope that this will advance the above objective.

It is also my pleasure to inform you that South Africa will chair the review process on the implementation of the Copenhagen commitments at the World Summit on Social Development. A precursor to this will be a meeting of the region's social development Ministers, in line with our UN resolution elaborating on the social dimensions of Nepad.