

**TUESDAY, 22 OCTOBER 2019**

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**PROCEEDINGS OF THE NATIONAL ASSEMBLY**

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The House met at 14:03.

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 000.

**QUESTIONS TO THE DEPUTY PRESIDENT**

**THE DEPUTY PRESIDENT:**

**Role of Human Resources Development Council of South Africa in addressing shortages of critical skills, and mechanisms in place to hold to account current and former public office bearers implicated in service delivery failures**

13. Mr J H Steenhuisen (DA) asked the Deputy President:

What (a) role does the Human Resources Development Council of South Africa play with regard to addressing the shortages of critical skills required to assist the Inter-Ministerial Committee on Rapid Response Interventions to address service delivery challenges and (b) mechanisms have been put in place to hold to account current and former public office bearers who have been implicated in service delivery failures?

NO2211E

The DEPUTY PRESIDENT: Hon Speaker, the Human Resource Development Council provides an important platform that fosters collaboration on building the necessary skills required for economic growth, development and service delivery.

It is seized with the responsibility of ensuring that the appropriate foundation is established for South Africa's objective of building a capable and developmental state. For a developmental state to succeed, the overall capacity of the state to intervene, direct and achieve desired outcomes is dependent on the existence of a public service that is capable, professional and committed.

To address performance gaps in a number of service delivery areas, the public sector needs to take a national long-term perspective on public service training and capacity building, including the selection and placement of appropriately skilled individuals in the right positions.

Performance deficiencies are a consequence of a mismatch between job requirements and competencies of incumbents, resulting in government's inability to deliver the desired services and lead to the achievement of expected developmental outcomes.

For local government to function optimally, the appropriate selection and placement of skilled individuals in key positions is critical to ensure that necessary capacities exist to drive and champion development and service delivery at all levels of our government.

For its part, the Human Resource Development Council is tasked with identifying critical skills required in our country across all sectors, including skills required to improve the quality of service within municipalities. This is intended to ensure that there is a clear response

in terms of building a pipeline of relevant skills required to propel growth and development.

Our assessment of local government performance points to some areas of concern resulting from inappropriate placement of individuals whose skills are not aligned with core competencies required for the jobs that they are doing.

The audit outcomes by the Auditor-General have, in a way, highlighted some critical areas of intervention to improve the performance of our municipalities. Where these performance challenges have been identified, it is imperative to provide targeted programmes to enhance skills with a view to improving the performance of our municipalities.

Some of the areas that require urgent improvement include leadership capacity, managerial competence, technical and project execution, as well as financial management skills. Through the Department of Co-operative Governance and Traditional Affairs, SA Local Government Association, Salga, and National Treasury, a number of training and capacity-building programmes are implemented as part and parcel of integrated support to all municipalities.

These programmes include Municipal finance development, and municipal executive development in partnership with selected universities; technical project management and engineering skills to enhance project execution and delivery, especially in infrastructure projects; financial management and governance; and leadership and management programmes implemented through the National School of Government.

These interventions are complemented by focused recruitment and selection of competent managers in critical senior positions. The deployment of expert technical teams across a range of municipal disciplines is another important intervention to effect skills transfer programmes that benefit municipal officials.

Where skills audits have been undertaken, individuals are placed appropriately based on qualifications, skills and experience. The Department of Co-operative Governance and Traditional Affairs champions programmes such as Revenue Enhancement, Municipal Competency Regulations, Municipal Performance and Financial Monitoring and many others.

The Inter-Ministerial Committee on Service Delivery at District Level will continue to engage with the Human Resource Development Council to identify and co-ordinate

intervention measures to provide required skills to improve the performance of our municipalities.

With regard to the second part of the main question, it is important to point out that matters raised herein fall outside the defined scope of the Inter-Ministerial Committee on Service Delivery at District Level. Thank you, Madam Speaker. [Applause.]

The CHIEF WHIP OF THE OPPOSITION: Through you, Madam Speaker, thank you to the Deputy President for the answer. I am very glad about the huge emphasis in your response on the role of the Department of Co-operative Governance and Traditional Affairs in your interministerial committee and just how integral that department is to addressing many of these service delivery challenges. I thank you for reinforcing that. But then it begs a question, Deputy President, because one of the key frustrations for communities when it comes to service delivery is the lack of answers from departments when it comes to their queries and it often spills over into violence.

The problem we have is that the Minister in charge of Cogta, who is an integral part of your committee, as you have highlighted here today, is not answering questions

from Members of Parliament. Almost half of the questions that have been put by hon members of this House relating to municipal service delivery problems have come back with a one line response saying, "The department doesn't have this information, and if we get it we will provide it to you."

The same Minister today missed a hearing with Standing Committee on Public Accounts to discuss the breakdown between Eskom and municipalities. I ask you Deputy President, as a Leader of Government Business and the head of the interministerial committee, what are you going to do to ensure that this Minister of Co-operative Governance and Traditional Affairs starts to do her job as it relates to Parliament and with the municipalities?  
[Applause.]

The DEPUTY PRESIDENT: I think it is important that members of the executive council must, in their day-to-day work, be mindful of the work of Parliament and also respect this institution.

If there are complaints about the Minister of Co-operative Governance and Traditional Affairs, I will take a discussion with the Minister so that whatever

challenges and misunderstandings that are there can be addressed.

There should be no impression created that there are some members of the executive council who deliberately undermine this House. I don't think that should be the intention and it will never happen from this Cabinet.

Members of the Cabinet are not going to undermine the work of this institution deliberately. If that has happened then we are going to correct that. It is our intention that all questions that are asked are responded to timeously. Thank you very much. [Applause.]

Rev K R J MESHOE: Deputy President, the ACDP is very concerned that recommendations made by the Auditor-General seem to be ignored by various departments that should be taking corrective action. Because of that, there are no consequences and government's failure to hold incompetent office bearers to account has led to many municipalities and departments becoming dysfunctional.

Some have even had to be put under administration because they ignored the advice and guidelines given to them by the Auditor-General. It is disgraceful, Deputy President,

that from the report of the Auditor-General, about 18 municipalities ...

The SPEAKER: Hon Meshoe, your question please.

Rev K R J MESHOE: About 18 out of 257 municipalities have received clean audits. What I want to know is: What is government going to do to correct this unpleasant situation because this has been a pattern over the years? Thank you.

The DEPUTY PRESIDENT: I think it is the responsibility of Ministers and our directors-general to respond to findings made by the Auditor-General with regard to national departments. With regard to municipalities, I can safely say here that the Department of Co-operative Governance and Traditional Affairs has put in place a support mechanism to try and assist all municipalities to respond to the audit report.

Some municipalities have been placed under administration with a different kind of support from those that are supposed to respond to certain audit queries. Now, the Interministerial Committee on Service Delivery at District Level is doing very well and the lead department there is Cogta. The Department of Co-operative Governance

and Traditional Affairs is working very hard to address the challenges that are there in municipalities.

Of course we must accept that from time to time the Auditor-General complains about leadership and governance which are matters that all of us sitting here as different political parties must look at because this is not a matter that only affects the governing party. Some of the municipalities are governed by parties that are here and they experience the same problems. Leadership and governance failures are common across almost all our municipalities.

What I am saying is that Cogta has developed a myriad of comprehensive responses to respond to these challenges. What is good to note is that through this process, Cogta is able to unblock where there are blockages in terms of service delivery. The interministerial committee is starting to make the necessary meaningful impact. Our visits to O R Tambo and to eThekweni are starting to give us the desired impact. Thank you very much. [Applause.]

Ms N V MENTE: Through you, Speaker, to the Deputy President, with the municipalities that are governed by different political parties ... EFF has never been in government; don't say all parties that are here.

[Interjections.] In Johannesburg our Mayor has done 100% well, in fact, much better than you have done in the last 25 years – all of you combined. [Interjections.]

The interministerial task team that is looking into this matter of balancing the skills and dealing with service delivery must bear in mind that at the local level is where municipalities are faced with social ills of everyday with the people ...

The SPEAKER: Ms Mente, your question.

Ms N V MENTE: ... and what happens with the division of revenue. They only get allocated 10% yet they are the ones that are at the coalface of service delivery ...

The SPEAKER: Ms Mente, your time has expired.

Ms N V MENTE: Why are you not doing away with the provinces in order for the local government to receive more money for service delivery and employing more skills required for the service delivery of our people? [Time expired.] [Interjections.]

The DEPUTY PRESIDENT: Speaker, 100% of the revenue collected by municipalities goes to them. For instance,

municipalities will collect money for water, electricity - they buy and sell electricity and make a profit, rates and taxes and it all goes to municipalities.

Now, it is quite important that municipalities are able to manage finances and to collect this revenue. Their billing system must be strengthened. As we speak, municipalities are not collecting 100% of what is owed to them because of the discrepancies in their billing system. The department of Co-operative Governance and Traditional Affairs is doing everything it can to help them enhance their billing system.

National government is supporting municipalities through grants. These are grants that are given to municipalities for infrastructure and other things but in the main, revenue that is collected by municipalities remain with them. Thank you very much.

The SPEAKER: Hon members, perhaps I should do this: The person who puts the question gets the first supplementary question. That hon member has two minutes to put that supplementary question. The three other supplementary questions have exactly one minute each. The last supplementary question goes to the hon Mpambo-Sibhukwana.

Nksk T G MPAMBO-SIBHUKWANA: Ndicela ukubuza Sekela Mongameli ukuba kwezi zinto ziqhubekayo uthabathe manyathelo mani ngaba bantu baphula umthetho? Enkosi Sekela Mongameli. (*Translation of isiXhosa sentence follows.*)

[Mrs T G MPAMBO-SIBHUKWANA: I would like to ask the Deputy President about the actions he has taken against those who are breaking the law. Thank you, Deputy President.]

USEKELA MONGAMELI: Ngiyabonga. Ngiyacabanga nje ukuthi ukhuluma ngezinto ezenzeka laphayana komasipala ukuthi kukhona abanye abantu abenza izezo zokukhwabanisa kubona. Manje-ke laphaya komasipala kunomkhandlu kunekhansela, kunemeya kunemenenja yomasipala, bonke laba bantu banelungelo lokuthi uma kukhona umuntu ophuma endleleni ngemisebenzi ayenzayo kubo yibona futhi abambuyisela endleleni.

NgokoMthethosisekelo, kungumsebenzi wabo lowo. Ungaba uSekela Mongameli kodwa awukwazi ukufika laphayana uthi, hhayi wena menenja yomasipala ugangile, sengifuna ukukuxosha mina, akwenzeki kanjalo. Nangalana kuHulumeni sinoNgqongqoshe, sinomqondisi jikelele, bonke labo bantu banomsebenzi othile. Umangabe kukhona okungahambi kahle

emnyangweni ijoka liqala liwele kumqondisi jikelele  
liwele nakuNgqongqoshe okuyibona abantu bokuqala okumele  
bathathe izinyathelo ukuthi balungise lokhu  
okungalungile. Nalaphayana komasipala-ke kunjalo.  
Ngiyabonga. [Ihlombe.] (*Translation of isiZulu paragraphs  
follows.*)

[The DEPUTY PRESIDENT: I think you are talking about the  
things that are happening at the municipalities; that  
there are people in them who commit fraudulent acts .  
There is a council, a councillor, a mayor and the  
municipal manager at the municipalities. All these people  
have the right to correct anyone who goes astray from  
performing assigned duties. They are the ones who should  
put whoever back on track.

It is their duty according to the Constitution. You can  
be the Deputy President but you cannot go there and say  
to the municipal manager that he or she has committed a  
crime, and that you want to fire him or her. It doesn't  
work like that. Here in government, we have a Minister  
and the director-general; all these people have a  
specific job. If there is something wrong in the  
department, the blame first falls on the director-general  
and then on to the Minister who is the first person to  
take corrective steps if something is wrong. It is the

same at the municipalities as well. Thank you.

[Applause.]

**Amendment of Constitution to permit expropriation of land  
without compensation**

14. Mr N F Shivambu (EFF) asked the Deputy President:

Whether, in light of the report of the Constitutional Review Committee (CRC) which was adopted on 15 November 2018 and which recommended the amendment of the Constitution of the Republic of South Africa, 1996, to allow for land expropriation without compensation, but hitherto not implemented through amending legislation, the amendment of the Constitution, 1996, to permit for the expropriation of land without compensation remains a priority of the Government; if so, what is his position, as leading the Government's efforts to fast-track land reform, to ensure that in the event that the CRC does not amend the Constitution, 1996, by February 2020, the Government has a fall-back plan to put such an amendment in place by February 2020? NO2215E

The DEPUTY PRESIDENT: Hon Speaker, we would like to assure this House that the amendment of the Constitution

of the Republic of SA, Act 108 of 1996, remains a commitment and a priority of this administration in order to enable the expropriation of land without compensation. The government will not deviate from this policy.

As a reminder to all of us, the Freedom Charter sets out fundamental principles that emphasise, among others, equal rights, shared opportunities as well as the pursuit of redress, redistribution, social, economic and spatial justice.

In practical terms, the Charter foresees a direct role for both public and private property ownership, a developmental role of the state, a state with legal authority, political will and the desired resources to address the imbalances of the past.

We have said in this House, and elsewhere, that the land reform process shall be pursued in a responsible manner that seeks to address the following objectives: sustained inclusive economic growth, skewed concentration of ownership by large corporations and monopolies, diversify the economy through reindustrialisation, manufacturing and beneficiation.

In other words, we are pursuing a land reform programme for increased agricultural production, integrated human settlements in order to address apartheid spatial planning, and industrial use to support manufacturing and other means of production.

The Inter-Ministerial Committee on Land Reform and Agriculture, tasked with co-ordinating and providing political leadership to accelerated land reform, is currently finalising government's comprehensive response to the recommendations that were made by the Panel of Experts on Land Reform. A comprehensive response to the Panel's recommendations will be presented to Cabinet for consideration and approval.

It is worth pointing out that the Panel of Experts on Land Reform has supported the amendment of the Constitution to set out unambiguous provisions for expropriation of land without compensation. The panel also supports the finalisation of the Expropriation Bill to enable land expropriation within a properly guided legislative framework.

In as far as the work of the Constitutional Review Committee towards the amendment of section 25 of the Constitution is concerned, the Chairperson of the Joint

Constitutional Review Committee announced that the committee would be able to meet its deadline to amend the Constitution. He has indicated that the committee would have completed its work by March 2020, as directed by this House. He has given the assurance that everything is on track to meet this deadline.

We are confident that Parliament will be able to finalise its own processes within the planned schedules.

In the meantime, the government will proceed with the development and tabling of the Expropriation Bill currently underway to provide for the expropriation of property for public purpose or in the public interest. This process will not be affected by the parliamentary process for the amendment of section 25 of the Constitution. Thank you, hon Speaker.

Mr N F SHIVAMBU: Thank you, Deputy President, for confirming that the expropriation of land will happen as planned and as agreed by this House and its government policy. We were just retableing this question because one of your members, Kgalema Motlanthe, had said that not in 100 years expropriation of land is going to happen in South Africa. So, thank you very much for confirming that this is going to happen. So, you don't have to say

anything, you can just say we confirm that expropriation is going to happen. You confirmed.

The DEPUTY PRESIDENT: Thank you very much. [Applause.]  
Thank you.

Ms T M MBABAMA: Deputy President, the DA recently assisted Ntate Rakgase in winning a groundbreaking court case, which compelled the government to sell the land he has been leasing from the Department of Rural Development and Land Reform for almost 30 years. How many other black farmers are in similar situations across the country? Would you, Mr Deputy President, as the leader of government's efforts to fast-track land reform, not make a bigger impact on land reform by following up on those farmers and enabling ownership through title rather than upholding an unnecessary decision to amend a perfectly worded Constitution to allow for the fallacy of expropriation of land without compensation? Thank you.  
[Applause.]

The DEPUTY PRESIDENT: Well, thank you very much. We are not going to go back to the discussion of why we should really amend the Constitution. I think we have explored that one in a big way. But going forward, the government is going to announce its policy on redistribution. Like

we have said, we are packaging land parcels which are in the hands of the government, and we are in the process of redistributing them. But we must know how we do it. The criterion should be supported by a policy. In that criterion, land is going to be redistributed to young people, women and all those who aspire to be farmers.

There are many forms of redistribution. Leasing is one of them. We can lease land to you, and you can utilise that land. [Interjections.]

An HON MEMBER: That's not redistribution!

The DEPUTY PRESIDENT: Yes, it is. [Interjections.] It is. [Interjections.]

The SPEAKER: Order!

The DEPUTY PRESIDENT: We are not going to ... [Interjections.] Probably, it will be better to debate the policy once it is announced. But I am saying when land is redistributed to an individual and that individual goes and borrows money against that land, and he or she fails to pay, that land can be taken. So, they would have defeated the aim of redistribution.

So, we are going to look at a number of options that will empower those people. But we are saying to lease land, you are given land, and you are given support - produce. I don't know why people are so worried about the government just giving people land, because this land, when I am indebted, I may try to sell that land; I will sell it, and finally, I won't owe anything. I'll be back to square one. [Interjections.] Thank you very much. [Applause.]

Dr C P MULDER: Thank you, hon Deputy President for your reply. Hon Deputy President, we took note that the hon Shivambu, who asked the original question, was much excited about your reply. But I would like to ask you, do you agree with the hon Shivambu's party, the EFF's policy that says all land should be expropriated and handed over to the state and should belong to the state?

The DEPUTY PRESIDENT: Well, that is a policy of the EFF. Why are you asking me because I am from the ruling party? [Applause.]

Dr C P MULDER: I ask you if you agree with that. [Applause.]

The DEPUTY PRESIDENT: Well, it's their policy. We have stated our policy clearly. [Interjections.]

Mr N F SHIVAMBU: Speaker, you can allow him to ask us, and we will respond now. We can give him our perspective.

The SPEAKER: No, hon Shivambu, you will have to do that outside the House.

Mr N F SHIVAMBU: Okay, no problem.

The SPEAKER: That's bilateral outside.

The DEPUTY PRESIDENT: I am sure hon Speaker, we should encourage that they can discuss outside. Thank you.

Mr L M NTSWAYISA: Mr Deputy President, what are the legal challenges you anticipate when expropriating land without compensation and how ready are you for those legal challenges? Don't you think it's proper for the municipalities to first release land to the needy people to show that the government is serious about this? Thank you very much.

The DEPUTY PRESIDENT: Well, what we are anticipating is that there will be resistance and we are prepared to face

that resistance because our intentions are noble. They are meant to benefit the country. So, we are prepared to travel this journey.

We are saying that as we prepare ourselves to travel this journey, our land reform programme is meant to redress the past imbalances. There are people who have been dispossessed of their land. We must redress so that all of us can enjoy the freedoms of our struggles. All of us can enjoy the benefits that the country as a whole accord to its people.

So, we are mindful of the challenges, but our people must know that there is goodwill on the side of the government. We really mean good for the country and its citizens.

We are also encouraged by the fact that a number of white farmers are stepping forward and donating land. This is a goodwill which we would like to encourage. Where there is land that is not utilised, people can donate that land so that other people can put it to productive use. Thank you very much.

**Processes to urgently develop practical outreach programmes to foster dialogue and ensure rollout of Charter of Good Values to all sectors of society**

15. Ms R C Adams (ANC) asked the Deputy President:

With reference to his responsibilities as a patron of the Moral Regeneration Movement and the Government's efforts and initiatives aimed at fostering social cohesion and nation-building, what processes are being considered to urgently develop practical outreach programmes that not only foster dialogue but also ensure the rollout of the Charter of Good Values to all sectors of the society such as schools and churches including government structures, businesses and the general public? NO2212E

The DEPUTY PRESIDENT: Hon Speaker, the imperative for the moral regeneration of our society has never been more urgent, given the lingering effects of moral decay in our nation, leading to an alarming upsurge in gender-based violence, femicide and deaths in our schools across the country.

When the Moral Regeneration Movement, MRM, was established, it was due, in large part, to the vision and

foresight of former President Nelson Mandela who believed that parallel to the Reconstruction and Development Programme, RDP, which focused mainly on government's efforts towards improvement of the material conditions of our people, there should also be an effort to ensure that there is an RDP of the soul.

This meant that equal attention had to be paid to the project of rebuilding the foundation of a morally upright society anchored on core values of dignity, equality and respect for human rights and liberties. This would focus on moral renewal, the promotion of positive values in society and the cultivation of a collective sense of consciousness and corresponding obligations in safeguarding one another's welfare, as well as building a united and cohesive society.

This was borne out of a growing realisation that our history of social fractures, violence, instability and moral decay was a sign of a struggling society not at peace with itself. For social reconstruction to gain traction, moral renewal and transformation had to be embedded and interwoven into the fabric of society as a whole.

For all intents and purposes, the MRM as a civil society-led organisation, has made a tremendous contribution towards orchestrating a socially inclusive process that fosters multistakeholder participation in pursuit of moral renewal in our communities. Through government support, the MRM has managed to implement programmes and campaigns focusing on moral renewal and ethical conduct.

Our task is to build on what has been achieved to date and address existing constraints through targeted support in terms of additional resources required to upscale and expand the footprint of moral regeneration programmes. We have made a commitment to mobilise resources for the MRM, both within and outside government.

It is important to mobilise support for the MRM in terms of additional resources to complement government's contribution. Thus, we need to create more and more platforms of participation for key sectors in society such as business, the faith fraternity, as well as our traditional leaders just to name a few, to be able to participate.

In view of the above, we are planning a moral regeneration summit in the last quarter of this financial year, which will provide a platform of engagement for

other key sectors so as to get them to commit to this moral regeneration programme. The summit will be preceded by a stakeholder consultative workshop scheduled to take place on 7-8 November 2019. The workshop will set out the agenda and framework for engagement at the national summit.

What ought to come out of the workshop and the summit is a real concrete plan on moral regeneration which would have been costed and which would be implemented as part of the 2019-24 Medium-Term Strategic Framework commitment.

As part of the current work being implemented by the MRM, there are various programmes such as the antifemicide campaign, the Charter of Positive Values and the ethical leadership programme.

We must indicate here that the work of the MRM can only gain traction to the extent that there is proper co-ordination between the MRM and provinces, together with municipalities. In this regard, we are committed to further extending our work of the MRM to districts, given the new district-based model approach to planning and service delivery.

Going into the future, it is clear that our moral regeneration programme across the country has to give priority attention to problems and social ills that are threatening to tear our society apart.

The antifemicide campaign will become even more important as a core component of the broader moral regeneration programme, given the unacceptably high incidents of gender-based violence, and more specifically, intimate partner abuse and murder. This will be in keeping with the President's solemn pledge to deal with gender-based violence.

In addition, the Charter of Positive Values has been endorsed and most of the dialogues and community conversations of the MRM that are organised across the country are framed around the substance and spirit of the Charter of Positive Values.

The charter is a practical example of putting the values of our Constitution into practical effect through the lens of the African moral ethic of Ubuntu. The charter seeks to interpret the values of the Constitution, taking into account African values, traditions and cultures, philosophy, our collective sense of being and our way of life.

We will continue with the campaign of popularising the Charter of Positive Values in our schools and all our public facilities so that we inculcate and deepen social consciousness on the intent and meaning of these positive values within our society.

Our working partnership with the Department of Correctional Services will continue to focus on rehabilitation programmes for inmates as part and parcel of preparing them for reintegration into communities.

In terms of the ethical leadership programme, the MRM has developed a mutually beneficial partnership with the SA Local Government Association, in which a number of councillors in some selected municipalities have benefitted from the induction on ethical leadership. This is aimed at raising their level of consciousness on the need to be ethical leaders in discharging their roles as public representatives at local government level.

We will be stepping up efforts in ensuring that this ethical leadership programme is expanded to reach more municipalities as well as more public representatives in general. Thank you very much. [Applause.]

Ms R C ADAMS: Hon Deputy President, I fully agree that moral regeneration is and shall be a responsibility of the entire society, starting with individuals, families and communities. How should the MRM be given more support to lead the programme and campaigns to rebuilding a culture of taking personal responsibility for our actions as citizens and developing leaders with ethics and integrity for all sectors of society? I thank you.

The DEPUTY PRESIDENT: First of all, we have realised that in doing the work of the MRM we are constrained as government in terms of financial resources. That is why we are opening our hands, expanding and opening up this platform to other sectors in society. We are looking at business; we are looking at the participation of civic society and traditional leaders. We are expecting them to contribute towards the moral regeneration programme. Of course, some of them are going to participate while others are going to support in terms of financial resources.

The only way to succeed going forward is to open up; to get more and more people, more structures and more sectors involved so that we can reach more and more people because this is a very important element in our life as a country. If we are to succeed we must ensure

that we build a society that is founded on good and positive values; a society that will stand upright; and a society that will deal with all the social ills and undermine those that seek to threaten that society. Thank you very much.

Ms H O MKHALIPHI: Deputy President, Julius Nyerere said that social cohesion without Pan-Africanism is reactionary and dangerous. Do you agree with that statement in the light of what is happening in the country in terms of the xenophobic ... that is taking place in the country, which puts South Africa in a bad light? What is your perspective on that? Thank you.

The DEPUTY PRESIDENT: Well, the South African community has a past. It's a past of struggle, which has connected us with countries on the continent. Of course, in terms of that perspective, we should treat one another as brothers and sisters on the continent. However, beyond that, as human beings we must treat one another with respect, regardless of our colour, traditions and cultures. We must treat one another with respect. That is the basis for success.

Now, in our case it's very different because when we were engaged in a struggle for our own liberation we had to

get assistance from our neighbours; from the entire African continent. So, in a way that has bonded us with our brothers and sisters on the continent. It should be very important for South Africans to know where they come from so that they can shape their future.

Now, it's unfortunate if people are going to segregate one another in terms of their tribe or in terms of their race. That is unfortunate. However, when we talk about moral regeneration there are certain values in life that must be upheld for a society to be cohesive, for people to coexist and for people to stay together.

First of all, we must respect one another; respect one another. Live and let other people live. Now, gender-based violence is something that is strange. It's very strange ... which we don't understand. Like we said last week, some of the things probably emanate from our cultures. Patriarchy is one of them. The stereotypes which we grew up with are things that must be undermined because they tend to look down on a certain section of our community, especially women. That is embedded in the way we do things and the way we were socialised; which we must change.

Now, that will need people sitting here to stand up and mobilise society. Let's talk about these issues. These issues are wrong. A girl-child must be treated like a child. If you have two children, with one being a boy and the other a girl, those children are equal and they must be treated equally. They must be loved in the same way.

Now, in the manner that we do things ourselves as parents, we are not really building a society of tomorrow. Some of the social ills that we are confronted with today are as a result of the upbringing; the way we are parenting; the way we are bringing up our children. Some children are growing up in the absence of parents. Some parents are parents because they've given birth to children but they are not there to see to the upbringing of these children. Thank you very much.

Dr L A SCHREIBER: Hon Speaker, it is jarring to hear the hypocrisy of the Deputy President speaking of morality ... [Interjections.] ... when the conduct of his own government sets an example of moral collapse in South Africa. [Interjections.]

Mr B A RADEBE: On a point of order, Speaker: I'm rising on Rule 84. The member has just said the Deputy President is hypocritical. I think that basically compromises the

morals of the Deputy President. Thank you.

[Interjections.]

The SPEAKER: Hon Schreiber?

Dr L A SCHREIBER: Yes, hon Speaker?

The SPEAKER: You said the hon Deputy President is ... You said ... You referred to him and said, his hypocrisy.

Dr L A SCHREIBER: Hon Speaker, I referred to the hypocrisy of the statements that he was making.

[Interjections.] That is a value judgement and I'm allowed to make a value judgement.

The SPEAKER: Hon Schreiber, you said it is ... You referred to his hypocrisy. His ...

Dr L A SCHREIBER: Hon Speaker, I withdraw. It's fine. I withdraw. Thank you. May I continue? [Interjections.]

The SPEAKER: Thanks. Please proceed with your supplementary question.

Dr L A SCHREIBER: Hon Speaker, the government immorally chooses to spend R30 billion per year on millionaire

cadres rather than on hundreds of thousands of underpaid police officers, nurses and teachers. This government continues with the immoral practice of cadre deployment; the very policy that caused R1 trillion to be stolen through state capture. Why should South Africans listen to a word the hon Deputy President says about morals when his own government undermines the moral fabric of our country? [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, just before the Deputy President responds, if I may just rise on Rule 80. We have to jealously protect members' rights to freedom of speech in this House, for us to be able to say that. I would submit to you that calling somebody's arguments hypocritical is not casting aspersions. [Interjections.] It's not on the character of the individual. It's on their arguments that are hypocritical. [Interjections.] I really think that we are straying. We are perambulating perilously on a violation of free speech. We can't have thin skins in this House if we are going to be honest with each other. Now, that was not an impugnation on the integrity of the Deputy President; his argument was hypocritical.

The SPEAKER: Hon Steenhuisen, if the hon member had referred to what he said as hypocritical ... but he

didn't. He said, his hypocrisy, and that is exactly why I'm ruling the way I am ruling.

Dr L A SCHREIBER: Hon Speaker, hon Speaker? Excuse me, hon Speaker, on a point of order: I'll quote my words to you. [Interjections.]

Mr B A RADEBE: On a point of order, Speaker.

The SPEAKER: No, please take your seat, hon Schreiber.

Dr L A SCHREIBER: [Inaudible.] ... hypocrisy of the Deputy President ... [Inaudible.] ... of morality ...

The SPEAKER: Please take your seat! Please take your seat! Unrecognised, you will not stand up. Deputy President, may we proceed? [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, may I ask that to resolve this, you examine the Hansard and come back to the House with a considered ruling.

The SPEAKER: Tata Steenhuisen ... No, order members. Order! [Interjections.]

An HON MEMBER: Calm down. Don't be so nervous.

The SPEAKER: When the hon member said, his hypocrisy, I repeated after him and he said he withdraws. I'm not going to examine when I actually heard him say, his hypocrisy. [Interjections.]

An HON MEMBER: That's what he said! [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, I'd like this referred to the Rules Committee ... [Inaudible.]  
[Interjections.]

The SPEAKER: Please refer it to the Rules Committee. Can we proceed, Deputy President? [Interjections.]

The DEPUTY CHIEF WHIP OF THE MAJORITY PARTY: On a point of order, hon Speaker. My apologies, hon Speaker. We cannot have it that ... you have ruled on the matter and the member has withdrawn. So, we are going to throw that thing out of the Rules Committee. We will not allow it.  
Thank you.

The SPEAKER: [Inaudible.] ... ma'am. That's fine. The matter has been referred to the Rules Committee. That is where it ends. [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, there's already been a prejudgement now of what's going to happen in the Rules Committee. [Interjections.] How's that fair?

The SPEAKER: Hon Steenhuisen, before the hon member stood I said please refer it to the Rules Committee.

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, given the comments of the Deputy Chief Whip, would she then concede that we can take it straight to the Western Cape High Court?

The SPEAKER: Hon Steenhuisen, I'm not going to bog this House down with this dialogue. [Interjections.] No, no! [Interjections.] Order! Hon Steenhuisen, please man! Khawulawuleke! [Be in order!] [Interjections.] No, we will not have a back and forth between you and me. I have ruled on the matter. Deputy President, please proceed.

The DEPUTY PRESIDENT: Thank you, hon Speaker. Well, I heard a statement. There was no question. Can I request that the member state his question?

The SPEAKER: [Inaudible.] ... the question. Hon Schreiber, do you want to get into the question, without referring to the hypocrisy?

Dr L A SCHREIBER: I'm happy to do that, hon Speaker.

The SPEAKER: You have the floor.

Dr L A SCHREIBER: Hon Deputy President, thank you. The question is as follows. Given the fact that the government acts immorally by continuing to spend; examples like R30 billion a year on managers rather than on underpaid police officers, nurses and teachers, and given that the government continues the immoral practice of cadre deployment which led to state capture ... [Interjections.] ... why should South Africans listen to this government when it talks about morals when it is one of the main perpetrators of immorality in this country? Thank you, hon Speaker. [Applause.]

The SPEAKER: Thank you. That's the question, Deputy President.

The DEPUTY PRESIDENT: Okay. Well, the money that we are spending on all the people that we have employed in the Public Service ... I think those people deserve those salaries. They deserve those salaries. I accept that the performance of those people ... at times some of their performances are not up to scratch. I accept that, but it's not all of them who are employed in the Public

Service that are not equal to the task at hand. That is why there is service delivery.

Of course, here and there are glitches that are caused by incompetence here and there, which we are addressing. However, it will be wrong to say that the money that we are paying to all those managers in the Public Service ... we are just wasting that money. Those people are working. They are delivering services every day.

So, we are not denying the fact that there are challenges, but as much as there are challenges there are successes. Thank you very much.

Mr V ZUNGULA: Hon Deputy President, I think we must be specific in terms of what we define as morality and what we define as positive values. We need to be specific and clear.

For example, a moral person can reject millions of rand as they know that whoever funds you controls you. That is why the Chief Justice rejected a donation of R600 million. However, an immoral man can accept such a donation and not see anything wrong with it because, on the face of it, no law has been broken.

Therefore, the question to you is as follows. As a Leader of Government Business in Parliament and as part of the strengthening of political maturity, what is your message to all of those who have allowed themselves to be prepaid? Thank you.

The DEPUTY PRESIDENT: People who have been prepaid. Well, all I know is that people can donate money to other people, and that is allowed because finally that is going to be declared. It is going to be declared and known. A donation which will take it ... it's a donation. It's a donation.

If there is something that is hidden behind the donation, time will probably tell. Time will tell, but we cannot just, right at the onset, say no, this person is given this money because down the line ... expected to return the favour. We cannot say that, until that favour is returned. Then we can question it.

However, at face value we should accept ... Donations are being made everywhere, and as Members of Parliament you also continue on your daily work; daily business. You donate what you can donate. It's goodwill. However, beyond that, if there's a catch behind the donation time will tell. Thank you very much.

**Taking trade into Fourth Industrial Revolution in context  
of African Continental Free Trade Area Agreement**

16. Mr L M Ntshayisa (AIC) asked the Deputy President:

In light of his responsibility of assisting the President in efforts towards building a better Africa, what steps has he taken to lead the process to ensure that technology is at the forefront of taking trade into the Fourth Industrial Revolution in the context of the recently signed African Continental Free Trade Area Agreement (details furnished)?

NO2210E

The DEPUTY PRESIDENT: Hon Speaker, our foreign policy position moves from a basis that the promotion of regional integration is an important economic and political goal of our government. South Africa's development is linked to the development and stability of Africa, especially our region of Southern Africa. It is on this basis that our government has over the years of our democracy, committed itself towards consolidating the African Agenda.

To advance this agenda, we have sought to establish constructive partnerships with other African countries

and have promoted mutually beneficial economic relations that are based on the ideal of regional integration. As we all work towards this African continental integration, we are mindful of the prevailing development challenges facing not only our region in Southern Africa, but the whole continent. These development challenges are well-documented, and include, amongst others, undiversified commodity-led growth paths; small and fragmented markets; infrastructure deficiencies such as energy, telecommunications, poor connectivity as far as roads, rail and ports are concerned, which all have a negative impact on trade facilitation; lack of technological infrastructure and research; instability linked to armed conflicts and poor political governance; inadequate human capital and brain drain; and dependence of certain countries on foreign aid.

For decades, the continent was characterised by a history of civil strifes and armed conflict, which has since been replaced by maturing democracies and good governance. It is true that we still have isolated cases of instability, but overall, the current reality is that Africa is not the same as yesterday.

The region has a trade and investment potential in areas of agriculture and agroprocessing, infrastructure

development in terms of roads, rail, ports, telecommunications, water purification, bulk supply of electricity, logistics, and information communication technology, to name a few. If these are fully exploited, they will contribute to establishing appropriate interconnections that would enhance intra-regional trade.

The African Continental Free Trade Area that has been signed and ratified by 54 African countries seeks to fast-track the agenda of continental integration and creates one large market as opposed to current fragmented markets found at country level.

The African Continental Free Trade Agreement therefore, represents a significant leap forward in achieving the long-standing objective of African integration and shared continental economic co-operation. It is about market integration with infrastructure development, and industrial development to boost intra-Africa trade and sustainable economic growth. By providing a larger continental market, this free trade area offers us the opportunity to improve economies of scale and efficiency, thereby improving Africa's competitiveness both in its own markets and globally.

This free trade area is an important initiative in accelerating industrialisation and economic development across the African continent. It aims to build an integrated market in Africa that will see a market of over a billion people with a combined gross domestic product, GDP, of approximately US\$3,3 trillion. The 54 member states are expected to progressively eliminate restrictive measures that affect trade in services through the reduction and removal of market access barriers.

Currently, South Africa's primary export destination in Africa is the Southern African Development Community, SADC, region due to the advantage of proximity to countries in this region. This free trade area presents us with an opportunity to further grow our trade volumes and expand to new markets. For instance, we can build further from current trade volumes with the likes of Nigeria in West Africa, which is currently around R56 billion, Kenya in East Africa which is currently R9,1 billion, Cameroon in Central Africa which is currently around R630 million, and Egypt in North Africa currently at around R4,1 billion.

This free trade area further provides South Africa with alternative markets for the export of value-added goods,

as well as trade in services. While the scope of this free trade agreement does not include technology and digital trade in specific terms, the African Union is currently undertaking a parallel initiative on the development of an African digital trade and digital economy development strategy through the specialised technical committee on trade, industry and mineral resources.

For its part, South Africa is developing a comprehensive response to the digital trade and the Fourth Industrial Revolution through the President's Advisory Commission on the Fourth Industrial Revolution. The emerging issues from these processes as far as initiatives around the Fourth Industrial Revolution is concerned, should bring into sharper focus how as African countries we can engage meaningfully in technical co-operation across various sectors of development.

We should look at how we address youth unemployment by harnessing our manufacturing capabilities and human innovation. We can, for example, make major advances in upscaling our value-added exports taking advantage of rapid technological advances to achieve new efficiencies along product value chains.

The deployment of digital banking technologies and solutions across the continent will integrate financial services, facilitate trade, eliminate red tape, and reduce the cost of doing business on the continent. It will link producers with markets. For our part, this suggests that the agenda of building a better Africa must also focus on technical co-operation between relevant research and development agencies as well as industry associations in areas of industrial research, technology development, standards and enterprise development as tools to enhance further trade and investment.

We therefore call upon the private sector in particular, to play its part in the process of a continuous skilling of its own workforce to adapt to the ever-changing environment influenced by technological advancement.

Thank you, hon Speaker.

Mr L M NTSHAYISA: Madam Speaker, well-spoken and explained. Mr Deputy President, South Africa is grappling to digitise its economy and the allocation of spectrum is moving very slowly. The biometric system in some of the parts of the Africa's national airports is poorly managed. Would you therefore intend convening a symposium in the near future for the purpose of shaping a better

Africa using the tools of the Fourth Industrial Revolution? Thank you very much.

The DEPUTY PRESIDENT: Well, I don't think as the Deputy President I'll be looking at convening this symposium because the President has appointed an Advisory Commission on the Fourth Industrial Revolution. This commission will be looking at preparing the country for the Fourth Industrial Revolution and looking at the challenges that might come with the Fourth Industrial Revolution. For instance, the work that was done by 1 000 people will be done by few robotics. That will mean, we must reskill those people so that they don't lose their jobs. These are some of the recommendations that will come with this advisory commission that will be looking at the impact of the Fourth Industrial Revolution on the current set-up and how do we prepare ourselves as a country going forward. Thank you very much. [Applause.]

Dr M Q NDLOZI: Speaker, my question is that there is very little understanding in the country, and I think across the world as well about what we mean by these revolutions or industrial revolutions. For clarity so that we know are on the same page, can you say what are the first three industrial revolutions? [Interjections.] Secondly

... [Interjections.] ... calm down, calm down. How will  
... Speaker, may I be protected.

The SPEAKER: You are protected.

Dr M Q NDLOZI: I can't hear myself. [Interjections.] Hon  
"ginger" is in my ear.

The SPEAKER: Order! Please get to your question Ntate.

Dr M Q NDLOZI: How will ... [Interjections.] ... they are  
disrupting me, Speaker.

The SPEAKER: You are protected, please proceed.

Dr M Q NDLOZI: How will nanotechnology affect medical  
diagnosis? Thank you.

The DEPUTY PRESIDENT: Well, in terms of the First, the  
Second and the Third Industrial Revolutions probably,  
that's the new question. [Laughter.] The question is  
intended at looking at the Fourth Industrial Revolution.  
Now, you are taking me back to the feudal way of doing  
things. If I were to take you from the First Industrial  
Revolution to the Third Industrial Revolution, that would  
take us a long time. I am prepared, if a new question is

asked, to explain all these industrial revolutions up to the Fourth Industrial Revolution. [Applause.] I am not very sure as a country whether we are in the Third Industrial Revolution or in the Second Industrial Revolution. [Interjections.]

Now, the Fourth Industrial Revolution in the main is characterised by the introduction of information technology - an easier way of doing business - the introduction of robotics in our industrialisation process to enhance our competitiveness. But in the main, our Fourth Industrial Revolution seeks to improve the way we are doing business as a country so that we can be faster and more competitive. That's how I can define it.

[Applause.] Now with regard to the first, second and the third that is a new question which we can explore.

[Interjections.]

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, on a point of order.

The SPEAKER: You are recognised.

The CHIEF WHIP OF THE OPPOSITION: I think the Deputy President needs to phone a friend. [Laughter.]

The SPEAKER: That's not a point of order. Deputy President, are you done?

The DEPUTY PRESIDENT: I'm done.

The SPEAKER: The hon Cebekhulu.

Dr M Q NDLOZI: Speaker!

The SPEAKER: Are you on a point of order, hon Ndlozi?

Dr M Q NDLOZI: Something like that. Yes.

The SPEAKER: No, no! There is no something like that.

Dr M Q NDLOZI: Point of order, yes.

The SPEAKER: What is your point of order?

Dr M Q NDLOZI: I really want to impress upon you, Deputy President. Do not come to Parliament to speak about the things when you don't understand them - it's wrong.

[Interjections.]

The DEPUTY PRESIDENT: Yes.

Dr M Q NDLOZI: Please go take them to understand these revolutions because they are upon us as a country and if we are not prepared, particularly on the understanding of the leadership then you cannot lead us. So, I really want to impress upon you humbly - go and understand these revolutions and what the Fourth Industrial Revolution entails and how is going to affect us, particularly nanotechnology?

The SPEAKER: Hon Ndlozi, thank you very much. That was on a point of information, and not a point of order.

An HON MEMBER: That's wrong information -misinformed.

[Interjections.]

The SPEAKER: Hon Cebekhulu?

The DEPUTY PRESIDENT: Hon Speaker, can I come in here. I said the question on the first, the second and the third industrial revolutions is a new question. Is that wrong?

[Interjections.]

An HON MEMBER: Yes, it's wrong!

The SPEAKER: Hon members, no! Let's not do this. Hon Shivambu, please take your seat. Let's not do this.

[Interjections.]

Mr N F SHIVAMBU: Speaker.

The SPEAKER: Hon members, hon Shivambu, please take your seat. Please take your seat. Hon members, the question from the hon Ntshayisa is a question which deals with two major things. It deals with the Fourth Industrial Revolution in the context of the African free trade. The follow-up questions need to be either on the response on the Fourth Industrial Revolution or on what the Deputy President has said on both the African free trade and the Fourth industrial Revolution. I think let us leave it at that. Hon Ndlozi has made his point. He has said, go brush up on the other revolutions - leave it at that. Now I am on hon Cebekhulu.

Inkosi R N CEBEKHULU: Ngiyathokoza Somlomo, mhlonishwa Sekela Mongameli ngokwenzazelo yakho ukubeke kwacaca ukuthi lenselelo ezayo izanani. Kulowo mbuso wethu obonakala ungena mandla wokulawula nokuqondisa ubuxhwanguxhwangu ezweni, ngabe mhlonishwa amathuba mahle kangakanani kithi ukuthi sikwazi ukungena kuwona ngaphakathi uma kufika lezindlela beya emgwaqeni bexove

inhlalo, nenqubekela phambili nentuthuko nokusebenza kwabantu. Isibonelo zolo lokhu kuye kwabakhona ukuthi amabhangi azodiliza. Kwaba nomkhulu umsindo abantu bathi bazoyokhipha izimali zabo ebhangi nganeno kwesikhathi. Ngabe umhlonishwa ubona ukuthi kuzawuphumelela yini uma iNingizimu Afrika uma ingena kulolu hlaka nohlelo ukuthi kuzokwenzeka ngempumelelo ngaphandle kokuba kube nomnsindo ezweni kuxoveke izwe nemisebenzi. Ngiyabonga.

USEKELA MONGAMELI: Ngiyabonga, umsindo uzoba khona.

Uhlelo lolu esingeke saluvika noma siluvikele izinto ezizokwenzeka siyafuna noma asifuni. Yindlela nje okwenziwa ngayo izinto inqubekela phambili. *{Translation of isiZulu paragraphs follows.}*

[Inkosi R N CEBEKHULU: Thank you, hon Deputy President.

According to your explanation, you have made it clear what the upcoming challenge is coming with. Our government seems to have no power to control and address crime in the country. Hon member, are there opportunities for us to participate because people are always picketing on the streets, disturbing society, progress, the development and the performance of the people. For example, not so long ago there was a rumor that the banks would retrench. There was a lot of noise and people threatened to withdraw their money before this happened.

Does the hon member think this will be a success if South Africa adopts the framework and the plan, and that there will be no disruption of jobs in the country? Thank you.

The DEPUTY PRESIDENT: Thank you. The noise will be there. This is a plan we cannot avoid, even if we avoid it, things will happen whether we want it or not. It's just the way things are done, progressively.]

Every day there is an improvement on the way we do things.

Uma ke amabhangi lawa adiliza abantu kusho kona ukuthi laba abavule leyo bhangi sebeyabona ukuthi sebebhala nje imiholo yabantu kodwa ikhona indlela enye engcono abangakwazi ukusiza amakhasimende abo, njengoba nje umuntu uma ephethe ucingo uyakwazi ukusizakala ebhange engayanga khona. Akasadingi ukuya ebhangi ayovela khona. Kungako ke iziteshi zamabhangi eziningi zizovalwa. Kusho ukuthi njengoba sithuthuka kakhulu siyaphambili siletha ubuchwepheshe obusha, vele abantu ababenza umsebenzi othile kuzofuneka baqeqeshwe kabusha ukuthi benze omunye umsebenzi. Yilokho okuzosivelela endleleni.

UMongameli uqoke lekhomishani ukuthi isisize ibheke izinto ezifana nalezo ukuthi uma i-Fourth Industrial

Revolution ingena kuzokwenzeka loku, kwenzeke loku.  
 Sikulungele kangakanani njengezwe ukuthi sikwazi  
 ukubhekana nokuphatha lezo zinkinga siqhubekele phambili.  
 Esifanele sikusho ukuthi uma kuphela imisebenzi ethile,  
 amathuba eminye imisebenzi azovuleka. Azovuleka kodwa ke  
 esingeke sikwazi ukuthi amathuba avulekayo namathuba  
 avalekayo azobe alingana na. Abantu abavalekelwe amathuba  
 kuzofuneka baqeqeshwe kabusha ukuze baqhubeke bahambisane  
 nesikhathi. Angeke siyisabe le nguquko njengoba umfowethu  
 athi angichaze nge- First, Second and Third Industrial  
 Revolution, konke loko yindlela esiyihambile  
 ngokwentuthuthuko. Kusho ukuthi indlela esenza ngayo  
 izinto yehluka kakhulu kune-First Industrial Revolution.  
 Sesingcono, sesinemishini eyenza izinto ezithile.  
 Asisadingi abantu iziqu zabo ukuthi basebenze. Kwezinye  
 izindawo sesiqasha imishini. Ngakho ke sizoqhubeka  
 siyephambili. Thina njengezwe asikulungele ukuthi  
 sibhekane nalenguquko. Ngiyabonga. [Ihlombe.]  
*(Translation of isiZulu paragraphs follows.)*

[If these banks are retrenching people, it means that  
 those who started that bank have realized that they are  
 just paying people's salaries. There is a better way of  
 serving their customers. For example, a person who has a  
 phone is able to get assistance from the bank without  
 having to go there. One does not need to go there. That

is why many bank branches will be closed. That means, as we progress and bring new technology a number of people who are doing a certain job will have to be retrained to do another job. That is what will happen to us along the way.

The President has appointed this commission to help us look at things that the Fourth Industrial Revolution would usher when it is implemented. How ready are we as a country to deal with and manage those problems and move forward? What we should say is that when some jobs end, opportunities for other jobs will open up. There will be new job opportunities but we cannot say whether the opportunities that will open up will be equal to the jobs that were lost. People who are deprived of opportunities will need to be retrained to keep up with the times. We cannot be afraid of this change. As the hon member says, I must explain about the First, Second and Third Industrial Revolution. This is the path we have taken in terms of development. It means that the way we do things is very different from the First Industrial Revolution. We are better now; we have machines that do certain things. We no longer need people physically to do the job. In some places we are employing machines. Therefore, we will continue to move forward. We, as a country, are not ready for this change. Thank you. [Applause.]

Mr S H MBUYANE: Deputy President, we welcome your response in relation to the African Continental Free Trade Area and also note the establishment of the Presidential Advisory Commission on the Fourth Industrial Revolution. Deputy President, with the reality of the Fourth Industrial Revolution being part of us on a daily life, will our country be able to build capacity to reskill and redeploy South African employees into new jobs created in terms of the Fourth Industrial Revolution? Thank you very much.

The DEPUTY PRESIDENT: Hon Speaker, that is a necessity. I don't think, as a country, we can avoid that. Down the line, we must be able and prepared to reskill our workforce. Already we have started losing jobs in a number of sectors. I am sure the commission that has been appointed by the President will come with a few recommendations regarding those people who have already lost jobs in the different sectors. It's something that is unavoidable. As government, as we continue the skilling of our nation, we must double our efforts. However, like I have said, as we try and reskill our people, it does not mean that the Fourth Industrial Revolution would only result in job losses. It will create jobs as much as it will close certain jobs. Those jobs that are closed, we must reskill those people. We

are not very sure in terms of the number of jobs that are going to be created and the number of jobs that are going to be lost. Now, the difference is that, as a country, we can be able to reskill those people going forward. I don't think we should be scared of the Fourth Industrial Revolution. We are prepared, and we would handle the challenges, but I'm sure it will take us to another level of growth and development. Thank you very much.

[Applause.]

**Model for unlocking economic potential of the Republic's  
land and property assets**

17. Mr Z M D Mandela (ANC) asked the Deputy President:

Whether the Government has a model in place for unlocking the economic potential of the Republic's land and property assets; if not, what measures are being put in place to achieve this goal; if so, what are the relevant details of the specified model?

NO2213E

The SPEAKER: Hon Deputy President, Question 17 was put to you by the hon Mandela. My instruction is that hon Tlhape will take care of that question. Deputy President.

The DEPUTY PRESIDENT: Hon Speaker, across all spheres of government departments, municipalities, and state-owned companies play various and differentiated roles as custodians of state-owned land and property assets. Within the framework of applicable legislation and prescripts, they all have the responsibility to ensure that state-owned land and property assets are managed, deployed and disposed of, to unlock economic value to support our development and service delivery goals.

Currently, there are various models implemented across government and state-owned companies to ensure that state land and property assets are utilised in a manner that supports fiscal revenue streams, public infrastructure development, spatial development planning, new investments and growth expansions.

Having said that, hon Speaker, the strategic management of state-owned land, and property assets is key to unlocking economic growth and development to advance socioeconomic transformation. Across all spheres of government and state-owned companies, land and properties are held to meet current and future service delivery and developmental needs.

Without access to land for productive use, there can be no development. Without land for building enabling infrastructure networks, such as roads, telecommunications, and bulk water reticulation, there can be no meaningful development.

In addition to state-owned land parcels, government has, over the years, invested in a huge portfolio of economic infrastructure, buildings and houses, some of which remain, as we speak, underutilised and inadequately maintained.

Where land and properties are underutilised, and in excess to the requirements for originally intended developmental use, they must be released for alternative use in a manner that will unlock the country's growth potential.

Within the framework of applicable prescripts and policies, state-owned land and immovable assets must be deployed, managed, and disposed of in a way that ensures full realisation of inherent economic value.

The release of state-owned land must serve the public interest, and the long-term spatial development plans to deal with growth and future settlement expansions. Land

invasions and uncontrolled settlements growth are unsustainable. That is why land must be proactively released to address this challenge, especially in our major cities.

We must urgently deal with the problem of underutilised and derelict government-owned buildings which are susceptible to hijacking by criminal syndicates. The release of these buildings for productive economic use is critical.

As we mentioned last week in this House, government is taking a holistic approach to the release, and redistribution of state-owned land and properties to address current and future developmental priorities.

As part of accelerating our land reform, government has prioritised intervention measures that will unlock strategically located land for redistribution to support agricultural production, human settlements and industrial development.

The release of state-owned land will address the need to build human settlements, especially in urban and peri-urban spaces to deal with population growth and the

rising demand for new public infrastructure investment for the provision of road, water and sanitation.

Alongside this, we will prioritise the identification and the release of underutilised state buildings that may be utilised or converted into modern areas of accommodation.

More essentially, government-owned land must be used to leverage and attract private sector investment in priority areas of economic growth to address poverty and unemployment challenges. Government has prioritised the development of Special Economic Zones and industrial parks on state-owned land to promote investments and industrialisation in targeted areas.

Where economic infrastructure and assets remain underutilised, especially in the former homeland areas, national government is working with provincial and local spheres of government to revitalise these assets, and provide business support infrastructure and services. This is intended to attract investments, and support the participation of new small and medium-sized enterprises into the mainstream economy.

The private sector can play an important role in unlocking the value of public land and property assets

through sale, lease, or joint venture development projects. For instance, public-private partnerships in the management of heritage properties and biodiversity conservation land assets can unlock the injection of private capital and expertise to support local economies and community development.

Through the sales, concessions or lease arrangements, government can unlock revenue streams to deal with some of its fiscal pressures. This would allow government to direct revenue streams from such assets to infrastructure investment and other service delivery priorities.

One of the lessons from our work on land reform is that there is a critical need for better institutional coordination in the effective and efficient management of state-owned land and property assets. Our management systems and operating platforms are not integrated and seamless to provide a single view of the country's composite balance sheet of state-owned land and property assets across all spheres of government and state-owned companies.

This leads to poor monitoring of utilisation by the custodians of these assets. In the process, the abuse of

state land and properties for self-gain creeps in undetected.

In the medium to long term, we need to integrate and streamline our systems to establish a common set of intergovernmental norms for records and inventories of state-owned land and property assets across the country.

Decisions on state-owned and property assets must be based on clearly articulated development priorities, which are guided by the National Spatial Development Perspective. Any unco-ordinated, unguided disposal or transactions on the state land and property assets may undermine the national interest and our commitment to the public good principle. Thank you, hon Speaker.

[Applause.]

Ms M M E TLHAPÉ: Hon Deputy President, thank you for a comprehensive response. There is also state-owned land that is leased to the private sector and we will engage the relevant departments on the actual percentage on this one. Whilst at it, hon Deputy President: Is there commitment to use state-owned land that is leased to private sector to advance the goals of transformation, land reform and empowerment of historically disadvantaged individuals? Thanks.

The DEPUTY PRESIDENT: Hon member, like we have said, the three spheres of government have different ways of managing land under their custodianship. Of course, it is allowed to lease land to individuals even to the private sector, as long as that land is going to contribute to our development as a country. However, the point that we are raising here is that as government, that is the three spheres of government, we must have common norms and principles on how to deal with state land, state buildings and houses so that the disposal of these assets are not used to undermine the growth of the country. So, as we dispose land and the buildings or the houses we must do that in the national good to promote economic development.

However, as we have noticed here, some of the properties are being sold to private individuals not for economic good. So, in that way we are undermining our potential as a country to utilise those assets to propel the country forward. So, yes, it is allowed to lease land to the private sector, as long as that land is utilised and is contributing towards the development of the country.

Thank you very much. [Applause.]

Ms A STEYN: Hon Deputy President, in light of your answer last week, where you warned fraudsters that they would be

dealt harshly when found guilty: Would you confirm that a protection order was held against you for the harassment and intimidation of a whistleblower for exposing corruption on land reform in Mpumalanga and would you therefore call on the President to ask for the Special Investigating Unit, SIU, investigation of land reform in Mpumalanga? [Applause.]

The SPEAKER: Hon member, is that a supplementary to this question?

Ms A STEYN: Hon Speaker, it is in line with how to use land for productive use. [Interjections.]

There is corruption in the land reform and the Deputy President alerted to that last year and he also said it today. He mentioned it. [Interjections.]

An HON MEMBER: The courts made a ruling! [Interjections.]

The DEPUTY CHIEF WHIP OF MAJORITY PARTY: Hon Speaker.

The SPEAKER: Yes Ma'am.

The CHIEF WHIP OF THE OPPOSITION: My apologies for interrupting you. I think some people still have a

hangover of the conference they had over the weekend.

[Interjections.]

The court ruled on this matter. So, it is neither here nor there. There is no need for that hon member to grandstand. Thank you.

The SPEAKER: Can I rule on this. I was asking the hon member because obviously I was not here last week. She makes reference to the Deputy President's response last week.

My job is to protect everybody on this floor, including you against yourself. [Interjections.]

That is my job.

The CHIEF WHIP OF THE OPPOSITION: I see we have Baleka Mbete back in form.

The SPEAKER: No. No and I will not take that from you hon member. You will not interrupt me when I am trying to get ... [Interjections.]

No, no! Hon Steenhuisen, you will not do so. Hon members, hon members, throwing tantrums is not going to help. I am

trying to get clarity. No, you will not do that. Hon Steenhuisen, you will not do that. You will not backchat. [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: You are protecting the Deputy President.

The SPEAKER: No, I am not protecting the Deputy President. I will not protect anybody on this floor, but I will also not allow anybody to be unnecessarily and unfairly put in a situation. The reason I asked the hon Steyn is because I needed to get clarity in his response. Right now, I did not catch where he refers to corruption. Deputy President, if you referred to corruption and this supplementary on this question comes from there, then you may respond.

He gave the response. I do not need you to respond for me. I am putting this to the Deputy President because I asked a question for clarity from the member who was putting a supplementary.

The DEPUTY PRESIDENT: Hon Speaker, I have said in this House and I will repeat it again and again. No one is above the law. If there is any wrongdoing associated with me, I am not above the law. The best thing that you can

do is to go to the SIU or go to any institution; there are institutions of government that are responsible to investigate crime and whatever challenge that is there. Those are institutions that are available. I do not understand why we are deciding to discuss corruption and fraudulent practices here. Those things can be reported. If really you have information about what went wrong when I was still the Premier of Mpumalanga, please, please do the honourable thing and go and report it. Thank you.

[Applause.]

Mr W M THRING: Hon Deputy President, the ACDP notes that land reform and distribution which includes state-owned land is a social challenge that requires the commitment of government and every South African to ensure the sustainability and prosperity of an inclusive South African economy.

The ACDP, through our Member of the Mayoral Committee, MMC, for Human Settlements in the City of Johannesburg has been at the forefront of taking state-owned land, developing housing units and giving out title deeds to first-time proud land and homeowners.

In the light of this, hon Deputy President, do you agree with the former President Kgalema Motlanthe when he said

a failure to protect property rights and issue title deeds to property owners destroys the value of such property and if property is not protected by law, society as we understand it today, will disappear because of the kind of anarchy and chaos that will ensue, is difficult to imagine.

In line with this statement, will the government unlock and release state-owned land, giving title deeds to its new owners in order to unlock the economic potential of such land? Thank you. [Applause.]

The DEPUTY PRESIDENT: Hon member, that is what we are doing. I have said it again and again that we are going to release state land ... [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: When?

The DEPUTY PRESIDENT: ... in order to support agricultural production. We are going to release land in order to support integrated human settlements, especially where this land is located close to where people are working, so that we eliminate this challenge that is faced by our people every day of travelling long distances to their places of work. I said so.

Again, we are releasing land for industrial purposes so that those who want to start their firms and all that should do so. This is a deliberate effort by government to try and stimulate the economy and try and get the economy working. Allowing new entrants in the economy in terms of the farmers, allow infrastructure development in terms of new housing developments and allow industrialisation to happen.

Release land purposely in order to unleash the potential of the assets that are held by government. The land that is good for human settlement, industrialisation and for farming. We said so. So, I agree with you. Thank you.

Mr M N NXUMALO: Hon Speaker and Deputy President, considering the decaying state of the general public infrastructure and in consideration to the incident that happened on 21 October 2019, whereby the floor collapsed at a public works building in Durban just before the tender proceeding meeting, I would like to ask the Deputy President whether government has conducted an audit as to the state of government public infrastructure in order to assess the readiness of buildings among other things in supporting economic generation and activities. If not, why not and if so, what are the relevant details? Thank you very much.

The DEPUTY PRESIDENT: Hon member, I am not aware of any audit that was conducted about all our government buildings. Of course there are buildings that are held by the national government, provincial governments and municipalities. We are aware that some of these buildings are not maintained and some of them are not really fit for purpose. They cannot be used and it's very risky to allow them to be occupied by people. However, I cannot exactly tell you the number of the buildings that are not in good state and the number of those that are in good shape.

This is one undertaking that we are going to do. We have explained the problem that the way we manage these government assets as the three spheres of government, presents a problem. Some of the assets are managed at provincial level, some are managed at national level and others are managed at local government level, but they are all assets of government. They just happen to be ...  
[Interjections.]

An HON MEMBER: Vandalised!

The DEPUTY PRESIDENT: ... under the custodianship of a municipality, province or national. This is one area that we seek to correct, so that we can derive value for these

assets and we can utilise them to try and catalyse economic development. Thank you very much.

**Empowerment programmes and/or models initiated for rural and township youth, women and persons living with disabilities**

18. Ms R M M Lesoma (ANC) asked the Deputy President:

In view of figures released by Statistics South Africa recently which show that youth, women and persons living with disabilities consistently remain the most vulnerable groups in a contracting economy, what empowerment programmes and/or models has the Government initiated for rural and township youth, women and persons living with disabilities? NO2214E

The DEPUTY PRESIDENT: Hon Speaker, as a country, we are tirelessly working on initiatives aimed at realising the promise of freedom as expressed in our Constitution of 1996, Vision 2030 and the National Development Plan.

However, our great efforts aimed at uplifting many South Africans to the level of socioeconomic security, continue to be hampered by our sluggish economic growth. Despite all this, we will continue to soldier on in implementing

all other initiatives that will yield a better South Africa for all.

Our efforts are focussed on a social transformation programmes that must deliver practical responses to our current challenges of unemployment, poverty and inequality.

Through various government programmes, the championing of efforts towards fair and equitable provision of the offerings to women, youth and persons with disabilities remains a priority. This is a task that requires government to prioritise targeted interventions to support the development and empowerment of women, young people and people with disabilities. In doing so, collaborative partnerships with the private sector and other social partners are critical to mobilise additional resources to scale up government's efforts.

Our focus on the development of rural and townships is intended to create the necessary opportunities for skills development, entrepreneurship and infrastructure support to benefit women, youth and people with disabilities living in townships and rural villages.

As government, we are also implementing an integrated comprehensive youth employment strategy, which will be co-ordinated by a project management office in the Presidency. Through this strategy, we will ensure that in the next 10 years, more young people, young work seekers between the ages of 15 and 35, will have engaged in a national pathway management network and accessed services to help them grow their employability as they pursue work opportunities.

In partnerships with the Industrial Development Corporation, government departments, other development finance agencies, and the Department of Women, Youth and Persons with Disabilities, are leading the implementation of an enterprise and entrepreneurship development programme, specifically targeting women. This is one of the programmes aimed at providing financial management skills to all categories of women who own and manage businesses.

The Department of Women, Youth and Persons with Disabilities, has also partnered with traditional leaders to support women economic empowerment projects in the whole country, especially in rural areas under the leadership of traditional leaders.

The Department of Social Development, in partnership with the Japanese International Development Agency, initiated the Community-Based Integrated Development Programme.

This programme seeks to create capacity support for rural women and to unlock economic opportunities for persons with disabilities. This programme has been piloted in the Vhembe and Thabo Mofutsanyana districts respectively. And will be expanding into rural districts in KwaZulu-Natal and the Eastern Cape in the next 12 months.

Furthermore, the National Youth Development Agency is championing youth development programmes for emerging entrepreneurs through the establishment of business incubation hubs. The agency also trains work seekers on job preparedness and life skills. It has also set itself a target of expanding its current reach by increasing the number of their centres in district municipalities to be more accessible to township and rural youth.

Through the Supported Employment Enterprises, an entity of the Department of Employment and Labour, employment opportunities are provided to over 1 000 workers with disabilities in designated factories across the country. Although these have traditionally been located in urban centres, plans are afoot to expand them into more rural provinces.

To support the development of enterprises owned by persons with disabilities, the Small Enterprise Finance Agency established Amavulandlela Funding Scheme to offer entrepreneurs with disabilities standard credit facilities at a preferential rate. This is supported by in-depth mentoring, coaching and business development support to ensure that these enterprises succeed.

Despite significant progress that government is making, more work still needs to be done create a fully inclusive society where women, youth and persons with disabilities enjoy equitable access to development and economic empowerment opportunities. Thank you, hon Speaker.

[Applause.]

Nk R M M LESOMA: Somlomo, Sekela Mongameli, lolu hlelo oluhle kangaka oluphokophela ukuguqula izimpilo zabantu baseNingizimu Afrika ikakhulukazi abantwana, abesimame nabaphila ngokukhubazeka abakhubazekile ikakhulukazi abasemakhaya nasemalokishini ngoba usubekile.

Kungabe zikhona nje, Sekela Mongameli ohloniphekile, izinhlelo zokuqikelela lokhu okwenzeka e-Vhembe nase-Thabo Mofutsanyana kwenzeka ngokushesha kwezinye izifundazwe ngaphandle kwalezi ezimbili othe siyeza ngoba zinye ezisalele ongazikhulumisanga? Ngiyabonga.

USEKELA MONGAMELI: Sibonga kakhulu, izifunda lezi ezimbili bekuyizindawo lapho bekungeniswa uhlelo kancane ngaphambi kokuthi lungeniswe ngokugcwele kubhekwa ukuthi iyasebenza yini lento eyenziwayo yokwesekwa komama, abantu absakhula nabantu abakhubazekile. Njengoba bengishilo ukuthi kulezi zinyanga eziyishumi nambili ezizayo lomsebenzi lo uzokwandiswa uye kuzo zonke izifunda ezweni kodwa ... (*Translation of isiZulu paragraphs follows.*)

[Ms R M M LESOMA: Deputy President, this wonderful programme aims to change the lives of the people of South Africa, especially children, women and those living with disabilities, especially those in rural areas and townships, as you have said.

Are there plans, hon Deputy President, to monitor that what happened in Vhembe and Thabo Mofutsanyana would quickly happen in other provinces, except for the two that you said were left behind because you did not engage with? Thank you.

The DEPUTY PRESIDENT: Thank you very much. The programme was piloted in these two districts before it could be rolled out to see if the issue of supporting women, youth and people with disabilities is working. As I said that

in the next 12 months the work will be expanded to all districts in the country, but ...]

... it will happen step by step in the provinces that are more rural, like KwaZulu-Natal and the Eastern Cape province. Those are provinces that are more rural. I am sure that in the next 12 months work will be done in those provinces. Thank you. [Applause.]

Ms N K SHARIF: Deputy President, you speak about the Department of Women, Youth and Persons with Disabilities as if they are doing something. But the fact is that they continuously fail to reach their targets and they are basically doing nothing for women, youth and people with disabilities on the ground.

But nevertheless, the Gender-Responsive Planning, Budgeting, Monitoring and Evaluation Framework was approved by Cabinet in March 2019. Yet, seven months later it is still not being implemented by the departments. Deputy Minister, what have you done ... [Interjections.] ... and what are you going to do to ensure the fast-tracking of this framework so that it can be implemented in all the departments? I thank you. [Applause.] [Interjections.]

An HON MEMBER: Deputy President!

The DEPUTY PRESIDENT: Well, it's not only the responsibility of the Department of Women, Youth and Persons with Disabilities. The responsibility to support women, young people and people with disabilities cuts across all the departments, state-owned enterprises and all our development finance institutions.

A lot of work has been done by the youth agency. A lot of work has been done by Industrial Development Corporation, IDC. A lot of development finance institutions have supported women enterprises and young people. We have done very little in terms of supporting people with disabilities. That is one area that we need to upscale.

And, we will be happy to favour this House with the statistics of how much support has been given to women enterprises and how much support has been given to youth enterprises. And of course, like I have said, we are doing very well in terms of affording people with disabilities employment opportunities, especially in the public service.

We are almost at that 2% level in terms of the employment equity. But of course, in terms of supporting enterprises

that are led by people with disabilities, I think as government, we are falling short there. Thank you very much.

Ms T P MSANE: Deputy President, a study by Wits University last year, showed that commercial banks do not want to offer loans to entrepreneurs living with physical disabilities. And, you have just mentioned that the department will try to incorporate them into financial institutions. What we want to know is when will these entrepreneurs be assisted in order for them to benefit in all financials because we have always been promised without timeframes? So, we are requesting timeframes.

The DEPUTY PRESIDENT: Well, all our finance development agencies across government are open to support enterprises led by people with disabilities. If there are instances where such people are not assisted and are turned back by these development agencies, we would like to assist them. All that we know is that these development agencies under government are meant to help everyone. But of course, we are prioritising women enterprises, youth enterprises and enterprises that are led by people with disabilities. So, if there are instances where people with disabilities are not

supported, we will be interested to assist. Thank you very much.

Ms M D HLENGWA: Deputy President, regarding people with disability and women, I recently visited ZAC Mine in KwaZulu-Natal. And, I was advised by the officials in the mine that currently there were no persons with disabilities being employed and there are no females in any management positions.

What plans do you, as the Leader of Government Business, have to address the contravention of the relevant section in the Mining Charter? And, whether government entities will be permitted to continue to do business with the said mine until the problem is corrected. If there are no plans, why not and if there are, please be comprehensive in your response. Thank you.

The DEPUTY PRESIDENT: I am sure that it is an isolated incident in KwaZulu-Natal and we will be happy to get more information about that particular incident because it is important to follow it up. But generally, in the public service, we have set ourselves a percentage in terms of people with disabilities and women in all categories.

We have given the statistics in our last week's response that we are doing well as the public service. In terms of women, we are standing more or less at 39%. Where we are not doing very well is in the private sector. And we are prepared, in isolated cases, to pursue such cases.

As regards people with disabilities, we have set ourselves 2% across the public service and like I have said, we are doing very well. We are not doing well in the private sector. They probably have reasons they can give and we are prepared to persuade them, to try and adhere to the Employment Equity Act. Thank you very much.  
[Applause.]

The DEPUTY SPEAKER: Thank you, Deputy President. That concludes the questions to the Deputy President. Thank you. [Applause.]

See also **QUESTIONS AND REPLIES.**

#### **SPECIAL APPROPRIATION BILL**

(Consideration of Report)

There was no debate.

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

Motion agreed to.

Report accordingly adopted.

### **SPECIAL APPROPRIATION BILL**

(First Reading debate)

Mr S N BUTHELEZI: Hon Deputy Speaker, hon Deputy President, hon Ministers and Deputy Ministers, hon members, fellow South Africans, ladies and gentlemen, the ANC supports the Special Appropriation Bill [B10-2019 (Reprint)] hereafter referred to as the Bill.

The Bill was tabled in Parliament by the Minister of Finance on 23 July 2019. The Bill is aimed at assisting Eskom with its illiquidity problems especially towards its obligations to repay debt and interest. The Bill proposes an additional R26 billion in the current financial year and R33 billion in the 2020-21 financial year.

Let me say upfront that the Bill is in compliance with the Money Bills Amendment Procedure and Related Matters Act of 2009 as amended, hereafter referred to as the Money Bills Act. Central to the Money Bills Act is the requirement for public participation in drafting this very important law, in line with the wishes of the people who gathered in Kliptown in 1955 and declared for the whole world to know that: "The people shall govern". Indeed our people through their organised formations and individual participation made their voices heard as reflected in the report that was tabled in this House.

As the Standing Committee on Appropriations, we would like to thank them for taking interest on matters that affect their lives. We would like to encourage more to do so in the future to keep our participatory democracy alive.

Hon members, the President of the Republic of SA, His Excellency Cyril Ramaphosa, in his paper to the nation yesterday aptly captured the importance of Eskom when he argued that, and I quote:

The cost to our economy of power outages is significant; it contributes to investor unease at a time when we are trying to attract more domestic and

foreign capital to South Africa and to improve our global rankings on ease of doing business.

Eskom is not just too big to fail, but it is also too important to fail. Eskom provides over 90% of electricity consumed in our country. It is thus, for all intents and purposes, a natural monopoly. If it fails, we have no alternative. Also, the socioeconomic importance of electricity utility cannot be overemphasised. It has played an important role in dealing with these apartheid legacy where more than 60% of our people did not have access to electricity.

This basic necessity of life was made a privilege of the chosen few who unfortunately were chosen on the basis of their skin colour. The majority of members in this House can attest to that reality of being born and raised in a situation of permanent load shedding. Majority of people in this House come from families where their parents or they themselves had to study through a candle light.

Where some see a candle as a sign of romance, the majority of us see it as a sign of deprivation.

[Applause.]

Thanks to Nelson Mandela's ANC that today, through Eskom, over 84% of South Africans have access to electricity

compared to 36% in 1994. Reliable supply of electricity is important for economic growth. It has been said by many economists, business people, workers and politicians that there cannot be any meaningful economic growth without secure and reliable supply of electricity. The stuttering economy and high levels of unemployment cannot be solved without solving electricity problems of our country. The greasing effect of electricity is thus beyond dispute.

I'm happy that we agree in the committee as the adopted report proves that recapitalization of Eskom should happen, therefore supporting the Bill. It is also agreed that Eskom cannot be allowed to default; this will result in cross defaults which may prompt the lenders of capital to recall their money. This will include the money guaranteed by government and needless to say, that situation cannot be allowed because of its dire consequences on the sovereign debt and sustainability of fiscus.

Although this creates the moral hazard and time-inconsistency problem for Eskom to know that government will always come to its rescue, we feel the Bill should be supported. However, we must emphasise that this cannot be a blank cheque.

We agree fully with the Financial and Fiscal Commission that this should go with stringed conditions. More about this will be said later by my comrades. However, what we are stressing is that financial support is one of the main interventions necessary to take Eskom to viability and sustainability. We are also arguing that financial assistance from government is not and should not be seen as a panacea of Eskom's woes. Related to this assistance is the undertaking that Eskom on its own goes to the capital markets and raises a further R46 billion. That must happen!

While we agree that many of the problems that Eskom is facing today could have been avoided, the fact of the matter is that Eskom infrastructure is old, averaging 37 years. This should raise a red flag for other infrastructure like water infrastructure where you are told that some of the pipes are facing similar problems. Pressure on the infrastructure of our country is huge. We therefore welcome the budget of R864,9 billion over the Medium-Term Expenditure Framework, MTEF. We would also like to add that expansion of infrastructure should be accompanied by maintenance budget.

We would also like to congratulate Minister Gwede Mantashe and Cabinet for unveiling the Integrated

Resource Plan, IRP 2019 in particular his assertion that, and I quote:

Coal will continue to play a significant role in electricity generation as the country has resource in abundance.

Hon Minister Mantashe, the financial markets responded positively to the release of IRP 2019. This should be done with due consideration of internationally accepted minimum emission standards over time.

The committee also agrees with Cosatu that the Minister of Public Enterprises should move with lightning speed to strengthen the board of directors and stabilise management. This, he will do by adding necessary skills on to the board and appointing the Chief Executive Officer, CEO, and other executives. Management science is crystal clear that for organisations in transition and facing the challenges, stability is a prerequisite.

Investors and all stakeholders remain doubtful about the sustainability of a company if no such stability is obtained. If Eskom fails, contractors and other suppliers of goods and services to Eskom fail, management will also feel the heat, and workers also lose; this then beholds

all of us to play our part. We have learned with utter dismay and disbelief that there are coal suppliers who, for whatever reason, are making super profits at Eskom.

We are reliably told that some of these companies are making profits of 50%, 70% and up to 100%. While there may be binding agreements, we urge the board and the Minister to renegotiate these contract and report back to Parliament.

It will be difficult to justify subsidisation of super profits through this Special Appropriations to the people of South Africa. Government is leading the way and we therefore expect everyone who care about Eskom and the economy of this country to play his/her part.

It's only when we have unity of purpose that the future of Eskom can be guaranteed. The committee received submission from Alternative Information Development Centre, AIDC, who proposed that Eskom should look for other different creative ways of funding.

The over reliance on government is unsustainable, they argued. This is in line with the debate in this House about the need of government to look at prescribed assets as another source of funding. Obviously, this should be

done with utmost care with necessary checks and balances. For Eskom and perhaps for other SOCs, worker representations to the board must be considered. This will also help with dealing the trust deficit between the board and management on one hand and labour on the other.

Penultimately, we call on all people to pay for the usage of electricity to ensure that we have electricity for the following day. We urge community leaders to engage and ensure that this problem is equitably solved. We can no longer justify the nonpayment of services, and we owe that to posterity. At the same time, it is important that municipalities also perfect their billing systems. The paper on the new look of Eskom will assist in understanding its future.

The Minister of Public Enterprises assured the committee that the President will soon be unveiling it. We are delighted that the President has undertaken to release the special paper on Eskom, a blue print of turning Eskom around soon. With such interventions, we have no doubt that we will be on a sustainable path to Eskom recovery. The ANC supports this Special Appropriation Bill. Thank you. [Applause.]

Mr A N SARUPEN: Deputy Speaker, it is not easy being the tallest member of this House. We just heard from the ANC that when the bailout money runs out, prescribed assets are coming in. That was just confirmed to us and that should give us all possible thoughts.

What is more important is that Eskom has a gun to the head of this government as we have just heard because they are ready to pull the trigger on a sovereign debt crisis at any time if National Treasury does not do their bidding. This is a fact.

Every citizen in our country is a hostage to Eskom. We are hostage to load shedding which causes massive economic damage. We are hostage to these bailout demands and to the endless management crisis. Eskom is not even capable of holding on to its chief operating officer, CEO. We are now at a point where the board chairs the Acting CEO. We got an entity riddled with corporate governance problems; whose board's chairperson is meant to hold its corporate governance to account, but is actually in charge of it. That is not how you manage an entity this big.

There are days when I ask myself if Eskom is physically burning money and not diesel to keep the lights on.

Losses at Eskom have accelerated from R2,3 billion last year to R21 billion this year, while at the same time, Eskom's outstanding municipal debt from municipalities has accelerated from R2,3 billion to R20 billion.

Most of the debts from municipalities emanates from the Free State - the gangster state of Ace Magashule, I dare say. It is interesting to note that the parliamentary programme had originally planned to pass this particular Bill with the adjustment budget in December but our hostage takers at Eskom demanded their money at the end of this month. This means that there were many joint meetings with the NCOP committee on this Bill and it was fast-tracked to today; and in this context, one wonders if load shedding was not as a result of hostage takers ensuring that they get their money on time. [Applause.]

In this present form; this one-page Bill will hand R59 billion in ransom money to Eskom over the next two years, in addition to R23 billion a year already allocated to Eskom over the next 10 years, blowing up the deficit and debt in this constrained fiscal environment. I call it ransom because it is unconditional.

The Bill allows the Minister of Finance to transfer the money to Eskom without any preconditions being met. He

can impose his conditions after giving them the money. If I gave you a loan for a house and you spend it on the car, no bank would allow that, but National Treasury does.

The DA offered several amendments to this Bill, including saying that no executives at Eskom should get bonuses. People are tired of seeing their schools, hospitals and clinics crumble while state-owned enterprises, SOEs, consume resources meant for the poor and reward their management with bonuses.

Another DA amendment that was rejected was that Eskom review all its procurement contracts to eliminate cost inflation as a result of dodgy deals under the ANC administration, I may say. Eskom's coal-price contracts show that some companies charge double what others do for coal. The cost inflation is estimated to be R10 billion a year. You begin to see how these Eskom losses stark or build up.

The amendments that the DA proposed were rejected because they are supposedly contained in Eskom's nine-point plan, but Eskom has had so many turnaround plans that they are back to where they started. Simply put, instead of using the full might of the law in this Bill to force the

management of Eskom to do the right thing, this Parliament wants to trust the same people who lost R21 billion last year and cannot keep the lights on to adhere to yet another turnaround plan.

The management of Eskom is so poor that at the start of this month, 1 October, Fitch downgraded Eskom's stand-alone credit rating to junk. The Bill in its present form is a blank cheque and more of the same. It rewards the culture of state capture and theft. It diminishes the importance of oversight and accountability for public money. It allows Eskom to continue to hold the gun to the heads of our citizens, businesses and our government.

The only way out of this mess is to follow the very sensible proposals that the National Treasury's Economic Strategy Document proposes as well as diversifying a generation capacity away from coal and finally privatising generation capacity. Without this, we will be bailing out Eskom for another 100 years, and I don't think the South African public deserves this as all of its resources that should be used on the poor are drained on Eskom. Thank you. [Applause.]

Mr N F SHIVAMBU: Deputy Speaker, the Minister of Finance is tabling a Special Appropriation Bill, which is

basically a request to withdraw R59 billion from the National Revenue Fund, NRF, with the intention of giving that money to Eskom on the illusionary hope that such is going to save Eskom from the current financial crisis.

In 2015, the then Minister of Finance, Nhlanhla Nene, tabled the same Bill, which was asking for R23 billion and also asked for the conversion of a R60 billion loan into equity, which was the previous intervention of the state into Eskom.

All of these are made with the intention that it will lead to the stabilisation of Eskom. Since the R23 billion request, there were lots of conditionalities and commitments made here that, that would be the last time we make an intervention at Eskom. But where are we now? Eskom is still in a debt of more than R400 billion.

In the current financial year, it made losses of more than R20 billion. Now, we are being asked to agree on the withdrawal of R59 billion from the National Revenue Fund to again give it to Eskom. But there are far much deeper crises at Eskom, which the political leadership is ignoring: firstly, is that there is a leadership crisis. We have a chairperson of a board who is incompetent and

has been appointed as an Acting CEO; and secondly, there is no stability with regard to the leadership at Eskom.

The bigger crisis that Eskom is facing is the stabilisation of coal prices. The National Energy Regulator of SA, Nersa, said that the coal prices must cost about R350,00 per ton, but currently, Glencore is supplying coal to Eskom at more than R600,00 per ton. And that is the case with the established coal suppliers. Eskom will never gain stability unless coal prices of the supply have been stabilised.

The other factor which is being ignored deliberately by the politicians is the power-purchase agreements that Eskom spends more than 25% on primary energy costs on Independent Power Producers, IPPs, but the IPPs only generate about five percent of the energy that is needed. There is no sense with regard to retention of the power-purchase agreements in the manner in which they are designed currently.

Let us now talk to what should happen; if we were to agree to a Special Appropriation Bill: firstly, we must fire Jabu Mabuza as the chairperson and Acting CEO and supplier ... [Applause.] ... of Eskom - he is a service provider at Eskom and he is incompetent. There will never

be changes that will happen under the stewardship of Jabu Mabuza; secondly, we must stabilise the prices of coal to the Nersa's acceptable and given levels; and lastly, we should fundamentally review power-purchase agreements with the IPPs.

The new leadership of Eskom should have the autonomy to independently negotiate the power-purchase agreements without the imposition from the Department of Mineral Resources and Energy or whoever is doing so because in many instances the leadership of Eskom is not aware as to who has signed those power-purchase agreements. That is what should happen in the immediate.

The other thing that must be looked into is not to unbundle a crisis-ridden Eskom. It cannot be said that there is a crisis that is defining the power utility and break it down into three entities; that is just going to deepen the crisis.

The other thing that must be done is that the state should establish an independent renewable energy division so that we do not fully depend on the private power producers to generate renewable energy. As a long-term or medium-term intervention, you should pursue nuclear energy but in a fiscal-neutral way. You can have a build-

operate transfer model that can have those who have money to build, operate and transfer later on to the state with regard to how it should be.

The other issue that must be dealt with is that you should assemble a highly skilled team to investigate the delays in the completion of Kusile and Medupi Power Stations because there is a lot of money that has already been lost there. There is no clarity as to when are we going to plug Medupi and Kusile into the national grip. So, we might then need to deal with that in the immediate. Unless all these things have been dealt with adequately, the EFF will not agree to the continuous withdrawal of money from the National Revenue Fund to just throw into a bottomless pit called Eskom. Thank you very much. [Time expired.] [Applause.]

Inkosi E M BUTHELEZI: Deputy Speaker, year after year, and of late, merely months pass us by before we rise to this podium to essentially sign off yet another Special Appropriation Bill to yet another one of government's crumbling state-owned entities, SOEs. Where do we begin to draw the line when it comes to redirecting billions of rand which can be better used improving the lives of millions of our people who are subject to dire poverty?

When do we say to board members of all SOEs that clearly they have failed to root out mismanagement, corruption, and maladministration, and that they have dismally failed to ensure that things are turning around? Do we have to be constantly held at ransom by our own SOEs who have become too big to fall? Do we really need to suffer the consequences when markets tremble, our currency falls, investors forever write longer reports and rating agencies threaten us with credit downgrades before any real action and real political will kicks in to do what is right for all South Africans?

Hon Deputy Speaker, we are fast becoming an economy which works on bailout simply to stimulate growth and clearly, in this case, another R59 billion to keep the lights on. It's a billion here, a couple of millions there, and another few billions over there. To many who are watching this House at home, it certainly does not seem like we are short of cash, because when some ask for it, they get it, but when others ask, they are told there is no more money.

Many hear the unquestionable no, there is not enough money. The ones who get to hear this more often are critical institutions and are the people doing the best they can with the bare minimum. Our NGOs, schools,

hospitals, water infrastructure and the basics we require in rural and urban nodes in our country have to suffer and wait to apply for funding.

Yet, it seems Eskom flips the switch and we are in a frenzy load shedding, rolling blackouts and havoc. Yes, we know that Eskom's success is directly linked to our economy's recovery, and yes, we are well aware of the challenges, but the IFP has time and time again warned that Eskom and many other SOEs face nonfinancial problems.

Therefore, problems are deeply rooted in mismanagement, theft and in ensuring that the state-owned entities continue to receive bailouts which will never satisfy their colossal appetite. Hon Deputy Speaker, it is in the best interest of all South Africans to keep our lights on and saving our economy from collapse. It is for this reason that the IFP supports this appropriation, because we are doomed if we do and we are doomed if we don't. Thank you very much. [Applause.]

Mr W W WESSELS: Hon Deputy Speaker, the question before us is not if the failure of Eskom ... [Interjections.]

The DEPUTY SPEAKER: Hon members, your levels of noise are too high, please. Please keep your voices low. Hon members, your noise levels are unacceptably high. Go ahead hon member.

Mr W W WESSELS: Deputy Speaker, the question before us is not if the failure of Eskom will be detrimental to our economy, we all know that. We all know that for us to excel and for this economy to grow, we need a stable power utility. But the question is: Will R59 billion of taxpayer's money prevent the collapse of Eskom? Will it prevent further load shedding?

The previous R83 billion since 2006 paid to Eskom in the form of bailouts did not. Why would this differ? Yes, the R59 billion now comes with conditions, but the R83 billion also did. The R83 billion was supposed to be used by Eskom only for the enhancement of electricity generation, capacity and security of supply, and not for operational expenses. What was it used for? It was used for operational expenses.

So, what will be different now? The last time that power utility paid dividends to government was in 2006, a mere R1,6 billion. Eskom has already failed, hon Buthelezi. Who is responsible for the demise of Eskom? It's not the

past. It's the ANC ... [Interjections.] ... and the cadre deployment ... [Interjections.] ... committee which appointed board members and executives to Eskom who allowed the utility to be looted, to be exploited whilst neglecting maintenance and good management, and whilst paying exuberant salaries to the executives.

It's the ANC-led government which allows this to happen. This bailout and the further exploitation of taxpayers will not solve the problems. The ANC-led government is not serious about solving the problems as they proved today, because members of the interministerial committee whose task is to solve the issue regarding outstanding debt of municipalities to Eskom, did not even show up at the meeting of the Standing Committee on Public Accounts, Scopa. Where were they? They are not serious.

It is now two years later, and nothing has been done. Now, we must give another billion of rand of taxpayers' money to Eskom. This will not solve the problems. Hon members, the solution is to stop having yourselves kept ransom by your alliance partners. Ministers and even the President have stood at this podium and announced solutions.

But then they go back and the Congress of SA Trade Unions, Cosatu, and the SA Communist Party, SACP, tell them that they are not allowed to do that and now there is another Special Appropriation Bill. We need privatization; we need unbundling of Eskom, but your alliance partners are preventing you from doing it.

So, ho Buthelezi, yes, you agree with Cosatu, but you agree with them because you have no other choice. You are being kept ransom and you are keeping the people of South Africa ransom. We need deregulation of electricity supply in South Africa. We need to deregulate and create competition for power utilities so that private firms can also produce electricity and put it into the grid so that they there is competitive electricity supply in South Africa.

It is unacceptable that we are keeping and doing the same thing over and over again with no different solution. That is the definition of insanity. We do not support this Appropriation Bill. [Time expired.] [Applause.]

Mr S N SWART: Deputy Speaker, I rise to represent the ACDP in this debate with a sense of outrage at the situation at Eskom. Fifteen years ago, Eskom was one of the best power utilities in the world. It had a better

credit rating than the sovereign rating. It had reserves of between R20 billion and R40 billion. It is therefore deeply disturbing that it suffered an unprecedented loss of R21 billion this past year.

Also, it has to borrow increasing amounts merely to service a R450 billion debt. It is financially bankrupt. How did they end up being indebted in this situation? The ACDP was an active participant in the Eskom oversight inquiry in the Fifth Parliament, where rampant fraud, corruption and state capture were uncovered, largely facilitated by the Zuma administration. Further evidence of this has been heard before the Zondo Commission.

Sadly, very little action has been taken against the criminals involved. Instead, those brave members, including the ANC members, who exposed the corruption at the Eskom Inquiry - Chairperson, hon Daphne Rantho, and others whose lives were threatened during that inquiry have been sidelined and were not re-elected to this Parliament. Those implicated, many of them were re-elected and occupy many seats in this very House.

The pushback against those trying to fight state capture and corruption continues unabated. This is the reason of my outrage, and the question is: How can we justify this

additional expense? Where is the political accountability? Why does no one stand up from the majority party and say that you accept the responsibility for the state of affairs?

Also, we know other reasons why Eskom finds itself in this crisis, and they are the cost overruns at Medupi and Kusile, the bloated and expensive workforce, the coal procurement strategy, and of course, the failure to collect debt that is due to Eskom. Where is the political will to collect that debt? Eskom's financial predicament is entirely of its own doing, aided and abetted by ANC politically linked Ministers who ensured that compliance boards were put in place to serve the interests of a corrupt few, and in particular, the Guptas.

Now, the taxpayer is asked to fork out tens of billions of rand with the spectre of load shedding and a sovereign credit downgrade looming. How can this be justifiable? No wonder there is outrage amongst the members of the public. Deputy Speaker, the ACDP proposes that a special ad hoc committee must be set up to exercise oversight over Eskom.

Public Enterprises does its best, but we cannot look to Transnet, Denel, SA Airways, SAA, whereas Eskom of itself

needs an ad hoc committee to ensure that the conditions for this bailout are complied with. I thank you.

Mnu N L S KWANKWA: Sekela Somlomo ohloniphekileyo, ndifuna bacacelwe abantu basemakhaya ukuba i-UDM ayibuxhasi obu buvuvu kwaye bangacingi ukuba sifuna umbane wabo ucinywe. Kaloku, thina bantu baseMzantsi Afrika ... (*Translation of isiXhosa paragraph follows.*).

[Mr N L S KWANKWA: Hon Deputy speaker, I want this to be clear to the people at home that the UDM does not support this nonsense and they must not think that we want their electricity to be switched off. Because we people of South Africa ...]

... feel that the governance weaknesses or challenges at Eskom have not been addressed. There is nothing clear despite what the government has been saying and the assurances that we have been given. It is our considered view that there is no clear turnaround strategy for Eskom to try and turn around the institution.

Another important issue which was cited earlier is reducing the cost of Independent Power Producers, IPPs in particular, because we want to cite one important statistic as a way of substantiating this line of

argument. For example, in 2015 that cost was R9,5 billion, in 2016 R15,1 billion, in 2017 R19,5 billion and in 2018 it is R25 billion that goes to IPPs. This naturally increases the overall cost or the average cost of generating electricity, at the time when we should be making energy cheap so that we can be able to stimulate economic growth. This matter seems like there is no intention on the part of government to even curb or try to ensure that the prices that IPPs charge Eskom for electricity are manageable.

The other important issue is what was indeed cited earlier, the National Energy Regulator of SA, Nersa, regulations talk about R350 per ton for coal, but Eskom has paid in excess of that. When we were doing oversight last week as a Standing Committee on Appropriations on this issue, they also cited the fact that either a supplier or suppliers were overpaid to the tune of R4 billion, which is money that they need to recover. How do you overpay someone to the tune of R4 billion?

Look at the Auditor-General's report on Eskom. It talks about procurement and financial irregularities nonstop and yet we are saying we should be throwing money at the problem instead of addressing the underlying root causes of the challenge. Unbundling, whether you like it or not,

comes out of the manuals of the International Monetary Fund, IMF, and World Bank on privatisation, unless and until government is able to produce a concept document that can outline what it means by unbundling. It is clear that the fears of trade unions in particular and some amongst us in South Africa that this is a precursor to privatisation are not unfounded.

The other very important issue that we want to highlight is this: Why is Eskom not allowed to play in the renewable energy space? Who is benefiting out of that, and why are we creating monopolies in those sectors? Who works at these wind farms, because they employ three, four or five people and yet we spend R25 billion per annum instead of spending money on areas where they will ensure socioeconomic development benefits for the country. Amasela [thieves]. [Time expired.]

Ms M C DIKGALE: Our Deputy President, Deputy Speaker, hon Members of Parliament, let me start by questioning facts. Fact number one is that currently coal is the lifeblood of the South African economy. It is the predominant fuel source for electricity accounting for about 90% of South Africa's primary energy needs. Without coal-derived electricity, industries such as manufacturing, financial services, and social services would be severely crippled,

resulting in massive job losses. We therefore need coal as things stand right now, while we diversify our energy mix into the future.

In addition to the extensive use of coal in the domestic economy, about 28% of South Africa's production is exported, mainly through the Richards Bay Coal Terminal, RBCT, making South Africa the fourth largest coal-exporting country in the world. In 2018, total coal sales were R146 billion, up from R130 billion in 2017.

Fact number two is that coal mining is the third largest employer in the mining sector. The coal industry employed 86 647 people in 2018 up from 82 248 in 2017, representing about 19% of total employment in the mining sector. However, despite these hard facts, we do acknowledge that the calls to decrease the world's dependence on coal as an energy source are well-intentioned. Lower use would reduce greenhouse gas emissions, and less demand would lower the environmental risk of coal mining. As such, as the world moves away from coal, South Africa will need to consider the implications. For example, full dependence on renewable energy can only be done if we move to lifestyles and systems that require only a small fraction of the present rich-world-per-capita energy consumption. If all South

Africans, including the majority of whom are in the rural areas, were to be brought to the required living standards, the renewable energy would not be able to cater for all of us. This is fact number three.

So, we need to strike a balance between all these factors. That is why we bought into, and supported the idea of Just Transition, which is the idea that justice and equity must form an integral part of the transition towards a low-carbon world. At its core is the view that it is possible and necessary to promote, through the mobilisation and collaboration of workers and communities, public policies that simultaneously address environmental challenges and secure decent jobs and livelihoods for affected workers.

It is thus a no-brainer that the trade union movement throughout the world is in support of and advocates for this Just Transition. As the country, South Africa is in support of this. This is evident from the consultative forums, including National Economic Development and Labour Council, Nedlac that our government has with unions when dealing with issues that affect workers such as Just Transition. I also want to applaud our own Portfolio Committee on Employment and Labour for adopting

a consultative programme of action which makes labour unions important stakeholders in this Sixth Parliament.

We also support the view of the National Union of Mineworkers, NUM, that government should support Eskom with funding, as one of its entities to achieve its developmental goals. That is why we support this Special Appropriation Bill. However, we want to make a clarion call to all who owe Eskom, especially the organs of state, to please do their patriotic duty and pay their Eskom debts. The government bailouts are not, and will never be, sustainable. If the residents of Polokwane Local Municipality, where I come from, the majority of whom are poor, could pay their electricity bills, what stops the rest of us to do the same?

E reng ke bolele nnete. Meyara wa rena wa Polokwane o lemogile gore Mafrika ba ipshina kudu ge ba šomiša didirišwa tša bona ba sa di kolote. Ba na le dillamathekeng, gomme ba di rekela dinakomoyeng. Ba a tseba gore dillamathekeng di šomiša motlagase. Ba na le diDSTV. Ba a tseba gore diDSTV di šomiša motlagase. Eskom ke hlatse ya gore ba lefela motlagase wa bona.

Batho ba Afrika-Borwa ka moka, a re se phaleng ke batho ba Polokwane. A re ba ekišeng re patele motlagase.

*(Translation of Sepedi paragraphs follows.)*

[The truth is that the Mayor of Polokwane has realised that Africans are comfortable with not buying things on credit. They have cellphones loaded with airtime. They know that they need electricity to recharge their cellphones. They know that their DSTVs use electricity. Eskom can attest to the fact that they pay for electricity.]

Fellow South Africans, let us not allow the residents of Polokwane to outshine us. Let us learn from them and pay our electricity bills.]

Hon members would have witnessed the announcement of the Integrated Resource Plan, IRP, by the Minister of Mineral Resources and Energy last week. This is important to know because it means that the IRP is by no means the long-term solution to South Africa's energy crisis. As the government puts it, it is a plan that directs the expansion of the electricity supply over the given period and it augurs well with the Just Transition Principle.

Of significance about the IRP is that not only will it be in line with the commitments South Africa made at the climate change conference held in Paris in 2015, to reduce coal emissions, but it will also eliminate the element of risk when unwarranted issues surface at power stations. I am sure everybody will not want to experience load shedding anymore. I know that the prophets of doom are already shutting down this IRP, saying that it is not enough. But in my language we say: "Tšie e phala morogo". [Half a loaf is better than none.] We therefore, as the ANC, support this Special Appropriation Bill. Thank you. [Applause.]

Mr S N AUGUST: Hon Deputy Speaker, if Eskom was a private sector company it would have long ceased to exist. But state-owned companies in a developmental state such as ours do not primarily exist to make a profit. They exist to provide a service, while also contributing to the provision of jobs and the development of infrastructure. It is a delicate balance when such a company is mismanaged, or plundered. Instead of contributing to its development, it drains the state's resources. In Eskom's case, it is driving South Africa to the brink of bankruptcy.

Energy stability is undeniably important. It keeps the country, its economy and its people going, and creates an environment conducive to investment. But government cannot simply default to bailouts. Money does not grow on trees. We do not have R59 billion lying around in a bottomless cash pit. On the contrary, money is desperately needed to cushion poverty, narrow inequality and create jobs. We should be very wary of using the National Revenue Fund to apply plasters to wounds requiring major surgery. Now more than ever, we need to stop talking about restructuring Eskom and actually do it. We will not do Eskom or South Africa any favours if we fail to deal decisively with the root causes of the utility's weaknesses.

Good policy should be considered within Eskom's restructuring plans which allows for cities to procure and generate their own power, which will create competition that will lead to innovation and more job creation. These are the types of good and sustainable responses that South Africans need to hear. Hon Deputy Speaker, it would be insanity to use the R59 billion to paper over the cracks and allow Eskom to carry on as usual while mismanaging its way to another bailout without conditions.

The Good Party therefore welcomes the strict reporting requirements attached to the bailout. This includes regular liquidity reports; monthly management reports; reports on actions taken to recover electricity debts; reports on initiatives taken to reduce primary energy cost and fruitless and wasteful expenditure. Besides anything else, Eskom won't be able to use the money to pay out hefty year-end bonuses to undeserving staff. South Africans will study these reports, and hold government and Eskom to account. I thank you.

Mr M P GALO: Deputy Speaker, first and foremost, the AIC supports the Special Appropriation Bill. We must all be worried. On Wednesday, a number of our children at various schools were affected by load shedding during their Computer Application Technology exam.

The Special Appropriation Bill earmarks the provision of R26 billion and R33 billion for the 2019-20 and 2020-21 financial years, respectively to Eskom, under very stringent conditions. Part of the conditions requires Eskom to use this money to settle debt and interest payments only.

Another condition is for Eskom to outline a concrete plan of action to recover the money owed for electricity

sales. Eskom has been thrown a spanner. It has to act decisively against the defaulting municipalities.

We have also noted with grave concern the legal battle between Eskom and the National Energy Regulator of SA, Nersa. This is unprecedented and unusual in the history of the utility company.

While we support the division of Eskom into three compartments, we remain unhopeful about the future of the existing subsidiaries of Eskom - Rotek and Roshcon. Nothing has been said about them in the unbundling of the Eskom debate.

In closing, we call upon the President of the country, His Excellency, Cyril Ramaphosa, to consider the appointment of Bobby Godsell as Eskom CEO. Mr Godsell is an established businessman who worked for Eskom as its non-executive director. In these trying times, we must narrow our ideological differences to accommodate our converging interests. I thank you. [Time expired.]

Mr W M MADISHA: Deputy Speaker, I agree with Wikipedia that identifies three periods of the energy crisis, and I am referring to the financial years: 2007-08, 2014-15, and 2019. We are indeed in an energy crisis. An example

is the area around Kriel in Mpumalanga, which is now the world's second biggest sulphur dioxide emissions hotspot. People are dying of lung-related illnesses.

Eskom has gone to court to recover the R69 billion cash bailout it had received and to have the right to raise a further R40 billion by increasing electricity prices by 16%, in order to solve its liquidity crunch over the next three years. The people who are going to suffer are those poor people in our country.

Eskom is in such a deep crisis that South Africa is staring "down a barrel of a downgrade" as Moody puts it. Acting CEO, Jabu Mabuza, does not know the electricity generation and distribution business.

There is no end in sight to Eskom's financial, managerial and generation of electricity crisis. In 2019, Eskom's power production dropped to 219 Giga watts. It cannot produce more. Eskom has admitted that more than a third of its infrastructure is broken.

Eskom spent over R50 billion on diesel in 10 years. The utility has only 2 000 megawatts of spare capacity. Eskom is in a deep crisis. Talented specialists who know the business very well must be placed in charge. Government

must deal with the leadership issue at Eskom. Meanwhile, government must buy all the electricity it can from the IPPs and allow municipalities to do the same.

The people of our country are suffering and unfortunately ...

... ntate President, le a hloleha, morena. [Nako e fedile.] (*Translation of Sesotho sentence follows.*)

[... hon President, you are failing, Sir. [Time expired.]]

Mr M G E HENDRICKS: Deputy Speaker, I have just been informed that I am a grandpa. We have six granddaughters and now we have another grandson, and so, I am going to support this Bill to keep the lights burning. [Applause.]

The solution to the woes of Eskom has ably been offered by the leader of the Sixth Parliament when he spoke about the charter of positive values and called for ethical leadership. The Deputy President has shown his support to strengthen the civil society mechanism, supporting the civil society manifesto.

With regard to Eskom, there is a need for a model of engagement with the civil society mechanism, which seems to elude us. If this was in place, it would have saved the country R59 billion.

Existing oversight mechanisms like the Eskom board, the Ministry, the Cabinet are not enough. The country needs a civil society mechanism to have oversight over Eskom. There is a need for a model of engagement with civil society to assist the board, the Ministry and the Cabinet, so that the people can govern.

One of our respected Ministers has alluded to the lack of ideological psych amongst hon Members of Parliament to the values of the liberation movement. The exercise of this ideological psych would have prevented the problems at Eskom.

It has not gone unnoticed that Eskom did the country proud by connecting many of the most indigent people in the country, but at a cost that has wiped out this remarkable achievement. Eskom can do the country proud to connect all South Africans from 80% to 95%.

We wish the Minister of Public Enterprises the Wisdom of Solomon to put Eskom on the right path and he is well-

placed to do so. Al Jama-ah supports this Special Appropriation Bill called the Special Appropriation Act of 2019. [Applause.]

Mr D JOSEPH: Deputy Speaker, let me acknowledge the work of National Treasury, Parliament Budget Office, the Financial Fiscal Commission, all support staff and all institutions which participated in the Special Appropriation Bill for Eskom.

Eskom wat krag moet voorsien en as 'n winsgewende staatsentiteit moet funksioneer het hul mandaat en hul visie in die staatskapingtydperk verloor. Die impak is negatief, veral op besighede, veiligheidsdienste, landboudienste, en gesondheidsdienste. Alle staatsdepartemente wat dienste aan gemeenskappe moet verskaf, moet nou ook beurtkragonkoste in hul begroting inwerk.

Die regerende party, die ANC, moet volle verantwoordelikheid neem vir die swak ekonomiese groei, hoë werkloosheidsyfer en die onderverhaling van inkomste by die Suid-Afrikaanse Inkomstediens, Sars, en munisipaliteite. (*Translation of Afrikaans paragraphs follows.*)

[Eskom, which has to provide electricity and function as a profitable state entity, lost its mandate and its vision in the state capture period. The impact is negative, especially on businesses, security services, agricultural services, and health services. All government departments that have to provide services to communities must now also factor load-shedding costs in to their budget.

The ruling party, the ANC, must take full responsibility for the weak economic growth, high unemployment rate and the under-recovery of income from the SA Revenue Service, Sars, and municipalities.]

A corrupt ANC has corrupted many state departments. Stop blaming apartheid for the mess of Eskom.

Ouditeursverslae bevestig dat Eskom se senior bestuur gedurende die staatskapingtydperk nie die finansieële riglyne van goeie bestuur en tenderregulasies gevolg het nie. Van die groot insinkings was die afskaffing van onderhoudsprogramme by die kragstasies en die vermindering van ingenieurs.

Eskom se pogings om interne persone verantwoordelik te hou het nog geen resultate gelever nie.

Die ANC-beheerde munisipaliteite en ANC-beheerde staatsdepartemente, asook die nie-betaal-kultuur van die ANC in sekere gemeenskappe, moet ernstig aangespreek word.

Die DA sê dat almal dieselfde behandel moet word. Waarom moet wetsgehoorsame burgers betaal, swaar kry, en krag koop, terwyl daar mense is wat onwettig krag gebruik of net weier om te betaal? Dit is baie belangrik.

*(Translation of Afrikaans paragraphs follows.)*

[Auditors' reports confirm that Eskom's senior management did not follow the financial guidelines of good management and tender regulations during the state capture period. Among the major setbacks were the scrapping of maintenance programmes at power stations and a reduction in the number of engineers.

Eskom's efforts to hold internal persons responsible have not yet yielded any results.

The ANC-controlled municipalities and ANC-controlled government departments, as well as the non-payment culture of the ANC in certain communities, must be seriously addressed.

The DA says that everyone should be treated the same. Why should law-abiding citizens pay, suffer, and buy electricity, while there are people who use electricity illegally or simply refuse to pay? This is very important.]

The Appropriations Committee, during its oversight visit to Eskom head office last week experienced load shedding, whilst Eskom senior management could not explain.

Some of the root causes are conflict of interest, no-consequence management, no compliance with National Treasury regulations; and defects at the newly built plants.

It is very important to not underestimate the experience of the unions. [Interjections.]

Kontrakte en tenders moet ondersoek word. (*Translation of Afrikaans sentence follows.*)

[Contracts and tenders must be examined.]

Hon Minister and Deputy Minister, take responsibility on behalf of the ANC. Your party ... Take responsibility and

allow Parliament and all of us to help and fix the mess in Eskom. [Interjections.] I thank you.

Mr O M MATHAFA: Hon Deputy Speaker, hon Deputy President and hon members, hon Sarupen speaks of the DA's rejected inputs. Those inputs were rejected because the DA wanted to expropriate the committee's discussions without compensation, or at least, give credit to the committee! [Laughter.] The DA summarised the committee's discussions and wanted to pass them off as their own!

In my submission, I will underscore some of these conditions as discussed and agreed to in the committee.

My advice to hon Shivambu regarding his concerns about stabilising Eskom's coal costs are as follows: He must please revisit Eskom's 9-point Plan as presented to our committee, as well as the inputs made by hon Minister Gordhan during his Budget Vote debate on 11 July 2019. Please pay undivided attention to paragraph 32 under the Operational Performance section. A great injustice will occur if we approach this debate as if it is the first time we engage on the serious matter of saving Eskom and by extension saving the economy of this country.

It is very difficult to respond to hon Wessels because his input is from a defeated position. The least I can say is that President Nelson Mandela, in 1999, warned us of such politicians during his last state of the nation debate, when he said:

We should all be careful not to turn concern for difficulties into a death wish.

For us not to support this Bill because of the difficulties faced by Eskom is tantamount to an economic death wish.

Eskom is too important to the socioeconomic development of our country. The existence of a positive correlation between electricity availability and economic performance is well-documented. The same can be said about a healthy Eskom and the country's economic performance. In fact, Eskom is the backbone of our economy.

The committee agrees with the President's assertion in his 2019 state of the nation address that Eskom is too vital and cannot be allowed to fail. Thus we are in support of this 2019 Special Appropriation Bill.

The committee further commends the good progress made by Minister Gordhan and the board as led by Mr Mabuza in their efforts to stabilise Eskom. In fact, various external interested parties who made written and oral submissions during the public participation period echo the committee's sentiments.

However, the committee and most external parties agree that there should be stringent conditions attached to this recapitalisation package. Another area of overwhelming agreement is that these conditions must be accompanied by clear consequences should they be ignored.

We also agreed that some of the conditions will find themselves in the Appropriation Bill, others in regulations and others as ministerial conditions.

For the R26 billion to be appropriated in the current financial year, the Minister must put strong ministerial conditions. For the R33 billion for the 2020-21 financial year, some conditions must find themselves in the Appropriation Bill, regulations and ministerial conditions.

This will send a strong message that Parliament and the people of South Africa are serious about their demand for accountability and value for money.

Medupi and Kusile are critical for the country's energy security. However, the budget and time overruns in the build programme suggests high levels of internal control failures, negligence and even corruption, especially corporate capture. By the end of the construction of this project, the budget would have been overshot by over R140 billion.

As these budget overruns persist, the committee was further informed that one contractor has conceded that it was overpaid by R4 billion. I repeat: R4 billion! This is not small change by any measure!

In light of these alarming revelations, the following serious questions must be answered: Who was responsible for this payment? What was the role of the contractor in the said saga? How many other contractors have been overpaid? Does Eskom have adequate checks and balances in place in respect of its finances and governance?

These red lights suggest that a thorough forensic audit of the whole build project must be conducted as a matter

of urgency. We therefore call upon the Minister of Finance to institute a forensic audit and report back to Parliament.

The committee was shocked to discover that Eskom is not serious about its role in the transformation of the economy, especially through implementing the broad-based black economic empowerment policy, BBBEE.

The significant reduction in BBBEE spend – from 74% of target in the financial year that ended in March 2018 to a disheartening 54% against a self-imposed target of 85% for the financial year that ended in March 2019 – is a bad reflection on Eskom's commitment to transforming the economy.

The President again in the 2019 state of the nation address lists economic transformation and job creation as one of the seven key priorities.

The Minister of Finance argues in National Treasury's Economic Transformation, Inclusive Growth, and Competitiveness: Towards an Economic Strategy for South Africa paper, that public procurement can be leveraged for the support and growth of small, medium and micro enterprises, SMMEs.

One of the ruling party's manifesto commitments is based on the deconcentration and transformation of the economy and opening it up to participation by small and medium enterprises, emerging co-operatives and township and village enterprises.

These are four good reasons for Eskom to pull up their socks in the area of BBBEE.

The ANC supports the Bill. Thank you. [Time expired.]

The MINISTER OF FINANCE: Deputy Speaker, I'm thankful for this opportunity to briefly respond to the debate.

First, I must start by saying that I would like to thank all the members who participated in the debate, for their very, very invaluable comments. We try and take each comment seriously as we plot the way forward.

I joined this House in October last year, so maybe you should have said happy anniversary to me! It was in October last year.

One of the things that I have learnt since assuming office is that the Minister of Finance is burdened with having to find resources for Eskom, for SA Airways, for

SA Express, for Denel, for Alexkor, for the huge compensation of employees bill, and for the many programmes that must be funded amidst an ageing and overburdened infrastructure, within the context of declining tax revenues due to low economic growth.

So, when I hear members saying that Eskom must be funded, Eskom must be funded, I say, okay, I agree, but tell me from where I should take the money. [Interjections.] It has to be a give and take. You can't have everything at the same time.

So, some members have stood here and said Eskom this, Eskom that. They spoke about Eskom as if it is some imaginary human being somewhere. It's not. Eskom is a business. It is run by people.

An HON MEMBER: It's being run into the ground!

The MINISTER OF FINANCE: One of the key issues that we need to solve is by appointing the correct people to run Eskom. [Applause.] That's what we need to do. We must appoint the correct board of directors. We must appoint a competent management team and we must then be in a position to hold the board of directors and the management team accountable for the operations of Eskom.

The problem at Eskom is not just financial. The problem at Eskom is not just financial. If we are going to reduce a complex problem to the lowest common multiplier – being the financial problem – we are not solving the problem. We need to approach solutions to Eskom via complex theory. We need to understand the complexity of the institution we are dealing with in order to come up with complex solutions.

Having said that, and as I take my seat, I have stood on this podium and asked members of the political parties in this House to go out to the communities and their members to mobilise them to pay for services rendered. I repeat that message, hon Shivambu. I repeat that message: Go mobilise your people to render unto Eskom what belongs to Eskom, as a law-abiding citizen of the country.

Deputy Speaker and Deputy President, I thank all members for their contributions, and I wish you well as you pay your bills! [Applause.]

Mr M Q NDLOZI: Point of order, Chairperson.

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, hon member? Why are you rising?

Mr M Q NDLOZI: Let us pass a special Division of Revenue Bill to fund us to go the people and ... [Inaudible.]

The HOUSE CHAIRPERSON (Mr C T Frolick): No, hon member.

Debate concluded.

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

Division demanded.

The House divided.

AYES - 200: Abraham, P N; Adams, R C; Adoons, N G; April, H G; August, S N; Beukes, A J; Bilankulu, J H; Buthelezi, E M; Buthelezi, N S; Capa, R N; Capa, N; Cebekhulu, R N; Cele, B H; Chabane, M S; Chikunga, L S; Creecy, B D; Dhlomo, S M; Dikgale, M C; Direko, D R; Dirks, M A; Dlakude, D E; Dlamini, D D; Dlamini-Zuma, N C; Dunjwa, M L; Dyantyi, P P; Dyantyi, Q R; Faku, P; Galo, M P; Gantsho, N; Gela, A; Gina, N; Gomba, M M; Gumbu, T T; Gumede, S N; Gungubele, M; Hadebe, B M; Hendricks, M G E; Hermans, J; Hermans, N L; Hlengwa, M; Hlengwa, M D; Hlongo, A S; Hlongwa, B G; Holomisa, S P; Jacobs, F; Jacobs, K L; James, T H; Joemat-Pettersson, T M; Kekana, P S; Khalipha, T D; Kibi, M T; Kiviet, N; Kodwa, N G;

Koornhof, G W; Kubheka, N J; Kula, S M; Legwase, T I;  
Lesoma, R M M; Letsie, W T; Lubengo, M L; Luthuli, B N;  
Luzipo, S; Maake, J J; Mabiletsa, M D; Mabuza, D D;  
Magaxa, K E; Magwanishe, G; Mahambehlala, T; Mahlalela, A  
F; Mahlatsi, K D; Mahlaule, M G; Mahlo, N P; Mahlobo, M  
D; Majola, F Z; Makwetla, S P; Malatji, T ; Malinga, V T;  
Malomane, V P; Maluleke, B; Mamabolo, J B; Manamela, K B;  
Mananiso, J S; Maneli, B M; Manganye, J ; Mangcu, L N;  
Mantashe, P T; Mantashe, S G ; Maphatsoe, E R K;  
Mapulane, M P; Marawu, T L; Maseko-Jele, N H; Mashego, M  
R; Mashele, T V; Masiko, F A; Masondo, D; Masondo, T S;  
Masualle, G P; Maswanganyi, M J; Mathafa, O M; Mathebula,  
E F; Mbatha, S G N; Mbinqo-Gigaba, B P; Mboweni, T T;  
Mbuyane, S H; Mc Donald, L E; Mchunu, E S; Mchunu, T V B;  
Mdabe, S W; Mgweba, T ; Mhaule, M R; Mkhathshwa, N T;  
Mkhize, Z L; Mkhize, H B; Mkhwanazi, J C N; Mlenzana, Z;  
Mmutle, T N; Modise, M; Modise, P M P; Moela, D L;  
Mofokeng, J M; Mohamed, H; Molala, L E; Molekwa, M A;  
Moloi, B E; Moroatshehla, P R; Morolong, I K; Motaung, A;  
Motaung, N E; Motshekga, M S; Motsoaledi, P A; Mpanza, T  
S; Mpumza, G G; Msimang, C T; Mthembu, A H; Munyai, T B;  
Muthambi, A F; Mvana, N Q; Myeni, E T; Ndaba, C N;  
Newhoudt-Druchen, W S; Ngcobo, S L; Nkabane, N P; Nkoana-  
Mashabane, M E; Nkosi, D M; Nontsele, M ; Nqola, X;  
Ntobongwana, N; Ntombela, M L D; Ntshavheni, K P S;  
Ntuli, M M; Nxesi, T W T; Nxumalo, M N; Nzuza, N B; Papo,

A H M; Patrein, S; Peacock, N P; Peters, E D; Phiri, C M;  
Pilane-Majake, M C C; Qayiso, X S; Radebe, B A; Ramadwa,  
M M; Semanya, M R; Shabalala, N F; Shabalala, L F;  
Sibiya, D P; Sihlwayi, N N; Singh, N; Sisulu, L N;  
Siwela, E K; Siwela, V S; Siweya, R T; Skosana, G J;  
Skwatsha, M; Sokatsha, M S; Somyo, S S; Stock, D M;  
Tlhape, M M E; Tlhomelang, K B; Tlou, M M; Tolashe, G N;  
Tongwane, T M A; Tseke, G K; Tseki, M A; Tsenoli, S L;  
Tshabalala, J; Tshwete, B; Van Der Merwe, L L; van  
Schalkwyk, S R; Wolmarans, M J; Xaba, V C; Xaba-Ntshaba,  
P P; Xasa, F D; Xego, S T; Yabo, B S; Zibula, B T; Zulu,  
L D; Zuma, A S; Zungu, T R M; Zwane, M J.

NOES - 105: Abrahams, A L A; Arries, L H; Bagraim, M;  
Basson, L J; Bergman, D; Breedt, T; Brink, C; Cardo, M J;  
Ceza, K; Chabangu, M M; Chetty, M; Chirwa, N N; Cuthbert,  
M J; De Villiers, J N; Faber, W F; George, D T; Gondwe, M  
M; Groenewald, P J; Gumbi, H S; Gwarube, S; Hicklin, M B;  
Hill-Lewis, G G; Hinana, N E; Hoosen, M H; Hunsinger, C H  
H; Ismail, H ; Joseph, D; Keetse, P P; Khanyile, T A;  
Khawula, M S; King, C V; Kohler, D; Komane, R N; Kruger,  
H C C; Kwankwa, N L S; Langa, T M; Lees, R A; Lorimer, J  
R B; Lotriet, A; Mabhena, T B; Mabika, M S; Mackenzie, C;  
Madisha, W M; Madlingozi, B S; Mafanya, W T I; Majola, T  
R; Malatsi, M S; Marais, E J; Marais, S J F; Masango, B S  
; Masipa, N P; Mazzone, N W A; Mbabama, T M; Mbhele, Z N;

Mc Gluwa, J J; Mente, N V; Mey, P ; Mhlongo, T W;  
Mileham, K J; Mkhaliphi, H O; Mohlala, M R; Mokgotho, S  
M; Mokoena, L G; Montwedi, M K; Motsepe, C C S; Mpambo-  
Sibhukwana, T G; Mphithi, L; Msane, T P; Mulaudzi, T E;  
Mulder, C P; Mulder, F J; Ndlozi, M Q; Ngcobo, S;  
Ngwenya, D B; Nodada, B B; Opperman, G ; Paulsen, M N;  
Phillips, C; Powell, E L; Roos, A C; Sarupen, A N;  
Schreiber, L A; Seithlholo, I S; Sharif, N K; Shelembe, M  
L; Shembeni, H A; Shivambu, N F; Siwisa, A M; Spies, E R  
J; Steenhuisen, J H; Steyn, A; Swart, S N; Terblanche, O  
S; Thembekwayo, S S; Thring, W M; Tito, L F; Van Der  
Walt, D; Van Dyk, V; Van Minnen, B M; Van Staden, P A;  
Weber, A M M; Wessels, W W; Wilson, E R; Winkler, H S;  
Yako, Y N.

Question agreed to.

Bill accordingly read a first time.

#### **SPECIAL APPROPRIATION BILL**

(Second Reading debate)

There was no debate.

Bill read a second time (Economic Freedom Fighters, Democratic Alliance, African Christian Democratic Party, Freedom Front Plus and United Democratic Movement dissenting).

The House adjourned at 17:28.

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