The DEPUTY SPEAKER: That concludes the speakers' list for today and the business for the day. The President will reply tomorrow.

Debate interrupted.

The House adjourned at 19:09.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

MONDAY, 11 JUNE 2007

ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Classification of Bills by Joint Tagging Mechanism

(1) The Joint Tagging Mechanism, in terms of Joint Rule 160(6), classified the following Bills as section 75 Bills:

(a) ***Co-operative Banks Bill*** [B 13—2007] (National Assembly—sec 75).

(b) ***Astronomy Geographic Advantage Bill*** [B 17—2007] (National Assembly—sec 75).

TABLINGS

1. The Speaker and the Chairperson

The Speaker and the Chairperson, on 30 May 2007, called a Joint Sitting of the National Assembly and the National Council of Provinces, as follows:

CALLING OF JOINT SITTING OF PARLIAMENT

The Speaker of the National Assembly, Ms B Mbete, and the Chairperson of the National Council of Provinces, Mr M J Mahlangu, in terms of Joint Rule 7(2), have called a Joint Sitting of the Houses of Parliament for Thursday, 14 June 2007 at 14:00 in order for His Excellency, J Kabila, President of the Democratic Republic of Congo to address the Joint Sitting.

B MBETE, MP
SPEAKER OF THE
NATIONAL ASSEMBLY

M J MAHLANGU, MP
CHAIRPERSON OF THE
NATIONAL COUNCIL OF
PROVINCES

COMMITTEE REPORTS

National Assembly

1. Report of the Portfolio Committee on Public Service and Administration on the ***Public Service Amendment Bill*** [B 31—2006] (National Assembly—sec 76) dated 8 June 2007:

The Portfolio Committee on Public Service and Administration, having considered the subject of the ***Public Service Amendment Bill*** [B 31—2006] (National Assembly—sec 76), referred to it and classified by the Joint Tagging Mechanism as a section 76 Bill, reports the Bill with amendments [B 31A—2006].

TUESDAY, 12 JUNE 2007

ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Introduction of Bills

Please note: The following item amends the entry **"Introduction of**

Bills" (English text), published on page 1027 of the Announcements, Tablings and Committee Reports of 7 June 2007:

(1) **The Minister of Finance**

(a) ***Taxation Laws Amendment Bill*** [B 18—2007].

Introduction in the National Assembly (proposed sec 77) and referral to the **Portfolio Committee on Finance** of the National Assembly, as well as referral to the Joint Tagging Mechanism (JTM) for classification in terms of Joint Rule 160, on 7 June 2007.

In terms of Joint Rule 154 written views on the classification of the Bill may be submitted to the JTM within three parliamentary working days.

(b) ***Taxation Laws Second Amendment Bill*** [B 19—2007] [Explanatory summary of Bill and prior notice of its introduction published in ***Government Gazette*** No 29961 of 1 June 2007].

Introduction in the National Assembly (proposed sec 75) and referral to the **Portfolio Committee on Finance** of the National Assembly, as well as referral to the Joint Tagging Mechanism (JTM) for classification in terms of Joint Rule 160, on 7 June 2007.

In terms of Joint Rule 154 written views on the classification of the Bill may be submitted to the JTM within three parliamentary working days.

2. Translation of Bill submitted

Please note: The following item amends the entry **"Translation of Bill submitted"**, published on page 1027 of the Announcements, Tablings and Committee Reports of 7 June 2007:

(a) ***umThetho Oyilwayo Wenkampani Yeehambo Zomoya*** [Um 35B—2006] (National Assembly—sec 75).

This is the official translation into isiXhosa of the ***South African Airways Bill*** [B 35B—2006] (National Assembly—sec 75).

3. Membership of Committees

(a) The following changes have been made to the membership of **Joint Committees**:

Budget

Appointed: Stephens, Adv J J M

Improvement of Quality of Life and Status of Women

Appointed: Vos, Ms S C (Alt); Zikalala, Ms C N Z

National Assembly

1. Membership of Committees

(a) The following changes have been made to the membership of **Portfolio Committees**:

Correctional Services

Appointed: Cupido, Mr H B

TABLINGS

National Assembly

1. The Speaker

(a) Report of the Public Service Commission (PSC) on Measuring the

Effectiveness of the National Anti-Corruption Hotline (NACH), 2007 [RP 19–2007].

(b) Report of the Public Service Commission (PSC) on an Audit of Government's Poverty Reduction Programmes and Projects—February 2007 [RP 11–2007].

COMMITTEE REPORTS

National Assembly

1. **Report of the Portfolio Committee on Science and Technology on the Business Strategies (Budget and Strategic Plans) for 2007-08 of the Department of Science and Technology and Entities**, dated 12 June 2007:

The Portfolio Committee on Science and Technology, having considered and examined the Business Strategies of the Department of Science and Technology **(DST)** and its Entities accountable to it: the Council for Scientific and Industrial Research **(CSIR)**, the Human Science Research Council **(HSRC)**, the National Research Foundation **(NRF)**, the Africa Institute of South Africa **(AISA)**, the National Advisory Council of Innovation **(NACI)**, **TSHUMISANO TRUST** and the Academy of Science of South Africa **(ASSAf)**, reports that it has concluded its deliberations thereon.

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 14:05.

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

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS—see col 5686.

APPROPRIATION BILL

Resumption of Debate on Vote No 1—The Presidency:

The PRESIDENT OF THE REPUBLIC: Madam Speaker and Deputy Speaker, hon Deputy President, hon members and guests, apart from the President, the Deputy President and the Minister in the Presidency, 25 hon members participated in yesterday's debate on the budget of the Presidency. I would like to thank all the members for the support they expressed for our budget and for the constructive proposals they made to improve the functioning of government.

Apart from anything else, this emphasises the need for the Presidency, and the President in particular, to be conscious at all times of his or her responsibility and accountability to all our people without discrimination or partisan considerations, consistent with the prescripts contained in our Constitution.

I would like to believe that in this context we all heard and agreed with the appeal made by the hon Dr Mangosuthu Buthelezi concerning the need for all of us to respect the Office of the President. I presume that Parliament will give itself time to consider whether the route he proposed to address this matter is correct, and therefore examine his private member's Bill.

However, whatever the outcome of that process, I do believe that he was indeed correct, as he has been in the past, to put on our agenda once again the vital issue of respect for the institutions of state as provided for in our Constitution, including the Presidency of the Republic.

I must say that I was also very encouraged by what seemed to be a great deal of consensus among the parties represented in this House about the challenges we face and the need for all of us to respond to these challenges in a manner intended to build the kind of South Africa prescribed by our Constitution.

On many occasions in the past I have tried to communicate the message that the most fundamental and historic problems facing our country and people should be a matter of common concern, transcending the partisan boundaries that separate us. Among these tasks are building a nonracial and nonsexist society; promoting national reconciliation, social cohesion, a shared national identity and inspiring our people with a feeling of hope; ensuring that we develop our economy to end poverty and guarantee a more equitable distribution of wealth; building a government machinery that responds adequately to the challenge of service delivery; and placing South Africa among those countries on our continent and in the rest of the world that fight for peace, for democracy, for human rights, for tolerance, for equality and for mutually beneficial co-operation among the nations.

During yesterday's debate I gained the impression that by and large—and if nothing else—we had indeed at least come to understand that all these are common challenges, even if our responses to them may differ. However, the mere fact of recognising that these are problems that we must all address together lays the basis for us to engage one another in constructive debate to see whether we can develop a national consensus about what needs to be done to change our country for the better.

Once again, I'd like to thank the hon members for their interventions yesterday, which may indeed take us some distance away from the endless fractious debates to equally vigorous engagement in pursuit of common national goals, but, of course, without losing our individual party identities.

In this sense, the hon members did respond to the plea made by the hon Craig Morkel when he suggested that we should replace the word "opposition" with the words "nongoverning party", citing the hon Dr Buthelezi when he said, and I quote:

> The word "opposition" itself is loaded with gladiatorial connotations. Confrontation is inferred. Seizing the initiative often means waiting for the government to stumble or exposing some scandal or irregularity.

Happily, yesterday it did seem that again—and by and large—we came into the House without our gladiatorial armour and weaponry. [Laughter.] The hon Mdlalose pointed all of us in the right direction when she quoted from Sandile Dikeni's poem *A Love Poem for my Country*, as follows:

> My country
> Is for unity
> Feel the millions
> See their passion
> Their hands are joined together
> There is hope in their eyes
> We shall celebrate

But despite everything I have said, some comments made by the hon Stanley Simmons and by the hon Sandra Botha perhaps correctly brought us face to face with the hard reality we have to deal with, of perceptions we have to confront, centred around what the hon Leader of the Opposition denounced as "racial nationalism". Because of the important issues the two hon members raised, I would like to deal with these instances in some detail.

The hon Simmons accused hon Minister Membathisi Mdladlana of making a racist remark directed against the coloured people. The hon Minister is not with us today as far as I know, as he is attending the annual International Labour Conference in Geneva. I will indeed find occasion when he is in the House to address the grave accusation made against him by the hon Simmons.

The hon Simmons also criticised my parliamentary counsellor, the hon John Jeffery. In this regard, the hon Simmons said that in response to his request "for an opportunity to discuss this issue" of a sense of belonging "around brown people", my parliamentary counsellor had said, "No one is fit to discuss the issue of coloured people."

Because of the seriousness of these assertions, I consulted the hon Jeffery about what exactly had happened. He confirmed that indeed the hon Simmons had requested to meet the President to discuss "concerns experienced among coloured people of being marginalised, or sidelined, in the greater South African context".

The hon Jeffery then enquired whether this would be a delegation of the United Party of SA, Upsa, arguing that no single political party, including Upsa, could claim to represent and speak for the coloured people. [Applause.]

According to the hon Jeffery, the hon Simmons said he was speaking of a nonpartisan delegation and mentioned some of the people who would be in the delegation, all of whom are among our leading citizens. He undertook to speak to these people, constitute the nonpartisan delegation and revert back to my parliamentary counsellor. This has not happened.

The hon Jeffery still expects the hon Simmons to come back to him so that he can take the necessary steps to arrange the meeting with the President requested by the

hon Simmons. I would like to assure the hon Simmons that the hon John Jeffery and I have agreed that I should meet the Simmons delegation whenever it is ready and available. [Laughter.]

There is a simple rule of logic which says that two diametrically opposed statements about the same thing cannot both be correct. I must assume that the account I have just given represents what is sometimes described as a breakdown in communication, rather than an example of bad faith or misrepresentation of the truth.

However I must, at the same time, make the point that the story also tells us something about the persistence of the issue of racism in our minds and social reality, which resulted in conclusions being arrived at, that what was said in good faith in fact constituted a manifestation of vile racism.

Consistent with this frame of mind, the hon Simmons said yesterday:

> The United Party of South Africa subsequently came to the conclusion that the hon President concurs with the hon Minister of Labour's racist sentiment, putting a question mark behind the sincerity of the hon President's calls for cohesion.

The best I can do in these circumstances is to assure the hon Simmons that the President has been involved in the organised and conscious struggle against racism in our country for over 50 years, and assume that he and the United Party of South Africa reached the conclusion he announced yesterday about the antiracist credentials of the President, once again, because of a breakdown in communication.

I am more than ready to meet the nonpartisan coloured or brown delegation he has presumably gathered, whenever he indicates to the hon John Jeffery that the delegation is ready to meet us. I wish the hon Simmons success in his work to constitute the delegation . . . [Laughter.] . . . and will formally inform the House once the requested meeting has taken place.

For her part, the hon Leader of the Opposition said:

> Here, Mr President, are two latest examples of how the policies of racial nationalism divide our people and compromise service delivery.
>
> Just two weeks ago, the choices for three top medical posts at two Western Cape hospitals were rejected by the provincial health department. Why? Because the candidates chosen by the institutions involved were white.
>
> The result is a double loss to South Africa, because one of the candidates has given up hope and is now going, as it were, into voluntary exile in Australia. This, while disadvantaged South Africans dependent on the hospitals in question are having to wait longer to get the treatment they need, because the posts are now empty.
>
> I cannot, for a moment, believe that is the intentional outcome of what you would like to achieve. But it is the outcome and, Mr President, you must take responsibility for it.

First of all, I must express my appreciation for the remark made by the hon Leader of the Opposition that I would not intentionally seek to deny our people adequate health care, as indeed I never would. Secondly, I must assume that the hon Sandra Botha said what she said in good faith, because she and the DA do care about the welfare of all our people. Thirdly, I must presume that the hon Leader of the Opposition based her comments on media reports and not any noxious concoction of fabrications brewed in the think-tanks of the DA.

The specific media report to which I refer is an article that was published in the 3 June 2007 edition of the *Sunday Times*, under the heading "Race quotas cripple hospitals",

with the subtitle "Surgery cancelled as province insists on hiring nonexistent black doctors".

And indeed, as the hon Sandra Botha said, this article does state that the Western Cape provincial health authorities refused to appoint three white doctors to senior positions, that one of these has decided to emigrate to Australia, and that patients have to wait for long periods for treatment, because of the imposition of racial quotas.

Again, because these, like those made by the hon Stanley Simmons, are very serious allegations made by an elected representative of our people, I thought it was my responsibility to investigate what the hon Sandra Botha said, in order immediately to correct what was evidently an eminently unacceptable outcome of our policies to build a nonracial society.

I would like to inform the hon Leader of the Opposition and the House that the *Sunday Times* report, on which the hon Sandra Botha based her comments, is entirely false. To repeat—the *Sunday Times* report, on which the hon Sandra Botha based her comments, is entirely false.

Here are the facts. In 2005 the Western Cape health authorities published an advertisement requesting applications to fill the post of principal specialist in anaesthesiology and critical care tenable at Tygerberg Hospital. Three people applied but one decided to withdraw before the interviews were conducted.

It was then decided to readvertise the post in the hope that this would attract a larger number of applicants. Again, only three people applied. It was then decided to consider whether these applicants met some particular requirements, despite the apparently poor response to the advertisement. Principal among these requirements was the consideration whether the applicants were registered with the Health Professions Council of South Africa as Specialist Anaesthesiologists with experience in all areas of Anaesthesiology and Critical Care. On this basis, it was decided to interview all three applicants, all of whom were white.

However, two of them withdrew their applications before they were interviewed. The interviewing panel then went ahead and interviewed the one remaining applicant, the determination having been made that the obligation to provide health care to our people required that the post should be filled without further delay.

I am certain that the Western Cape government will shortly make an announcement in this regard, based on the recommendation of the interviewing panel. I trust that the hon Leader of the Opposition and the House will accept that all of us must await the announcement of the provincial government in this regard.

Reporting on this process, the *Sunday Times* said that "Dr Fred Mattheyse—one of the candidates whose appointment was deferred—is now leaving for Australia." It quoted Dr Mattheyse as saying: "I'm leaving reluctantly but I have reached a ceiling in my career here."

The truth, however, is that Dr Mattheyse was one of the three doctors who were scheduled to be interviewed for the post at Tygerberg Hospital. He, together with another doctor, withdrew his application before he was interviewed, and therefore, naturally, was not interviewed. In this regard I must repeat that Dr Mattheyse was competing for the post at Tygerberg Hospital against two white doctors, with no possibility that he could be passed over simply because there was a black and less qualified doctor applying for the same post.

Dr Mattheyse may indeed have decided to emigrate to Australia, as the *Sunday Times* and the hon Sandra Botha have said. But it is entirely false, and dishonest of the *Sunday Times*, to suggest that this was a result of the implementation of government policies that

the hon Leader of the Opposition characterised as racial nationalism.

The hon Sandra Botha spoke of "three top medical posts at two Western Cape hospitals that were rejected by the Provincial Health Department because of this racial nationalism". So far I have spoken of only one of these posts.

The *Sunday Times* said that the Head of Surgery at Groote Schuur Hospital, Prof Del Khan, had said:

> The filling of two top posts at the hospital in the last six months had taken more than two years to finalise because the candidates had been white.

Presumably, these are two of the three to whom the hon Leader of the Opposition referred. In this context, I must say that we have spoken to Prof Del Khan and he says the two positions to which he referred have now been filled.

However, the *Sunday Times* article quotes another professor at Groote Schuur Hospital, Prof Bongani Mayosi. Contrary to what Prof Khan is alleged to have said, Prof Mayosi said that "he had successfully motivated for three senior posts to be filled by white specialists, while training black specialists for the future." This wording attributed to Prof Mayosi is highly tendentious. It is deliberately intended to convey two impressions consistent with the thesis alleging racial nationalism. One of these is that in the Western Cape, it is always necessary to motivate for the appointment of white specialists, who would otherwise be excluded from the Public Service because of the existence of racial quotas. The other is that the days of the white specialists are numbered, as they will be replaced by black specialists once these have been trained.

Let me now deal with the truth. With regard to the three posts to which Prof Mayosi referred, these being three principal specialists, the professor said that in terms of the relevant employment policy, firstly, the applicants had to be medical doctors; and secondly, the applicants had to be recognised as scholars within the medical profession and registered with the Professional Health Council of SA as such.

It would only be after these two requirements were met that issues in our legislation concerning employment equity would kick in as only one of the factors in the selection process. It was on this basis that the three principal specialist posts were filled by three white doctors, with no need to persuade anybody about the suitability of these doctors.

Prof Mayosi insists quite correctly that our country is experiencing a serious shortage of many medical specialists. He sees it as his task to train as many young professionals as possible, including black professionals, to address this shortage. In the future situation of the equitable skills availability across the racial divide, the playing field will have been levelled, making it unnecessary to invoke the equity provisions in our Constitution and statutes.

The *Sunday Times* reported that, having heard the details of its fabricated story—

> The Democratic Alliance's health spokesperson, Gareth Morgan, said: "this amounts to playing racial politics with patients' lives".

Responding to this story, one of the *Sunday Times* readers wrote:

> Perhaps the ANC will use this for their next re-election propaganda speeches, showing that they are so determined to give black people a chance that they'd even sacrifice the lives of other people to make sure that the whites don't have the opportunity to take their jobs.
>
> They will certainly spare no lives to make sure white people don't get a job in South Africa, which I've been saying over and over. It's not about racism or correcting the wrongs of the past anymore, it's about

getting white people the hell out of Africa where they don't belong.

Let us once again return to the difficult matter of the truth, contrary to the falsehoods peddled by the *Sunday Times*, which were seemingly readily accepted by the hon Leader of the Opposition.

Since last year, 2006, the Western Cape Provincial Health Authorities have appointed 72 specialists, 55 of whom are white and 17 black, to serve in the public health system. The *Sunday Times* could have accessed this information without difficulty before it published its dangerous falsehoods, as could have the hon Leader of the Opposition, before she advanced the extremely serious allegations she made yesterday.

It is difficult to avoid the conclusion that this was not done because the false story told by the *Sunday Times* was, for particular partisan reasons, too good to check and verify. This same mindset informs the persistent negative propaganda about our preparations for the 2010 Fifa Soccer World Cup, which strives to use the power of the word, conveyed in print and the airwaves, to present the physical bricks-and-mortar story visible to the naked eye at all the relevant stadiums, as being nothing more than a conjurer's fiction or a desert mirage.

I believe that anyone among us who decides to resort to untruths, thus to advance their cause, dreaming that this would indeed promote their cause, should bear in mind the difficulty to which Shakespeare's Hamlet referred when he spoke of the false comfort of false dreams and said:

> . . . perchance to dream. Ay, there's the rub;
> For in that sleep of death what dreams may come
> When we have shuffled off this mortal coil,
> Must give us pause.

As I said when I began this response to yesterday's debate on the budget of the Presidency, I felt that we were at last beginning to move beyond the needlessly fractious debates of the past and had come into this House without our gladiatorial armour.

Despite everything I have said about the unfortunate remarks made by the hon Stanley Simmons and the hon Sandra Botha, I would like to think I was not wrong.

Nevertheless, I would like to say that there are some in our society who see it as their task to pull us backwards towards a future defined by the racial divisions and conflicts of the past from which we are striving to escape—the conflicts that killed Steven Bantu Biko, Mapetla Mohapi, Onkgopotse Tiro and countless others, sustained by the lies that were told then, which have as their kith and kin the lies that are told today.

I believe that those of us who serve in this House as the democratically elected peoples' tribunes, have a responsibility to repudiate all falsehoods propagated to provoke confrontation among our people, that are intended to impose on us nonexistent differences that are impossible to reconcile and that are designed to abort the birth of the new, by imprisoning our minds within an inert world of thought that has no capacity to break out of an age of darkness which had required floods of human blood to destroy.

I believe that the hon Mdlalose, borrowing the voice of a poet, and regardless of what might be happening on our streets today, was correct to say to us:

> My country
> Is for unity
> Feel the millions
> See their passion
> Their hands are joined together
> There is hope in their eyes
> We shall celebrate

Tomorrow His Excellency President Joseph Kabila of the Democratic Republic of Congo will address a joint sitting of both Houses of Parliament and our nation from this podium. Whatever our own problems, this should give us an opportunity to salute and applaud the sister Congolese people for the truly great efforts they have made and are making to pull their country out of unimaginable depths of despair.

Hopefully, we will request him to convey a message to his people that the people of South Africa, because of their own experience, remain determined to hold hands with their sisters and brothers in the DRC as they begin their journey along the difficult road towards transforming the Democratic Republic of Congo into the progressive African giant it must and will be, towards the resumption by the Democratic Republic of Congo of its place as a bright star in the African sky, towards its reassertion of loyalty to the agenda of African renewal for whose accomplishment the immortal African patriot, Patrice Lumumba, an esteemed member of our National Order of Companions of OR Tambo, sacrificed his life.

Yesterday the hon Themba Godi of the PAC ended his intervention with the words:

> To our Palestinian brothers and sisters, we humbly counsel: Peace among the Palestinians! War against the enemy!

I would like to take this opportunity to repeat after the hon Themba Godi: "To our Palestinian brothers and sisters, we humbly counsel: Peace among the Palestinians!"

As South African patriots, loyal supporters of the noble cause for the recovery of the national rights of the Palestinian people, the security of the state of Israel, and a just and stable peace throughout the Middle East, we cannot accept that the deadly fratricide engulfing occupied Palestine, especially Gaza, is either inevitable or desirable.

Twenty-five years ago, in 1982, addressing our own situation, our respected national hero, Oliver Tambo, said, and I quote:

> We have striven for seven decades to build one common nationhood, with one destiny. Our shared experience of collective sacrifices in the struggle for a common goal has knit us together as one solid block of liberation. The comradeship that we have formed in the trenches of freedom, transcending the barriers that the enemy sought to create, is a guarantee and a precondition for our victory. But we need still to build on this achievement. All of us—workers, peasants, students, priests, chiefs, traders, teachers, civil servants, poets, writers, men, women and youth, black and white—must take our common destiny in our own hands.

At this hour of great suffering for the people of Palestine, which in essence is no different from the dismal period in our country when enemies of our people, with their collaborators among us, instigated and sustained what was described as black-on-black violence, we would like to convey to our brothers and sisters in the Fatah and Hamas the same message that Oliver Tambo conveyed to the then struggling people of South Africa.

Your shared experience of collective sacrifice in the struggle for a common goal must knit you together as one solid block of liberation. Your comradeship is a guarantee and a precondition for your victory in the struggle for the emergence of an independent state of Palestine.

This victory is not possible on the basis of an internal war for hegemony, fought by the powerless to gain power over the powerless, at great cost to the masses that have placed their hopes in the hands of the leadership of both Fatah and Hamas. The incontrovertible truth is that a just peace with Israel is not possible when Palestine cannot make peace with itself.

Once more we make the heartfelt appeal—those who have ears to hear, let them

hear—above the din of the guns, the bombs, the mortar shells, the angry shouts and the dirges of funeral marches in the desolate streets of the towns and the refugee camps of Gaza and the West Bank!

Let all of us learn from the inspiring African example of the Democratic Republic of Congo that, as the Book of Ecclesiastes says:

> To everything there is a season, A time for every purpose under heaven: . . . A time to kill, And a time to heal . . . A time of war, And a time of peace.

Again, I would like to thank hon members for the constructive suggestions they made during the budget debate, which we will follow up.

I would also like to join hon Minister Pahad and the Deputy President in thanking all our Members of Parliament, the Ministers and Deputy Ministers, the patriots in the Presidency who constitute the hard-working staff headed by Rev Frank Chikane, everybody in all spheres of government, and everybody else in our country and abroad who have facilitated and supported the work of the Presidency, even to the point of lacing their compliments with words of flattery that feed our vanity! [Laughter.]

In particular, taking advantage of the fact that I am speaking in this truly august House of the elected representatives of our people, which all of us must respect, I would also like to salute and thank the hon Deputy President, Phumzile Mlambo-Ngcuka, whose extraordinary energy and dedication to her work and the welfare of our people, whose ability to demand and get results from all of us without sounding like a shrew, whose humility and aversion to personal aggrandisement in any form, whose humanity and empathy shine through in the most adverse circumstances, whose capacity to stand up for the species of her gender, yet remain feminine and still exercise effective leadership in what is still a predominantly masculine world, whose courage rises with danger, as the hon Inkosi Bùthelezi said when he spoke of Albert Luthuli, whose training as a conscientious teacher she cannot hide, and whose instinctive comradeship and ability to listen and admit her own and the mistakes and failures of the Presidency all serve as the glue that holds all of us together as one team, even as we see ourselves as superstars. [Applause.]

I do believe that through her actions she has taught and is teaching us an important lesson about what it means to be a true leader of the people of South Africa in the challenging conditions of freedom, in which it is very, very easy indeed for the liberators to transform themselves into self-serving masters and mistresses, rather than servants of the people.

Life imposes on all of us, the elected representatives of our people, the obligation to rely on our conscience, our sense of self-respect and personal dignity, and our minds, beyond party programmes and beyond short-term personal interests, to decide what is right and what is wrong. On all this will be based the realisation of the dream that, as Sandile Dikeni said, we shall celebrate. I thank you for your attention. [Applause.]

Debate concluded.

The House adjourned at 14:48.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Classification of Bills by Joint Tagging Mechanism

(1) The Joint Tagging Mechanism, in terms of Joint Rule

160(6), classified the following Bills as section 75 Bills:

(a) ***South African Express Bill*** [B 14—2007] (National Assembly—sec 75)

(b) ***Taxation Laws Second Amendment Bill*** [B 19—2007] (National Assembly—sec 75)

(2) The Joint Tagging Mechanism, in terms of Joint Rule 160(6), classified the following Bill as a section 77 Bill:

(a) ***Taxation Laws Amendment Bill*** [B 18—2007].

COMMITTEE REPORTS

National Assembly and National Council of Provinces

1. **Report of the Joint Constitutional Review Committee, dated 25 May 2007:**

The Joint Committee on Constitutional Review met with Mr B Druchen, National Director, and a delegation from DEAF South Africa, on 16 February 2007. The Committee had agreed to meet DEAFSA after receiving a request from them, to make representations to have South African Sign Language constitutionally recognized as the 12th official language.

DEAFSA was requested to provide additional information regarding the implications of such an amendment, in order to enhance further deliberations.

The Committee met on 16 March 2007 and had an in-depth discussion on the DEAFSA representation.

The Joint Committee on Constitutional Review wishes to express its appreciation for the comprehensive motivation that was presented by DEAFSA, in its endeavors to have South Africa Sign Language (SASL) recognized as the 12th official language:

The Joint Committee on Constitutional Review—

1. agrees that the status quo is unacceptable and discriminatory, as is being experienced by an appreciable section of our community;

2. recognizes that the accommodation of SASL as the 12th official language will have significant logistical and budgetary implications which would have to be investigated;

3. requests the Minister in the Presidency to consider convening a task team in conjunction with the Minister of Arts and Culture and Minister of Education to investigate this matter; and

4. urges the Pan South African Language Board to give credence to the instruction in section 6(5)(a)(iii) of the Constitution to promote SASL and report back to Parliament on progress that has been made in this regard.

Report to considered.

National Assembly

1. **Report of the Portfolio Committee on Minerals and Energy** on the ***Electricity Regulation Amendment Bill*** [B 20D—2006] National Assembly—sec 76), dated 13 June 2007:

The Portfolio Committee on Minerals and Energy, having considered the ***Electricity Regulation Amendment Bill*** [B 20D—2006] (National Assembly—sec 76), amended by the National Council of Provinces and referred to the Committee, reports that it has agreed to the Bill.

2. **Report of the Portfolio Committee on Finance** on the ***Taxation Laws Amendment Bill*** [B 18–2007] (National Assembly—sec 77), dated 12 June 2007:

The Portfolio Committee on Finance, having considered the subject of the ***Taxation Amendment Bill*** [B 18—2007] (National Assembly—sec 77), referred to it and classified by the Joint Tagging Mechanism as a Money Bill, reports that it has agreed to the Bill.

3. **Report of the Portfolio Committee on Finance** on the ***Taxation Laws Second Amendment Bill*** [B 19–2007] (National Assembly—sec 75), dated 12 June 2007:

The Portfolio Committee on Finance, having considered the subject of the ***Taxation Second Amendment Bill*** [B 19—2007] (National Assembly—sec 75), referred to it and classified by the Joint Tagging Mechanism as a section 75 Bill, reports the Bill without amendments.

4. **Report of the Portfolio Committee on Finance** on the ***Banks Amendment Bill*** [B 12—2007 (National Assembly—sec 75), dated 13 June 2007:

The Portfolio Committee on Finance, having considered the subject of the ***Banks Amendment Bill*** [B 19—2007] (National Assembly—sec 75), referred to it and classified by the Joint Tagging Mechanism as a section 75 Bill, reports the Bill with amendments [B 12A–2007].

5. **Report of the Portfolio Committee on Foreign Affairs** on **International Study Tour Report: Sudan**

1. **Background**

The Portfolio Committee on Foreign Affairs resolved to undertake a Study tour to The Sudan on the 16th–27 November 2006. The Committee decided on the visit to empower itself in order to understand the current position of The Sudan mainly because South Africa had been appointed the Chairperson of the Post-conflict in The Sudan reconstruction by the African Union.

Sudanese mandate is critical to bringing about peace and stability, which is one of the key Foreign Policy pillars of South Africa in its quest to build and create a better Africa in the world. It was therefore important that South Africa engaged the Sudanese, Government and other stakeholders such as the civil organisations, political organisations and the Country's Academics. It was the Committee's considered opinion therefore that for peace in the Southern Sudan to succeed, it will depend on, among other things, South Africa's ability to build peace in Darfur.

2. **Objectives of the visit:**

- Assessing the deteriorating humanitarian situation in The Sudan
- Evaluating and observing the

extent to which peace agreements have been implemented in Sudan

- Developing practical methodology in order to efficiently carry out the mandate South Africa is charged with
- Exchanging experiences with the Sudanese Parliamentarians in an attempt to attain peace in the horn of Africa
- Understanding and monitoring the conditions under which the South African contingent operate as deployed in Darfur

3. Composition of the multiparty delegation:

1. Ms SP Rwexana, Leader of Delegation (ANC)
2. Mr MU Kalako (ANC)
3. Dr M Sefularo (ANC)
4. Mrs S Seaton (IFP)
5. Dr M van Dyk (DA)
6. Mr Madikiza (UDM)
7. MS B Cabangana (Committee Secretary)

N.B Mr S Tshivhula, Deputy Director of the Department of Foreign Affairs, dealing with the Horn of Africa and Sudan specifically joined the delegation.

4. Structure of the Report

The report will attempt to outline the activities undertaken by the delegation pertaining to the objectives of the visit with various presentations made by various stakeholders, site visits, formal interactions and experiences identified by the Committee during the visit. Findings will cover all regions visited namely:

- Khartoum
- Darfur
- El Fasher
- Juba

5. Meeting with the various stakeholders

The Committee met and interacted with the following stakeholders:

A. Khartoum

- Speaker of the Sudan National Assembly
- Parliamentary Committee on Foreign Affairs and Defence
- Leaders of political parties in the National Assembly
- Minister of Foreign Affairs
- African Mission in Sudan
- Leader of the Sudan Peoples Liberation Movement
- Leader of the Umma Party
- Leader of the Communist Party
- Leader of the Popular National Congress
- Chairperson of the Assessment & Evaluation Commission

B. Darfur

Deputy Head of Mission

Force Commander

Wali of the North Darfur

Internally Displaced Persons

United Nations Aid Agencies

Signatories & the Nonsignatories of the Comprehensive Peace Agreement

South African Military/Civil Police Personnel

C. Juba

- Government of the Southern Sudan
- Undersecretary of the Ministry of Regional Co-operation
- Minister of Parliamentary Affairs

D. Kenya

- Parliamentary Committee of Foreign Affairs and Defence

6. Findings

6.1 Khartoum

6.1.1 Government

(a) Speaker of the Sudan National Assembly—Honourable Ahmed Ebrahim Al-Tahier

- The Comprehensive Peace agreement was signed on 9 January 2005
- Sudan had 570 ethnic groups and a 100 different spoken languages
- In addition there was great diversity of cultures and religion
- Sudan enjoyed 50 years of independence since 1956
- Khartoum National Assembly was a transitional parliament
- 70 women representation totalling up to 16% members of parliament and some of which were leaders in their own right
- It was envisaged that Elections would be held in 2008-09
- One of the major questions to be resolved was whether or not the country should be split into autonomous states or should remain a unitary Sudan
- Much of the territories outside Khartoum have been historically neglected, causing backwardness and lack of infrastructural development in most areas

(b) Minister of Foreign Affairs—Dr Lam Akol

- Peace agreement was a solid basis towards the resolution of the conflict in Darfur
- A few organisations remained outside of the agreement, refusing to sign
- The nonsignatories included the National Redemption Front, supported by Eritrea and Chad
- The Government of Sudan (GoS) was open to discuss the causes for the conflict with the idea to move forward
- An important priority is the facilitation of humanitarian relief
- Position of the Sudanese government was accepting an African commander
- Commissions became some of the structures to be established in sought of the solution
- Intergovernmental Author-

ity Unit found it difficult to monitor the structures

- Issue of compensation were complicated
- Government put aside 30 million rand, which the nonsignatories is not enough. They proposed 300 million

(c) **Parliamentary Committee on Foreign Affairs and Defence**

- The Committee was impressed with the assistance from South Africa in establishing peace initiatives under hostile circumstances in Sudan
- Very happy to have South Africans coming to see what was happening than getting false perceptions from the media
- Always delighted to have well-wishers who would back up Sudan
- The media did not reflect reality in its reporting. Sudan maintained the position not to allow the UN to tell Sudan what to be done
- UN forces were not necessarily doing any good on the countries where they were currently deployed

(d) **African Mission in Sudan**

- The memorandum of understanding had been prepared and was due to be sent shortly
- African Mission in Sudan (AMIS) continued to experience logistical challenges such as lack of funds
- Logistical and personnel support were also an issue (more battalions were awaited)
- Africans should not only rely on the assistance of the European Union (EU), but should organise to support their own initiatives
- Some of the causes of the conflict involved clashes between the Government of Sudan and non-signatories in Darfur
- Performance of the African Union could not be duplicated by the deployed troops in other countries
- There was an appeal to South Africa (SA) to add 100 more troops to get the full strength battalion
- Another issue was the problem with the main donors, the EU and the United States of America (USA), reducing the funding of the African Union (AU) mission
- The general feeling of the opposition parties was that the implementation of the Commissions as well as the way they were being handled was not satisfactory

(e) **The Umma Party-Mr Sadig Al Mahdi**

- Mr Al Mahdi indicated that the coup d'etat that took place in 1989 changed the political landscape which then resulted into a political polarisation
- The Umma Party rejected

the Comprehensive Peace Agreement (CPA) mainly because it excluded other citizens of the country

- The CPA was more of a problem than a solution
- The Darfur Peace Agreement (DPA) has also been an unsuccessful agreement which like the CPA was just wishful thinking
- Part of the solution depends on the ceasefire, protection of civilians, bringing in the UN forces, reduction of the trans-border conflict and bringing an end to violation of the human rights

(f) **The Sudan Peoples Liberation Movement/Army**

- According to the Sudanese People's Liberation Movement/Army (SPLM/A), the cause of the conflict was as a result of the marginalisation of the Sudanese and the introduction of the Janjaweed by the Government of Sudan
- SPLM/A was in favour of the United Nations because AMIS had failed to contain the situation in Darfur
- Particularly, the fact that the humanitarian situation continued to deteriorate unabated testified to that extent
- SPLM/A welcomed South Africa's involvement in the resolution of the Darfur crisis

(g) **The Communist Party—Mr Ali Suliman Hamid Elhaj**

The following were five challenges outlined as challenges to the CPA

- The CPA
- The Abuja Accord
- Cairo Accord
- East Sudan Peace Agreement
- Deteriorating Economic Situation

(h) **The Democratic Unionists Party—Mr Ali Hassanain V**

- Total peace has not yet been achieved in Darfur
- Darfur remains a place of death and blood, meaning that the humanitarian situation has deteriorated
- Government must be held accountable for the happenings in Darfur
- Efforts should continue to resolve in Darfur
- The Democratic Unionists are hopeful that time will come when good experiences of Darfur are exchanged

(i) **The Popular National Congress—Dr Turabi**

- The Popular National Congress Party has always canvassed for peace and stability in Sudan
- It has differed with the decentralisation of the Sudan
- Dr Turabi aired that the party had no conflicting

resolutions with the governing party in The Sudan

- He acknowledged that part of the conflict resulted from religious motivations and differences
- The Party believed that the CPA was not a co-ordinated and consistent peace process
- The established Commissions were not significant to the process
- The feeling of the party was that Interests of the entire nation were not taken into consideration

(j) **Chairperson of the Assessment & Evaluation Commission—(AEC)—Mr Tom Vraalsen**

- Mr Vraalsen communicated that there were unrealistic terms towards the implementation the CPA
- He added that he was however happy about some of the positive activities that have taken place including the establishment of the Commissions
- Oil remained the key issue in and around Sudan, and there was hope to generate revenue from it
- The understanding expressed by the AEC was that should the CPA collapse, everything else would collapse
- The AEC was in communication with other political parties that were not necessarily involved in the CPA
- The AEC was in no position to force the implementation of the CPA

(k) **Briefing by the Ambassador, His Excellency Mampane**

The Honourable Ambassador briefed the delegation on the following areas:

I. Understanding on the CPA

The CPA was signed on the 9th January 2005

- Boundaries demarcating regions (Commission submitted a report)
- No agreement could be reached about the report
- Would be administered at a later stager to make a decision
- Reaching a political agreement/settlement
- If the CPA remains unresolved, more hiccups could emanate
- Timeframes remain to be a challenge and as such a need to speed up the process

II. National Elections 2008

Electoral commission to enact legislation regulating elections that would be considered credible. A need to meet deadlines as the years unfolds.

III. Commissions established in terms of the CPA

In total, there are about nine commissions. They are like the task

teams that were created under the Interim Executive Authority during the SA Negotiations at CODESA. Among the commissions, the following are important

- Assessment Evaluation Commission (EAC)—evaluating progress made by the other commissions to implement the CPA
- National Petroleum Commission
- Ceasefire Commission in place but vary in terms of success achieved up to this point
- National Financial Commission
- Judicial Service Commission
- Bank of Sudan
- Human Rights Commission (Not yet established)
- South-North Border Commission
- Civil society Commission (Not yet established)
- Land Commission (Not yet established)
- Ad-hoc Border Commission

IV. Darfur Peace Agreement

- Pressure on the African union to sign the agreement after enormous pressure by the US
- Challenge. No process of the implementation of the DPA
- Non-signatories formed the National Redemption Front fighting the DPA, which then explained the ongoing conflict in Darfur
- The groups are splitting up further and as such there is an ongoing trend of groups emerging and breaking up
- As long as there is conflict in the North, the South would never get to develop
- This has influenced the motives of the conflict
- Sudan is on a serious campaign to allow the UN to remain the monitoring body

V. Reasons for the ongoing conflict in Darfur

- Intergovernmental Authority on Development (IGAD) does not continue to have an effective role to play in as far as evaluation is concerned
- There was not much done to ensure that consistency allows for an ongoing role and a mechanism to fall back on
- Another challenge has been less communication between the big bodies and the countries concerned
- National Congress Party objects to the deployment of the UN forces
- SLM and other parties support the deployment of the UN forces because that would take care of the lives of the people who continue to die as a result of the conflict

- Cross border involvement in the conflict
- Government forces destabilised the community and enhanced destruction in Darfur
- There is a planned Darfur-Darfur Dialogue, which has not taken place yet. There is still hope that it will take place

VI. Impact on the neighbouring countries

- Chad has been drawn into conflict, with mutual accusation between the GoS and the Chadian government that the one is sponsoring anti-government rebels
- On the Eastern front, Eritrea has also harboured Sudanese rebels

6.2 **Darfur**

(l) **Meeting with the Acting Deputy Head of Mission—Ambassador. Hassan Gibril**

I. *Background*

The situation in Darfur has the following main groupings involved in armed conflict

- Signatories to the DPA
- Nonsignatories
- Rebels
- Janjaweed (Arab and Islamisists forces, including nomads, who are believed to be armed by the GoS)

Fragmentation of the parties has led to the following

- Since the 11 of November fighting has escalated
- Increased banditry activities—patrols have been increased to monitor targeted areas
- Increased attacks on civilians, causing internal displacement of mainly women and children
- Most if not all of their properties and livelihood are destroyed during the attacks
- There is occurrence of systematic rape of women as an act of aggression

II. *Achievements by AMIS*

Significantly reduced massed killings

Instilled confidence on the people

III. *Challenges*

- Under 5 500 Troops in an Operational Area of 50,0000 Square kilometres
- Significant areas left without coverage—eg Sector 6—covered by SA
- Inadequate troops to implement tasks
- Deployment timelines were not adhered to
- New sectoral structure proposed to ensure security in Darfur
- There is a need to take strength of the troops to a total of 5 936
- Government of Sudan patrol vehicles are the same with those provided by the

AMIS—rebels cannot tell the difference

(m) **Meeting with the Wali (Governor) of El Fasher—**

The Wali briefed the Committee on the following areas:

I. *On Darfur*

- Darfur is a wide spread centre of crisis. Everything stems from the crisis
- Media transfers issues to other causes which might not be factual
- Reality reflects that there is no stability at all in Darfur
- Humanitarian situation is deteriorating as indicated by the media, but we maintain that, there has been a considerable progress
- Main crisis reported on the researched report: Hijacking cars
- In 2004, crisis declined
- 2006, before signing the agreement in Abuja, 430 crimes were reported
- In 2005 the total no. of crimes has declined up to 560 (?)
- Percentage of improvement over the past nine months

II. *On the Internally Displaced Persons (IDPs)*

- 5 major IDP camps with the total of 300 600
- All the IDPs deliver in regular areas
- Anything that disputes these statistics is not correct
- The affected people receive 80% of assistance (water and other services)
- United Nations Children's Fund (UNICEF) report details that there is some assistance to the affected families which then shows some improvement
- UNICEF/UN agencies are assisting the government
- IDPs even have sporting teams
- IDP and children have access to good water, education and food which are all free

III. *On the DPA*

The disagreements affecting the citizens—position of Darfur

- The Wali believes that there needs to be an end to the situation by bringing forth all the parties related to the Darfur problem including the International communities such as the UN
- He supports the DPA but it does not solve most problems
- He was encouraging the international community to take part in signing and coming to the DPA
- There were hopes to discuss the matter of the authorisation of the deployment of the troops
- There should be compensation for IDPs as mentioned in the DPA
- GoS has increased its con-

tribution from $30m to $100m and are calling for

- an increase in the funds provided to the IDPs
- Darfur should be a united region, not divided into three states as is the case at present

(n) **Meeting with the South African Sector Commander (Sector 6, Kutum)—Col R G Lourens**

I. *Background*

- Troops deployed in 2004 as the South African National Contingent in Darfur comprising of 50 members of the SA National Defence Force members (Fourth Contingent)
- No fatalities experienced by the South African troops, compared to those of other countries
- The main mission is to provide protection to the civilians of Darfur
- Present situation is very hostile rebel leaders feel betrayed by their leaders
- AU Mission has been extended until December 2006
- Further UN/AU would be taken further to the DPA
- The AU deployed AMIS to Darfur in good faith to achieve a daunting task—We must not fail
- Approval granted to increase the force levels to 556 members
- Deteriorating humanitarian situation
- Ambush and attacks on AMIS and humanitarian personnel
- SA troops delivered seven new born babies to the local community
- Some of the rebels seek refuge within the IDPs to seek refuge and humanitarian assistance
- Division of Darfur, the Northern part to rich people
- Failure to have meetings with the AU in five months has kept the process to stabilise Darfur slow

6.3. **Kutum**

(a) **Visit to the IDPS**

- Properties belonging to 24 000 people were burnt down
- No patrolling at night
- Rape cases reported and no protection of women/victims
- Movement within the areas is restricted

NB 450 additional IDPs arrived two nights before the visit by the delegation

(b) **Meeting with the NGOs**

- Representatives of some of the Non Governmental Organisations (NGOs) alluded to the fact that circumstances deteriorated with the inception of the CPA
- They added that some ar-

eas have been neglected because of the scope of the assistance offered by the NGOs

- Logistical and financial support from the donors declined dramatically and this has impacted on the extent to which assistance could be offered

(c) **AMIS mandate**

- The AMIS is mandated to contribute to the improvement of the security situation in Darfur and the return of refugees and IDPs to their homes
- Far behind the timelines for the implementation of the DPA
- Actions of nonsignatories to the DPA are not accounted for
- Janjaweed cannot be followed up

(d) **Threats against the AMIS—**

AMIS faces challenges in the following areas:

- Against the force
- Against the signatories
- Against the security

(e) **Meeting with the Nonsignatories to the DPA namely, the Sudanese Liberation**

[Army—SLA—and Justice and Equality Movement—JEM (Members of the Ceasefire Committee in attendance)]

I. *Background*

- Members of the Justice and Equality Movement acknowledged South Africa's role in ensuring peace in Darfur
- They added that war has had a devastating impact on the ordinary people of Darfur
- Solution should be found around the table not with the arms
- They did not sign because they don't want peace, but differed with the manner in which peace is sought
- While the main agreement was for humanitarian purpose, the situation has worsened than before
- They decided to go into negotiations on the elements of Abuja
- Certain elements needed to achieve peace on the Abuja agreement
- Possibility of extending the views if there are contacts with the delegation
- Verified that the purpose is to achieve peace in every possible way

II. *On the Darfur Peace Agreement*

Their reasons for not signing are as follows:

- Regional disputes
- Govt should compensate the families whose houses have been destroyed
- Disarm the Janjaweed to enable people to return home safely
- Sharing of power and resources

- Already about 10 thousand deployed Janjaweed troops across Darfur
- The JEM would like more career positions within the Government and civil service
- Ensuring that the DPA is realistic and addresses the concerns affecting the people
- Public participation and justice

III. *On the AU*

- Regular meetings should take place with the AU and these have not taken place and this is not right because concerns of the JEM and interests are not taken into consideration
- There are crucial things that the AU does not know about which are happening on the field. These could be communicated through meetings that the AU is not committing to
- Lack of communication between the AU and the JEM
- The JEM Waited to hear from the AU to respond to the letter that the JEM had written indicating their wish to meet the AU
- No one from the AU ever showed interest in negotiating with the JEM
- Two committees between JME and the SLM to convene meeting dealing with the conflict-resolution
- No meetings with the AU have been convened

(f) **Meeting with the Signatories of the DPA—the SLA, Free Will Movement and the GoS**

I. *The SLA (Free Will Movement) on the DPA*

- The signatories of the DPA indicated that all the parties wish to further the interests of the agreement
- They are not aware why other parties did not sign, never been told the reasons
- There should be a timetable of the activities of the agreement
- It is not clear who is following the principles of the agreement
- Signatories and monitors agreed in Abuja that parties that have not signed should be fined. Those fines have not been administered
- The Free Will Movement have experienced co-operation from the Government
- The Movement has complied wit the principles of the agreement to ensure peace in Darfur
- Up to this time, still concerned with the programme of power sharing in Darfur
- Wish to call upon the international community to ask the nonsignatories to play along (sign)
- There is a misunderstanding between Sudan and

Chad and this impacts of the stability of the country

- Everyone who commits crime should be punished
- There is a need for the politicians in Sudan/ Khartoum to carry on with the peace agreements

II. *On the Janjaweed—The position of the GoS*

- Government of Sudan is responsible for disarming the Janjaweeed
- A plan has been established to attend to the conflict and a copy has been sent through to various parties who would make valuable contribution towards it
- Media is not doing a great job in the country
- Allegations have not been proved
- Not happy with the mandate of the AU
- Africans should start doing their own business and not rely on the assistance of the European union

III. *On the role played by the AU*

- The SLA has always been asking for more troops,
- It is not clear why the troops have not been assisted with everything that they have requested to play a more effective role
- Donors should assist the AU when required, however the problem is for Africans and should be solved by the Africans

6.4 **Juba—Southern Sudan**

(a) **Meeting with the Undersecretary of the Ministry of Regional Co-operation—Dr Cirino Hiteng Ofuho**

- Highlighted the issue of insufficient space to carry on with the parliamentary business
- But commented that there has been some progress since 20 years ago when meetings and official business was done under the trees

(b) **Meeting with the Minister of the Parliamentary Affairs: HE Gabriel Changson Chang**

I. *On the CPA*

CPA provisions are

- Government of National Unity (GNU) adopted a federal government comprising of all political parties
- Some parties chose not to take part in the process
- CPA—interim constitution was legislated, enacted and is now in operation
- Legislature has two parts—National Assembly and the Council of States
- CPA talks about power sharing between the North and the South
- The National Congress Party as the major party, has 52%
- South-SPLM has 28%

- Other political parties of the south have 14%
- SPLM leaders have been appointed to key branches—the cabinet
- The President comes from the NCP while the Vice President is from SPLM
- National Assembly—total of 120 members

II. *Power-sharing ratios with in the South Sudan*

- SPLM has 70%, NCP—15% and other parties have 15% according to the CPA
- This is a transitional arrangement for peace to prevail in The Sudan
- Interim constitution for The Sudan was passed (governing the activities of the Southern Sudan)
- The CPA endorsed an arrangement that already existed within the states (separate constitution)
- Office holders of these institutions are appointed based on consultation with political parties
- SPLM is represented across the board because of the portion it enjoys. This means that not all political parties are represented
- NC has 26 members and other six political parties share the remaining seats

III. *Wealth sharing*

- CPA outlines what resources to be shared between the government of the South and that of the National Unity
- Nett Oil Revenue is to be split between the two governments
- Deductions include the share that goes to the investing parties as well as running cost including transportation, pipeline and incidental costs
- 2% deducted to the oil producing state
- Remaining balance is split into half (50/50)
- CPA also clarified the taxes to be collected at the levels of the GoS, GNU and the state
- Government of the Southern Sudan relies specifically on the oil revenue which is very vulnerable because of the various changes going on

IV. *Security arrangement*

- There should be established a Joint integrated Unit force made up of 39 thousand troops that are split into 24 thousand stations in the South
- SPLA 12 thousand plus
- Khartoum has 10 000 split into two
- Running the security affairs in Sudan
- SPLA forces should not be in the designated areas

V. *Challenges within the CPA*

- There is a delay in withdrawal of forces by the GoS

- North-South boundary is yet to be determined
- The number of armed forces that would contribute to the joint integrated unit
- This arrangement did not go as planned
- Some forces have not joined any of the forces agreed upon in the CPA
- Movement of the South forces towards the North
- The demarcation of the boundaries and the oil fields has an impact on progressing with the census in preparation of the elections
- Capacitating the ministers, members of parliament and civil servants to enable them to understand and deal with the affairs of governance and service delivery
- Resources are not available in the country
- Central forces aligned to the GoS are ambushing transport that comes to South for assistance and close roads to the central South in an attempt to prevent development of the South
- Population can never be less than 10 million

VI. *Threats to the CPA*

- Lack of service delivery
- Border demarcation
- Elections
- Strongly upholding the provisions of the CPA because it is this agreement that will carry through the Sudanese during the interim phase

(c) **Meeting with the Speaker of the Southern Sudan Legislative Assembly Lt-Hon. Lt. Gen. Wani Igga**

- The speaker expressed his sincere gratitude relating to the visit of members of the South African parliament
- Highlighted the role played by South Africa in bringing the present peace in The Sudan
- He indicated that the Assembly was in total support of the CPA even though there ongoing challenges
- Explained one major success: the existence of the Government of National Unity, two houses in Khartoum, Government of the Southern Sudan (GoSS), Southern Sudan Liberation Army and the State Governments
- Welcomed the involvement of the International community to ensure that principles of the CPA were carried through
- Adamant that elections will take place in 2011
- Expressed a need in the fields of training for staff and MPs in Sudan, Exchange visits by MPs and staff of parliaments and the meeting between the Secretariats of the African National Congress and the

Sudan People Liberation Movement to step up common programmes

6.5 **Kenya, Nairobi**

(a) **Briefing by the High Commissioner—HE Msimang**

- The High Commissioner informed the Committee of the following:
- Kenya is going through some political turmoil
- Last year, a new constitution was meant to be adopted after the election of President Kibaki
- MOU never adhered to that would see a government representative of all the political parties
- President Kibaki shelved the MOU and this led to a dysfunction in the Government of Kenya
- At some point—cabinet failed to meet for more than nine months
- Wide consultation through out the country to indicate what could work for the country
- Bomas draft—contributions of everyone—never happened
- As a result a Gilifi draft was decided upon—which called for a referendum on the new Constitution
- Government lost to the opposition political parties
- The president decided to react by halting government meetings and parliamentary activities
- New cabinet ministers were appointed by the President with some designated persons declining
- The government started to function and there are only two years left before the next elections
- Government is trapped in corruption scandals
- Donor countries have squeezed and pressured government to react
- No hope that anything would happen soon

I. *Economy*

- Growth Domestic Product (GDP) is at growing at 5,8% per annum
- Country is doing well despite droughts experienced last year
- About 32 South African companies have invested in Kenya
- President Moi and the then South African President never saw eye to eye which strained relations within the mission and other South African visitors
- Joint Co-operation Commission with Kenya is proposed to be signed some time in 2007
- This might introduce some progress in the manner in which things are done in Kenya politically and otherwise

II. *Crime*

- Cases of violent crimes
- Attacks of Diplomats

- An alarming security situation in the country

(b) **Meeting with the Parliamentary Committee on Foreign Affairs and Defence**

The purpose of the meeting was to allow the South African delegation to engage with the Kenyan Committee in order to understand how both committees operate

The following are some of the key points addressed:

- The Kenyan Parliamentary Committee acknowledged that a huge task remained for the entire world to search for peace and stability in the Middle East, Israel, Darfur, Palestine, Lebanon, Afghanistan and Iraq
- Both Committees comprised of various parties represented in parliament
- Gender was considered when looking into the Committee's composition
- The Committees enable members to exercise their mandate when monitoring Foreign Affairs issues locally and abroad
- The Kenyan Committee members invited the South African Committee to maintain the established relation by means of a visit to engage both committees in detail

7. **Conclusion**

The delegation viewed the study tour as an eye opening experience and all members felt honoured to have been part of the fact-finding delegation. Having met with the relevant stakeholders, the delegation acknowledged that objectives of the visit were met. However, the delegation acknowledged that another follow up visit would be necessary to ensure that the agreed terms have been adhered to. Members were satisfied that meetings held allowed them an opportunity to understand the very complicated history of The Sudan, Darfur and the Southern Sudan, Juba.

8. **Recommendations**

Having monitored and evaluated the situation in Darfur, Sudan and Juba, the delegation recommends the following:

- The Government of South Africa and responsible stakeholders should Increase the forces in Darfur to ensure effective peacekeeping in the Darfur region to alleviate the human sufferings
- The general Sudanese opinion seems to choose the UN to monitor Darfur instead of the AU. An international structure comprising both the AU and the UN should be established to oversee the implementation and the review of certain terms of the CPA and the DPA where and if necessary
- The Committee mandates the leader of the delegation to urgently consult with the Chairperson of the Portfolio Committee on Foreign Affairs to convene an extended PC meeting for consultation and way forward

- A request must be made with the Peace and Security committee of the AU to

(a) Increase the mandate of the forces in Darfur

(b) Provide necessary equipment to assist the troops in executing their task

(c) Call for the involvement of the UN troops

(d) Strengthen the Assessment and Evaluation Committee with the role players involved

Glossary

AEC

Assessment and Evaluation Commission

AMIS

African Mission in Sudan

AU

African Union

CP

Communist Party

CPA

Comprehensive Peace Agreement

GDP

Growth Domestic Product

GoSS

Government of the Southern Sudan

GoNU

Government of National Unity

DPA

Darfur Peace Agreement

IDP

Internally Displaced Persons

JEM

Justice Equality Movement

NGO

Non-Governmental Organisation

PNC

Popular National Congress

SLA

Sudanese Liberation Army

SNA

Sudan National Assembly

SPLM/A

Sudan Peoples Liberation Movement/Army

SSLA

South Sudan Liberation Army

UN

United Nations

6. **Report of the Portfolio Committee on Foreign Affairs on the India, Brazil, and South Africa (IBSA) Summit that took place in Brasilia, Brazil, on 13 September 2006:**

1. **Introduction**

The Portfolio Committee on Foreign Affairs exercises oversight of the Department of Foreign Affairs in line with the constitutional mandate set out in section 55(2) of the Constitution. The Portfolio Committee on Foreign Affairs adopted a resolution on 29 August 2006 to send a multi-party parliamentary delegation to the first IBSA summit held in Brasilia, Brazil, on 13 September 2006.

2. **Delegation**

The delegation was as follow:

2.1 Ms F Hajiag, ANC (Leader of the delegation)

2.2 Mr B Skosana, IFP

2.3 Mr A Hermans, Support Staff

3. **Background**

Following ongoing interactions between South Africa, India and Brazil, and after the initial discussion between the Heads of State and Government of their countries at the G-8 summit in Evian in 2003, the relationship between theses countries was subsequently formalised with the adoption of the Brasilia declaration on 6 June 2006.

The main objectives of the IBSA Dialogue Forum can be summarised as follows:

3.1 To promote South-South dialogue, co-operation and common positions on issues of international importance;

3.2 To promote trade and investment opportunities between the three regions;

3.3 To promote international poverty alleviation and social development;

3.4 To promote the trilateral exchange of information, international best practises, technologies and skills, as well as to compliment each others competitive strengths and collective synergies; and

3.5 To promote corporation in a broad range of areas, namely agriculture, climate change, culture, defence, education, energy, health, information society, science and technology, social development, trade and investment, tourism and transport.

4. **Purpose**

The IBSA summit held in Brasilia was to strengthen the trilateral relations which were the culmination of the three IBSA Ministerial *Trilateral Joint Commission* meetings held in New Delhi (2004), Cape Town (2005) and Rio de Janeiro (2006) respectively. This partnership is a major development in the area of South-South co-operation. These countries have developed substantial capabilities in different sectors, but they still have to be utilised for the benefit of the South in general.

The major objectives for the summit were as follows:

4.1 To deepen the South-South dialogue and co-operation within the IBSA context;

4.2 To intensify and enhance co-ordinated positions on the multilateral fora;

4.3 To further promote the combination of the collective strengths of the three IBSA countries into compliment-aries;

4.4 To further consolidate the three continents Southern regions on all levels;

4.5 To further promote trade and investment opportunities and development of new markets;

4.6 To take stock of achievements so far in terms of broad range of IBSA co-operation areas that would lead to technology, information and

skills transfers, social development, poverty alleviation, job creation etc;

4.7 To issue a joint declaration between the IBSA Heads of State/Government after concluding the summit;

4.8 To review programme on three key areas of trilateral co operation, ie

4.8.1 Energy

4.8.2 Transport and

4.8.3 Climate Change; and

4.9 To conclude Trilateral Agreements/MOU: Transport, Agriculture, Energy, ICT and Trade facilitation.

5. The IBSA Summit

The IBSA Dialogue Forum has regular consultations at Senior Official (Focal Point), Ministerial (Trilateral Joint Commissions) and Heads of State and Government (Summit) levels, but also facilitates interaction amongst academia, business and other members of civil society.

5.1 Academic Summit

The Heads of States Summit was preceded by two parallel events on 12 September 2006, the *Academic Seminar* attended by academia, and a *Business Meeting*, attended by captains of industry from the respective countries. As these were parallel events, the delegation attended the Academic Summit at the Itemaraty Palace, in Brasilia. The seminar was hosted by the Gusmoa Foundation and chaired by its Director, Ambassador Moscardi and Prof Cardim of IPRI.

The Academic Summit mainly focussed on the following themes:

(a) Science and Technology and Innovation and Economic Development and Co operation.

(b) Public Policies and Social development.

(c) Democracy and Cultural Diversity.

The consensus views expressed during the discussions on Science and Technology and Innovation, and Economic Development and Co operation could be captured as follows:

5.1.1 Technological development in the developing world is lagging behind and IBSA countries should take the lead in developing new technology.

5.1.2 In order to make large sectors of IBSA's industry globally competitive requires public investment in both old and new nature technologies.

5.1.3 Investment in Research and Development (R and D) from both public and private sector to ensure that IBSA countries become the catalyst for new technological development is crucial.

5.1.4 IBSA countries have significant technological capabilities in different fields and co operation could take these capabilities to new heights that could also benefit the developing world.

5.1.5 Closer relations should be forged between the various

research institutions, academia and industries to provide both the vision and expertise to develop the next generation of systems.

5.1.6 Joint research projects on various matters of communality should be encouraged, as it would also facilitate the flow of information.

5.1.7 Co operation in the area of developing safe, renewable, affordable and environmentally sustainable energy sources to the collective benefit of all three countries should continue as this would benefit rural communities

The consensus views expressed during the discussions on Public Policy and Social Development could be captured as follows:

5.1.8 The issue of poverty in IBSA countries and how to address this anomaly within the context of a global economy was a major concern.

5.1.9 There was consensus that there is a need to close the gap between the rich and poor, and that public policy should not unintentionally widen the gap.

5.1.10 The empowerment of the marginalised, especially the poor and women, through Public policy interventions in IBSA countries were welcomed.

5.1.11 Within the process of economic reform and deregulation lies the challenge for policy makers to ensure that through appropriate public policy interventions, with respect to social development, the role of government should not be shrinking.

5.12 HIV/AIDS remains the major threat against economic growth, alleviation of poverty and democracy, and IBSA should lead the global campaign to fight HIV/AIDS.

5.13 The pooling of resources to develop vaccines, not only for HIV/AIDS but other diseases, to resolve the common problem of IBSA countries is crucial to ensure that IBSA becomes a global economic force.

5.14 The issues of intellectual property rights and its impact on access of medicine for the poor provoked passionate debate.

The consensus views expressed during the discussions on the Democracy and Cultural diversify could be captured as follows:

5.15 A countries face similar challengers that of poverty, unemployment, land reform and women emancipation.

5.16 IBSA countries have rich cultural mixes trying to overcome the legacy of colonialisaton and the subordination of indigenous cultures.

5.17 IBSA countries should build on areas of common value.

5.18 IBSA countries believe that the strengthening of democracy, through its various

constitutional institutions, would enable conflicts to be resolved.

5.19 Largest democracy respectively on each of the continents committed to economic growth, with social equity and inclusion.

6. **IBSA Dialogue Forum, Brasilia—13 September 2006**

6.1 Meeting of the Heads of State and Government, Ministers, and Business leaders.

The Heads of State and of Government made general remarks on the common challenges, the need for closer co operation and the need to share information and best practise. The IBSA dialogue forum brought together three countries from different continents to consult and co ordinate on global issues of concern is without precedent.

The views expressed by the Head of State and Government can be summarised as follows:

6.1.1 The need to forge closer relations with the South cannot be overemphasised.

6.1.2 The exchange of experiences, to found common ground on cultural issues, trade and investment, and development in science and technology is crucial, as it would have a positive impact on the South.

6.1.3 The vision to improve the quality of life for all, closing the gap between the rich and poor are shared goals and can be achieved through combining the capacity of IBSA countries to fasten this process.

6.1.4 Interaction should translate into practical, real co operation which impacts on the economy, trade, investment, and producing conditions to address these challenges.

6.1.5 There should be a common resolve to remove obstacles that impede this process, as there are significant synergies between these countries that have developed significant capabilities in different sectors over the years.

6.1.6 The IBSA countries co operation within the framework of the G-20 developing countries has facilitated coalition building on World Trade Organisation (WTO) issues.

6.1.7 The leaders express the importance of IBSA countries in playing a leading role in the multilateral trade negotiations in developing a more constructive proactive agenda.

Views expressed by the Chief Executive Officers can be summarised as follows:

6.1.8 The South African private sector has a special history with India and Brazil and through continued interaction on the economic front can address the challenges faced within the global environment.

6.1.9 Business leaders were encouraged by the invitation to attend the summit as it could

form the catalyst for unblocking economic co operation among the IBSSA countries.

6.1.10 The establishment of IBSA Business Council to facilitate areas of business growth and remove impediments that would hinder free trade was mooted.

6.1.11 The Business community has the shared goal of eliminating poverty, creation of jobs, and contributing to economic growth.

7.2 Signing of Agreements by Ministers

One of the objectives of the IBSA summit was to conclude Trilateral Agreements/Memoranda of Understanding (MOU). Below is the list of MOUs signed. See Annexure A for full details.

7.2.1 IBSA Acton Plan on Trade facilitation for Standards, Technical Regulations and Conformity Assessment.

7.2.2 Memorandum of Understanding on Biofuels.

7.2.3 Memorandum of Understanding on Trilateral Co operation on Agriculture and Allied Fields.

7.2.4 IBSA Trilateral Agreement Concerning Merchant Shipping and other Marine Transport Related Matters.

7.2.5 IBSA framework of Cooperation on Information Society.

7.3 Joint Press Statement

At the end of the proceedings the Heads of State and Leader of Government issued a Joint Press Statement at the conclusion of the Summit. The salient points are highlighted.

7.3.1 The three leaders reaffirmed their commitment to promotion of peace, security and sustainable economic and social development on the world and in their respective regions.

7.3.2 They reiterated the support for the comprehensive reform of the United Nations Organisation (UNO) and welcomed the creation of the Peacebuilding Commission and Human Rights Council.

7.3.3 They unequivocally condemned terrorism in all forms and manifestation.

7.3.4 They expressed their outrage at the terrorist attacks on 11 July 2006 in Mumbai.

7.3.5 They reiterated their strong commitment to the Action against Hunger and Poverty Initiative and, in particular, the Millennium Declaration and the 2005 World Summit Outcome.

7.3.6 They committed themselves to further enhancing the trilateral co operation in the field of HIV/AIDS, Malaria and Tuberculosis.

7.3.7 They shared common vision regarding the promotion and protection of human rights.

7.3.8 They share similar views regarding the importance of achieving sustainable development and eradication of poverty.

7.3.9 They took stock of the global security situation concerning disarmament and the nonproliferation of weapons of mass destruction.

7.3.10 They reaffirmed the inalienable right of all States to peaceful application of nuclear energy, consistent with their international legal obligations.

7.3.11 They deeply regretted that the WTO's Doha Development Agenda negotiations have been suspended.

7.3.12 They reiterated their commitment towards a fairer global trading system.

7.3.13 They reviewed initiatives for further trilateral sectoral co operation.

7.3.14 They expressed their deep satisfaction with the signing of the IBSA Acton Plan on Trade facilitation for Standards, Technical Regulations and Conformity Assessment.

7.3.15 They expressed they full support and commitment to the expeditious establishment of the Working Group to focus on the modalities for the envisaged India-Mercosur-SACU trilateral Free Trade Area.

7.3.16 They reaffirmed the importance of ongoing India-Mercosur and Mercosur-SACU negotiations.

7.3.17 They expressed the satisfaction of the presence of the important high-level business delegation from India, Brazil and South Africa.

7.3.18 They expressed they deep appreciation for the signature of a Memorandum of Understanding on Biofuels.

7.3.19 The Prime Minister of India and the President of South Africa praised the Ethanol international initiative launched by Brazil.

7.3.20 They agreed that the Memorandum of Understanding on Trilateral Co operation on Agriculture and Allied Fields would be an important instrument to promote socio-economic development.

7.3.21 They welcomed the signing of the IBSA Trilateral Agreement Concerning Merchant Shipping and other Marine Transport Related Matters.

7.3.22 They emphasised the importance of implementing the Memorandum of Understanding of Civil Aviation as soon as possible.

7.3.23 They expressed the satisfaction with the signing of the IBSA framework of Co operation on Information Society.

7.3.24 They emphasised the fact that the IBSA Facility Fund constituted a pioneer and unique initiative of South-South co operation.

8. **Concluding remarks**

8.1 The IBSA summit in Brasilia,

Brazil in 2006 was further evidence of the success of the experiment that has its roots at the G-8 summit of a shared vision that unites the three countries.

8.2 The summit consolidated the IBSA Dialogue Forum in the achieving synergy required that set the IBSA countries on path that would fully benefit the South.

8.3 These three countries are committed to economic growth, through social equity and inclusion.

8.4 This summit reinforced the economic strengths of each countries and the need to synergise complementarities in areas such as industry, services, trade, and science and technology.

8.5 The Academic Summit identified five initiatives that would harness the collective resources and strengths within the IBSA partnership.

a. That IBSA countries develop an initiative focused on the promotion of non violence and peace;

b. That mechanism are put in place that would encourage cultural exchange, through the film industry, literature and art festivals that would promote a deepen understanding of our cultural heritage;

c. To harness the rich biodiversity to mitigate the threats of human security and sustainable development;

d. To consider a communication strategy that would provide a balance in the geo-politics of information dissemination, advanced from an IBSA perspective; and

e. To establish a trilateral fund that would promote research partnerships, encourage academic exchange, and facilitate the movement of scholars, intellectuals, and social activist among continents.

8.6 The presence of the high-level business delegation was welcomed especially with respect to the exchanges with business leaders.

8.7 The Business summit called for the establishment of and IBSA Business Council that would focus on areas of growth, closer business relations and address areas that may hinder free trade.

8.8 This is vital to achieve the investment potential and would establish institutional and business linkages in important sectoral areas.

8.9 The signing of MOUs and Trilateral Agreements are major achievements and would further cement the relationship of IBSA countries.

9. **Conclusion**

9.1 **Further activities planned by Committee:**

9.1.1 The Minister of Foreign Affairs brief the Committee within six months to discuss the implementation of the MOUs and Trilateral Agreements signed at the respective Heads of State and of Government;

9.1.2 The Department of Foreign Affairs brief the Committee on a quarterly basis on outstanding matters relating to India-Brazil-South Africa (IBSA) Dialogue Forum.

10. **Recommendation**

10.1 In light of the success of the IBSA summit, the Portfolio Committee on Foreign Affairs would like to make the following recommendation:

10.1.1 The House, through its relevant forums, gives consideration to establishing a multilateral parliamentary forum with the Parliaments of India and Brazil to oversee the implementation of agreements and memorandums of understanding of the India-Brazil-South Africa (IBSA) Dialogue Forum.

Report to be considered.

6. **REPORT OF PORTFOLIO COMMITTEE ON EDUCATION ON STUDY TOUR TO MAURITIUS, NOVEMBER 2006:**

A. **Background**

The Portfolio Committee undertook a study tour to Mauritius for the period 17-25 November 2006, allowing for two days of travelling. The report will focus on visits conducted from 20 to 24 November 2006.

B. **Motivation for the study tour**

The Portfolio Committee on Education needed to gain insight and share learning experiences about the education system of Mauritius. Their system is similar to the South African system. Also, there are problems of commonality, which would be better addressed through sharing of experiences. There are also interesting initiatives aimed at educational reforms undertaken by the government of Mauritius, which could be a learning experience for South Africa.

The education system in Mauritius is designed along the lines of the British model, and has improved greatly since independence. The government of Mauritius has made an effort to provide adequate funding for education. Education is a right and is offered for free from primary through to tertiary level, while a system of grants exists for the pre-primary level. Education in Mauritius has been free from pre-primary through the secondary level since 1976 and through post-secondary level since 1988.

C. **Logistical Arrangements**

The multi-party delegation was led by Prof S M Mayatula [ANC], Chairperson of the Committee, Mr B G Mosala [ANC]; Ms J J Matsomela [ANC]; Mr G G Boinamo [DA] and Mr A M Mpontshane [IFP] was replaced by Ms S Sigcau (UDM) because he could not be part of the delegation due to other commitments.

D. **Findings**

1. **Meeting with the Minister of Education**

The delegation received a courtesy call from the Minister of Education, Hon. D Gokhool, at the Industrial Vocational Training Board (IVTB) House in Phoenix.

The Honorable Minister gave a brief overview, identifying the system of education. The African Peer Review mechanism has identified a shortcoming in that learners are passing for the sake of passing. The new government is placing emphasis on quality education, and the introduction of new curriculum. He mentioned that the reform proposals have been accepted by the opposition parties and his predecessor.

The Mauritius Teacher Institution is dedicated for professional teaching of educators. It is a specialized body for teacher training and research. It provides training on in-service training. It also serves as pre-service and distance learning for teachers.

The legislative process in Mauritius is handled by the cabinet which considers the Bill. The draft is prepared by the Minister with the help of State Law Advisers. Once the Cabinet is satisfied, it goes to Parliament, for 1st reading debate. The second stage is when it is debated by political parties. Thereafter Minister concludes on the Bill and then it becomes law. In Mauritius there are no Portfolio Committees.

In South Africa the legislative process involves interested parties and the public. This is evident in elaborative processes followed by committees of both the National Assembly and the National Council of Provinces. It is noted that there is a gap in the level of competency in that the Mauritian system only involves few stakeholders, the Ministry and the Legal Advisers.

The educational reforms introduced a new curriculum, which uses English as a medium of instruction in schools, with French being taught as a subject. It has been commonly felt that the education system must pursue dissemination of both French and English, in order to meet the challenges of globalisation and technical progress.

The Ministry of Education intends reversing the situation by providing more colleges and by bringing diversity in the curriculum to allow the balance between the logic and aesthetic aspects.

The delegation also received presentations from the Ministry of Education, covering the focal areas, its structure and the programme for reform.

Mauritius has a free and compulsory education system for the past 30 years. In terms of the system of education, learners go through eight years of formal schooling from age five up to 12 years. Those who fail, during this period, have to go through two additional years at Secondary School. At Grade 12, are assessed through external examination and could proceed to Cambridge University.

The South African system provides for free and compulsory education from Grade R up to Grade 9. The FET phase, allows for learners an option to either proceed through normal route or vocation education (FET College) through to Tertiary education.

2. Human Resource Development Council (HRDC)

This Directorate is attached to the Ministry of Education.

The Human Resource and Development Council (HRDC) was established in terms of Human Resource Development Act of 2003, to promote HRD needs for the country. It comprises a 27 member council representing Labour, Business and the Trade Unions. The setting up of the HRDC was inspired by the recommendations of the report of the (International Labour organisation (ILO) Consultant on the National Integrated Training Strategy (NITS). The mission is to develop institutional synergies for an integrated Human Resource Development Strategy.

Functions of HRDC

— Advise the Minister on the formulation of HRD Policies and Strategies.
— Establish linkages between the education and training systems and the workplace.
— Provide a forum for constant dialogue and consensus-building among stakeholders on all matters relating to HRD.
— Take appropriate measures to reduce the mismatch between demand and supply of human resource.

Main projects of HRDC

— Revised Levy/Grant Incentive Scheme
— National Human Resource Development Plan (NHRDP)
— Study on HRD in SMEs
— Call Centre Operations
— Empowering Women through promotion of leadership & entrepreneurial skills.

Overview of Mauritius education system

The University of Mauritius offers free tuition to A+ student. However, adult learners do pay fees. In the University of Technology everyone pays fees.

The University of Mauritius also welcomes the government's programme of renewed curriculum. The University is aware of the fact that the mode of teaching has to be different as well. It is essential for achieving quality education. Therefore the review of teacher training programme into content and quality of teaching, indicate a move away from traditional way of teaching. Thus it is important to have clear implementing and monitoring mechanisms for teachers.

There have been concerns about the high failure rate at the end of primary education cycle. The Ministry identified 30 poor performing schools in deprived parts of the island to benefit from the ZDP Project (project on infrastructure development of schools), where schools are provided with assistance. The government, through the partnerships with stakeholders, has developed mechanisms to redress the situation. Each of the schools will have four programmes: Infrastructural support (physical refurbishment), food supplementary programme for learners, health school, and medical scheme. Also, in order to improve the level of competency of teachers, educators are taken to in-service training, especially on children's programmes. The partnership with the department works through the Joint Economic Coun-

cil (consists of private companies). Issues are brought to the Ministry from the level below.

Even though education is free and compulsory, Mauritius has a high drop out rate in schools. In another survey conducted the Ministry wanted to get an understanding of causes of this problem. The government contacted members of the public to come up with ideas to encourage learners to come to schools. The social workers and community workers are also involved in encouraging learners to go to school. The ministry is underway in considering mechanisms for addressing the problem of drop outs. The Parent-Teachers-Association (PTSA) is also involved in assisting all schools to trace learners who are out of school.

In terms of private education, Mauritius has legislated that learners from grades one to three cannot be offered private education. Teachers who charge for private education are not controlled, so there are no mechanisms to determine their charges. These educators also do not pay taxes on fess paid for private tuition.

However at a primary level private education takes place within the school premises and is optional. In the case of Secondary education parents tend to pay for private tuition. There is a likelihood that this parallel education system will disappear. Government has taken a decision to do away with Community-Based Education (CBE).

The country has three foreign languages that are used in primary schools, Arabic, French and English. The law states that English and French are to be used as medium for instruction. However, in the first three years of primary school, learners are taught in their mother tongue as medium of instruction. In some cases, the use of English as official language is permitted post the three years period.

In 2005, the government conducted a population profile to assess the curriculum needs of the people of Mauritius. The following issues were investigated:

— Profile of learners post nine years of schooling.
— Projection of the needs of the future.
— Reinforce acquisition of foundation skills.
— Whatever is examinable should not be used as a major domain of learning.
— Profile of the teacher.
— Core subjects/courses taken up until age 16
— This was followed by evaluation, which provide for assessment of learner acquisition.

The scholar transport system of Mauritius was introduced in 2005; 75% of learners travel by bus, it caters for all primary secondary and post secondary school. The government has signed a Memorandum of Understanding (MoU) with the service provider. The Service provider is paid on monthly basis. The students (post secondary) use student pass to travel only from home to university and back.

3. List of Institutions visited

Meetings with Stakeholders

3.1 The Technical School Management Trust Fund (TSMTF)

The mission of TSMTF is to provide high quality and up to date technical education to paraprofessionals in line with the development needs of the republic of Mauritius and of the region.

The Fund provides training to young school leavers on a full-time basis and also training to in-service personnel of the private/public firms. The Trust Fund offers three different types of programmes, namely Long Award Courses, Short Award and part-time courses.

The Fund seeks to respond to the needs of both public and private companies to respond to further training needs of their personnel. It works closely with a network of trainers who continuously research skills shortages and gaps within the industries.

3.2 Meeting with Vice Chancellor, University of Mauritius (UoM)

Policy and Regulatory Framework

The Tertiary Education Commission Act was enacted in order to regulate the Tertiary Education system in Mauritius. It came into effect in 1988 and was amended in 2005. The objectives of the Act are to:

- Foster the development of post-secondary education in Mauritius.
- Promote and enhance quality assurance.
- Implement the regulatory framework: registration of private institutions and accreditation of their programmes, determine recognition and equivalence of qualifications, make recommendations to the Minister on applications received for the setting up of private institutions, or branches, centres or campus of overseas institutions, and protect the term "University".
- Promote co-ordination amongst the Tertiary Education Institutions (TEIs)
- Allocate funds to the TEIs and ensure accountability.
- Advise on all post-secondary education including award of scholarships.

Future Scenario of Tertiary Education in Mauritius

- Increasing demand
- Shrinking role of government
- Impact of technology on teaching and research—digital divide
- Demand for international quality and standards from learners
- Education is increasingly becoming a highly competitive business
- Borderless education/new markets (suppliers and students)
- Emergence of new types of institutions, new forms of competition, new modes

of operation and delivery and new opportunities from ICT

- Growing importance of Science & Technology
- Competing demand for public funds—cost sharing
- Better connect with business, commerce and industry
- Pressures for reforms and structural changes
- Rise in Community expectation
- Increasing difficulty in attracting and retaining high calibre staff

3.3 Mauritius Qualifications Authority (MQA)

Presented by Mr Kaylash Allgoo the Director, MQA

The vision of the MQA is to provide valued qualifications for employability and lifelong learning. This will be done by continued enhancement of good practices & relevant expertise to safeguard public interest in quality education & training

The objectives of MQA are to develop, implement and maintain a National Qualifications Framework. The Authority has to ensure compliance with provisions for registration and accreditation. Furthermore to ensure that standards and registered qualifications are internationally comparable.

In response to its objectives, the MQA identified the following as its functions:

- To formulate and publish policies for registration of bodies for establishing national standards
- To generate and register national standards for any occupation
- To register and accredit training institutions
- To approve/accredit training programmes and register trainers
- To register qualifications
- To recognise and validate competencies outside the formal educational system
- To recognise and evaluate qualifications
- To recognise nonaward courses
- To keep a database of learning accounts of Mauritians

In terms of Regional Protocol, Mauritius is a member of SADC Protocol on Education & Training. The MQA is involved in processes of harmonisation and standardisation of education and training system in the region. The country has also participated in establishment of a SADC Regional Qualifications Framework (RQF).

In line with the objectives of the Act, MQA has formulated a number of policies. The Authority has relations with registrations of bodies that are responsible for establishing national standards and qualifications and together with accreditation bodies who are responsible for monitoring and auditing such standards and qualifications.

Recognition of Prior Learning allows an individual to obtain

credit for knowledge, skills and aptitudes acquired from previous study, work & life experience and even provide the opportunity to be more mobile through the framework and go up the levels.

They have links with Industry led Industrial Training Qualification Syndicate (ITQS), who advise and recommend to the Authority a framework of fields within the sector and also generate unit standards within the sector. The Industry also abides by the decisions of the Authority relating to the development and implementation of the NQF.

In terms of Unit Standards and Qualifications, there are a number of standards set for Qualification and Accreditation mechanisms. These have a clear criteria set up for Registration of Training Institutions for the managers; Programme Officers; Trainers; mechanisms for approval of courses and guidelines/criteria for Accreditation.

The delegation also learnt that the Authority was instrumental in other future Developments.

- Marketing of the NQF—development of unit standards/qualifications in collaboration with the HRDC.
- Establishment of Awarding Bodies—policy under discussion at the level of the MQA Board.
- Further development of RPL—policy already approved by the MQA Board.

The Authority would like to share ideas with the South African Qualifications Authority (SAQA).

3.4 Industrial and Vocational Training Board (IVTB)

The IVTB operates under the Ministry of Education and Human Resources, it is mandated to improve employability and work performance through top-quality training to different kinds of audiences.

The IVTB is responsible for monitoring the needs for training in consultation with relevant authorities. Also to administer and operate training schemes and impose or take any related fees or charges. Further promoting and assisting in the training or apprenticeship of persons who are or will be employed in commercial, technical and vocational field.

The delegation also got an opportunity to tour around and interact with educators and students from different IVTB centres which provide different programmes in Automation, telecommunications, Graphic & multimedia, Art & Design as well as the Fashion & textile Design.

3.5 The Pre-school Trust Fund (PSTF)

The meeting took place at D. Basant Rai Pre-primary School Unit in La Rosa, New Grove. The Chairman of PSTF gave a background on the role and objectives of the Pre-school Fund.

The Fund falls under the Government Directorate. It is still at foundation phase and has not yet been legislated. It covers children from three-five year band. The Pre-School Fund is an implementing Agency, and is guided by Act 41 of 1984. It receives funding from the private sector in return

for free tax rebate. It is governed by the norms and standards, as is the case in South Africa. The Fund receives 16% of the grant from government and the 84% is given to the private sector. This translates to 2% grant for learners. All teachers are trained and recruited from the pool of those who have been trained. The remaining number is employed by private schools, they also receive grant from the government. The Fund is also the regulator of the primary education system.

In terms of history of pre-schooling in Mauritius, for the past 30 years, pre-schooling was provided for by the private sector, yet each child receives 200 rupees per month from the government.

In order to improve the standard & quality of teaching provided, in 2005 the government gave each pre-school 10 000 rupees to upgrade themselves. When recruiting educators, emphasis is on experience, aptitude test, academic qualification and language. The teaching methods are informed by the Convention of the Rights of the Child. To encourage the involvement of parents in their education, parents are encouraged to participate in food programme, and the preparation of learning aids. They are also encouraged to accompany their learners to school activities.

Research has shown that in Mauritius importance is attached to pre-primary education. In order to make pre-primary education accessible to every child, specific measures have been taken along various lines. Children in the age group four to five receive a per capita grant. Standards and guidelines have been developed to ensure that the physical environment of the school is pleasant to allow the child to develop fully, both physically, emotionally and mentally. The involvement of the community in the field of education in Mauritius has the consequence of an increase of pressure on schools to perform better and thus putting much effort to bridge the gap between these two categories of schools, those who perform very well and those that perform badly.

3.6 Accreditation Syndicate (Equivalent to our SAQA in South Africa)

The Syndicate encourages best performing learners from star colleges/schools to attend National Colleges. The Syndicate organises all examinations and also processes the admission of learners to colleges. Their certificates are accredited by Cambridge University. The Mauritius University prepares the syllabus in collaboration with the Cambridge University. Each year about 30 000 students sit for examinations.

Each year, 15 students from the College qualify for scholarship and are offered the opportunity to further their studies at Cambridge University. The previous government had put an end to scholarship because; this was seen to encourage elitism among the nationalists. However the recent government is seen to be encouraging the learners to study further and they offer scholarships to 15 boys and girls to further their studies at the University.

The National College is considered to accept those who have

been accepted and are considered to be less performing. The challenge is that about 40% of learners do not succeed Grade 11 and this is seen as a matter of concern.

The Minister of Education is of the view that he should do away with examinations, which reflects those who fail, but encourage assessment on academic grounds. In a study conducted in 2005, 30 000 candidates set for exams through to star colleges and 9 000 set for school certificate. The findings however, were taken after two years after the examinations were conducted.

In terms of the trends for qualifications, the pass rate for National Examination (Grade 8) is 65% each year, 35% get the second opportunity, out of which 30% of them pass through. The 5% of them follow the pre-vocational stream of education until they reach Grade 11.

On the other hand, the qualification trend for the IVTB Programmes has a 75% successful rate and the learners graduate with Higher Certificate. The government however, would like to attract more students to Universities. There are also considerations of introducing new techniques for evaluating learners.

3.7 Mauritius Examinations Syndicate (MES) (Equivalent to Umalusi)

The MES ensures that examinations are maintained in view of international recognition. In the conduct of examinations, it provides a high level of confidentiality and security, so vital for strengthening confidence among users of its service and public in general.

The following were identified as some of the challenges for the Syndicate, which were being considered: localisation of examinations at Secondary level, introduction of schools based assessments, recording and reporting children's achievements, assessment and accreditation of competences.

In order to address the challenge of tempering with question papers, the MES decided to have the question papers for CPE moderated and printed in the UK.

The exam papers are kept in the tamper-evident envelopes and then stored in a strong room secured by three locks, which are held by three separate persons. It is of importance that each time the room is opened, all three persons are present. Also services of the private security guards are used to monitor the premises over 24 hours.

In terms of security for examinations, there are strict measures and mechanisms that are followed for accessing all examination papers. On the examination day, policemen have control over access to CPE examination centres and their presence is required on receipt, opening and return of question paper bags. These are kept under lock and key in the Presiding Invigilator's room. Officers of the MES inspect examination centres and report to the Director through the CPE Section.

3.8 Mauritius Institute of Education (MIE)

The delegation was met by Prof V K P Parmessur and his management. The meeting shared information on the role and functions of the Institute.

It was set up by an Act of Parliament in 1973, and is an Institution dedicated to teacher education, research in education and curriculum development.

Initially it was responsible for training the senior secondary educators and later included all primary school and teaching and management. It is the only institute in the country that provides expertise on education and training.

The Institute acts as a professional unit for planning and monitoring of education policies. It focuses on Curriculum development for learners. It focuses in education research, developing distance education materials. This was to ensure that there is consistency in lesson delivery amongst all the schools that are involved in e-learning projects. Also to identify the challenges where they exist and to develop mechanisms to combat them.

The MIE has links with various institutions worldwide on matters of research and training programmes. The Institute has signed a Memorandum of Understanding (MoU) with India, to set up e-networking.

The Institute was instrumental in holding a three day workshop, to enable teachers to gain better understanding and to share knowledge and skills on ICT related matters.

3.9 Royal College Curepipe (Secondary School)

The delegation was received by the Rector (Principal) Mrs H B Nabheebucus and her management. The management welcomed the proposed reforms mentioned by the Minister of Education and considered them as long overdue.

The College admits only the best ranked students' from Primary Schools, it is considered as the jewel in the crown of the public education sector of the island. It has a prestigious status and plays a leading role in the Mauritian Society.

The system was explained as follows:

At the end of their fifth year (form 5) at school, students sit for School Examination (O-levels) as per the University of Cambridge Examination Syndicate. Normally eight subjects are taken by each pupil and a grade will be attributed to each. The best grade an "A" is called a distinction.

During the last two years called the Lower Six and Upper Six, students prepare for the Higher School Examination (A-levels) also organized by the University of Cambridge Examination Syndicate. They study three main subjects and two subsidiary ones—of which General paper (English language) is compulsory. The examination is carried out at the end of their last year at school and the results are due in February of the following year.

The academic year starts in January and ends in November, and is further broken down into three terms. During the first two terms small class tests are carried out while a final examination is conducted at the end of the third term. During Form 5 and Upper Six these end of school examinations are replaced by the University of Cambridge Examinations. All results are determined and ranked according to A-level specifications.

3.10 Technical School Management Trust Fund (TSMTF)

The Manager of the Fund, Mr Bramdeo Lotun gave a brief overview on the role and objectives of the Fund.

As a way of addressing skills shortage in MRU, technical schools are aimed at offering programmes that are responsive to industry needs. The government of Mauritius decided to expand Technical and Further Education and the (TSMTF) was set up in 1994 under the Ministry of Education and Scientific Research to manage Institutes of Technical and Further Education in Mauritius.

The Institute was set up with the sole objective of training students as technicians, who will operate at middle management level in the service sector of the economy and progressively constitute the bulk of the manpower needed for the high value added tertiary sector.

This close relationship is evident in South Africa, through FET Colleges, industries further assist in ensuring that students take relevant programmes that get them to employment market.

The committee noted with concern the lack of women/female students at technical schools taking industrial programmes. The gender imbalance was noted evident amongst both teaching staff and students. It was noted that out of 380 students only two females have qualified.

3.11 University of Technology, Mauritius (UTM)

The delegation was received by the Director General, Prof. Peter Stephen Coupe who gave an overview of the institution.

The University of Technology, Mauritius Act was proclaimed on June 2000. The initial phase of the project consisted in the merging of the MIPAM and the SITRAC Ltd. These three Schools, namely School of Business Informatics and Software Engineering, School of Public Sector Policy and Management and School of Sustainable Development Science became operational since September 2000.

The University of Technology, Mauritius has the determination to become one of the leading tertiary education institutions of the region. The aim of this University is to provide a wide range of students with acquisition of knowledge and skills to be able to make future professional contributions in various key sectors of the socio-economic and technological advancement of Mauritius.

The objectives of UTM are as follows:

- To admit students with a range of entry qualification and academic and professional experience

- To deliver programmes which can be entered and exited at different levels
- To co operate with government and business in developing lifelong learning, research and consultancy
- To promote entrepreneurship and complete education amongst students
- To build up and develop full-time staff of high calibre.
- To help students benefit from a physical environment appropriate to their development.

The UTM is different from other institutions because of certain aspects. It works closely with employers in industry, commerce and government bodies in designing its Bachelor and masters degrees in both the academic content and their professional applicability. This has resulted in 90% of UTM graduates being employed shortly after graduation.

The UTM is also working with employers to develop entrepreneurial attitudes amongst its students such that, on graduation, an increasing number will develop their own small to medium enterprises and offer employment to others and help Mauritius develop its economy. Many of the employer inputs is largely from part-time lecturers and employers, who bring up-to-date case studies and entrepreneurial attitudes through their teachings.

4. **Observations**

(i) **Examination Centre**

As a way of ensuring quality education, MRU offers examinations through national assessment of learners in Grades 11 to 12. South Africa should consider introducing national examination at Grade 9, at end of compulsory stage of education and thereafter at matric.

(ii) **Pre-schools**

Every learner of the age group zero to five years receives a grant from government to access pre-schools. In the South African context, the children of the age group 0-14 years from poor families receive child support grant.

The system of education on MRU, offers six years primary education, five-years secondary and two as part of secondary for those who have failed Grade 8. The 1st primary phase—if you fail as a leaner you are expected to go through the vocational system = three years pre-vocational, where learners receive skills. It is important that to note that there are disadvantages associated with this system. In South Africa the system does not allow failure twice in a given phase, if so the learner is promoted. Mauritius promotes teacher training and quality education and these are entrenched in their programmes. There are programmes for poor performing schools.

(iii) **Rajiv Ghandi Science Centre**

The Rajiv Gandhi Science Centre is a non-formal educational institution for the promotion of science and technology among students and members of the public. The first of its kind in this region, the centre operates under the aegis of

the Ministry of Education and Human Resources of the Republic of Mauritius.

The Centre offers an opportunity to students and members of the public an opportunity to interact and find out how science helps to better understand the world and how technology could be used to improve lives.

South Africa has similar centres but these are not well utilised by students and members of the public. The Science Centres need to be marketed vigorously to educators and learners, and that students should be encouraged to use these for their projects.

5. **Lessons Learnt**

a) The country has mechanisms for children from poor social backgrounds especially for the low performing schools.

b) The Mauritius Institute of Education compared to University Colleges of Education can be a useful method of ensuring good quality education for teachers.

c) The MIE offers training for Managers of education, inspectors, and Circuit managers and also encourages educators to be involved. In the case of South Africa, it is proposed that the Universities are not detached from development. The education faculty should take part in curriculum development. This will enable them to teach new curriculum at Universities.

d) The Certificate management Course for training of managers, Principals, Circuit Managers. Our faculties of Education should offer similar programmes of leadership and development of Managers.

e) Parents through SGB should be encouraged to participate in school activities and also ensure professionalism amongst educators.

f) The contribution to eNepad programme through e-schools.

g) South Africa should consider introducing the practice of involving the industry in offering programmes in Universities of Technology, in order to enhance programmes with entrepreneurial flair, as is the case with FET Colleges.

Though Mauritius has through lessons from other countries developed their tertiary education sector, the biggest problem that even the first-world economies face, is simply who pays for the nation's education system.

Vote of thanks

The delegation extends appreciation to the support given by the Speaker of the National Assembly, the Mauritius Department of Education and the High Commissioner for making our study tour the most memorable one.

Report to be considered.

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 14:57.

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

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS—see col 5893.

WORLD DAY TO COMBAT DESERTIFICATION AND DROUGHT—17 JUNE 2007

(Draft Resolution)

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

That the House—

(1) notes that—

(a) Sunday, 17 June 2007 marks the World Day to Combat Desertification and Drought; and

(b) the day is meant to deepen awareness amongst South Africans and the world community about the impact of drought and desertification;

(2) recalls that—

(a) desertification occurs in arid, semi-arid and subhumid areas where the soil is especially fragile, vegetation is sparse and the climate is particularly harsh and that are inhabited by one fifth of the world's population; and

(b) one third of the earth's land surface (four billion hectares) is threatened by desertification, over 250 million people are directly affected by desertification, 24 billion tons of fertile soil disappear annually, and that from 1991 to 2000 alone droughts have been responsible for over 280 000 deaths and accounted for 11% of all water-related disasters;

(3) remembers that desertification results mainly from variations in climate and from human activities but that many other causes can interact to create conditions likely to lead to desertification, including the movement of refugees during periods of conflict, inappropriate land use or environmental management and specific socioeconomic and political factors;

(4) further remembers that international trade patterns are based on the short-term exploitation of local resources for export, which acts against the long-term interests of the local people, and that poverty leads to desertification, which in turn leads to poverty;

(5) commends the work done by the United Nations and environmental organisations in their efforts to combat desertification and to raise awareness amongst people; and

(6) calls on our government to intensify environmental education programmes to rekindle our people's love for the land and to increase environmental consciousness amongst our youth.

Agreed to.

WORLD ELDER ABUSE AWARENESS DAY—15 JUNE 2007

(Draft Resolution)

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

That the House—

(1) notes that tomorrow, Friday, 15 June 2007, is the second anniversary of the World Elder Abuse Awareness Day;

(2) further notes that the day is dedicated to raising awareness about the abuse of the elderly, which encompasses neglect and maltreatment throughout the world;

(3) recalls that abuse, neglect and financial exploitation of the elderly are much more common than societies admit, and that there is a link between this abuse and disempowerment and discrimination;

(4) believes that—

(a) all of us have to work together to raise awareness and ensure that perpetrators of this crime are brought to book;

(b) we must love, protect and care for our elderly; and

(c) we must recognise and appreciate that they play a critical role in our communities, as many orphans and vulnerable children in our country are cared for by grandparents who continue to be the backbone of many families, giving children a sound beginning in life, and many elders also continue to contribute to the economic development of our country and remain economically active;

(5) further believes that there is a need to encourage closer and positive contact between generations and foster positive attitudes among the youth, and that the social isolation and neglect of older adults need to be broken through, among other things, intergenerational relationships;

(6) urges our youth to remember that they have a responsibility to look after the elderly in general and their grandparents in particular; and

(7) calls upon the youth of our country, during this Youth Month, to ensure that the abuse of the elderly in our society comes to a stop.

Agreed to.

APPOINTMENT OF R MALI AS ACTING PRESIDENT OF THE ICC

(Draft Resolution)

Mr M J ELLIS: Madam Deputy Speaker, we move without notice:

That the House—

(1) congratulates Mr Ray Mali on being appointed as acting president of the International Cricket Council (ICC);

(2) recognises that he was the first black African president of Cricket South Africa when he was appointed in 2003;

(3) further recognises the fundamental role he has played in making South African cricket a truly national sport that is played and supported by all South Africans;

(4) notes that he has taken over the leadership of the ICC at an exciting time for South African cricket that includes the upcoming ICC Twenty20 World Cup tournament to be held in the country; and

(5) wishes him well in his new position until the appointment of the new ICC president in 2008.

Agreed to.

DEBATE ON YOUTH DAY TO STAND OVER

(Draft Resolution)

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, as agreed by the programme committee this morning, I move that Order 7, which is the debate on Youth Day, stand over.

Agreed to.

TRADITIONAL HEALTH PRACTITIONERS ACT AND THE CHOICE ON TERMINATION OF PREGNANCY AMENDMENT ACT

(Draft Resolution)

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, I move the motion as it stands on the Order Paper, as follows:

That the House, having regard to the resolution adopted by the National Council of Provinces on 8 June 2007—

(1) notes that—

(a) on 18 August 2006 the Constitutional Court declared the Traditional Health Practitioners Act (Act No 35 of 2004) and the Choice on Termination of Pregnancy Amendment Act (Act No 38 of 2004) invalid, and that the order of invalidity is suspended for a period of 18 months to enable Parliament to re-enact these statutes in a manner that is consistent with the Constitution;

(b) the 18-month suspension period expires on 16 February 2008; and

(c) the Rules do not provide specifically for Parliament to deal with legislation that has been declared invalid; and

(2) resolves that—

(a) the abovementioned statutes be re-enacted, in compliance with the court order;

(b) the legislation be deemed introduced in the National Council of Provinces, as the first House; and

(c) the Acts, as they now exist, be deemed as the text before Parliament, as extensive work has been done during Parliament's previous consideration of the legislation; and

(3) further notes that the Select Committee on Social Services has been put in charge of the Bills before the Council.

Agreed to.

SECOND READING DEBATE ON TAXATION LAWS SECOND AMENDMENT BILL

(Draft Resolution)

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, I move the motion as it stands on the Order Paper, as follows:

That Rule 253(1), which provides *inter alia* that the debate on the Second Reading of a Bill may not commence before at least three working days have elapsed since the committee's report was tabled, be suspended for the purposes of conducting the Second Reading debate on the Taxation Laws Second Amendment Bill [B 19—2007] (National Assembly—sec 75) today.

Agreed to.

OPENING OF MAMELODI POLICE STATION

(Member's Statement)

Nom D C MABENA (ANC): Isitetjhi

samapholisa sePumalanga ye-Mamelodi savulwa ngokomthetho nguNgqongqotjhe wezokuPhepha nokuVikeleka, umHlonitjhwa uCharles Nqakula, mhla zili- 12 kuSihlabantangana—April 2007.

Ukwakhiwa kwesitetjhi samapholisesi kwenze ukuzibandakanya okuqakathekileko ukuqinisekisa ukufikeleleka kwemisebenzi yokuthula nokunzinza. Lokhu kuqakathekile ekuthuthukisweni kwemiphakathi yethu.

Umphakathi waveza ukwaneliseka kwawo bewamukela nephrojekthi leyo ngelanga lokuvula, kibo, lokhu kutjho ukupheliswa kokusebenza kwesikhatjhana kwamapholisa nemisebenzi yangasikhathi yabomakhamba ngendlwana besipholisa nemisebenzi yesipholisa elawulwa ngaphandle kwe-Mamelodi.

Kufanele kwazeke kobana nangaphambi kokwakhiwa nokuvulwa ngokomthetho kwesitetjhi samapholisesi, umsebenzi wesipholisa endaweni le bewuraga kuhle, begodu ukwakhiwa kwesitetjhesi kuzokungezelela umsebenzi onuhle owenziweko wokulwa nobelelesi.

Sithi usebenze kuhle umnyango wezokuPhepha nokuVikeleka begodu sithokozisa abantu bePumalanga ye-Mamelodi ngetuthuko le, begodu siyababawa kobana basekele ngokuzibandakanya okukhulu eenhlanganweni zesipholisa emphakathini wangekhabo. Ngiyathokoza. *(Translation of isiNdebele Member's Statement follows.)*

[Mr D C MABENA (ANC): The police station in Mamelodi East was officially opened by the Minister of Safety and Security hon Charles Nqakula on 12 April 2007.

The establishment of this police station made this important participation possible, to ensure that services for peace and stability are accessible. This is important in the development of our communities.

The community expressed its satisfaction and accepted the project on the day of opening; this meant the end of temporary policing and occasional services provided by police mobile units that are controlled outside of Mamelodi.

It must be known that even before the establishment and official opening of this police station, the work of the police in this area continued very well and the establishment of this police station will add to the good work done in the fight against crime.

We applaud the Department of Safety and Security and congratulate the people of Mamelodi East on this development and we request them to support it by participating, specially in Community Policing Forums in their community. Thank you.]

RACE-BASED APPOINTMENTS AT HOSPITALS

(Member's Statement)

Mr G R MORGAN (DA): Madam Deputy Speaker, during his response to the Budget debate yesterday, the President made two key points: The first was that the DA was incorrect to claim that race-based appointments were being employed in the Western Cape, and the second, that race-based appointments would be "eminently unacceptable".

As he conspicuously failed to disprove that race-based appointments are a reality in the province, he now needs to strongly convey to the provincial authorities that these practices are in fact unacceptable.

The DA initially raised concerns about three posts, two at Tygerberg and one at Valkenberg. In his response the President dealt specifically with only one of these claims, relating to a principal specialist's post at Tygerberg. By the President's own admission, the post at this hospital has still not been filled, despite the availability of a suitably qualified candidate.

If we accept the reality of race-based appointments at public hospitals in the Western Cape, and we accept that the President was speaking with conviction yesterday when he claimed that such appointments would be

"an eminently unacceptable outcome of our policies to build a nonracial society", then it is clearly incumbent on the President to stop the practices employed by the Western Cape government. Thank you, Madam Speaker.

CABLE THEFT

(Member's Statement)

Mr H J BEKKER (IFP): Madam Deputy Speaker, I'm referring to large-scale cable theft to obtain the valuable copper and other metal cores in this dubious industry, and wish to congratulate the authorities for arresting some culprits involved, particularly in the sabotage at the Manenberg sub-power station.

This criminal activity has increased by leaps and bounds and represents a clear obstacle to sustained economic growth. Major disruption is caused by an overhead train cable being stolen which leaves workers stranded and disrupts production; or theft of an electrical cable leaving an entire industrial area without power and forcing businesses to shut down.

There are clear indications that cable theft is organised and that scrap dealers might be involved. The IFP therefore wants to propose that only approved recycling businesses such as Eskom, Telkom and large municipalities should be allowed to deal in reclaimed copper and other metals derived from cables. In this way, perverse economic reasons for the thefts could be controlled.

Furthermore, copper could be classified as a precious metal thereby restricting general merchandising on the open market with this metal.

Cable theft is clearly a form of economic sabotage and the IFP also wants to propose that the legal definition of sabotage be expanded to include cable theft, which is indeed the destruction and sabotage of infrastructure. Severe sentences and penalties should be imposed on those found guilty of this economic crime in order to stamp it out, once and for all. I thank you, Madam Speaker.

PUBLIC SERVICE STRIKE

(Member's Statement)

Ms M P MENTOR (ANC): Madam Deputy Speaker, this statement serves to condemn violence, intimidation and disinformation during the course of the current public sector strike.

The current public sector strike has turned out to be violent, intimidating and characterised by terror and disinformation. We have noted how patients die due to being denied access to health. Learners are frightened, throttled by teachers, etc. False bomb threats are made to disrupt schooling as well as transportation of those who are not on strike.

We have seen teachers toting guns, threatening the lives of colleagues, as well as learners and parents. Nurses are trashing and vandalising hospital corridors and property, including operating theatres and we call for all this to come to a stop.

We call on the striking workers to desist from intimidation and violence and to stop unleashing terror on the poor people of our country who depend solely on the state for access health care, education and other services.

We remind workers that whilst they are within their right to strike, it is also a right not to strike, as well as the constitutional right to access services like health and education and the right to be free from fear, terror, intimidation and violence.

We call on the leadership of organised labour to call the striking workers to order. We request them to condemn violence, intimidation and defamation in strong and continuous terms every day until this unacceptable behaviour comes to an end. I thank you. [Time expired.]

A UNITED STATES OF AFRICA

(Member's Statement)

Mrs C DUDLEY (ACDP): Thank you, Madam Deputy Speaker. Due to the ACDP having one minute to debate on the unification of Africa, we will use this opportunity to place our comments in the debate in context.

On 31 May this year, the ACDP gave notice that they would move that the House call for a debate on the Pan-African Parliament's discussions on a "United States of Africa". This debate, in our opinion, is long overdue in light of the apparent pressure being exerted in this direction.

The fact that this debate, up till now, has taken place exclusively at the level of heads of state and excludes the people of Africa is of great concern to the ACDP. It is the people of Africa, indeed South Africans, who should be applying their minds rationally to this concept, as it is the people who stand to gain or lose the most.

In July 2006 during the AU Summit in Gambia a report on an AU government towards a "United States of Africa" was presented. Later a decision was taken that this would be discussed at the 2007 Summit in Ghana. The term, "United Nations of Africa", was first used in 1924 and was expanded on in a secret agreement, signed in Accra, on 8 August 1960 by the Prime Minister of Congo, Patrice Lumumba, and the President of Ghana, Dr Nkrumah.

Their vision was for a union of African states with a republican constitution within a federal framework, a single head of state and a parliament responsible for foreign affairs, defence and a common market with a common currency. The present integration of African states resembles the EU rather than the United States of America. That is not much different from the secret Accra agreement in its goal of eliminating tariff barriers. Thank you. [Time expired.]

The DEPUTY SPEAKER: Your time has expired and you are introducing a very dangerous attitude to the times that people are allocated in that you are using the slot for the statement to anticipate what is going to be happening in a later debate. I think that is actually saying to us that even if you have a minute, you will use other means of Parliament to extend that minute.

Imagine if everybody did that or if the ruling party did that? We would all have to sit here the whole night because everybody was extending his/her time. So, I'm just saying that we allowed the hon member because we thought that it was a statement and we just discovered in the middle of it that she was actually extending the time that she would be given in the later debate.

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, just on a point of order. We knew immediately that the hon Dudley was in breach of the rules. There is a rule against anticipation. She was talking on a matter which is on the Order Paper for later today. We didn't want to come across as intolerant to their views, but clearly she was out of order and we would ask that you rule accordingly in order that this kind of thing doesn't happen again.

PUBLIC SERVICE STRIKE

(Member's Statement)

Mrs P DE LILLE (ID): Madam Deputy Speaker, the public servants' strike cannot continue. It is crippling our country. We want our teachers back in our schools teaching our children. We want our nurses back in our hospitals saving lives. It is totally unacceptable that after eight months of negotiations we are standing in front of a wall. The government has negotiated in bad faith.

I just cannot understand how it is not possible to talk to people within your own movement and try and find a solution. By refusing to pay public servants a decent wage, you are destroying your own vision of a developmental state. Government and

unions must now come to the fore and back positions to settle. The ID is suggesting that they must settle at 9%.

The government must use some of the extra millions that it has raised in revenue to finance this. The unions must also accept that the 9% is part of their substantive conditions of employment and not just across the board.

Lastly, Madam Speaker, I call on Parliament to look at a structural problem. The structural problem is this; that in March we adopt the Budget where that increase is already worked in. So, by the time they start with negotiations, there is already an agreed amount. It is a structural problem that we, as Parliament, have to look at. Thank you.

COMMENCEMENT OF THE WORLD ECONOMIC FORUM FOR AFRICA SUMMIT

(Member's Statement)

Mr S J NJIKELANA (ANC): Deputy Speaker, the theme of the World Economic Forum for Africa Summit that commenced yesterday is: "Raising the Bar". I think that, however, triggers the question: In whose interest is Africa raising the bar? Whilst Africa has been experiencing a positive growth, there is also another persistent, burning question which every able and concerned African within the continent and the diaspora should help answer. And that question is: Is Africa on course in reversing economic marginalisation?

Deputy Speaker, allow me just to remind this Parliament about many unfulfilled promises of the previous G8 summit—a very painful thorn in the African flesh. However, the time has come for us as Africans to provide leadership in defining programmes that will arise out of this summit. In keeping with the strong drive for reversal of economic marginalisation, I trust that our South African delegates will make significant contributions, specially on identified priorities, including genuine economic partnerships, enhancement of investment climate, intensive focus on the African market itself, boosting the competitiveness of Africa and accelerating social infrastructure.

Lastly, we all wish the summit a resounding success for a better Africa for all. I thank you. [Applause.]

PUBLIC SERVICE STRIKE

(Member's Statement)

Mr M T LIKOTSI (PAC): Deputy Speaker, the PAC in principle supports the public servants' strike action. The workers have rights to a decent salary package to meet the ever-increasing, socioeconomic demands. The PAC is calling for both parties to reach a mutual solution on the salary matter as it is affecting the masses of our people on the ground.

This strike action has a direct impact on the learners who have now missed their half-yearly examinations. The strike has affected and still continues to affect health centres around the country, and may have resulted in the loss of lives of people who needed immediate medical attention. The PAC is calling for government not to take retaliatory measures against striking workers such as expulsions and other disciplinary methods.

Let the government publicly nullify the letters of expulsion and other related threats as a form of negotiating in good faith, on the one hand. The workers union, on the other hand, should bring their side to meet the government halfway.

The PAC is calling for an end to the public grandstanding and spat between the labour federations and government as it does not do our country any good. All parties should sober-mindedly go back to the negotiation chambers with one aim of reaching an amicable solution were no party will be regarded as a loser. Both parties must rise above the occasion and make it happen. I thank you.

WORKERS' RIGHT TO STRIKE

(Member's Statement)

Mr L M GREEN (FD): Deputy Speaker, the current strike exposes two sets of rights, both clamouring for ascendancy. In this regard, government and the unions are contesting the wage issues from different policy approaches. Both claim legitimate grounds for their actions. There are no courts to adjudicate whose rights should enjoy greater ascendancy, but a compromise is possibly the best deciding factor creating space for both parties in which to pursue their respective mandates in an open and democratic manner.

The FD is of the view that the right to strike should not be accompanied by violence and intimidations. Otherwise the process will be derailed by criminality and opportunism. Furthermore, the strike should also not be too protracted and a stay-away from essential services should be managed to cause as little harm as possible to the community.

Similarly, the state should be sparing with its intimidation and not antagonise an already tense standoff between it and the unions. Therefore, it was unacceptable to watch on television, a few nights ago, the brutal manner in which the police hit and teargased elderly women who peacefully exercised their rights to strike.

The images took me back to the 1980s when the machinery of state was used to attack defenceless women. We have entered a new era and this is no way for the organs of a democratic state to govern its people. The state must also act with caution with regard to intimidation and threatening workers. All workers in a strike do so in solidarity with one another and therefore penalising some instead of the whole is not the solution.

Finally, both government and the unions must be flexible and negotiations must be done in the interest of the country as a whole. As a sign of goodwill all workers must return to work while a suitable settlement is quickly negotiated. I thank you. [Time expired.]

IMPACT OF STRIKING EDUCATORS ON EDUCATION

(Member's Statement)

Mr G G BOINAMO (DA): Thank you, Madam Deputy Speaker. Educators are an important human resource, rendering a service second to none on the entire globe. The DA is sympathetic to educators' plight and calls upon government to act swiftly and positively in addressing the educators' genuine demands in order to restore normality in the public service. The DA fully supports the right to demand better salaries, but we cannot accept this demand to be voiced by disrupting exams, tearing up exam papers and intimidating children and nonstriking educators.

If an agreement must be in place before educators go on strike it will give education authorities a greater ability to manage the completely unacceptable disruptions that are affecting several schools around the country. Under no circumstances can bullying and threatening during strike action be permitted; or the losers will be children who are in no way responsible for the current dispute.

The reality is that the school curriculum does not allow any room for time lost for any reason. Already there are far too many schools that do not complete the matric curriculum by the end of the year even without external disruptions. It is about time the government and the unions sat around the table and found a solution that is not only satisfactory but also humanitarian. Thank you.

HUMAN SETTLEMENT

(Member's Statement)

Nksz B N DAMBUZA (ANC): Ndiyabulela Sekela Somlomo. Xa urhulumente okhokelwa nguKhongolose esithi uyazibophelela ekunikeleni ngezindlu kubantu abangathathi

ntweni, aqhube avule amathuba kuluntu lonke lweli, ukuze lufumane izindlu ngokuzikhethela nangokuhambelana neepokotho zalo kananjalo neendawo oluthanda ukuhlala kuzo, sukube engadli imbadu ngasebuhlanti.

Ngomhla we-8 kuMeyi ka-2007 iKomiti yeziNdlu apha ePalamente ngokubambisene neSebe lezeziNdlu, iye yamema zonke iintlaka ezithabatha inxaxheba kulwakhiwo lwezindlu ukususela kundlunkulu ukuya kwiphondo, uRhulumente wezeKhaya kuqukwa nezinye izigqeba noluntu ngokubanzi. Baye bahlanganisa izandla kusakhiwa, kwaza kwanikezelwa ngezindlu ezimbini kumaxhoba eentlekele zemvula nezikhukula eDutyini, eMount Ayliff, kweleMpuma Koloni. Apha ke ndithetha ngoNkskz Ntombile Luthwitsha kunye noNkskz Ntshingiwe Mbulawa. *(Translation of isiXhosa paragraphs follows.)*

[Mrs B N DAMBUZA (ANC): Thank you Deputy Speaker. The ANC-led government is not playing marbles when it says that it is committing itself to providing the poor people with houses and continues to open opportunities to all the people of this country in order to enable them to get houses of their choice, and in accordance with what they can afford, as well as choose areas where they would like to stay.

On 8 May 2007, the parliamentary Portfolio Committee on Housing, in collaboration with the Department of Housing, invited all the groups participating in the building of houses at national and provincial level, the local government including other structures and the community at large. They joined hands in building houses and two were handed over to victims of disaster and floods at Dutyini, Mount Ayliff, in the Eastern Cape. Here I am talking about Mrs Ntombile Luthwitsha and Mrs Ntshingiwe Mbulawa.]

The objective of this campaign was to demonstrate that provision of human settlement to our communities is a reality, and through the people's contract things can happen. The portfolio committee would like to express appreciation to Minister Lindiwe Sisulu and her department for their commitment and leading role in the provision of resources to make this campaign a success. I thank you. [Applause.]

IMPACT OF HARSH WINTER CONDITIONS ON THE POOR

(Member's Statement)

Mr W M SIBUYANA (IFP): Madam Deputy Speaker, the IFP notes with concern that every year many people in our country, especially the poor, are exposed to and suffer from the harsh conditions that the winter months bring. This causes much discomfort, suffering, displacement, and in some cases even death. Parts of the Western Cape have recently been exposed to these harsh realities as heavy rains have resulted in flooding and the displacement of thousands of people. The homes of thousands of residents have been flooded and those informal settlements have been adversely affected.

According to the province's disaster risk management spokesperson, a total of 18 areas were severely affected by the rains with Gugulethu the worst hit with more than 2 000 residents struggling to waterproof their homes with plastic sheets. An unfortunate aspect of this flooding is that some residents have become accustomed to them as they experience the same hardships every year.

This is totally unacceptable as the government together with the relevant authorities should plan in advance for these unfortunate situations, and put plans and programmes in place that will lessen or even prevent these people from suffering the same hardships every year. [Time expired.]

BANKS AND ATM COSTS

(Member's Statement)

Mr B A MNGUNI (ANC): Madam Deputy Speaker, I would like to raise my concerns about the billions of rands that banks make

from the ATM costs. The technical team busy with the enquiry into bank charges has found out that more than R30 billion is made by banks from ATM fees, of which R2 billion comes from consumers using another bank's ATM infrastructure.

Cash withdrawal fees make up the majority of bank charges for lower income earners who transact primarily in cash. Penalty charges of as high as R12,50 per transaction are charged to Mzansi cardholders, if they exceed the monthly transaction limit. Of the fees charged under the guidelines of Saswitch costs, only a small percentage goes towards clearing the transaction. The bulk goes to the bank providing ATMs.

The ANC urges the competition commission to speedily look into that monopoly of ATMs by the Payment Associations of South Africa or Pasa, and the transparency of the call structure of banks, in order to lower bank fees and improve competition in this sector. I thank you. [Applause.]

MISSING CHILDREN

(Member's Statement)

Mr M WATERS (DA): Deputy Speaker, the abduction of six-year-old Mikayla Rossouw on Sunday night, once again highlighted the constant danger that our children live in, and the desperate need for a national, targeted, intervention strategy such as the Amber Alert System in the United States.

Our thoughts and prayers go out to Mikayla and her family. According to official government figures, three children are murdered per day in South Africa, and there are practical and affordable steps we all could be taking to protect our children better. By all, I mean government, the private sector and the society at large.

The DA reiterates its proposal that a voluntary partnership between the police and cellphone companies be adopted, using photos and SMS messaging to transmit information about missing children, particularly in the area of the abduction. A similar partnership between the police and broadcasters should be set up, so that radio stations can immediately broadcast all available information as soon as they receive an alert from the police.

Petrol stations and fast-food outlets along major routes should display the photo of the missing child and the alleged abductor; and in large shopping centres and retail stores, procedures should be put in place to immediately alert customers and staff, to a child reported missing. I thank you.

TRUMAN PRINCE AS MUNICIPAL MANAGER

(Member's Statement)

Mr J D ARENDSE (ANC): Deputy Speaker, despite the DA's constant so-called battle against corruption, that party is actively busy reinstating Truman Prince as municipal manager of the Central Karoo District Municipality. Truman Prince was found guilty of the abuse of mayoral funds to pay bail for a friend; the payment of a performance bonus to himself without proper authorisation; false claims of accommodation expenses; and involvement with girl-child prostitution.

The DA has now aided and abetted Prince to succeed with a bogus appeal against all charges. The DA must walk the talk and not just grandstand on corruption. We call on the DA-led Central Karoo District Municipality to provide a detailed public statement on the process and reasons for the exoneration of Truman Prince on very serious charges. I thank you. [Applause.]

HUMAN SETTLEMENT

(Minister's Response)

The MINISTER OF HOUSING: Madam Deputy Speaker, I would like to thank the hon Dambuza for the comments and the contributions she has made. Indeed, I'm very grateful that the portfolio committee

added two houses to the total that we now count as 2,4 million houses we have built since 1994.

I'd like to respond to the issue that was raised by the hon member, I think from the IFP. Hon member, on a daily basis we are very concerned about the plight of our people. That's what keeps us up all night. This is what we do. This is our job. We are trying very hard to ensure that every single South African is in a house so that these disasters do not destabilise our societies.

However beyond that, what this government has done was to create within the Department of Provincial and Local Government a Disaster Management Fund so that when there is a disaster, we are able as government to respond very quickly. We hope that in time we will ensure that we do not have these disasters. But that is what we do and this is our concern on a daily basis. Thank you, Madam Deputy Speaker. [Applause.]

RACE-BASED APPOINTMENTS AT HOSPITALS

(Minister's Response)

The MINISTER IN THE PRESIDENCY: Madam Deputy Chairperson, with your permission, I'd like to come back later to the public servants' strike.

I'd like to deal with the matter that was raised by the DA, because it is very difficult for me to understand what is it that they want. You see, yesterday the President pointed out that more than 70% of these specialists in the Western Cape hospitals are white. Now do you want him to tell the Western Cape government to chase those whites away? Sir, what do you want, because you say he must not interfere? [Interjections.]

The DEPUTY SPEAKER: Order! Order, hon members!

The MINISTER IN THE PRESIDENCY: No, no, just be clear on what you are asking for, because clarity of mind will help you. The second thing is that I thought the DA was the biggest supporter of federalism, but now they are saying that the President must go and impose on the Western Cape government. That can't be correct. That really can't be correct. [Interjections.]

No, that's how policy works. I'm not talking about us, but about the question that was raised.

So, let me make this very clear again: It is only the DA that has the capacity to decide that somebody is suitable for the post and not the panel that is supposed to interview the candidates. Maybe you know that the candidate that has applied for the job is more suitable. We will find out after the panel has sat and made the decision.

Lastly, let me repeat again and again and again: The Constitution demands of us that we must transform all of South African society. And that transformation is going to continue to take place, whatever you say. [Applause.]

PUBLIC SERVICE STRIKE

(Minister's Response)

The MINISTER OF EDUCATION: Madam Deputy Speaker, I thought I should respond on the matters that have been raised with respect to the educators and the strike, specifically the comments of the hon Boinamo. The hon member is fully aware that government is committed to improving the remuneration of the teachers in our country. It is for that reason that the across-the-board increase proposed comes along with an occupation specific dispensation that sets aside educators, nurses and other professionals in the Public Service from others who work within the Public Service. You've never had a dispensation that recognises that you actually have a profession and should be remunerated in terms of that particular status.

This is new and therefore when you calcu-

late the overall package that an individual would receive, do not look at the across-the-board percentage proposed—look at the entire package and in particular this new Framework of Occupation's Specific Dispensation, because that is a new element in the payment of professionals within the Public Service.

I would also ask that the hon members take on board both the need to provide for these professionals to be recognised in order that we retain them in the Public Service, but also be alert to the kind of framework in the Public Service that government intends to create where you have adequate remuneration matched alongside the performance requirements that we have, because our task is to deliver to the people of the country. Therefore, the model that is put forward accommodates all these requirements and obligations that we seek to achieve.

I am sorry, Madam Speaker, that the other member who is the leader of one of the opposition benches left the House after making that populist speech. It is very nice to come here and speak in populist terms and seek some cheap electioneering opportunity. [Applause.] What you have to do, is actually address the hard issues that confront the country. And, this is what we are addressing.

So, while it is absolutely vital to ensure that there is adequate remuneration and adequate recognition of the hard work that many public servants do, we cannot shy away from the need to ensure that alongside that provision, we build the Public Service that actually targets development and delivers to the people of our country. Nor should we shy away from being critical and mentioning, not here in popular statements, but out there mentioning that it is wrong that a child died; that it is wrong that a person in a wheelchair is hit over the head; that it is wrong that a mother is shot at when she goes to pick up her child from school and that it is wrong that a child's examination paper is torn up!

We shouldn't shy away from saying these things. It's absolutely normal in every society in the world that there are those workers who are labelled and in law set aside as essential workers. This is not foreign and it's something that we must all recognise and accept. [Time expired.] [Applause.]

PUBLIC SERVICE STRIKE

(Minister's Response)

The MINISTER IN THE PRESIDENCY: Thank you very much, Madam Deputy Speaker. Let me just say government has not negotiated in bad faith and government continues to negotiate in good faith. I think all of us in this House will agree that the teachers should go back to teaching and those nurses who are not working should go back to work.

Yesterday the Minister of Health informed us that actually, the majority of our nurses are not on strike. So we shouldn't label all our nurses as if they were on strike. The majority of our nurses are not on strike.

With respect to what was said by the representative of the PAC, either you want a law-governed society or you don't. If the Constitution and the law are clear that essential services workers are not allowed to go on strike, you can't come here and then say, let us condone an illegal act. It is an illegal act! It is unconstitutional! In that case we are going to run into difficulties about how we fight crime. What does crime mean? Crime means committing an illegal act. We cannot and we should not in this House condone acts that are unconstitutional and acts that are illegal. Essential workers cannot go on strike and they should not go on strike!

We all agree that as soon as possible, hopefully, our teachers, as the Minister of Education has just pointed out, should go back to school so that our children can get back to proper learning and our hospitals can get back to work. But, I want to say here, please understand that the majority of our nurses are not on strike. Thank you.

PUBLIC SERVICE STRIKE

(Minister's Response)

The DEPUTY MINISTER OF FINANCE: Deputy Speaker, the matter that I wanted to address is a matter that the Minister of Education has dealt with comprehensively. Unfortunately, hon member De Lille is not here, because I want to deal with just one technicality.

One of the things I agree with is completely populist: There is the conception that we ought to fund higher percentage demands, because we have a surplus. Just to address that: A surplus is a result of a phenomenon in a business cycle that generated higher revenues from higher corporate taxes because there was a boom, higher commodity prices and also VAT.

Hence, that is what generated this, and we also say VAT because we live in an environment of lower interest rates. That is beginning to change, and what happens if there isn't this high revenue and you have committed to expenditure on the basis of a boom period? Who is going to fund that?

It reminds me of when I was growing up in Pimville, where people bought hi-fi radios and hi-fi sound systems because they received a bonus in December, and we all knew that come February, Ellerines is coming around for repossessions. Is that what we want to put this country through? Thank you. [Applause.]

FILMS AND PUBLICATIONS AMENDMENT BILL

(Second Reading debate)

The DEPUTY SPEAKER: I now call the hon Minister of Housing. [Applause.] I'm sure she'll explain what films are doing in Housing.

The MINISTER OF HOUSING (on behalf of the Minister of Home Affairs): Madam Deputy Speaker, please allow me to explain this quirk of history. I was responsible for the Films and Publications Bill. It now turns out that it was not quite what it should have been, and the Minister of Home Affairs has set it right. She has asked me to stand in for her, because for reasons beyond her control she is unable to be here. So I'm about to set right what I did not do a few years ago when I should have done it.

Madam Deputy Speaker, hon members, almost all of us present here in the House today arrived here in a vehicle of some sort or another, whether we drove ourselves or were driven here. We arrived safely because almost all of the drivers in our country accept, almost all of the time, that we in South Africa drive on the left side of the road. They accept that we keep to the left, not for political reasons even though we might want to, but because this is, in fact, an old colonial rule that we have inherited. We accept that we keep to the left because that requirement forms part of the rules of the road laid down in the laws of our land.

And, although the law is uncompromising about which side of the road we drive on, it leaves a lot of leeway to the judgment of the individual as he or she regulates the speed, negotiates intersections or changes lanes. But whatever our professions, whatever our personal preferences in many aspects of life, all of us have accepted that traffic drives on the left side of the road, because there is a law in place for the good of all of us.

I make this point about the general acceptance of the rule that we have to drive on the left in order to illustrate that the state does indeed have a right and, in fact, a constitutional duty to regulate certain aspects of the life of the community in the interests of the safety and welfare of all of us.

If the approach were to take hold that some commentators and critics took during the consultative process on this Bill before it went through, it would be up to each motorist—alone and without guidance—to decide each time he or she gets into the car

which side of the road to drive on. We can imagine the catastrophic results.

So, because we do not want a similar free-for-all with often tragic consequences for individuals in the arena of films and publications, this Bill sets out to put up road signs and to regulate what must be regulated in the interests of the community of the over 40 million people in this country.

We accept that this Bill is not about the integrity of life and limb of our citizens as they use the roads; that is true. But it is about ensuring the safety and the long-term welfare of some of our most vulnerable citizens, our children and our young people; and about the emotional safety—and, unfortunately, all too frequently by extension—the actual physical safety of our children and young people forced into involvement in pornography.

It is about saying that children and young people have a right to grow up in an environment which gives them the space and time to be children and adolescents—an environment in which they can play and learn, find their way safe from predators and protected from the excesses of industries which are generally understood to contribute to the brutalisation of attitudes and behaviour patterns, particularly towards women and girl-children.

So we are talking about the fundamental question of the kind of society we want to build. We are not talking about censorship here. We are not talking about the heavy hand of the state. We are talking about that which we fought for: the right of the child. We are not talking about censorship because we fought against that. We have no intention whatsoever of bringing it back.

The Bill says very clearly that it is our duty as legislators and as government to give meaning and content to our constitutional order by spelling out where and under what circumstances we will protect our children and young people and the dignity of women. Indeed, it says very clearly that it is our right and our responsibility to build a society in which there is a constitutional precept to the right and dignity of the people that we have just indicated.

Allow me to remind members of the objects of the Act in this context, as spelt out in the Bill before us today. The objects say that the Act will "regulate the creation, production, possession and distribution of films, games and certain publications" in order to—

> . . . provide consumer advice to enable adults to make informed viewing, reading and gaming choices, both for themselves and for the children in their care . . .;

to ". . . protect children from exposure to disturbing and harmful materials and from premature exposure to adult experiences"; and to "make the use of children in and the exposure of children to pornography punishable".

I doubt that it would be possible to be much clearer on this matter than the Bill already is. It is very clear that it is the job of the Bill to make punishable the use of children for pornographic purposes. I doubt whether anyone besides the most wayward libertarian would have a problem with that. The Bill says very clearly that its job is to ensure the provision of consumer advice to enable adults to make informed viewing, reading and gaming choices both for themselves and especially for the children in their care.

I doubt whether anyone could discover anything in that paragraph but an attempt to empower adults in their lives as caregivers of children. There is no heavy hand of an authoritarian state that I can perceive here, and the Act says that it aims to protect children from exposure to disturbing and harmful materials and from premature exposure to adult experiences.

Once again, Members of Parliament, we are talking about protecting the vulnerable, and about creating the space for children and young people to grow up in. Young people

already have innumerable impressions, demands and stimuli crowding in on them every day through advertising, education, cellphones and the Internet.

We submit that it is in the interests of our society and of our very young people to pass legislation that provides the basis for the state to protect, inform and, where necessary, to intervene in the interests of the vulnerable.

I doubt that there is a single person in the House who is not aware of the uproar that has been created by sections of the media around this Bill. I doubt any of you could have missed it, even though you may have missed some of the other views expressed in the communities across the country as the consultation on this Bill was progressing. This is because we have had a one-sided interpretation of most of the sections by the media.

This was, in some ways, a very sobering experience. It was a sobering experience because it told us that the media is indeed a part of our country, and not some fourth estate ordained by a higher order. It is a part of our country which is as passionate and often as partisan as any other group, whether they be government or opposition parliamentarians, or city or village dwellers.

So, there has at times been robust debate, typically passionate South African debate. We are grateful to all who contributed to it, because it is our culture of debate, our culture of addressing the issues seriously, which is at the heart of our democracy.

The media did, in fact, have some important points to make, and very early in the process of fashioning the Bill we told them that we had heard them. But we also told them that our respect for the parliamentary order which lies at the heart of our very hard-won democracy meant that we had insisted that the Bill make an orderly way through the processes of Parliament, which it has done. We insisted that the consultative processes, run so ably by the portfolio committee, take their course because that is how people in our country are able to express their views.

We were a little surprised at the volume coming from these sections that seemed to get a kick out of tilting at windmills. So, as we soberly have this debate and contemplate the Bill coming into law, we should not be led to believe that it was the hot air that got these windmills turning; they were turning already.

Last week during the Budget Vote of the Department of Home Affairs, it was made clear that Cabinet and the ANC leadership were firm believers in the freedom of the press and that we would defend this as an integral part of the democracy we fought for. But, at the same time, we make no apologies for saying that we must and we will expect more from those who daily work and exercise these freedoms we are discussing, because that is indeed a compromised position that we have arrived at today.

This compromise says: as much state regulation as necessary, together with as much self-regulation as possible. We have kept our side of the bargain. Now it is up to the practitioners to keep theirs, whether they are active in the traditional print and electronic media, or whether theirs are the newer spaces involved in the Internet and in mobile telephony.

The point is simple: Self-regulation involves a conscious and willing acceptance of an obligation to ensure—and, here, Members of Parliament, I quote from the Press Code of Professional Conduct—" . . . accuracy, balance, fairness and decency". We might add, in the spirit of the Constitution, that self-regulation involves the conscious and willing acceptance of an obligation to hold the principle of the individual's right to dignity very, very high, particularly in a country like ours with its history of trampling on the dignity of individuals.

We are all familiar with the argument that

the broadening of the media landscape has seen the advent of a type of tabloid journalism in our country, which makes certain types of reporting and the use of certain types of images inevitable. There is, in our view, nothing inevitable about pictures of naked women on the front pages of our newspapers. There is nothing inevitable about the salacious style of reporting under the guise of informing and mobilising communities who are all too aware of the ills in their midst.

Anyone who argues that a society which requires of its media that it take these matters seriously is demanding censorship of some sort is simply out of touch with reality. And, let us remind ourselves, it is not the heavy-handed government of this Parliament which demands higher standards of care from the media on these issues; it is the people in their communities for whom it is a necessity that the media contribute, through serious self-regulation, to a de-escalation of violence, gangsterism and the abuse of women.

Yes, we have heard the arguments and seen the documents from the media houses, but the Bill before you is designed to streamline processes within the Films and Publications Board. Those processes streamlined by the Bill will contribute to the development of policies, for example, the classification guidelines that reflect the changing views and morals of our society.

To those of you who have expressed concern that it will no longer be possible to appeal decisions to the High Court, the Bill provides for internal remedies for those who feel that their rights or interests have been infringed. Once these internal remedies have been exhausted, it is always open to the aggrieved party to take the decision of the Films and Publications Board on review.

So, Members of Parliament, colleagues, I am sure that over the coming months and years we will together, with all the industry segments affected by this legislation, find ways in which the compromises found with the active assistance of Parliament will become a viable reality, enriching our society and our constitutional reality. Madam Deputy Speaker, on behalf of the Minister of Home Affairs, I ask you to support this Bill. Thank you. [Applause.]

Mr H P CHAUKE: Deputy Speaker, ladies and gentlemen, good afternoon. It is a privilege again to stand before this House to address the issues of films and publication. Since 1996 these issues have been very controversial. From the beginning when we decided to lift the ban on pornography in the name of freedom of expression we have had problems throughout.

Therefore, in 2005 a conference was convened by the Department of Home Affairs in consultation with the Film and Publication Board in Port Elizabeth to address the current challenges that the board faces with regard to the issues of distribution in particular of child pornography. That report was tabled in this Parliament and it was noted. Comrade Andries, this report was noted and not adopted. This means we still have to go back to that report at some stage.

The report addresses a number of areas that need to be looked at. Part of it addresses the issue to capacitate the Film and Publication Board. Clearly, this board could not cope with the work that it was faced with. Therefore, the board had to be capacitated. The confusion that has been created within the structuring of the board is that examiners were members of it and the people who were checking on how films are classified were themselves part of the board. Therefore, the Bill was proposing that we establish a separate body to look at the issues of governance.

When this Bill was tabled before that committee last year, we decided to go on public hearings as a normal practice that the committee does, and we visited all the provinces in the country. Members of the public were given an opportunity to make their inputs. It was clear from their inputs that the issue of

pornography in newspapers and on televisions and cellphones was of great concern. If you look at the kind of gadgets that we use today, young children as young as ten can easily access pornography on their cellphones.

When you look at the television nowadays you have to sit with a remote control if you watch it with your children because time and time again pornographic material will be shown and you will have to switch off the television, or you will be embarrassed.

There are problems with the media, and in particular with what the Minister has referred to, the so-called tabloid newspapers. Here in the Western Cape we have the *Daily Voice*, where they deliberately distribute child pornography featuring children that are raped. Nobody condemns that and it is fine because it is in the name of freedom of the press.

The committee called that very newspaper to appear before it and to account for that, and they apologised. The same applies to the renowned newspaper called *The Star*. It advertised a black 12-year-old, curvaceous Brazilian girl. The committee again called the editor of *The Star* newspaper and he appeared before the committee and apologised.

Clearly this problem comes in the name of the freedom of the press; it comes in the name of freedom of broadcasters and cellphones. Therefore, even whatever we have tried to address in this Bill we have not as yet addressed the problem. Part of what the conference resolved was that there is a need to have a national debate on issues of pornography, because from 1996 when this whole thing started, it came in as an amendment.

Therefore, much time was not given to the issues that we have to grapple with today. You saw as Members of Parliament that even across from Parliament there was an attempt to open this kind of business. It is a very big business that involves trillions and trillions of rands and I am not surprised that when we try to address this problem the DA will object. I am not surprised that it is only the DA that objects to what we are trying to address, obviously because of the business interests. [Interjections.]

The issue of consultations between the executive and the print media came up during the public hearings that we organised in Parliament. It was very clear that between the executive and the media there was no co-ordination in the manner in which they deal with the issues pertaining to the media. The committee has really made a call that there must be wider consultations between the print media and broadcasters generally with the executive in which the Minister in the Presidency has confirmed that they are engaging with Sanef.

But the broadcasters, the print media and the cellphone service providers in fact agreed that in their self-regulation they are going to look at this matter which is quite serious. We engaged with Icasa, and it agreed with us that it is not as such the terrain of Home Affairs to deal with issues of a code of conduct because Icasa is in place to deal with issues of broadcasters. But in the new development of a code of conduct Icasa is going to take into account the issues that we have raised as Parliament to make sure that within the code of conduct they address the issues as we see them.

The watershed period which e.tv insists very much is their terrain, and therefore nobody should come in and advise them, is something that is of a concern and as we engage e.tv and other broadcasters, either we need to extend it that this kind of material can only be shown at three in the morning; or it has to be debated in the House whether the issue of pornography in free-to-air television is necessary or not.

These are things that we must engage on because if you look at the material that comes out of e.tv, not of same-sex marriages,

but of e.tv, you will find that it is material that is harmful and abusive especially to women. What one finds most of the time is that it is women who are at the receiving end, in particular white women. [Interjections.] The member says she doesn't mind. I thought that is what she said. [Interjections.] Shut up!

Therefore, if you don't mind, for us it is a concern because as the ANC we have a responsibility to build a society that is free from this kind of harmful material that would expose and abuse our women and children. Therefore, the call that I want to make in the minute I still have, is that let us have a national debate on these issues, and the Minister has rightfully said that it is the majority of us trying to address this problem. Let us have a national debate and debate these issues of pornography. We need to debate whether there is a need to have pornography in the name of freedom of expression. Is there a need to have pornography in the manner in which we see it and its impact that we see in the country?

The media agrees that it is a problem that is why that within their own self-regulatory framework they will try to address this problem, but their interest is one: profit. Their interest is nothing else but profit. Therefore, as legislatures . . .

. . . baba, kufanele ukuthi senze imithetho ezovikela izingane zethu nabantu besifazane ngoba yibo abasetshenziswayo kulezo zenzo ezinjalo. Ngokwesiko lesintu, akuvumelekanga ukuthi ubone umama ehamba nqunu laphaya emgwaqweni bese uthi, "Hhayi, kuhle lokhu futhi inkululeko yokuzenzela okuthandayo." Akusilo isikompilo lase-Afrika ukuthi umuntu osekhulile ahambe nqunu emgwaqweni noma enze lezi zinto ezenziwa komabonakude, phambi kwezingane zethu. *(Translation of isiZulu paragraph follows.)*

[. . . hon member, we have to make laws that will protect our children and women because they are vulnerable to such acts. In an African custom, it is unthinkable to see a woman parading naked down the street and cheer her on and say, "Well, this is good and it is freedom to do as one pleases". It is not an African custom to see an adult person walking down the street naked or doing these lewd acts that are done on TV, in the presence of our children.]

Sex is something sacred and children should not be exposed to it. This is what we now do, we cry over child rape and all the things we complain about and we forget that the people who distribute these things do that in the name of freedom of expression. The DA will stand up here today and reject this amendment because it encroaches on the freedom of expression and of the press, which is not true.

Currently, the print media and broadcasters are very happy about the outcome of what we have done. I am not sure on whose behalf you are going to speak today, but they are happy that we were able to address their concern without infringing upon the rights of media and the rights of broadcasters.

I want to thank members of the committee for the wonderful contribution they are making. Let us have this debate and let us engage. Thank you very much. [Time expired.]

Mrs S V KALYAN: Madam Deputy Speaker, the core mandate of the FPB is to ensure the protection of children by the classification of films, interactive games and publications which go out to the public. So when this amendment Bill was first presented in draft form, and the reasoning behind it was that it was aimed at rooting out and eradicating child pornography, one could not help but applaud the noble intention. No right-thinking person would support or condone any form of child pornography. [Applause.]

However, upon a closer, detailed reading of this draft Bill, it became clear that the original intention was not so honourable

after all and that there seemed to be an attempt on the part of the drafters to muzzle free speech. The principal Act of 1996 exempts newspapers and broadcasters from having to submit material to the board for pre-publication approval. The proposed amendment wanted to end the exemption. This intended censure on newspapers and broadcasters was nothing short of the old-style censorship typical of the apartheid era. Many public submissions spoke of a possible hidden agenda on the part of government to clamp down on media freedom.

The comment by the CEO of the FPB that it was her intention to create a regime to police the industry was indeed cause for concern and helped to confirm this perception. Broadcasters are regulated by Icasa, the Newspaper Press Union regulates newspapers, so, why the FPB felt the need to extend its own mandate and give itself extraordinary new powers, and unconstitutionally at that, was beyond the comprehension of many.

Yet another mystery is: How did the state law advisors certify this Bill? Do they not go through a basic check list first? It was always the contention of the DA that the removal of the exemption was unconstitutional and we declared that to continue deliberating on the Bill as it was, was an exercise in futility. Fortunately, good sense prevailed and sanity as well, and the exemptions in respect of newspapers and broadcasters were reinstated and the right of appeal retained.

Clause 16 of the Bill requires that all films be classified. The manner suggested introduces prepublication censorship and this is unconstitutional. Classification of a film as a refused publication would prevent that film from being broadcast on television and this is equivalent to a prior restraint on expression and constitutes a limitation on the freedom of expression.

A film may be classified as refused if the film contains depictions or sequences of child abuse, propaganda for war or incites violence or advocates hatred based on any identifiable group characteristics, unless the film judged within context, is a bona fide documentary or a film of scientific merit on a matter of public interest. So virtually every movie or documentary of World War II would be refused or banned under this Bill. How ridiculous is that?

The Bill as it stands increases quite substantially the scope of publications which must be submitted for classification. A pamphlet, which may have the mildest form of erotica, for example, breastfeeding or breast examination for cancer or a pamphlet on sexual health would be required to be submitted for classification.

Those HIV/Aids pamphlets issued by the Department of Health showing how to fit a condom would need to be classified. What about the life orientation booklets issued by the Department of Education? Pamphlets around sexual violence will need to be classified and will limit public discussion on vital issues. Surely this cannot be the intention of the Bill.

As the Bill stands, a simple publication disseminated by Sactu or Cosatu calling for their workers to engage in a strike or in mass action could be construed as incitement to imminent violence. It is unfortunate that the FPB in seeking to eradicate child pornography has altered classification categories and criteria so significantly that it could lead to self-censorship and stifle important socio-political debates central to a functioning democracy.

The hon Minister of Housing spoke about which side of the road we are on. Minister, I'd like to tell you: It is a stop sign. The broadness of the classification criteria, and the fact that it is so subjective and moralistic, in that it decides for any liberal adult what is harmful sexual behaviour and classified accordingly, will, in reality result in many sexually explicit films surfacing on the black market. We should be promoting healthy

sexual attitudes rather than encouraging people to break the law.

The principal Act was good enough as it was. A single amendment regarding the Internet and cellphones and their impact on child pornography would have been sufficient. Instead, the department chose to contaminate the principal Act and bring in provisions, which are already more than adequately covered in the current Act, the Constitution, the Sexual Offences Bill and the Equality Act. In doing so, free flow of information is significantly restricted.

The DA is not opposed to the introduction of tighter measures to control child pornography, but the Bill as it is currently proposed does not actually achieve its objective and is open to constitutional challenge. Furthermore, the reality is that the FPB does not have the capacity to deal with its own ambitious proposals in the Bill and is actually on the road to nowhere.

We note the absence of both the Minister and the Deputy Minister. If they are that serious about child pornography, they should have been here. And I would like to say that video outlets countrywide have voiced their concerns at the functioning of the FPB. A petition was drawn up and I was asked to forward it to the Minister. I will send it to her house.

The MINISTER OF EDUCATION: On a point of order, Chairperson, it is well within the Rules of Parliament for a member of the executive to request another member of the executive to represent them in a matter in the House. It is within the Rules. To suggest that the member of the executive for Home Affairs is abrogating responsibility, actually denies . . . [Interjections.] . . . I am speaking to the presiding officer and not to the loud voices on the roof. It is within the Rules.

The HOUSE CHAIRPERSON (Ms C-S Botha): I don't think there is a dispute whether it is within Rules. I agree with you but I don't think it is a point of order.

Mr W P DOMAN: Madam Chair, may I also address you on the point.

The HOUSE CHAIRPERSON (Ms C-S Botha): Excuse me, hon Doman, but the hon Minister has already been there.

The MINISTER OF HOUSING: This is a point of order. I think it is completely out of order that the hon member should stand up there and not even have the hindsight of why these members are not here and say the kind of things that she said. It is completely out of order. You are impugning the integrity of these members and they would not have made the necessary arrangements if they did not care.

The HOUSE CHAIRPERSON (Ms C-S Botha): Thank you, hon Minister. It is not a point of order.

Mr W P DOMAN: Madam Chair, I just want to point out that it is absolutely in order for the hon member to express her view on how she feels about the absence of the Minister and the Deputy Minister responsible for this portfolio. [Applause.]

Mrs I MARS: Chairperson, we all know and we do not have to go into this, how the original draft of the Film and Publication Bill caused enormous concern and debate, not only within the affected media, but within the public in general. At the onset of this debate we would like to reiterate our commitment to the constitutional definition of freedom of expression contained in section 16 of the Bill of Rights and also its limitations.

We would also say that we entered the debate wanting to exempt content in section 22(3) of the existing Bill to be retained. In our discussions with the media, and I must agree with the Minister, they were very robust, very informative and I for one, felt that there was a very sincere commitment—and possibly because of the amount of publicity this Bill has already received—by the print media to enhance its self-regulatory processes. And I would suggest to the committee and to all of us that we pursue this

matter with them and stay in contact with them and share the discussion around this matter.

All the discussions we had were very open and constructive. We would like to say that despite all the extra meetings that were necessary to arrive at the conclusions we have today, because the Bill extends child protection laws criminalises creating, distributing and possession of child pornography through the Internet and cellphones, and Internet and cellphones providers no longer being self-regulatory yet subject to offences for noncompliance with regulations, we can agree with it.

I would like to separate issues here. Child pornography is a major issue not only in South Africa; it is a global issue which most of the country and I have looked at legislation and the debates on the subjects of pornography, and the answers are not there yet.

On behalf of the IFP, I would want to record our commitment to finding workable solutions to limiting access by young people to all forms of pornography. And I must say there is a somewhat cynical description. We heard during our discussions that there was real pornography which should be stopped, but it was alright to have virtual pornography. I mean all these things affect our children and we have a duty to protect our children.

So I have given you the reason why we support the Bill but I need to concentrate on this: On the things that the Bill is doing and the things it does not do. And I am of course referring to controlling juvenile access to all pornography, of course, especially child pornography.

We know juveniles have found ways to bypass existing access systems which are meant to prevent them from viewing pornography on the Internet or cellphones. We have to realise that whatever new control systems will be designed, they will try their utmost to find ways of bypassing them too. [Time expired.] [Applause.]

Mr L W GREYLING: Hon Chairperson, this Bill attempts to balance the rights of freedom of expression with the protection of children. This was never going to be an easy task and it must be said that there have certainly been some improvements made to the original Bill, such as the restoration of exemptions.

These exemptions, however, only apply to the members of the Newspaper Association of South Africa. There are roughly 500 other publications in the country which are not members and have to comply with the conditions laid down by the Act.

As the ID, we fully support the objective of the Act to deal with the scourge of child pornography but we question whether this Act will, firstly, adequately deal with the scourge and, secondly, whether the right to freedom of expression will not be severely curtailed. We therefore at this stage cannot support the Bill and believe that its constitutionality should be tested in a court of law.

The ID agrees with the assessment of the chairperson that we need a national debate on this issue and that legislation like this should emanate from this debate rather than the other way round. This is the approach that the ID is taking towards MXit. We will be holding an international conference soon, to obtain the views of all parties on this issue. I thank you.

Mr S N SWART: Chairperson, the ACDP has emerged as the unlikely champion in fighting to protect media freedom considering our opposition to all forms of pornography. In our view, pornography is the theory but rape is the practice. In view of this approach one would have expected the ACDP to have supported the Bill as tabled. However, we shared grave concerns expressed by the media that the Bill as tabled would have amounted to prepublication state censorship of all print media and broadcast

material. This would have severely restricted the media from being able to report on news items.

Television and radio broadcasters would have been required to submit all programmes to the board before broadcasting. All live news, parliamentary current affairs, sport and music coverage would cease.

The common good is best served by the free flow of information. It is a vital function and indeed the duty of the press and other media to make available information on every aspect of public, political social and economic activity. The Constitution guarantees the right to freedom of speech and expressly includes freedom of the press and other media.

The media has a duty to investigate and be a watchdog of society and more particularly of government. It has played a crucial role in exposing crime, corruption, mismanagement and nepotism in both the public and private spheres. It is only where competing ideas are freely aired, debated and challenged that the truth can be attained. As the SA National Editors Forum, Sanef, pointed out: "The restriction on dissenting opinion impoverished the search for truth".

Vast members of the majority party did not agree with all the ACDP's proposals, particularity to reinstate the total exemption, with the media being subject to criminal sanction relating to child pornography. We were able to persuade members of the portfolio committee to accept certain vital amendments, not only exempting the press from private classification and criminal sanctions but also to strengthen the fight against pornography. We were however still concerned about the very broad hate speech provisions, and whilst the additional test was insisted on, we still believe that there could be a constitutional challenge on this aspect.

In conclusion, we wish to express our gratitude to the chairman of the portfolio committee for being so indulgent and even allowing the ACDP at a very late stage to argue for the insertion of a very vital amendment. Whilst we still have reservations regarding its constitutionality, we do believe that the Bill in its present form should be supported particularly in view of its fight and its aim to fight child pornography. We, therefore, as the ACDP will support the Bill. I thank you.

Ms S H NTOMBELA: Chairperson, I don't think that there is any rule that requires any Minister to explain his or her whereabouts. I just wanted to mention that one. Aristotle said:

> At his best, man is the noblest of all animals, separated from law and justice, he is the worst.

As the ANC-led government we have long said that we are on a noble course and we will never allow our little loved ones to be exploited and corrupted by ruthless, irresponsible and careless people out there.

This Bill is long overdue. In Sesotho: E siilwe ke nako. [It is long overdue.]

The noble objectives are to protect our kids from the potential dangers of digital technology, especially pertaining to child porn. If we do not stand up as parents and responsible adults and say, enough is enough, we are busy destroying ourselves and the future of our children. I don't know what the DA is doing.

If this government does not put its foot down on child pornography as displayed on the Internet, cellphones, films, computer games and magazines, we will go down as the most irresponsible government that ever ruled this country, and we cannot afford that.

Ha re no e dumella ntho eo. [We will not allow that.]

Furthermore, the Bill seeks to bring the broadcasters of the films within the scope of the Act so that there is compliance. There should be compliance officers who will monitor this business, which produces such

dangerous material. These officials should be given authority to enter any premises of distribution at any given time, for the purpose of requesting certificates of registration.

Akuna "mangamanga" lapha. [There "ain't any lying business" here.]

This Bill further seeks to provide the compliance officers the authority to examine or inspect the premises used for conducting businesses, ensuring that they comply with conditions stipulated by the Act. In addition, compliance officers should be given the powers to examine or inspect any film or computer game offered for sale.

One of the objectors to the Bills says:

> The proposed legislation is unconstitutional it reminds us of the past, it threatens the democracy and freedom for which many South Africans fought and lost their lives.

Is it true? It cannot be true. Chairperson, please, our brothers and sisters did not fight and die for the so-called "democratic freedom" in order to corrupt our children. They did not die for the so-called "democratic freedom" for sexual exploitations. Surely, they did not die to make our beloved kids cannon fodder for the unscrupulous business people. It cannot be right, we are not going to allow it.

Batho ba heso, re keke ra kekisa bana ba rona jwalo ka Judas Iskariota lebitsong la tjhelete. Re keke ra e etsa taba eo.

Modulasetulo, bekeng e fetileng ke ne ke dutse le setloholo sa ka se ka bang dilemo tse tsheletseng ho isa ho tse supileng, re shebeletse televishene. Ha re ntse re bohile, ha hlaha thobalano e tshabehileng, setloholo sa ka sa mpotsa sa re: "Mama, ba etsang, na ebe ba a lwana"? *(Translation of Sesotho paragraphs follows.)*

[Good people, we cannot betray our kids like Judas Iscariot, in return for money. We will never do such a thing.

Chairperson, last week I was sitting with my grandchild—who is about six or seven—watching television. Whilst we were still watching, a shocking sex scene came up and my grandchild then asked me: "What are they doing, mum? Are they fighting?"]

What kind of a fight is that one? She also said: "Mama ke a kgolwa hore ena ha se resiling." [Mum, I'm sure that this is not wrestling.] It is embarrassing! How are you going to explain that to a six-year-old? Please, I do give my children advice, so I do not want anyone to destroy them.

Modulasetulo o tla ntshwarela, ka Sesotho manyala ke manyala, ha a dumellwe, mme ho tla dula ho le jwalo. [Chairperson, with all due respect, in Sesotho an abomination will always remain an abomination, it is unacceptable and will always stay like that.]

One little child said: "Parents, you have a right to reprimand us, but please do not abuse us, as our mothers and fathers do not turn yourselves into our enemies."

Ka Sesotho re re: "Thupa e kojwa e sa le metsi." Setjhaba se sa hlompheng bana ba sona, se sa rateng bana ba sona, se tla ya timelong jwalo ka bona bana ba tseleng e yang timelong. Le a ba bona le lona. *(Translation of Sesotho paragraph follows.)*

[In Sesotho we say: "Spare the rod and spoil the child". A nation that does not respect its young, which does not love its young, will perish just like these who are doomed to perish. You can see them yourselves.]

Most of our objectors, especially business, are mostly worried about the effect of the Bill on their businesses. This government is more worried about building a society that is stable. I don't want to comment on the dissatisfaction that I pick up from the members in here, because the very same person who is busy shouting "Ke bana ba mang mebileng?" ["Whose kids are those?"]

knows the reality very well. The person is just doing this to satisfy somebody.

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon member, please take your seat.

Mr M B SKOSANA: Thank you, Chairperson.

Ke tshwareha hampe ha ke utlwa nkgono a re sheba ka mona, a re jwale reya timelong. Ke ne ke batla ho tseba hore na le mme Feiki o ya timelong na? Hobane o dutse ka kwano le ena.

Modulasetulo, setjhaba se sa hlompheng bana ba sona, lebitsong la thobalano, se ya timelong. *(Translation of Sesotho paragraphs follows.)*

[I feel bad to see the old lady looking in our direction, saying that we are on the road to perdition. I would like to know whether Mrs Feiki is also heading for perdition, because she is sitting on this side as well.

Chairperson, a nation that does not respect its young, where sex issues are concerned, will perish.]

A certain Mr Hamon is right when he says that children in South Africa are exposed to pornography and violence on television and in advertisements. Attention should be given to the future generation, since they are to be our future presidents, governors, and public representatives.

Instead of producing X-rated publications, which are degrading to human beings and sexual explicitly, the service providers such as Telkom and others, should develop more packages for kids, especially designed to improve their education. Those who oppose this Bill, should not stand here and pretend that there is infringement of freedom of expression, when they know very well that it is not the intention of the government to delve into media censorship, but it is indeed the intention of the government to protect children against sexual implicitly publications.

I wish those people who oppose the Bill in their submission of consensus should also have race as a counter measure. What actually constitutes a moral society? Madam Speaker, please let us not instil a culture of pornography especially in the minds of our kids. It is immoral, it is evil, it is irresponsible, it is a shame, it is cruel, it should not be allowed. It ends here, today. Thank you. [Applause.]

Mr R B BHOOLA: Chairperson, with the rapid pace of development and advancement of digital technology comes a responsibility to ensure safe and morally correct accessibility of services. It is a fact that access to sexually inappropriate site on the internet, cellphones, film and interactive computer games are also accessible by children.

The MF is pleased that this Bill serves to put in place a number of provisions that should address the situation. While the MF believes that parents and guardians also have a very important role to play in preventing the kids from accessing such material, we think that services need to come up with firewalls that will filter such access to pornography.

The MF also feels that with a view to cellphones, parents should be equipped with the means of blocking their children from getting access to these sites. The MF supports this Bill.

Mr C M MORKEL: Thank you, Chairperson. The objectives of this amending Bill deal with the capture, editing and transfer of pornographic material amongst children, as well as from adults to children, which is a major challenge. Technology already exists to address some of the problems identified and it is possible for programmes like Internet-based and mobile instant messaging to filter pornographic material, which may find its way to children.

However, this is only to a limited extent, especially on mobile phones. One mobile instant messaging service, I will not mention its name, has no autofiltering mechanism

based on a clear link between the registration details of such users and their date of birth in particular. The identity number or the age of registered mobile phone users should be recorded in terms of the Electronic and Communications Transaction Act, and the interception and monitoring Act with its amendment Bill.

Such a filtering and linking mechanism can be introduced through appropriate regulations under the Amendment Bill with the assistance of the EST Act and the interception and monitoring Bill, which is being considered by the Portfolio Committee on Communications at the moment. The application, service provider, the Film and Publications Board and the Independent Communication Authority of South Africa must co-regulate this oversight.

Another major challenge that needs to be regulated by the FPB, Icasa and the Broadcasting Complaints Commission of South Africa is the broadcasting of certain music videos that may fall foul of the definition of child pornography or erotica. Freedom of expression does not justify one's rights to abuse children in pornographic profiteering.

These finite rights must be limited when they posses a threat of child abuse as this other legislation protects children, such as the Divorce Act and the Child Care Act amongst other things. The Progressive Independent Movement will therefore support the Film and Publications Amendment Bill and I dedicate this to my children who are aged three and two. Thank you.

Mna K W MORWAMOCHE: Modulasetulo le maloko ao a hlomphegago, Molaokakanywa wo o bolela ka taba ya go šireletša ditokelo tša bana—o bolela ka taba ya go širelet ša gore bana ba se ke ba bontšhwa tša phaku gape o tloga o bolela ka taba ya gore bana ba se ke ba bontšhwa tša bosšilo.

Seboledi sa go tšwa ka lehlakoreng la DA, mohlomphegi Sandy, ga a mmakatše ge a be a bolela mo pele ga lena a laetša gore yena ga a thekge taba ye ka ge e le motswadi e sego mmelegi. Ka moka bao ba rego ga ba thekge Molaokakanywa wo ke bao e lego batswadi e sego babelegi. Motho yo a belegago e le motswadi, ga go ka mokgwa wo a ka se thekgego Molaokakanywa wo.

Mohlomphegi Sandy wa DA o laeditše gore go ya ka mokgwa wo pušo ya rena ya ANC e bušago ka gona, ga e ba kgotsofatše. O a rereša ka ge maikemišetšo a DA go tša pušo e le go šireletša mahumo a bona. *(Translation of Sepedi paragraphs follows.)*

[Mr K W MORWAMOCHE: Chairperson, hon members, this Bill is about the protection of children's rights—it is about protecting children from being exposed to bad and silly things.

It is not surprising that the speaker from the DA, the hon Sandy, indicated that she does not support this Bill because she is a parent but not a child bearer. All those who do not support this Bill are parents but not necessarily child bearers. There is no way that a person who is a parent cannot support this Bill.

The hon Sandy from the DA indicated that they are not satisfied with the manner in which the ANC-led government rules. She is correct because the aim of the DA in government is to protect its wealth.]

Mr M J ELLIS: Madam Chairperson, on a point of order: I am prepared to accept that there is a kind of cultural difference, perhaps, between the speaker and myself and I'm not quite sure of the point he is making, but it seems odd to me . . . [Interjections.]

The HOUSE CHAIRPERSON (Ms C-S Botha): What is the point of order?

Mr M J ELLIS: I am making a point of order. It would seem odd to me that a person can talk about being a parent without being a child bearer. [Interjections.] I am asking . . .

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Ellis, honestly, it cannot be a point of order.

Mr M J ELLIS: But it is a point of order, Madam Chair. I am asking you to look into this, because I don't understand what the point is that he is making. [Interjections.]

The HOUSE CHAIRPERSON (Ms C-S Botha): But, hon Ellis, excuse me, if you don't understand what he is saying, that doesn't make it a point of order.

Mr M J ELLIS: Madam Chairperson, may I ask you something? Do you understand it?

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Ellis, that is certainly not under discussion.

Mr M J ELLIS: It is under discussion. I am asking for an explanation.

An HON MEMBER: Don't argue with the Chairperson!

Mr M J ELLIS: I can't believe this woman.

Mr H P CHAUKE: Chairperson, on a point of order: I think you need to be respected as the Chairperson. It is the DA's strategy. Very often when we bring forward important issues, they want to divert from those issues.

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Chauke, I appreciate your support and protection of me, as I must protect you, but I think it is in order and we will continue with the debate. Thank you.

Mr W J SEREMANE: Chairperson, may I please ask a question? Is it parliamentary to actually attack the parentage of any member of a church? I understand the idiom used. It is uncalled for and it is unparliamentary to speak in such a way to another adult. [Interjections.]

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon member, I will refer you to the Rules, to both persons who have raised points of order: It is not for the Chairperson to judge the accuracy of a statement. This is a matter for debate and not a matter of procedure and it is out of order for a member to rise on a point of order to contest the truth of a statement by the member speaking. Please, may we now proceed? Hon member, please continue.

Mr K W MORWAMOCHE: Voorsitter, die DA kan maar lê en gaap en droom, want die ANC gaan regeer! [Chairperson, the DA may lie around yawning and dreaming, because the ANC will govern!] [Interjections.]

Modulasetulo, ANC e thekga Molaokakanywa wo gobane o ganetša mekgatlo ya dikuranta le dithelebišene go laetša bana tšeo di tla go senya dikgopolo tša bona. ANC e thekga Molaokakanywa wo gobane ga o dumelele botšhupša golola tša dinaka di hlabane. Gape Molaokakanywa wo o gana tša bo hlaga swaa re je tsa bo pilo. Molaokakanywa wo o gana tša bo huwane molapo'a ditaba ba rego ba kwele ba re ba bone. [Legofsi.]

Ke na le kgatišobaka ya molao yeo maina a bao ba boletšego mo pele ga lena ba le botša ka ga "constitutionality" a sego gona ka go yona. Ke kgatišobaka ya bao ba šomago ka melao ya Molaotheo.

Molasetulo, ANC e a buša gomme ebile ga e kgopele tumelelo ya go dira bjalo go motho yo mongwe. ANC ge e kwele gore setšhaba se lla ka taba ya gore dilo tše di amanywago le lepono di se laetšwe mmušong wa yona, re ka se kgopele tumelelo go Seremane; re ka se kgopele tumelelo go DA gobane ga se seboleledi sa boradikuranta.

Seo ba bego ba swanetše go le botša sona, Modulatulo, ke gore ka 'tšatši leo Komiti ya Photefolio ya tša Selagae e kwanego le boradikuranta ka tšeo di sa nyakegego gomme gwa be gwa hlongwa khansele yeo e tlago hlokomela gore melao ya maitshwaro a bona e šome gabotse, bona ba ile ba ngala ditherišanong tša ntshe. Ka fao, seo ba bego ba swanetše go le botša sona mo ke gore ba tšwile ka ditherišanong tša komiti.

Morena Greyling, yo le yena a boletšego mo, ke tšea gore ke yo mongwe wa bao ba ngwalelago bangwe tšeo ba swanetšego go di bolela dingangišanong tša Ntlo ye. Le ka

'tšatši la mohlolo ga se ka ke ka bona a tlile komiting ya rena go tla go ikwela ka tša gagwe gore kgoro e sekaseka bothata bjo bja lepono la bana bjang.

Modulasetulo, mohlomphegi Sandy o boletše mo gore Molaokakanywa wo ka mokgwa wo re o boilego re le ANC o mo gopotša melao yela ya go bewa mehleng ya apartheid. Seo se makatšago ke gore dikonokono tša DA lehono ke batho ba go tšwa go apartheid. O dulelang le bona ge e ba o a rereša gore ga a kwane le apartheid?

ANC e thekga Molaokakanywa wo gobane "manyala" ga re a tsome. Di ile le muši wa dikwekwele. Ke a leboga, Modulasetulo. [Legofsi.] *(Translation of Sepedi paragraphs follows.)*

[Mr K W MORWAMOCHE: Chairperson, the ANC supports this Bill because it prevents the media from exposing children to images that would adversely affect them. The ANC supports this Bill because it does not allow powerful people to fight at the expense of powerless ones. This Bill also does not allow people to gain at others' expense. The Bill is against people who act without knowledge of the issue in question. [Applause.]

I have a document in which names of those who addressed you, telling you about constitutionality, do not appear. This is a document of people dealing with constitutional rules and regulations.

Chairperson, the ANC rules and it does not require permission from anyone to do that. If the public demands that pornographic programmes not be broadcast in the country, we will never ask for permission from Seremane, we will never ask for permission from the DA because they are not spokespersons for the media.

What they should have told you, Chairperson, is that when the Portfolio Committee on Home Affairs agreed with the media people about things that must be censored and an authority to monitor their code of conduct was established, they withdrew from those negotiations. Therefore, they were supposed to tell you that they withdrew from the committee's negotiations. I believe that Mr Greyling, who also spoke here today, is one of the people who prepares speeches on behalf of other speakers for debates in this House. I have never seen him on a single day in our committee meetings to hear how the department is dealing with this issue of child pornography.

Chairperson, the hon Sandy said that the manner in which this Bill was presented by the ANC, reminds her of the laws of the apartheid era. What is surprising is that the powerful DA members today are from the apartheid era. Why is she seated on their side if indeed she is anti-apartheid? The ANC support this Bill because we do not want immoral acts. That is all. I thank you, Chairperson. [Applause.]]

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Minister, members, before I call the hon Minister to address us, I would just like to indicate that on account of discussions I have had with the Table, I am going to consult Hansard on the issue raised by the two Ministers and will come back to you in this House on it. Please, the two Ministers who raised points of orders, the Minister of Education and the Minister of Housing. Thank you.

The MINISTER OF HOUSING: Thank you, Chairperson, I am very aware of the fact that I have very serious time constraints here. I had waived my right to come back and close this but I thought that after listening to the debate, it was important for me to come back here. I want to thank the hon members who have participated in this debate constructively.

I was very disturbed by the bile that was spewed out by the hon member of the DA. It is understood that perhaps the DA might have its own views but I think that the spirit in which she conducted the debate was so destructive that I needed to come back here and indicate that, in fact, it is completely

unacceptable. I would like you, Chairperson, to consult Hansard and actually rule on the matter. [Interjections.]

I want to point out a number of things that had been distorted here because it is important that we leave this House understanding what it was that we were saying. We have a Constitution that this House passed and to which we all share allegiance. It is very specific on some of the things that we have in this Bill here. Our constitutional responsibility is set out in section 28(1)(d). It is very clear on our responsibility to the child and says that it is the right of the child "to be protected from maltreatment, neglect, abuse or degradation."

Moulana M R SAYEDALI-SHAH: We support that.

The MINISTER OF HOUSING: Chairperson, I think you are in an invidious position as a leader of the DA and having the DA going on like that. I would be extremely embarrassed if I were in your position.

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon members, please. Hon Minister, do not reflect on the position the Chair takes as if it could be partisan. I will really appreciate that. As for the members on the left hand side, please give the Minister an opportunity to be heard.

The MINISTER OF HOUSING: A child's interest is of paramount importance in every matter concerning the child, as it is set out in the Constitution. What we seek to do, the hon member has deliberately decided that she is going to exaggerate. We should not accept that. There is no way that we on this side would have fought the kind of struggles we have.

She stands here and says that we would like to muzzle the media. We have said so from day one that it was not our intention to do that. It is a very fine balance that we seek to achieve here. We have worked very hard to arrive at this point. [Interjections.] Even beyond that, it is important that we note that even the Promotion of Equality Act limits publication of anything which impinges on the dignity of persons on the basis of race, religion or gender. This is not to be challenged. The right is absolute.

I am appalled at the conduct of the DA and I really think . . . [Interjections.] . . . I think you are in an invidious position, sitting there with your members misbehaving like this.

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Minister, I must call you to order. [Applause.] Hon members, it is absolutely not acceptable to reflect on the objectivity of the Chair. I cannot accept that. I will repeat what I have said before: Interjections come from all sides of the House but to harass a speaker by making him or her inaudible, is not acceptable. I hope that everybody will retain that in their minds. Hon Chauke, on what point of order are you rising?

Mr H P CHAUKE: On a point of order: In this debate today I am surprised as to why hon Sandy is wearing a miniskirt. [Laughter.]

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Chauke, please stand up. I have at least four people who want to make a point of order. Before I recognise them, I would like to respond. Please withdraw that particular statement.

Mr H P CHAUKE: I withdraw.

The MINISTER OF HOUSING: Hon Chair, I just wanted to indicate that I hope you were misunderstanding me when you indicated that I was implying that you were not objective. That was not my intention. I wouldn't do that.

The HOUSE CHAIRPERSON (Ms C-S Botha): Thank you very much.

Mr M J ELLIS: Madam Chair, in the same spirit in which the Minister has rised, I just want to say that I sincerely hope that the ANC will take that matter further, the one mentioned by the hon Chauke. It is absolutely unacceptable.

The HOUSE CHAIRPERSON (MS C-S Botha): Hon Ellis, I have already ruled and he has withdrawn. Can we please continue? [Interjections.] I cannot compete with a full House. I can't raise my voice any more. That concludes the debate. Are there any objections to the Bill being read a second time?

Debate concluded.

Bill read a second time (Democratic Alliance and Independent Democrats dissenting).

AFRICAN UNION GOVERNMENT

(Debate)

The MINISTER OF FOREIGN AFFAIRS: Madam Chair and you Madam Speaker sitting over there, Ministers, Deputy Ministers, hon members, I'd like to take this opportunity to express our gratitude to the hon members for taking this time to engage in this important debate on the African Union government.

A few weeks ago, during our Budget Vote debate, we did indicate that it would be good for the House to debate this matter. But let me hasten to add that the debate is not new, but what is new is the level of participation by civil society, parliamentarians and different socioeconomic formations on the continent.

At Ghana's independence 50 years ago, the President of Ghana at the time, Kwame Nkrumah said, and I quote: "Our independence is meaningless if it is not linked to the total independence of the African continent."

After that speech there were many discussions and many meetings, from 1958, to generate consensus around this issue. These important meetings took place in Brazzaville, Casablanca, Monrovia and Lagos, and would culminate in the founding of the OAU.

Maybe the questions we should ask are: Why the integration? Why was the OAU established besides its task to decolonise Africa? Again, I think the answer lies with what Kwame Nkrumah said in 1963, the year in which the OAU was formed, and I quote:

> Our continent gives the second largest stretch of land in the world. The natural wealth of Africa is estimated to be greater than that of almost any other continent. To draw the most from our existing and potential means for the achievement of abundance and a fine social order, we need to unify our efforts, our resources, our skills and intentions. We need unity to secure total African liberation. We need to carry forward our construction of a socio-economic system that will support the greater mass of our steadily rising population at a level of life that will compare with those of the most advanced countries.

He further argued that:

> The forces that unite us are intrinsic are greater than the superimposed influences that keep us apart, and our goal must be the establishment of Africa's dignity, progress and prosperity.
>
> Here is a challenge, which destiny has thrown out to the leaders of Africa. It is for us to grasp what is a golden opportunity to prove that the genius of the African people can surmount the separatist tendencies in sovereign nationhood by coming together steadily for the sake of Africa's greater glory and infinite wellbeing into a union of African states.

The golden opportunity of which Kwame Nkrumah spoke with such urgency was not fully realised during his lifetime. "We must act now," he said, "tomorrow may be too late". It is therefore obvious that while the collective political will was strong, the right conditions had not yet been attained.

The integration process started in earnest with the OAU, even though it was not through the "union of African states" that Kwame Nkrumah, Sekou Toure and others

had pressed for. The question is: Are those conditions now met? Maybe we should remind ourselves of what President Mandela said at his first meeting of the OAU as a head of state in Tunis in 1994. He said, and I quote:

> Finally, at this meeting in Tunis, we shall remove from our agenda the consideration of the question of apartheid in South Africa.

Where South Africa appears on the agenda again, let it be because we want to discuss what its contribution shall be to the making of the new African Renaissance. Let it be because we want to discuss what materials it will supply for the rebuilding of the African city of Carthage.

More importantly, he went on to say:

> One epoch with its historic task has come to an end. Surely, another must commence with its own challenges. Africa cries out for a new birth, Carthage awaits the restoration of its dignity. If freedom was the crown, which the fighters of liberation sought to place on the head of Mother Africa, let the upliftment, the happiness, prosperity and comfort of her children be the jewel of the crown.

The current leadership of the continent, realising that the OAU belonged to the epoch with its historic task that had ended and that another had commenced, with its own challenges, launched the African Union, the AU, with clear objectives that included: one, the acceleration of the political and socioeconomic integration of the continent; two, the promotion of peace, security and stability on the continent; three, the promotion of sustainable development at the economic and cultural levels; four, the integration of Africa's economies; and five, embracing gender equality.

The question, therefore, is: What model of integration is best suited for us to realise these objectives? Maybe we need to look at what the EU did. The EU came together with the objective of making sure that there would never be another war and ending conflict within the region using iron and steel. Furthermore, they wanted to create free economic space where there would be movement of people and eventually a common currency. They are on course.

They also had their own vehicles that drove that process, and those were initially France and Germany. Therefore, we may need to look at Africa and ask: What is it that we want to achieve eventually?

Having seen some of the objectives of the OAU again, the African leadership decided to develop Nepad. Nepad was to accelerate Africa's social and economic transformation, and it had the following objectives: one, eradication of poverty; two, placing African countries, both individually and collectively, on a path of sustainable growth and development; three, halting the marginalisation of Africa in the globalisation process; and four, accelerating the empowerment of women.

Madam Speaker, I must say that we must also understand that the integration of Africa started in earnest with the OAU. It is a continuous process. As we speak, we have our own Peace and Security Council and we are in the process of establishing a stand-by force for peacekeeping, in order to deal with the conflicts on the continent. This is part of integration.

The Pan-African Parliament is located in this country. Again, that shows that integration is proceeding. The establishment of the Human Rights Court is further evidence of this. Indeed we need to integrate. The question is: What model do we need to use to accelerate this integration, which is already taking place as we speak?

The questions that we must ask, Madam Speaker, are: Are we ready for the African Union government? Has the time come to form the united states of Africa or the union of African states?

Some people say, "Yes, it has come". Amongst those who say it has come, there are some slight differences in emphasis. Some say that we must start with just a few areas, such as trade, finance, transport, foreign affairs, amongst other things. However, others feel that we should just go on a fully-fledged union government.

The questions are: Are we ready? Do the conditions exist for a union government? Or should we do more in rationalising and strengthening the regional economic communities as building blocks? Should we strengthen the AU commission's capacity, both human and financial? Should we give it stronger mandates? Should we do more to mobilise financial resources for the implementation of infrastructure, human resource development, agriculture, and so on, which are the priorities of Nepad?

If we agree to form a government, which areas will be covered in the union government? Of course if we do agree to form a government, it will mean that we have to harmonise all the policies so that we can have continental policies in the areas we choose. There would have to be proper funding of this government and all that a government entails.

Madam Speaker, it would not be desirable for me to pre-empt this important debate, so I have just posed questions and given options to allow the House to have proper deliberations. The forthcoming Ghana summit will consider nothing but this question of the African Union.

Should it be established now? And if "yes", then all the attendant questions will need to be considered. If not, what then needs to be done to accelerate integration?

All governments across the continent are consulting their respective citizenry on this matter, because as yet there is no consensus on how to accelerate the integration; hence the grand debate that will take place in Ghana.

Maybe I should just conclude my opening remarks by reminding us of what President Mbeki, then Deputy President, said in his famous speech when we adopted our own Constitution, "I am an African". He said, and I quote:

> I am an African
>
> I am born of the peoples of the continent of Africa.
>
> The pain of the violent conflict of the peoples of Liberia, Somalia, the Sudan, Burundi and Algeria is a pain I also bear.
>
> The dismal shame of poverty, suffering and human degradation of my continent is a blight that we share.
>
> The blight on our happiness that derives from this and from our drift to the periphery of the ordering of human affairs leaves us in a persistent shadow of despair.
>
> This is a savage road to which nobody should be condemned.
>
> This thing that we have done today, in this small corner of a great continent that has contributed so decisively to the evolution of humanity, says that Africa reaffirms that she is continuing her rise from the ashes.
>
> Whatever the setbacks of the moment, nothing can stop us now! Whatever the difficulties, Africa shall be at peace!
>
> However improbable it may sound to the sceptics, Africa will prosper!
>
> Whoever we may be, whatever our immediate interest, however much we carry baggage from our past, however much we have been caught by the fashion of cynicism and loss of faith in the capacity of the people, let us err today and say—nothing can stop us now!

So how best can we achieve this peaceful and prosperous Africa that President Mbeki spoke about? I look forward to a fruitful debate.

Thank you. [Applause.]

Ms F HAJAIG: Chairperson, Minister, Speaker and colleagues, since Africa's independence from colonial rule, various initiatives have been explored, aimed at trying to forge closer continental co-operation for the purposes of African unity. Such calls are not new in Africa, on the contrary, the very formation of the Organisation of African Unity saw the emergence of two schools of thought which differed on the exact path that Africa should take towards her eventual unity.

The current debate regarding the creation of an African Union government must therefore be seen within such a historical context whereby there are different visions and ideals in Africa on how best to strengthen and forge greater continental co-operation, integration and unity.

Given the significance of this matter, the African Union Summit of Heads of States to be held in Accra in Ghana, will only have this issue on its agenda in July 2007. The July 2007 summit is to be preceded by different forums and meetings aimed at allowing different stakeholders to engage in discussions regarding this idea.

One of such meetings is the recently concluded gathering of the AU Ministers of foreign affairs held in Durban, South Africa, from 8 to 9 May 2007. The report released at the end of this meeting suggests that the issue of the African Union government was thoroughly debated during the meeting. The report noted that during the deliberation the delegates raised a number of issues, concerns and suggestions in paving the way for the African Union government. It was agreed that there was a collective commitment to political and economic integration of the continent. Beyond this, there was divergence on how this should be achieved.

The Minister has already spoken about the European Union, so I won't go into that. The African Union Commission released the framework document in 2005, which outlined the set of principle guidelines for the creation of the African Union government. Among other things, the framework document makes the following proposals:

The Union Government will be a political transitory arrangement towards the United States of Africa; and that the union government shall consist of a more focused assembly and an executive council and commission.

The above structures will be supported by an effective permanent representatives' committee and result-oriented, specialised technical committees. The framework document for an African Union government also states that the creation of such a government should derive its strength from Africa's shared values, common interests and constraints.

These shared constraints entail, for instance, the fact that Africa continues to be overdependent on the external world for its economic development and that the continent continues to suffer due to the underexploitation of its enormous development potentials at national, regional and continental levels. However, it is worth mentioning that this observation is not new and that in fact efforts by the New Partnership for Africa's Development, Nepad, are meant to specifically address these and other challenges.

The commission of the African Union government would share executive functions together with the assembly and the executive council. This, it is observed, would be a departure from the current arrangement whereby the commission functions as secretariat. The framework document also calls for the review of the Pan-African Parliament in the context of article 25 of the protocol of the Pan-African Parliament. It also calls for provisions to be made for the direct elections of the Pan-African Parliament MPs through a proportional representation system. That of course has to be debated. How does that happen?

All of the above proposals would require some revision of the Constitutive Act of the African Union. In context of the proposed African Union government, one of the key amendments to the Constitutive Act would be the inclusion of the principle of a community domain through which members of the union will agree to delegate, authority partially or totally, to a continental body.

The question that we need to ask is: To what extent are African states ready and willing to even partially relinquish their state sovereignty?

The question of sovereignty is complex, especially in Africa where states do not share similar levels of economic and political independence; where there are small and strong states operating side by side. The question of sovereignty must therefore be approached with outmost care and it may be too ambitious a goal to expect that in a short space of time, all African states will be willing to give up their sovereignty.

The creation of a union government also has implications for the continental financial institutions such as the proposed African Central Bank and the African Monetary Fund. For instance, it is envisaged that the African Central Bank would play a role in ensuring that there is greater co-operation among African states in the sphere of monetary policy.

The Framework Document proposes that a United States of Africa should be created by the year 2015, following a three-phased road map each lasting for three years. That, of course, is up for debate. As far as the challenges with the proposed African Union government are concerned, one of the questions that should be asked concerns the timeframes that have been outlined for the creation of a United States of Africa. That is, Parliamentarians should be able to evaluate whether or not 2015 is a realistic timeframe for the successful conclusion of such a project?

The above question must have as its background the fact that in terms of the Lagos Plan of Action the process for the creation of an African economic community was to take 34 years. Thus the question becomes, what is it about the current sociopolitical and economic conditions in Africa that warrants a belief that the United States of Africa could be created in such a short space of time? This is one of the important questions, because the African leadership has the responsibility to ensure that past mistakes are not repeated, where unrealistic plans and timeframes are outlined without the necessary machinery to ensure their realisation.

Furthermore, parliamentarians and other African stakeholders should be able to reflect on whether the AU has been able to achieve the objectives for which it was created. The AU has not concluded a decade since it replaced the OAU as a continental body. Thus, the question should be: Are those pushing for the replacement of the Union government convinced that enough work has been done to meet the objectives of the African Union and therefore warrants the transformation into an African Union government?

Is there a study that has been conducted that thoroughly informs the African people about the strides or failures therefore, by the AU to achieve its tasks? It appears that it would defeat the purpose to transform the AU without such a study being done and without providing an opportunity for a third examination of the progress by the AU.

One of the foreign policy priorities in South African government is the consolidation of the African agenda. Amongst other things, one of the key objectives of this priority is to strengthen the AU, its relevant organs as well as specialised technical committees. From the point of view of the South African government, more work is still required to ensure that the African Union functions effectively. Therefore, it may well be that the AU still requires strengthening before Africa

decides to forge co-operation by creating an African Union government.

I am going to pass on to the decisions taken by the Pan-African Parliament. The Pan-African Parliament sent the recommendations to the African Union, and they are as follows: the first is that the transformation of the Pan-African Parliament into a legislative organ be accelerated to enable it to contribute to the integration of the continent, through among other things, the harmonisation of policies, laws and regulations relating to the various issues of development.

The second is that the evolution towards the Union government should take into account modern global forces and pressures, and that the AU sets a realistic calendar in order to facilitate the evolution of the AU towards the creation of the union government. Third, is that as a prerequisite to setting up a union government, the AU redouble its efforts in order to accelerate the establishment and the strengthening of existing institutions and those which are in the process of being created.

The fourth is that the present process of rationalising and harmonising the AU institutions and regional economic communities which are the actual building blocks, as well as their policy programmes and projects be accelerated and finalised following a realistic calendar. The fifth is that African political leaders show their political will to move towards the union government by paying the respective country's contributions to AU's budget and subsequently to the union government.

The sixth is that the African Union clarifies the type of union government it has in mind. The Pan-African Parliament for its party, is in favour of a federal type of union. The seventh is that the nomenclature "United States of Africa", with the English acronym of USA, be replaced by another acronym which better reflects the history of the continent.

Eighth, the AU takes all the necessary steps to encourage and promote the full participation of peoples of Africa in the debate and process towards the creation of a union government. Ninth, the Nepad, APRM and other similar specialised institutions should be incorporated as specialised technical institutions of the future union government with appropriate levels of autonomy of powers and resources.

I want to very quickly come to the meeting held in Addis Ababa by civil society, trade unions, some legislatures, the military and some women's movements. The meeting articulated the commitment to the unity and the development of Africa. The delegation agreed that efforts towards integration should be informed by the basic development needs of the people of Africa within a peaceful and stable environment.

It expressed support for the decision to order the AU and its institution and organs. Furthermore, it was argued that greater efforts should be made to harmonise continental policy frameworks, particularly within the judiciary and economic domains. Furthermore, greater convergence in government framework should be encouraged and developed among African states through greater support of the APRM framework.

Lastly, with the few minutes left, I want to put in that one of the things that was said was that to consolidate continental unity, the people of Africa must be included in the debate in the union government. We should broaden the participation of the debate to civil society and the decision should be taken by the people of Africa. I thank you. [Applause.]

Mr W J SEREMANE: Madam Chair, hon Minister and hon members, coming from a visionary perspective, may I say and state that today we stand, not at the edge of a cliff but on a rolling hill staring far into the distant horizon—so near yet so far. It is the far-off goal which we must work towards today.

Many on the African continent, including South Africa—you know, we are part of Africa and I state this to remind all and sundry—may not live to see the goal attained. But as Africans loyal to Africa's renaissance, growth and destiny, we must be part of the roadmap to Africa's unification, peace, stability and prosperity by laying the first stones—the building blocks! Being African is not dependent on skin pigmentation or necessarily race or tribal origin. Mama Africa embraces all her children from Cape to Cairo, Morocco to Malagasy in all their hue and splendour. Deny yourself or deny others of this parentage at your own peril.

Before we can start building a unified Africa, we must start to build and strengthen the very African Union, which is sadly lacking in various departments. The AU is lacking, not because there is anything inherently wrong with the structure or the mandate of the organisation, but because some member states continually let the other member states down. Too many wars are fought; too many governments are corrupt, undemocratic and abusive of human rights when in fact other governments have sworn to mend their damaged countries and behave with a sense of morality and benevolence.

The AU must be bolstered by vibrancy and sustainability based on positive attitudes and actions from our leaders on the continent and also supported by all citizens otherwise the AU effort will be flawed.

In striving for unification of Africa, we must not shy away from learning from other nations' experiences lest we repeat or make mistakes that were made in these areas. Take note of the journey thus far travelled by the EU and our own regional bodies and related efforts. Surely the EU's journey has been long and fraught with stumbles, missteps, and misadventures but the Euro has been introduced to the world. The lesson for us in our quest for Africa's unification is this: No learning is accomplished without stumbles, missteps and even misadventures. The intrepid yesteryear lads know that "faint heart never won fair lady"! So, Africa, we have to be courageous.

When looking back at the difficult history of the EU, where major mistakes were made and paid for by developed First World countries, it becomes clear how far Africa must go before the concept of African unification has any real effect on our day-to-day actions. Until then, we must strengthen or fortify the processes and institutions already put in place towards making the continent a better, safe and secure place to live in, before we think of merging. Each sovereign state or country or building block, as I have said, must be strong in the democratic tenets and protocols that we so ably verbalise and espouse.

Take heart though, the picture is not that bleak. There is hope even if it is flickering hope to some, and there is also the will and courage to forge ahead to the ultimate goal—the unification of Mama Africa.

Closer to home, many countries in the SADC region would be good candidates for a free trade area. Peaceful countries like us, Namibia, Botswana—to name but a few—are beacons of hope. Tanzania, Mozambique, Kenya and Malawi could be incorporated in the near future in this free trade sphere.

I hope this happens one day—and very soon. It would be a great privilege to watch African countries slowly joining, like the plates of a tortoise shell moving together to create one strong and formidable whole. The African dream, the African mosaic and tapestry has great potential! A mmaruri, ngenene, ngempela. [Truly.]

Until that time comes, we must focus our efforts on improving the ability of the AU to lead the way. This can only be achieved by member's improving their diligence and commitment to the AU and following through with the promises they made when

signing the various treaties. I thank you, Madam Chair. [Applause.]

Mr M J BHENGU: Madam Chair, guided by the Pan-Africanist philosophy, the African continent has, since independence from colonial rule, consistently pursued the twin objectives of unity on the one hand, and collective self-reliance in the field of economic and social development on the other. These twin objectives aimed at promoting socioeconomic development, protection from neocolonialism and reduction of its dependence from the countries of the North.

As African states finally became independent, they recognised the need to establish an organisation that would act as a vehicle for African unity, and this was realised in 1963 when the OAU was established. The founding fathers of the OAU envisioned a united Africa functioning under a union government with a common defence, common diplomacy, common currency, an African monetary zone, an African Central Bank and a common African citizenship.

The formation of the AU in 2000, replacing the OAU, was necessitated by, among other things, the new context marked by globalisation, the partial end of colonialism in Africa and the end of the Cold War.

The AU established Nepad, which was supported by the Constitutive Act, the objectives of which were *inter alia*, to achieve greater unity and solidarity between the African countries and the peoples of Africa; defend the sovereignty, territorial integrity and the independence of its member states and so on.

The AU Assembly, then mandated the AU Commission to pursue the projects of the United States of Africa by holding the All-Inclusive Continental Consultation Conference on 29 to 31 May this year in Addis Ababa, where participants, including civil society organisations, agreed that there was a need for the establishment of a union government as the political transitory arrangement towards the United States of Africa.

Many member states, with the exception of few, agreed to the project of the United States of Africa. Their fundamental motivation was that such an eventuality was going to effectively address the issues of underdevelopment, eradication of mass poverty, the promotion of democracy and the rule of law and the defence of their political independence and position in the world.

All participants agreed that that process would be a gradual, incremental and multi-layered approach, bearing in mind that of course there are sensitive issues such as the African Bank and sovereignty which are very crucial, the removal of trade barriers, African armies and defence, judiciary systems, African security issues, common currency, common language, etc.

It was further realised that there can be no integration of the continent without strong regional economic communities which would serve as building blocks towards the realisation of that dream.

The biggest challenge is in aligning, synchronising and harmonising the integration efforts of member states, the RECs and the AU. Therefore, a roadmap for the attainment of deep continental integration and the establishment of union government should learn, first, from the difficulties experienced with the two previous roadmaps—the Lagos Plan of Action and the Abuja Treaty. Thank you very much, Chair. [Time expired.] [Applause.]

Mr L W GREYLING: Chair, Julius Nyerere once said that African nationalism is meaningless, dangerous and anachronistic if it is not at the same time Pan-Africanism. The ID wholeheartedly supports this view, and we believe that we have to continuously fight for the long-held dream of a united and prosperous Africa.

I stand before this House as a proud African

who has travelled the length and breadth of this continent. I've been struck by the enormous creativity and resilience of ordinary African people, which I believe must be unlocked in any future governance structure of Africa.

It is often said that Africa is resource-rich but governance-poor. We must set about changing that. Seeing that today is my birthday, I want to make a wish. [Interjections.] That wish is that in my lifetime I will see Africa merge as a united superpower that can lead the world on a new path of sustainable development.

It might be just a wish, but 10 years ago, after travelling through the despair of the then Congo, I never believed that I would be sitting in Parliament listening to the poignant address of a democratically elected President of that country. In Africa the impossible is possible. Let us all work towards the vision of a united and prosperous Africa. I thank you. [Applause.]

Mrs C DUDLEY: Chair, Madam Speaker, Minister, the present integration of African states resembles the EU rather than the United States of America, but is not much different from the secret Accra Agreement in its goals of eliminating tariff barriers, forming one customs union, the creation of a single African bank and a single currency.

It may be useful in this debate to look at some perceptions with regard to the impact of the EU on its member states. These include centralisation of power in Brussels, loss of sovereignty and interference in decision-making. For example, 80% of German legislation since 1998 has its origin in Brussels directives.

With no EU community of people to give it a democratic legitimacy, EU control is seen as an assault on nation states and the national democracies that underpin them. Rampant corruption has been acknowledged by EU auditors and on the EU's own figures, the single market costs three times as much as the benefits.

It is estimated that EU membership cost the UK between £15 billion and £25 billion each year, or £1 000 per household. That would be around R1 000 per month here in South Africa. The UK's membership has been described as an economic and social disaster.

A Zimbabwean delegate at a public seminar on Africa Day was reported as saying that he was attracted to the optimism of continental integration and that the idea of a united states of Africa was good. Very likely, from the perspective of some failed states, the benefits will look good, but what are the implications for South Africa?

The fact that this debate, up till now, has taken place exclusively at the level of heads of state and excludes the people of Africa is, as we have said, of great concern for the ACDP. It is the people of Africa and indeed South Africans who should be applying their minds to this concept as it is the people who stand to gain or lose the most. [Time expired.]

Dr P W A MULDER: Mr Chairman, the Minister asks: How best can we achieve one, united, prosperous Africa? We answer as the FF Plus by being realistic and not overambitious when we talk of one United States of Africa.

If we are unrealistic in our dreams, we shall fail. Everything will be delayed by many years. Are we really ready at this moment to choose one leader for Africa? I'm afraid not. You know, we struggled to decide who must represent Africa at the Security Council, and it was much easier to do that.

Are we ready for one single currency, meaning putting together the strong pula with a weak Zim dollar? I'm afraid the answer is no. So these are unrealistic dreams.

The European Union started in 1957 with six

members and then built up slowly. After 50 years, they now have 27 members. So what is our advice, if I may put it that way? Let's keep the dream alive; let's be realistic. Start regionally with SADC. Build up the infrastructure of SADC. There are lots of possibilities there. Get co-operation going at regional level, start dreaming about the bigger one and then slowly build up to that. I think that's realistic, that's within our reach and can be achieved within, hopefully, our lifetime.

Dr S E M PHEKO: Chair, the unification of Africa is not a choice; it is an imperative. Africa must unite or perish. Through a courageous policy of unification, an integrated economic and technological development continentally, Africa can take her rightful place among the powerful nations of the world.

It is for this reason that, from our inception in 1959, we in the PAC strongly identified ourselves with the entire Pan-African Movement and advocated a union of sovereign states.

A united states of Africa does not mean loss of sovereignty by independent states. On the contrary, as Kwame Nkrumah stated: A united states of Africa will strengthen the sovereignty of the individual states within the union. The longer we wait, the stronger will be the hold on Africa by neocolonialism and imperialism.

Africa has been a great actor in history. She must come alive again and take her destiny in her own hands, once more. The African Union government is a catalyst in this noble journey. Forward to a giant, monolithic state of Africa! Forward to a social order original in conception and Africanistic in orientation! [Applause.]

Ms S RAJBALLY: Chair, Madam Speaker, hon Minister, the MF affirms that it is Mama Africa with all our brothers and sisters that was raped by colonialism. While some of us were led into harsher trenches, such as apartheid, many of us managed to haul ourselves to recovery. Furthermore, some on the continent remained savaged by political agendas, poverty, exploitation and cruel, inhumane social retardation.

Those of us who have managed to escape these shackles need to realise the duty we have to rescue Mama South Africa and give her the opportunity to sprout into the continent we were derailed from.

We cannot allow Western opportunists to fix Africa as this would not be done without an agenda. Africa needs to unite through the AU, PAP, Nepad and independent democratic initiatives to liberate Africa. Let us be the mediator between the colonial aftermath and the future political agenda.

Allow a united Africa to take up its place in this world as the strong Africa that we are. We emphasise, however, that the colonial masters of Africa be held responsible for the African debts as these were accumulated under duress from colonialism.

The MF calls for a united Africa and better Africa. I thank you. [Applause.]

Mr P J NEFOLOVHODWE: Chairperson, in honour of President Kabila, Azapo wishes to start off by quoting from a secret agreement that was signed in Accra on 8 August 1960 by Kwame Nkrumah and Patrice Lumumba, and I quote:

The President of the Republic of Ghana and the Prime Minister of the Republic of Congo have given serious thought to the idea of African unity and have decided to establish, with the approval of governments and the people of their respective states, amongst themselves, a union of African states. The union will have a republican constitution within a federal framework. The federal government will be responsible for foreign affairs, defence, the issuing of common currency, the economic planning and development.

There will be no customs barriers between

any part of the federation. There will be a federal parliament and a federal head of state.

In Azapo's terms this agreement represents a vision that is relevant today as a point of departure towards the unification of Africa.

Africa has come a long way from the time of colonialism, followed by the political revolution ending direct colonial rule to the period we are in now. The period is in essence a prerequisite for the revolution to bring about a radical transformation of Africa.

With the national liberation struggle to get rid of colonialism over, it is now possible to come to grips with the struggle against the continued exploitation by former colonial powers of African resources and wealth.

Azapo believes that this is the more difficult and protracted struggle, where the enemy is less obvious and is supported by the more complex international, monopoly-financed capital. [Time expired.] [Applause.]

Mr S SIMMONS: Chair, hon Speaker, Minister, Deputy Minister and colleagues, for many years Africa has suffered from its horrifying colonial past, and in the recent past many of our liberated states suffered under the greed and self-interest of many of their own people in leadership positions.

It therefore stands to reason that we, as Africans, face huge internal and external challenges if we are to consider the notion of a united states of Africa. The debate around these issues is always marked by comparisons with the European Union and even the United States of America. These are comparisons that would be very misleading. These two models have very distinctive variables contributing to their respective economic and social successes or failures.

The most important variable for successful African unification is quality and visionary leadership that has the necessary political will. Sadly, our recent history reflects a relatively negative response to this requirement. Far too many of our African countries lack leadership that is accountable to its own citizens, a fundamental prerequisite for the intended goal. We need African leadership that will put African people at the centre of the project.

Therefore the African people have to be at the centre of decision-making and implementation of public policy—in short, respect for democracy. I thank you.

Mr M P SIBANDE: Chairperson, Ministers, hon members, I want to start by saying to the hon Dudley from the ACDP: I understand why you were trying to parachute your speech into statement time. It was because you were not prepared. You debated about the EU instead of the African Union government.

Sihlalo, kule nyanga kaNhlangulana, kule nkulumompikiswano yanamuhlanje ngizothanda ukwethula inkulumo ehalalisela intsha yonke yase-Afrika, ikakhulukazi intsha yaseNingizimu Afrika ngegalelo layo emzabalazweni wethu wenkululeko, nangendima esayiqhuba ekuvikeleni amalungelo abantu.

Sihlalo, ngivumele ngicaphune amazwibela amanoni avela kwenye yezinkondlo ezingasoze zabuna zoxoshidada, esakhula ngazo, esihloko sayo sithi *UNomtobhoyi*:

We Nomtobhoyi
Kukhiwa amanzi
Uyafa uyafa
Kuyaphekwa
Uyafa uyafa
Kuyagezwa
Uyafa uyafa
Kuyadliwa
Chwi umlenzana!

Lokhu ngikusho ngoba kule Ndlu yesishayamthetho sinabo oNomtobhoyi. Uhulumeni oholwa yi-ANC umile uthe qingqo, ulokhu ephuma phambili kuhle kwesixhumo senyamazane ngokuhola

abantu baseNingizimu Afrika ngezinkambiso nemihlahlandlela yokuletha intuthuko kuleli lengabadi ye-Afrika yonkana.

Isibonelo kulokhu yingesikhathi uhulumeni ehlaba umkhosi wokuthi kunezinhlelo azenzayo zokufinyelela ebantwini, ngalokho-ke zonke izinhlangano nomphakathi wonkana kumele zisebenzisane, okungukuthi "tiriswano". Waphinda futhi wenza uhlelo lwe-Asgisa okuqondwe ngalo ukuvula amathuba emisebenzi. Khona emuva kwalokho nje wenza nohlelo lwe-Nepad, okuqondwe ngalo ukuthuthukisa izwekazi lethu lase-Afrika.

Kodwa-ke koNomtobhoyi yonke le mizamo iyize leze kubo, abayigqizi qakala; kufana nokuthela amanzi emhlane wedada nje kubo. Balokhu bedukuza oswini, behlezi phansi bethe dekle. Abanagalelo abalenzayo, kodwa uma bebona izintatheli zamaphephandaba, ezemisakazo kanye nezomabonakude bavele bathi chwi umlenzana.

Ngithanda ukukhumbuza iNdlu ukuthi uMongameli wethu, uComrade Thabo Mbeki bekuthiwa uhamba isikhathi eside futhi uhlale esemazweni angaphandle, akahlali lapha ekhaya. Bacabanga ukuthi kumele ahlale lapha ekhaya kuphela kube sengathi iNingizimu Afrika iyigatsha labo ngoba bona abanawo amagatsha. Bona-ke abakuboni ukubaluleka kokuthi kudingeke ngani aphume ahambele izwekazi lonke nomhlaba wonke jikelele. *(Translation of isiZulu paragraphs follows.)*

[Chairperson, as it is the month of June, I want to honour all the youth of Africa, especially from South Africa, for the role they played in our struggle for freedom, and the role they continue to play in protecting human rights.

Chairperson, allow me to quote briefly from one of the classical poems which is meant for the kindergarten grades which we also grew up reciting. The title of the poem is *Nomtobhoyi*:

We Nomtobhoyi
Kukhiwa amanzi
Uyafa uyafa
Kuyaphekwa
Uyafa uyafa
Kuyagezwa
Uyafa uyafa
Kuyadliwa
Chwi umlenzana!

I quoted from this poem because in this House we have people who behave like Nomtobhoyi. The ANC-led government is standing firm, and it is, like a young buck, leading the pack when it comes to making policies and guidelines for the people of South Africa and Africa as a whole.

An example here is when the government made a clarion call that there are programmes that are being implemented to reach to the people. Therefore it was up to the community organisations and the community at large to work together, hence the word "tiriswano". The government also came up with Asgisa with its chief intention of creating job opportunities. And Nepad was also started with the intention of developing the African continent.

And yet all this seems to be nothing to the Nomtobhoyis. They do not care. To them, it's all just like water off a duck's back. They have neither the direction nor the action. They play no role, and yet when they see the media, they jump with joy.

I want to remind the House that our President, Comrade Thabo Mbeki, is said to be always out of the country. And his critics say he spends most of his time out of the country. Those who say this believe that the President

must idly sit in this country like they do in their branches. These people do not see the importance of visiting other African countries and the world.]

Allow me to remind the House that it would be a great mistake in our history to forget the great heroes of our continent who have contributed to the African dream that Africa must unite. There have been leaders like Dr Kwame Nkrumah who championed the clarion call for the African Renaissance in the 1960s.

This led to the creation of the OAU on 25 May 1963. This call was accepted by African leaders who pushed it in different ways. I need to mention other leaders like Julius Nyerere who initiated Ojama—African socialism—not forgetting Milton Obote who allowed the Makerere University to flourish.

What Dr Kwame Nkrumah verbalised was already in the blood of Africans. The clarion call he made was also embraced by African communities. In Africa there were many communities that had distinguished themselves before Western civilisation arrived, particularly in culture, technology, education, economics, etc.

Umbono wokwakhiwa kwe-AU wavuselelwa ngabaholi base-Afrika ngo-1990, okwalandelwa yi-Sirte Declaration eLibya mhla ziyi-9 kuMandulo ngo-1999. Leso simemezelo sasicela kwakhiwe ubumbano lwe-Afrika ngokuthi kwakhiwe i-African Union.

Leso simemezelo salandelwa yingqungquthela yaseLome ngo-2000, lapho kwavunywa khona umthethosisekelo wokwakha ubumbano lwe-Afrika eLusaka ngo-2001. Ngalowo nyaka kwenziwa imizamo yokwakha iNepad. Inhlangano yobumbano lwe-Afrika yethulwa eThekwini mhla zi-2 kuNtulikazi, 2002. *(Translation of isiZulu paragraphs follows.)*

[The idea of forming the AU was revived by the leadership of Africa in 1990 which was followed by the Sirte Declaration in Libya on 9 December 1999 which pleaded for the formation of the Africa Union.

This announcement was followed by the Lome conference in 2000 after which the constitution of the African Union was adopted in Lusaka in 2001. In that very year endeavours to form Nepad were made. The African Union was launched in Durban on 2 July 2002.]

The AU seeks to unite Africans as they have a common and shared identity. The first task is to achieve unity, solidarity, cohesion and co-operation among all the people of Africa and the African states.

The AU also aims to end ignorance on our continent by investing in education and research in all fields and it endeavours to develop capacity in science and technology. A key challenge it has to contend with, is to end the levels of unemployment that have been characteristic of almost all societies.

Regarding development, the AU has established the New Partnership for Africa's Development, Nepad, as a vehicle for development.

Ngiko nje namuhla onkhe emave ase-Afrika atibophelele ekutseni umnotfo wawo ukhule udlondlobale ulandzele imigomo yeNepad. Tinyenti tinhlelo letentiwako letenta kwekutsi timbiwa nalokunye kungatfunyelwa emaveni angesheya kuseluhlata kepha kucolisiswe bese kuyatfunyelwa-ke. *(Translation of Siswati paragraph follows.)*

[That is why, today, all African countries have undertaken to ensure socioeconomic growth according to the Nepad objectives. Numerous programmes have been initiated to ensure that minerals and other raw materials are now processed locally and not exported in their raw form.]

With regard to cultural development, in Limpopo the Venda people of Mapungubwe mastered the technology of melting gold that was used to paint, among other things, the

world-famous artificial wooden rhino which experts have dated back to 1 000 AD.

In the Eastern Cape there were miners diggers called "Amambo" who were also able to melt iron and manufacture a lot of things from it. All these innovations were inspired by the spirit of the African Renaissance.

Emave ase-Afrika atiwa kakhulu ngekubambelela emasikweni awo lekuyintfo lengatiwa eYurophu, eMelika naseKhanada. Loku kwenteka nakhona umoya wase-Nshonalanga walinga ngawo onkhe emandla awo eminyakeni leyengca lengu-500 kubulala emasiko, tilwimi kanye nenkholo yebantfu base-Afrika.

Badzeshi bebakwenta loku ngobe basitsengisa ngesikhatsi sebukholoni. Bawuchuba lomkhankhaso wabo nangesikhatsi semamishinani lapho emasiko, lulwimi nenkholo bebakubetsela ngesipikili balinga kukubulala. Bebatsela emanti emhlane welidada ngobe nalamuhla loku emasiko solomane asekhona.

Angisho kwekutsi ngelishwa lamanye emave, lawa labetfujwe yiFrance nemaPhuthukezi alahlekelwa ngemasiko, tilwimi nenkholo yawo. Phela, kubulala emasiko, tilwimi kanye nenkholo yebantfu, kukubulala buntfu babo. Umuntfu longenabo buyena ufanana nemuntfu lofile. Umuntfu lonjalo uhlala njalo adla ematse ebelumbi.

Lamuhla bavakashi labanyenti bavàkashela i-Afrika batewubona imihambo ye-Afrika kutsi ichutjwa njani. Lubumbano lwe-Afrika lubukene nensayeya yekugcugcutela nekutfutfukisa emasiko. Injongo lenkhulu kwakhiwa kabusha kwebu-Afrika.

Kubonakele futsi kuyatiwa kutsi intfutfuko nebuchwepheshe lebebukhona e-Afrika kadzeni abukefiki kulivekati laseYurophu nakulamanye emavekati.

Lucwaningo lusivetela kutsi imphucuko yeMagrikhi yavela e-Afrika. Inyuvesi yekucala yasungulwa eGibhithe. Ngubani longaphika kwekutsi tibalo betivele tifundvwa kwakadzeni e-Afrika. Imibhalo yaseTimbuktu, eMali iyakhombisa kutsi belumbi bangesheya babetele kutewukwendzela lwati lwesayensi, lwetemitsi, lwetebunjinela nalokunye kubantfu labamnyama.

Loku kuniketa Hulumende Welubumbano lwe-Afrika insayeya yekutsi kucedvwe lenkholelo lengenaliciniso yekutsi i-Afrika bekulive lelatfolwa belumbi, imnyama, ingati lutfo kube kunebufakazi bekutsi beyinotsile, inako konkhe kwekutiphilisa kepha labamhlophe baweba wonkhe umnotfo wayo.

Asingakhohlisani bekunene, i-Afrika beyikwati kwenta yonkhe imisebenti yebuciko. [Saphela Sikhatsi.] [Tandla.] *(Translation of Siswati paragraphs follows.)*

[African countries are famous for clinging to their culture, something which is very unusual in Europe, America and Canada. This is so despite Western elements trying by every means over the past 500 years to invade and destroy the culture, language and religion of the people of Africa.

White people did this because while we were colonised they owned us. The campaign to subdue us was continued by the missionaries where culture, language and religion were being crucified in an effort to destroy them completely. This proved to be like water off a duck's back because we still have our traditions today.

I should say that unfortunately, other countries that were colonised by the French or the Portuguese lost their culture, languages and religion. To take away ones culture, language and religion is to destroy one's identity. A person who has lost his identity is like a dead person. And a person like that remains a slave to foreign ways.

Today most visitors come to Africa to experience the different cultures and to see how we live. As such the AU is faced with the challenge of encouraging and developing

our cultural heritage. The greatest aim is to return Africa to its former glory.

It is a known fact that ancient civilisation and technology available in Africa in the ancient days have spread to continental Europe and to the other continents.

According to research, Ancient Greek civilisation came from Africa. The first university was started in Egypt. Further, who can deny that mathematics was being studied in Africa since ancient times? The writings of Timbuktu in Mali are evidence that white people had come to acquire knowledge of science, medicine, engineering and other things from the black race.

This gives the AU another challenge of eradicating the false belief that Africa was discovered by white people even though there is proof that Africa had been very wealthy. She had everything necessary to sustain herself before all the wealth was stolen by the whites.

Ladies and gentlemen, let us be honest with ourselves; Africa has always produced artefacts. [Time expired.] [Applause.]]

The MINISTER OF FOREIGN AFFAIRS: Chairperson, I thank all hon members who are taking part by speaking or listening to this debate. Africa is the cradle of humanity and Africa is a continent of hope and endless possibilities. But the future of Africa depends on what we, the Africans do with these possibilities.

Now, Africans was defined by one of the speakers as whoever claims his birthright as an African is an African. So, in this debate what seems to be clear is that there is consensus that Africa needs to unite and even some young and old people amongst us cherish the hope that it happens in their life time. It is clear that there is a strong view that if we do not unite, Africa, as we know it will perish.

But there are also reports that by 2050 Africa will probably have the largest young population whereas Europe will have an aging population. Africa has the second largest land surface as a continent, has large amounts of natural resources but individually we do not seem to the able to harness all these possibilities.

So it seems again that we are all saying yes to integration, but some are saying we should strengthen and rationalise the economic communities as building blocks and that we should also strengthen the AU and its institutions.

In concluding this debate, it seems that we are also saying that there are issues that can be dealt with at a continental level, as Nepad has isolated those already. Therefore, we need to have a kind of twin track: firstly, strengthening the building blocks at the regional level whilst at the same time doing what we need to do at the continental level, especially around the Nepad priorities. We need to mobilise resources because without the resources we can't even begin to integrate the continent.

I am glad to say that at the insistence of our own President, South Africa is leading in the establishment of the Africa Development Fund, which is looking at using some of the pension funds and some of the private sector funds to put together a fund that will build the infrastructure to start with on the continent, because without infrastructure we cannot even begin to integrate. So, infrastructure development is very crucial for any integration.

We hope that this House will support this fund as a way of accelerating the integration. But I also heard that you as parliamentarians, including me are saying, that this debate must not end here—it must go out to the public so that South African's should pronounce on it. But who is best placed other than yourselves as public representatives to go back to the people you represent and ask them what their views are, because I take it today that these were your views? Now, we

need to go out and ask our constituencies what their views are on this matter. Thank you. [Applause.]

Debate concluded.

TAXATION LAWS AMENDMENT BILL

(First Reading debate)

The DEPUTY MINISTER OF FINANCE: Chairperson, hon members, quite obviously, to build a strong Africa we need taxes. The Taxation Laws Amendment Bill, 2007, enacts some of this year's main tax proposals and changes announced in February 2007. Some of these changes include tax relief for individuals and as we all know, include measures to encourage saving. The Bill also extends the small business tax amnesty for a limited period, until the end of June 2007.

The Bill provides individuals with an across-the-board personal income tax relief. The first R43 000 of income tax, as we all know, will be tax-free, up from R40 000 last year. The 18% bracket now ends at R112 500 instead of the previous R100 000. At the top end, the 40% rate now kicks in for taxable incomes above R450 000 instead of R400 000. The net result is over R8,4 billion's worth of personal income tax relief.

The end of the tax on retirement funds is one of the key measures introduced. This was a tax on the interest and rental income of retirement funds, to the extent that it was argued that this tax impacted negatively on long-term savings, especially of those at the lower end of the income scale. I'm sure this is a welcome development. Long-term savings for pension, provident funds and individual retirement annuities can now grow tax-free so as to maximise the savings of future retirees.

The National Treasury has also effected regulatory reforms so that these savings ultimately work for the benefit of hardworking individuals, not for the benefit of intermediaries and financial institutions. In that vein, the National Treasury has previously ensured three sets of compensation for individuals.

The first one is the surplus apportionment compensation for the wrongful employer withholding of pension retirement benefits; the second one, a statement of intent with the insurance industry so minimum values will be preserved for those wrongfully deprived of their retirement savings; and the third intervention being the compensation for the bulking of pension interest rightfully belonging to pension fund members.

While the above measures will no doubt help to undo past wrongdoings, the taxation of these payouts would be unfair because they seek to ensure that individuals get what rightfully belongs to them. This Bill therefore assists these individuals by ensuring that current payouts of these compensations provided are indeed tax-free in as far as the income tax is concerned.

An amendment that will be of great interest to future retirees, and I think a number of us in this House are approaching that generation, is the new tax regime for lump sum payouts on retirement or death. The current tax regime for these lump-sum payouts is long out of date—not having seriously been revisited for at least the past 20 years. The formulae are so complex that they are hard even for expensive advisors to translate. In response to these problems, a whole new simplified regime is introduced.

The basic aspects are as follows: The first R300 000 lump-sum amount will be tax-free; the amount between R300 000 and R600 000 will be subject to a 18% tax rate; the amount between R600 000 to R900 000 will be subject to a 27% tax rate; and all amounts above R900 000 will be subject to a 36% tax rate. Retirees will also not be taxed to the extent they recover nondeductible contributions. The regime will apply equally to pension, provident and retirement annuity funds.

Permissible lump-sum payouts by pension and retirement funds will be received upon retirement, and also in terms of ensuring that we also deal with issues around the small retirement interest. As we all know, retirees are able to withdraw a third of their retirement interest. In addition, retirees may withdraw the remaining two thirds provided that this amount does not exceed R50 000, the equivalent of an annual annuity of approximately R4 500 per annum. This means that a person with a retirement interest of R75 000 or less in a fund, will be able to withdraw the full amount in the form of a lump sum.

Currently lump-sum payments paid by retirement funds to persons earning less than the tax threshold are subject to an 18% withholding tax, even though these amounts would otherwise be exempted. These persons have to then register as a taxpayer and claim back the tax withheld. In many instances these individuals are not familiar with the process and effectively suffer a tax which is not due when they fail to claim back. The Bill provides that lump sum payments from retirement funds paid to persons who earned less than the tax threshold in the immediately preceding year of assessment will be exempt from withholding tax.

The interest and dividend exemption for individuals of age below 65 will increase from R16 500 to R18 000 and the exemption for older individuals will increase from R24 500 to R26 000. The estate duty exemption increases from R2,5 million to R3,5 million, and the donations tax exemption increases from R50 000 to R100 000. Most of these changes should stimulate savings so that individuals have sufficient funds upon retirement or be able to pass these onto future generations.

The Minister of Finance has already indicated that the small business tax amnesty application period ran from 1 August 2006 to 31 May 2007. As I indicated earlier, the deadline has been extended for the application, up to the end of June 2007. In addition SARS will allow applicants until 31 August 2007 to submit all documents supporting their amnesty application.

The Bill provides further tax relief for public benefit organisations. The deductible ceiling for donations to qualifying PBOs will be increased from 5% of taxable income to 10% as we all know. Also what is important is that the income of public benefits organisations derived from a business undertaking or trade is exempt from income tax if, *inter alia*, the undertaking or activity is directly and integrally related to the sole object of the organisation's activities. The operative word is "sole object".

The Bill targets corporate amalgamations that undermine the tax base. Under current law, taxpayers have attempted to use amalgamations to strip out profits free of the secondary tax on companies. This potential loophole, as we all know now, has been closed. However, legitimate transactions should not be unduly affected or penalised.

Finally, the Bill includes a number of technical amendments to the Income Tax Act, the Stamp Duty Act and the Value Added Tax Act. In closing, once again I would like to thank the Portfolio Committee on Finance under the chairmanship and the steady hand of Mr Nhlanhla Nene. I thank you very much. [Applause.]

Mr B A MNGUNI: Chairperson, as we are debating these issues—for the third time to be precise—it becomes very difficult not to become repetitive. The Taxation Laws Amendment Bill and the Taxation Laws Second Amendment Bill are pieces of legislation that are dealt with annually and affect the Division of Revenue Act. As the Portfolio Committee on Finance we have deliberated to our satisfaction on the two Bills and thus seek the wisdom of the House to pass these Bills.

Taxation is one of the key distributive

instruments that any government uses to allocate resources, especially to the poor. In our case, government is faced with the mammoth task of equitably distributing these resources. Our people's government also has to deal with the legacy of socioeconomic imbalances brought about by the previous racist minority regime under the cloak of a closed economy and projectionist trade policies.

As a vanguard of the people determined to better the lives of the masses, blacks in particular, the caring ANC has managed to resurrect the docile stagnant economy to its current robustness that has yielded over R490 billion in tax revenues. The ability to create a responsible citizenry that pays its dues is one of the cornerstones of a developmental state.

The ANC's deployment of visionary and disciplined cadres ensures that the interests and aspirations of the people are progressively realised. Therefore key strategic issues underpinning tax proposals to be effected by these pieces of legislation were tabled by the Minister earlier this year in his Budget Speech and they are: supporting economic growth, investment and job creation, business development and confidence; promoting financial security of households and reducing their vulnerability through retirement reforms that encourage savings; and supporting macroeconomic policy objectives.

I would like to single out just a few proposals from the strategic objectives mentioned above and the rest of the key proposals will be dealt with by my colleagues. I will start with section 11(d) of the Income Tax Act of 1962 that deals with tax incentives on research and development. Research and development are the cornerstones of socioeconomic development without which the poorest of the poor will remain on the peripheries of growth and development.

In order to achieve socioeconomic development goals, this section allows individuals and/or entities involved in research and development rebates of up to 150% of expenditure incurred for the purpose of scientific and technological research and development. It further enables depreciation of assets directly used for research and development. There are also adequate checks and balances to ensure that incentives are not abused by those who see these as a panacea for self-enrichment.

Being the month of the youth this incentive should pose a challenge to our youth to venture into the science field, knowing that they will be able to quench their thirst for knowledge with government fully behind them. Notwithstanding personal gain and advancement in this field, the youth will be the pride of the nation as they will be contributing immensely to the development and global competitiveness of the country in general.

Amendments to section 10 of the Income Tax Act of 1962 relaxes the conditions under which public benefit organisations can raise funds and also increase the threshold of taxable income for such entities. The threshold has been increased from R50 000 to R100 000 or 5% of the gross income of the PBOs. Further, companies and individuals who donate to these PBOs will be entitled to 10% of the taxable income. The threshold has been increased from 5%. The objective of this proposal is to encourage charitable contributions. In so doing the ANC-led government is indirectly enhancing and constructing values that will define cohesion, human solidarity and equity in society.

Lastly, the economy remains capitalist in character with a dual economic structure and huge inequalities inherited from the past. Black economic empowerment, and of recent times broad-based black economic empowerment, is the broader government strategy to deracialise the economy. Section 11 of the Income Tax Act of 1962 seeks to ensure that corporate reorganisations and black economic empowerment restructuring

do not face additional tax costs that could undermine necessary financing, for instance subclause (1)(b) limits the cost of property between the connected persons in order to prevent increases in costs for enhanced tax depreciation. However, are we building a caring society if black economic empowerment companies that have built strong balance sheets continue to benefit from the equity element of the score card? Thank you.

Mr S J F MARAIS: Chairperson, the Minister of Finance was widely complimented subsequent to his Budget Speech in February this year and we as the DA, through my colleague hon Davidson in his response, expressed our support for the Budget Review and its content as conveyed by the Minister. We as the DA, have been part and parcel of the follow-up process where the Portfolio Committee on Finance has listened to submissions by industry and affected role-players and where we have interrogated not only the evidence submitted to us but we have also had interaction sessions with the representatives from National Treasury, Sars and others.

Voorsitter, die uitdaging vir ons as die komitee was dus grootliks om te verseker dat uiting gegee moet word aan die ondernemings en die beloftes van die Minister. Dit is nou veral waar dit nie net gehandel het oor net die wel en weë van die meerderheid van ons gemeenskappe nie, maar ook waar dit struktuur en steun moet gee aan die besigheidsektor om te verseker dat die makro-ekonomiese doelwitte onverpoos nagestreef word. Daar is verskeie regulasies, administratiewe en tegniese aspekte wat moet verseker dat die oogmerk met die relevante wetgewing uitgeleef en georganiseer, gestruktureer en korrek toegepas word.

Dit is nodig dat verskeie wysigings aan bestaande wette betreffende belasting gemaak moet word, sodat die voorstelle vervat in die Minister se Begrotingsrede bemagtig word en verseker word dat dit korrek verstaan en geïmplementeer word. Die sigbare en tasbare effek vir die belastingbetaler sal sekerlik nie net die belastingverligting en -konsessies wees wat aangekondig is nie, maar ook die welkome verkorte en vereenvoudigde belastingopgawevorms vir individue.

Van die belangrikste aankondigings wat in hierdie wetsontwerp vervat is, is beslis die hantering van die belasting op aftreefondse. Dit handel bepaald oor die deurlopende belasbaarheid van pensioenfondse, al dan nie, asook spesifiek waar enkelbedrae aan begunstigdes van pensioenfondse by aftrede of dood uitbetaal word. Ander relevante sake wat aangeraak word, sluit die volgende in: ter voorbereiding van die Sokkerwêreldbekertoernooi in 2010 is sekere konsessies nodig om te verseker dat die beste Sokkerwêreldbekertoernooi ooit nog aangebied kan word.

Ons ondersteun ook die Minister se aankondiging van die verlenging van die amnestietydperk vir die kleinsakesektor tot 30 Junie en dit is nodig dat wetgewing steunkrag daaraan moet verleen.

Dit sal die praktiese probleme van die kleinsakesektor aanspreek en sodoende hierdie sektor meer positief laat om vrywillig belastingopgawes in te dien. Goedgestruktureerde oorgangsmaatreëls is ook nodig om te verseker dat die voorgestelde implementeringstelsel vir die heffings en vrystellings daarvan op die uitvoer van diamante verleng word van 1 Julie 2007 af, om sodoende saam te val met die wysigings aan die Wet op Diamante. Eerstens moet die heffings op diamantuitvoere geskei word van ander regulasies om te verseker dat die hantering van die heffingsbeleid realisties en geordend toegepas sal kan word.

Die wetsontwerp gee ook aandag aan die in- en uitvoer van goedere en die algemene oorgrens-handel en die korrekte betaling van aksyns en ander relevante belastings aan die staat. Sars en Doeane en Aksyns moet vooraf die versekering kry oor die inhoud van houers via dokumentasie, maar ter plaatse

inspeksies moet as 'n verdere voorvereiste gestel word om hieraan stukrag te gee.

Die DA was nog altyd ten gunste van maatreëls, nie net om die bereiking van die makroekonomiese doelwitte na te streef nie, maar ook ten gunste van 'n stelsel wat dit makliker en meer bekostigbaar maak vir Jan Burger om vrywillig belastingsopgawes te voltooi. Net so is ons ten gunste daarvan om meer entrepreneurs en lede van die kleinsakesektor binne die belastingnet in te trek, asook om ondersteunend op te tree teenoor die groter Suid-Afrikaanse sakesektor, die grootste verskaffer van werk en welvaart in Suid-Afrika en die grootste katalisators vir die groei van ons ekonomie en ons waardevolle demokrasie.

Hoewel belastingwetgewings van tyd tot tyd aangepas moet word om nuwe en moderne veranderings en uitdagings binne die globale markte aan te spreek, moet ons nooit die waarde vergeet wat die sakesektor vir ons inhou nie. Ons moet hulle nooit afskeep nie en moet hulle as vennote van die staat behou. *(Translation of Afrikaans paragraphs follows.)*

[Chairperson, the challenge we as the committee were faced with, was therefore largely to ensure that expression be given to the undertakings and promises by the Minister. This would apply particularly where it did not only involve the fate of the majority of our communities, but also where it has to lend structure and give support to the business sector to make sure that the macroeconomic objectives would be pursued without fail. There are several regulations, administrative and technical aspects that should ensure that the objective is realised, organised, structured and correctly applied through the relevant legislation.

It is necessary for several amendments to be made to existing laws regarding taxation, so that the proposals contained in the Minister's Budget Speech can be ratified; thereby ensuring that they are understood and implemented correctly. The visible and tangible effect this has for the taxpayer will certainly not only include the tax relief and concessions that were announced, but also the welcome, abridged and simplified individual tax return form.

Among the most important announcements contained in this Bill, is definitely how it is dealing with tax on retirement funds. It deals, in particular, with whether or not pension funds should be continuously taxable, specifically covering the area where a lump sum payment is made to beneficiaries of pension funds at retirement or death. Other relevant matters that were touched upon include that, in preparation for the 2010 Fifa World Cup, certain concessions are necessary to ensure that the best ever Soccer World Cup can be staged.

We also support the Minister's announcement of extending the amnesty period for the small business sector to 30 June and it is essential that legislation provides support to this effect.

This will address the practical problems of the small business sector and in that way create a more positive climate for this sector to freely submit tax returns. Well-structured transition measures are also necessary to ensure that the proposed system for the implementation of levies and exemptions thereof on the export of diamonds be extended as from 1 July 2007 so that it could coincide with the amendments to the Diamond Act. In the first instance, the levies on diamond exports should be separated from other regulations to ensure that the policy on levies is applied in a realistic and structured manner.

The Bill also addresses the import and export of goods, general cross-border trade, the correct payment of excise duty and other relevant duties to the state. The content of containers should be declared beforehand in the form of documentation to Sars and Customs and Excise, but in loco inspections should be set as a further prerequisite to provide the necessary driving force.

The DA has always been in favour of measures, not only to pursue the attainment of the macroeconomic objectives, but it also favours a system that makes it easier and more affordable for John Citizen to complete tax returns voluntarily. Likewise, we are in favour of drawing more entrepreneurs and members of the small business sector into the tax net, as well as being supportive towards the South African business sector at large, which is the biggest provider of jobs and prosperity in South Africa and the most important catalyst for our economic growth and our precious democracy.

Although tax legislation has to be amended from time to time to accommodate new and modern changes and challenges within the global market, we should never forget the value that the business sector holds for us. We should never disregard them, and should retain them as partners of the state.]

Please allow me to extend my sincere gratitude and appreciation to both the National Treasury and Sars for the open and co-operative manner in which we have dealt with all the challenging issues. I am confident that the table has been set for more proactive and growth-enabling interaction between the Portfolio Committee on Finance, the Ministry of Finance and the mentioned institutions.

Also to the members of the Portfolio Committee on Finance and our chairperson specifically, I want to show my appreciation for the stimulating and co-operative spirit in which we deliberate issues and accept the credibility and value of the input of each member. Minister and Deputy Minister, you are certainly privileged to be supported not only by outstanding staff in Treasury and Sars, but most certainly also by the quality of the members of this committee. The DA supports these Bills. I thank you. [Applause.]

Mr H J BEKKER: Chairman, the Bills before the House merely translate the tax proposals made by the Minister of Finance during his Budget Speech in February into law.

The abolishment of taxation on pension funds has been applauded by the IFP but now the further reassessment of the lump sum of pensions and retirement funds is again a very, very positive move. As the Minister indicated, the mere fact that the R300 000 levels are brought in at R300 000, R600 000 and R900 000, an elementary calculation in terms of this would translate into an actual saving on the first R900 000 of 50% of the actual monies and after a rough calculation, the individual can save about R150 000 in terms of this. That is really a very, very positive move.

One of the key recommendations of the Katz Commission was the use of special amnesties to broaden the tax base and to encourage tax compliance. Sars has used a variety of these special amnesties over the years which could be one of the reasons why the tax base has grown so much and why tax revenue is constantly underestimated.

The small business tax amnesty is an example of the special amnesties to broaden the tax base and on its announcement, the IFP expressed strong support for it. We must therefore welcome the extension as indicated by the Minister in terms of this. We must also congratulate Sars, not just for its efficiency in tax collection but also for its transformation from the once dreaded Receiver to a trusted, compassionate and professional organisation that clearly has the confidence of the public as taxpayers.

The IFP noted that the Minister had announced on 4 June that he was requested by five organisations to extend the amnesty deadline for small businesses. These organisations were: the SA Institute of Professional Accountants, the SA Institute of Chartered Accountants, the SA Chamber of Business and the SA National Taxi Association. But then very mysteriously the National Professional Teachers Organisation of

South Africa, Naptosa, was also among the small business representatives. Maybe I am just confused, but I don't see any relevance in teachers applying for amnesty in terms of the small business amnesty proposals. Or maybe I am not so confused and that it is the teachers that are confused. Maybe the teachers have confused small business with teaching to small children in primary schools.

The IFP would like to urge the Minister to consider other special tax amnesties in future, which may include the teachers in this case, on the evidence of the small business amnesty. There must be a very good chance that others in different categories would also prove to be as successful in broadening the tax base and the expected increases in revenue. I thank you. We in the IFP will support this Bill. [Time expired.]

Mr S N SWART: Chairperson, these amendments effectively put the Budget proposals into law; one of the most important of which relates to the repeal of tax on retirement funds. Long-term savings can now grow tax-free. So, this maximises savings for retirees. The ACDP notes that the retirement fund industry welcomes the changes.

In their view, Sars and the industry had insufficient systems and resources to administer the tax because it had been introduced as a temporary tax. Deputy Minister, is this not something that Sars and Treasury could consider? We appreciate, however, that the intention was to do away with the tax on growth and all that remains was the final tax upon withdrawal.

As far as the small business amnesty is concerned, in view of the overwhelming response, it makes sense to support the extension of the deadline. We as the ACDP also support the increases for PBOs. We trust that these steps will promote charitable giving to improve our society as a whole. The ACDP will support these Bills. Thank you.

Mr M E MBILI: Chairperson, hon members of this august House, comrades and colleagues, the ANC is committed to the creation of a better life for all. That is the first point of departure, and professional and sustainable revenue collection is the principal device that the government through Sars must use to promote its growth of social and transformation.

Sars' user-friendly image accompanied by professional ethics has won the admiration of all South Africans. These approaches encourage existing taxpayers to honour their obligations whilst it seeks to broaden the net to those previously outside the tax system. Annually the Minister presents his Budget Speech which has tax implications.

This then requires Sars to compile its contents and present the proposal to this House, hence today we seek to endorse the Tax Laws Amendment Bill 2007. One thing about the ANC is that we put meaning in what we say. In the meantime this Bill seeks to help the lower levels of our society to comply with the tax regime without putting an extra burden on their hard-earned income.

Therefore the tax reform proposal is geared towards the poor and the vulnerable in our society, which is what the ANC is all about. Personal income tax relieves individuals as the Minster has already alluded to in this point. Those who earn less than R43 000 will not be paying tax. You remember in February 1996, only individuals earning less than R14 600 per annum were not required to pay tax. This is a 300% relief over a 12-year period aiming at alleviating hardships to our people. And again, this is what the ANC is all about. Tax on retirement funds has been repealed. Long-term savings for pension provident funds and individuals' retirement annuity can now expand free tax, thereby maximising the retirement benefits of the future retirees.

The total effect of these changes is that individuals, not intermediaries or financial institutions, will benefit from the retirement

fund investments and the proceeds thereof. The new tax regime provides for lump sum payouts for retirees.

This legislation provides for the following: the first 300 lump sum will not be paying tax; 300 to 618%, 600 000 to 927% and the above 900 000 will be subjected to 36% and this applies to pensions from the retirement provident funds and other annuity funds.

The interest on dividends exemption for individuals below 65 will increase to R18 000, and this is up from R16 500, and for those above 65, as again the Minister has alluded to, to R26 000 from R24 500. Last year the amnesty for small businesses, including taxi operators was approved. This amnesty period has now been extended to 30 May and it was approved from 1 August 2006 until 31 May 2007.

To necessitate this extension, we therefore call upon our small businesses in particular, to optimally use this window of opportunity to apply for this amnesty. We were then assured that there will be no further extension in this regard.

Yingakho nje ngifisa ukukhuluma nabantu bakithi. Kukhona abantu lapha abakhuluma inkulumo eyize yokuthi mhlawumbe kukhona abafuna ukubanjwa. Sisebenze kanzima ngenkathi sicela ukuthi kube khona ukwelulwa kwesikhathi ngenhloso yokuthi abantu bakithi beze bonke. Kubalulekile ukuthi abantu babhalise amabhizinisi abo. Akekho umuntu ofuna ukubanjwa.

Sicela ukuthi osomabhizinisi bethu nezinhlangano zabo ezifana nabo-Nafcoc nabanikazi bamatekisi ukuthi beze bazofaka isicelo salo shwele ukuze baziwe ukuthi bakhona emabhukwini. *(Translation of isi-Zulu paragraphs follows.)*

[That is why I wish to talk to our people directly. There are people here who insinuate that this is done solely with the intention of defrauding people. We worked hard when we asked for the extension of tax amnesty so that all our people could come forward. It is important for people to register their businesses for tax. No one wants to defraud anyone here.

We request business people, including taxi owners and certain organisations like Nafcoc, to come forward and apply for this amnesty so that it can be known that they are in our filing system.]

In light of the above, we believe that the insinuation by some that because we have a tax overrun, we should consider corporate tax reduction is not supported. We believe that it will be irresponsible for a country where two economies exist. We should narrow the gap between the two economies.

Moreover, our corporate tax regime is compatible with our trading partners in both developed and developing countries, like for instance, New Zealand is 33%; Belgium is 33,9%; the USA is 40%; and Japan is 40%. Those are the developed countries while our developing partners, such as Argentina, are 35,9 %; Egypt is 40% and India is 35,9%.

We therefore argue that reducing it further will be very much out of line, considering the many challenges that the country is facing with regard to social economy transformation. This then remains on top of the agenda for the ruling party for we are of the opinion that this is what our people demand of us.

Siyavumelana lapha. [We agree on this one.]

Yes, people's lives hold equal value and this Bill seeks to achieve just that. Thanks for listening. I thank you.

Mr M T LIKOTSI: The Chairperson, tax is a significant catalyst to the revenue of the state to be passed onto all citizens of the country in the form of fixed deliverables, basic services, internal protection, health services, economic development and social security.

The Taxation Laws Amendment Bill and Taxation Laws Second Amendment Bill are aimed at serving the socioeconomic security

of the citizens of our country by amending its many tax-related Acts.

To safeguard the interest of the nation in our developmental state, the Minister of Finance should at all times do research on how the nation may have maximum benefits from taxation, both nationally and internationally. The Minister of Finance must fully acquaint himself with the tools of this trade of taxation to prevent unscrupulous individuals, companies and trusts that are using all the tricks in the book to avoid taxation.

The PAC welcomes these amendments that will also benefit the low-income individuals whose threshold of taxation has been determined to their favour. The tax rebates will come as a relief to deserving citizens of our country who work tirelessly to improve the economy during these economically challenging times.

Taxation rebates to business entities may, if taken advantage of by the incumbent, address issues of housing, medical care, educational bursaries, small business and agriculture. I thank you. The PAC supports the Bill. [Time expired.]

Mr R B BHOOLA: Chairperson, the MF applauds the tax relief that this Bill brings to working class South Africans and it will certainly serve to make a difference in the savings and expenditure of households.

The MF is most pleased with the repeal of tax on retirement funds. This means that our retirees may rest comfortably knowing that their savings for their old age have grown without any tax burden and they will have more funds to live a more comfortable retirement.

The number of applications for small business amnesty received by Sars is phenomenal. We are pleased that the Bill has in consideration of this, extended the amnesty deadline to 30 June 2007. In consideration of this, we need, however, to encourage small businesses to see that this amnesty is in their favour and they need to seize the opportunity.

The MF is pleased with accommodation made by the Bill regarding the public benefit organisations and corporate amalgamations. The MF will support the Bill.

Ms J L FUBBS: Yes, hon Chairperson, I'd like to address the House on the Taxation Laws Amendment Bills before us and the use of revenue as an instrument of redistribution for a better life. Within the framework of our developmental state, the Bill seeks to encourage savings and so enable all sectors of society, business and other organisations and individuals to share with the state the responsibility for themselves and their workers.

I shall focus on two of the Bill's objectives: retirement funds and lump sums and tax avoidance related to secondary tax on companies. It is useful to note that this Bill had widespread support in the House but there is a reservation by the ACDP on the drawn-out process related to retirement funds and not the completion. The reality is this, that debt requires a very complex set, a whole suitcase of legislation. We now have to unpack it and try to make sense of what was previously drawn up 15, 20 or 40 years ago.

It is very complicated and we do not want, in any way, to deprive elderly people in the future or now of what should rightfully be theirs, so let us look at it more carefully and cautiously.

Tax incentives have been used to encourage local skills development and infrastructure upgrades for local research and development. This does not extend to foreign businesses, which frankly, do not contribute to these two developmental imperatives.

Significant savings are realised with the repeal of the Tax on Retirements Funds as we've heard from everyone. This means long-term savings for pension and provident funds, and individual retirement annuities

can now grow tax free. The harder you work, the greater the benefit in the future.

Just a couple of points to underline the silver lining provided for those who retire in the future under the new taxation lump sum's payout—I think the Deputy Minister has already pointed out the R300 000 tax free, etc. You can now reinvest this, pay off your house and settle your debts. Only 18% on the next R300 000 will be taxed. For those who have the good fortune to have amounts of over R900 000, a mere 36% tax is all that that will be subjected to.

Indeed, everyone who is enjoying capital gains gets to benefit, but this has been increased for those over the age of 65.

There is also another area I just want to mention, and that is the Diamond Export Levy Act, which is still to be promulgated. To prevent a vacuum being created prior to the promulgation of the Diamond Export Levy Bill, this particular Bill amends sections 63 and 59 of the Diamonds Act.

To get back to the main part of the speech, you can see that what Sars has set out to do is to ensure that all employees have affordable access to appropriate retirement funding, that there is protection for pension resources against corrosion that is caused and the promotion of the adequacy of retirement fund provision.

What is interesting for all of us, even those South Africans who only have to pay a R100 on tax, is that everyone who pays all of the taxes have contributed to a fiscal space. What does fiscal space mean? In short, it means you have bought bricks to build houses for our people. [Interjections.] Yes, you have paid for some of our children to get an education.

You have paid for some of the babies, pregnant mothers and children under the age of seven to get free primary health care. You have paid towards the treatment and support of those with HIV/Aids. Indeed, you have paid for some social grants and you have paid towards providing free basic water and other services. Yes, by paying all the tax that you have been paying, you've shared in the reduction of poverty and helped to grow the economy and to create jobs.

Small businesses will be able to grow even bigger once they have legitimised their status. Corporate SA can indeed reach phenomenal heights in headline earnings, balance sheet profits and optimal after-tax profits in a politically stable, economically sound country and a socially robust nation.

However, despite significant increases in tax collection between 7% and 12% a year due to the efficiencies—we heard the DA so eloquently put across to the House—and structural improvements, Sars continues to grapple with the reduction of the tax gap. This tax gap, we may have forgotten, is in a region of R15 billion to R25 billion; roughly 40% of government revenue remains uncollected largely through the vigorous pursuit of tax avoidance schemes.

This translates into between 50% and 100% of the total provincial spending on education in the 2006-07 financial year. Imagine what we could do with this money, fighting even the HIV/Aids challenge!

We wish to urge the private sector to desist, to stop these practices preventing them from full compliance with tax measures. We urge them to recognise their role in reducing poverty and building a nation of South Africans in which all share legitimately in the wealth of their paid and unpaid work.

Government can no longer tolerate the reckless disregard of some companies to wriggle through the gaps in the secondary tax on companies legislation. Those that have been using amalgamations to strip out the profits, free of the secondary tax on companies will have to find other waters to swim in. The ANC supports this Bill, which will encourage savings and also free up more fiscal space for increased social expenditure. I thank you.

The DEPUTY MINISTER OF FINANCE: Chairperson, as all hon members who participated in this debate have correctly observed, tax policy is indeed a critical element of fiscal policy. Amongst the principles that were highlighted by members that, I believe, all of us agree upon, is around the need for this policy to be transparent in order to encourage compliant savings and ensure equity in terms of contributions amongst citizens that earn unequal incomes and also ensure that it is basically simple.

Tax reforms, as hon member Swart would correctly observe and appreciate, must be undertaken in small, manageable steps in order to reduce attendance risks in as far as revenue fluctuations are concerned. Hence the steps that we have taken today are a clear indication of the intention of this government to manage the tax policy, particularly the fiscal policy generally in a manner that serves the interest of the people of South Africa.

Once again, I would like to thank all the members for participating in this debate. Quite clearly, there are high levels of unanimity in as far as the impression of support is concerned. This is clearly a good sign for South Africa and a clear message for all South Africans that we should all comply and contribute to the development of our country. Thank you, Chairperson. [Applause.]

Debate concluded.

Bill read a first time.

TAXATION LAWS AMENDMENT BILL

(Second Reading debate)

There was no debate.

Bill read a second time.

TAXATION LAWS SECOND AMENDMENT BILL

(Second Reading debate)

There was no debate.

Bill read a second time.

PENSION FUNDS AMENDMENT BILL

(Second Reading debate)

The DEPUTY MINISTER OF FINANCE: Chairperson, I think looking at the levels of attendance and participation in this room, quite clearly, it's an area of interest for those of us who chose to remain in this House.

The Pension Funds Amendment Bill of 2007, which is being debated in this House today, addresses the urgent technical and regulatory issues in the Pensions Funds Act of 1956.

The House will recall that in 2001, the Pensions Fund Second Amendment Act was passed. That Act primarily dealt with two important issues, namely that of the apportionment of a surplus in a pension fund and minimum benefits for pensioners and members on withdrawal. The second amendment took a number of years to be finalised given the emotive issues concerned with the use of pension fund surpluses over the past few decades.

This House would also remember that the Act was vigorously debated at Nedlac and it was recognised that, in many instances, former members of pension funds were important contributors to the building up of pension fund surpluses over time. As a matter of equity in any distribution of surpluses the former members would have to be considered if that process begins. An equitable apportionment of surplus therefore involves all stakeholders in the fund: former members, current members and employers.

This process naturally involves large sums of money, which in some cases could require an employer to repay surpluses utilised

improperly by the fund. The vast majority of pension funds have complied with the spirit and intention of the 2001 Pensions Act in apportioning the fund surpluses. But not unexpectedly, given the sums involved, some legal challenges have been brought forth since 2001, as quick legal minds and those seeking to avoid liability scoured the Act for any form of legal loopholes.

Chairperson, in many ways these challenges seek to subvert the spirit of the original legislation passed by this very House. By interpreting the law in the narrowest sense possible we would not do this House justice if we did not seek to reinforce and to entrench the provisions and the spirit of the 2001 legislation with regards to surplus apportionment, thereby protecting the most vulnerable in our society.

The Bill before this House therefore attempts to close the legal loopholes by clarifying certain provisions related to surplus utilisation, particularly if it was done in the past by employers and other provisions relating to surpluses generally. The proposed changes contained in the Bill follow the same principle rectified by this very House in 2001: namely, that surpluses apportionment is not a so-called "witch-hunt" against employers but rather it ensures fairness in surplus apportionment processes. It is about ensuring that a proper balance of interest is struck between all stakeholders involved.

I should add that although the Bill primarily involves a clarification of a variety of the provisions relating to surpluses, it also addresses a number of other important issues, including bringing bargaining council funds within the ambit of the Act, thereby affording their members the protection and oversight offered by the Registrar of Pension Funds and recourse to the pension funds adjudicator; codifying the duties of pension funds administrators which follows debates and investigation in so-called secret profits retained by administrators; changing the provision governing the pension funds adjudicator which seeks to clarify the jurisdiction and operations of that office; ensuring a more equitable treatment of a non-member spouse in the case of divorce. This will see an end to the inequitable treatment of divorcees, whereby little or no growth is attached to the portion of the pension monies allocated to them by the order of the court.

The Bill also incorporates relationships recognised under the recently promulgated Civil Union Act and makes allowances for other court orders such as maintenance orders. These changes, hon members, therefore provide further protection to dependants and other beneficiaries.

Importantly, the Bill also significantly increases the power of the Registrar of the Pension Funds, including the power to impose administrative penalties. This House is well aware of several instances of abuse in the pension funds and insurance sector, which have been exposed in the past few years. Such abuses are often due to lax governance, inadequate disclosures, conflicts of interest and poor trusteeship. In the face of such difficulties, not only do these problems need to be addressed, but the regulator requires sufficient powers to intervene where necessary to protect the interest of members.

The provision of this Bill will bring supervisory powers of the Registrar in line with international standards and also with best practices.

In conclusion, this Bill is indeed an important step in the continuing effort to protect the monies members faithfully contributes towards their retirement over their working lives. It will ensure that the original intention of this House in 2001 is adhered to and that all stakeholders, including former members, will be treated fairly in the apportionment of pension fund surpluses. We also owe it to members to build not only a sound governance and legal framework but also to provide those who police participants in the industry—in this case the Registrar of Pen-

sion Funds—sufficient powers whereby they can efficiently execute their responsibilities and duties.

These are indeed urgent improvements to the regulatory architecture that can be instituted now for the benefit of all while we simultaneously set about a broad social security and retirement fund reform process.

Before closing, once again I would like to thank particularly the Portfolio Committee on Finance under the chairpersonship and the steady hand of the hon Nhlanhla Nene. Thank you, hon Chairperson. [Applause.]

Mr K A MOLOTO: Chairperson, hon members, allow me to give you a historical background to this Bill. In 2001 organised labour and business could not come to an agreement on the ownership and distribution of the surplus funds that arose as a result of members of pension fund migrating from a definite benefit fund to a definite contribution fund.

Business was of the view that the whole surplus belongs exclusively to business. Their argument rested on two assumptions. The first assumption was that business carried all the risk as final guarantor of the definite benefit scheme. The second part of the argument rested on the view that business had honoured their obligations to members as they migrated from a definite benefit funds to a definite contributions fund and therefore whatever remained in the fund belonged to business.

On the other hand, organised labour also wanted the surplus exclusively for workers or members. Their argument rested on the premises that workers did not receive their fair share when they migrated from a definite benefit fund to a definite contribution fund. The matter was finally brought before Parliament in 2001.

Parliament took a more balanced approach on this matter after listening to a comprehensive submission from organised labour, the National Treasury and the Financial Services Board. I must also mention that organised business did not make any submission on this matter.

Parliament came to the conclusion that the surplus funds belonged to the pension fund and that a legal framework should be put in place to distribute money to various stakeholders as defined in the Pension Fund Amendment Act of 2001.

Parliament considered that indeed workers did not get their fair share as they migrated from the DB fund to the DC fund.

Parliament went further to agree that the employer also has a right to the surplus after we considered good actuarial advice from the Financial Service Board. Parliament's intention in 2001 when passing this legislation was that the origin of the surplus funds should be investigated from 1 January 1980. This period was chosen after being informed by various stakeholders that this was the period when most funds were converted from definite benefit fund to definite contribution funds.

It also came to the attention of the Portfolio Committee on Finance that the surplus funds could have been used improperly by employers in the process. The Pension Funds Amendment Act of 2001 indicates four categories of improper use of surpluses by the employers: firstly, the giving of additional benefits to executives in excess to what was given to other members; secondly, the allocation of additional pension benefits to a selected groups of members to the total exclusion of other members; thirdly, employers contributing less than what was recommended by an actuary and even in certain instance, ceasing to make a contribution to the fund thus eroding the surplus; lastly, the cost of recognising prior personal services to selected members.

This Bill aims to clarify uncertainties regarding the true intention of Parliament around the investigation of the improper use of the surplus by the employer, among other

issues. It came to the attention of the Portfolio Committee on Finance that there is confusion amongst certain stakeholders on the true intention of Parliament when you passed the legislation in 2001.

Clearly, we need to confirm the decision Parliament took in 2001 that the investigation on improper use of surpluses should go back to 1 January 1980. We have to say clearly that the intention of Parliament's legislation then was that it should be retrospective.

Business Unite South Africa made a submission before this committee challenging the constitutionality of backdating proper use to 1989 on the grounds that it is retrospective. After considering various legal opinions presented before the Portfolio Committee on Finance on the constitutionality of the matter of improper use of surpluses, the committee took a view that the decision of Parliament in 2001 was a correct decision. The view of the committee on the provisions of this Bill on this matter is rational and fair.

The Portfolio Committee on Finance was also of the view that Parliament in the past passed legislation aimed at redressing the past inequities. This Bill aims to redress the inequities of the past as I have already outlined.

Allow me to turn to a very important matter of divorce orders. The current Pension Act does not allow for the immediate payment of a pension benefit to a nonmember spouse upon dissolution of a marriage. Nonmember spouse benefits remain locked in the member's funds until retirement. The problem is that the spouse benefit does not grow in value while the member's fund grows in value. This puts the spouse in a disadvantaged position.

To remedy this untenable situation the Bill provides for the clean break principle: The nonmember's spouse shall have the option to elect an immediate payment of his or her portion of the pension benefit. The spouse would then pay tax on the payment received or alternatively the spouse can elect to transfer the payment to an approved fund.

A pension fund named in there must effect the deduction upon receipt of the divorce order.

Let me also turn to the issue of powers of the Registrar of Pension Funds. The recent episodes of financial misconducts warrant that this House give this matter urgent attention. Under the current Law, the Registrar of Pension Funds cannot remove trustees without first applying to the courts in terms of section 26 of the Pension Funds Act.

The problem in such a position is that court processes take a long time while member's interests are placed at risk. According to this Bill, the registrar may remove a member who is not fit and proper to hold office. The registrar has to notify the trustee and give the trustee a reasonable opportunity to be heard.

In terms of this Bill, the Registrar of Pension Funds is empowered to intervene in the management of pension funds. The registrar may direct that the rules of pension funds, including rules relating to the appointment, remuneration and removal of board members after considering the interest of the members of the funds.

The registrar can direct that the rules be amended if the registrar is of the opinion that the fund is not in a sound position or does not comply with the provisions of this Act; secondly, in case the board has failed to act where the fund is in an unsound financial position; thirdly, when the fund is not managed in accordance with this act or the rules of the fund.

Currently, there are certain pension or profitable funds established in terms of the Labour Relations Act or collective bargain agreement. These funds are not compelled by the current legislation to register with a Financial Services Board and most of these

funds are registered voluntarily with the Financial Services Board.

The committee is concerned that some of these funds do enjoy the protection afforded by the Pension Funds Act. This Bill stipulates that all provident funds established under the Labour Relations Act must be governed by the Pension Funds Act. The portfolio committee is convinced that the financial board has the capacity and expertise to regulate collective bargain funds.

The current office of the Registrar of Labour Relations will not have the capacity to inspect these funds and enforce the rules of the funds. The Bill also instructs the administrator of a pension fund to endeavour to avoid conflict between the interest of the administrator and the duties of the administrator to the fund.

The administrator is required to disclose that conflict of interest to the trustee and explain fully how such conflict of interest is going to be managed. The administrator is required to manage the fund in a responsible manner. Lastly, the registrar is given the power to suspend or withdraw the approval granted to the administrator. The ANC supports this Bill.

Mr S J F MARAIS: Chairman, a large portion of South African citizens has the same objective in life and that is to contribute to a secure pension fund that will provide for their needs when they go on pension. They are honest, law-abiding citizens who work hard in often very difficult circumstances for the day they can sit back and enjoy life as a senior citizen, knowing they have secured monetary provisions to cater for their everyday needs.

It is therefore not strange that it is expected of government to provide a framework to organise the pension fund industry to ensure that the savings and livelihood of members of pension funds are secured.

Voorsitter, bestaande wetgewing moet van tyd tot tyd aangepas word om aan die hedendaagse uitdagings en omstandighede te voldoen en om te verseker dat lede van pensioenfondse seker kan wees van hul regmatige voordele wat hulle toekom.

Daar is ongelukkig voorbeelde waar afgetredenes krepeer van die ellende en armoede, ongeag die verwagtings wat hulle gekoester het vir 'n sorgelose oudag. Baie van hulle is nou die staat se verantwoordelikheid. Dit is ons plig as Parlement om te verseker dat hul beste belange deurentyd vooropgestel word.

Die primêre doel van die wetsontwerp is juis om verdere ondersteuning en stukrag te gee aan die optimale en volhoubare beskerming van die belange van huidige en oudlede van pensioenfondse. Die voorgestelde veranderinge is baie dringend, hoewel grootliks tegnies en administratief van aard. Dit spreek nie net die bestaande voorsienings in die wet beter aan nie, maar bring dit ook in ooreenstemming met bepalings en toepassings in ander verwante wette. Dit bring duidelikheid oor die voorsienings en verklarings van surplusfondse in die bestaande wetgewing.

Uit die interaksies van die komitee met verskeie relevante bedryfsrolspelers en geaffekteerdes is dit duidelik dat die voorgestelde veranderings apart gesien moet word van die beloofde hervormingsproses van pensioenfondse en die sogenaamde "social security" stelsel. *(Translation of Afrikaans paragraphs follows.)*

[Chairperson, existing legislation has to be amended from time to time to measure up to present-day challenges and circumstances and to ensure that members of pension funds can be assured of the rightful benefits that are their due.

There are unfortunately examples where retired persons find themselves destitute, in spite of the hopes they cherished for a carefree old age. Many of them are now the state's responsibility: It is our duty as Parliament to ensure that their best interests are constantly placed first.

The primary purpose of this Bill is precisely to give further support and momentum to the optimal and sustainable protection of the interests of existing and past members of pension funds. The proposed amendments are very urgent, though primarily of a technical and administrative nature. Not only does it address the existing provisions in the Act more appropriately, but it also fits in with the provisions and applications of other related Acts. It sheds light on the provisions and declaration of surplus funds in existing legislation.

From the interaction of the committee with several other relevant role-players in the industry and those affected by it, it is clear that the proposed amendments should be viewed separately from the promise of a pension fund reform process and the so-called "social security" system.]

The objective of this amendment Bill is to protect the pension interest of existing and past members. For instance, it clarifies the apportionment of the surplus utilised improperly in terms of section 15(b) of the Act. The amendments will provide clarity to boards of trustees responsible for apportioning surplus funds and to close loopholes that allow for creative interpretations that was not the intention with the Pension Funds Second Amendment Act.

It brings the regulations of retirement funds established through bargaining council arrangements under the regulatory auspices of the Registrar of Pension Funds. It addressed the required powers of the registrar to increase regulatory effectiveness. It addresses the specific duties of pension fund administrators and clarifies the jurisdiction of the pension fund adjudicator. It also brings clarity on how to deal with divorce orders and maintenance claims in respect of pension fund benefits and it aligns the Act to accommodate the changes in regulatory policy and practical considerations.

Van die grootste uitdagings vir die komitee was vir seker die evaluering en beoordeling van die uiteenlopende insette deur verskillende bedryfsrolspelers. Kontroversieel was vir seker die bepalings dat kapitaal van pensioenfondslede oorgeplaas kan word van tradisionele of onderskryfde pensioen- en annuïteitsfondse na die sogenaamde nie-onderskryfde fondse. In so 'n geval sal fondse waarvan reeds vooraf volle kommissie verhaal is, oorgeplaas word na fondse waarop daar deurlopende koste verhaal sal word op grond van die verdienste van die fonds of soos met die lede van die fonds ooreengekom is.

Die terugwerkende beginsel van verdeling van pensioenfondsreserwes, soos vervat in hierdie wetsontwerp, kan lei tot duur en uitgerekte hofsake wat selfs tot in die Konstitusionele Hof beveg kan word. Hoewel die aanwending van die fondsreserwes nie in die verlede noodwendig teen die reëls van die betrokke fonds of die bepalings van die finansiële diensteraad was nie, kan die terugwerkende beginsel by die aanvaarding van die wet impliseer dat sekere aanwendings in die verlede nou as onvanpas en onreëlmatig verklaar word. Dit kan die gevolg inhou dat sekere multinasionale organisasies nou baie onbegrote en onbeplande miljoene rande tot die betrokke pensioenfondse moet bydra, wat 'n negatiewe impak op die prestasies van die organisasies en moontlike beleggings kan beteken.

Ons moet egter onthou dat dit reserwes is wat verdien is op die bydraes van die spesifieke lede, maar aan wie dit nie noodwendig toegedeel is nie en dus nie die voordeel gekry het nie. Behalwe dat die wetsontwerp handel oor die finansiële voorspoed van pensioenfondslede moet ons ook nie die morele relevansie hiervan uit die oog verloor nie.

Pensioenfondstrusts en -trustees steun hierdie wetsontwerp en was sulke voorleggings ook in die komitee gemaak. Hoewel die DA sensitief is vir veral die korttermyn ekonomiese impak op veral multinasionale

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organisasies, het ons geen twyfel dat die inhoud en die bepaling van hierdie wetsontwerp geregverdig is nie en dat dit sal lei tot die verbetering van die lewenskwaliteit van baie pensioenfondslede. *(Translation of Afrikaans paragraphs follows.)*

[Some of the greatest challenges for the committee were certainly to evaluate and review the diverse inputs from various role players in the industry. The provisions that were certainly controversial were those which stipulate that pension fund members' capital can be transferred from traditional or underwritten pension and annuity funds to the so-called non-underwritten funds. In this instance funds on which the full commission has already been recovered beforehand will be transferred to funds from which continuous costs will be recovered on the basis of the earnings of the fund or as agreed upon with the members of the fund.

The retrospective principal of apportioning pension fund reserves, as contained in this Bill, could lead to costly and drawn-out lawsuits that could even be contested right up to the Constitutional Court. In the past, even though the appropriation of fund reserves did not necessarily contravene the rules of the relevant fund or the regulations of the Financial Services Board, the retrospective principle could, with the passing of the Act, imply that certain appropriations of the past could now be declared inappropriate and irregular. This could result in certain multinational organisations now having to contribute millions of unbudgeted and unplanned for rands to the relevant pension funds, which could have a negative impact on the performance of the organisations and possible investments.

However, we must remember that these reserves have been earned from the contributions of specific members to whom it was not necessarily apportioned and therefore they could not benefit from it. Except for the fact that the Bill deals with the financial wellfare of members of pension funds, we must also not lose sight of its moral relevance.

Pension fund trusts and trustees are supporting this Bill and such submissions were also made to the committee. Although the DA is particularly sensitive to the short-term economic impact on multinational organisations in particular, we have no doubt that the contents and the provisions of this Bill are justifiable and that it will lead to the improvement of the quality of life of many members of pension funds.]

I want to express my appreciation again to National Treasury and the Portfolio Committee on Finance for the thorough and decisive way that this Bill and the various submissions were interrogated and the transparent manner in which we could interact with the specialists from Treasury. The DA supports this Bill. I thank you. [Applause.]

Mr H J BEKKER: Chairperson, the retirement industry in South Africa is a very large one with hundreds of billions of rand invested in it. Most formerly employed people use these funds and their products to save for their postemployment retirement.

In this matter, these citizens provide privately for their retirement and should therefore as a rule not become a financial burden to the state. However, the regulation of the industry has not always been as tight as it could have been and, as Treasury puts it, some very creative legal interpretations have been used to circumvent the spirit and letter of the law.

Key challenges for government in the regulation of the retirement fund industry include lowering costs, improved governance, improved performance by trustees, the correct application of the surplus legislation, improving the supervisory powers of the financial services board and encouraging the culture of compliance. The Bill aims to address these challenges and the IFP, therefore, supports it.

In general terms, retrospective application of legislation can be construed as being against the fundamental principles of the rule of law and the certainty of the legal environment that it creates. The IFP, however, accepts that the Minister and Treasury have used retrospection in this case to increase the protection afforded by the law to former members, particularly as it is alleged that cases of abuse took place well before the cut-off date as proposed and it will continue to do so in the future.

The IFP also supports the amendments of bringing the pension funds adjudicators in line with the Prescription Act and that the Minister may appoint one or more deputy adjudicators and that an acting adjudicator could improve operational efficiency in that office. I've got a lot to say. I have a long speech here, but I can see that the hon members are really tired, at this stage, being put to the limit and I think that I would like to set an example by tabling the rest of my speech for inclusion. Before I do that, I just hope that the same dedication that the committee and the Ministry have shown in terms of this, will also apply when looking at Members of Parliament's own pension funds. Let them just see if they can't do something about that, because it is truly miserable and we need to have a look at it. I thank you. [Applause.]

Mr S N SWART: Chairperson, I will follow the previous speaker's example and limit my comments to one minute.

South Africans are not a nation of savers. The national savings ratio has steadily declined to a level previously seen in 1949. Most citizens in the formal sector contribute towards their retirement, often over their whole lifetime. This then serves as the most significant source of savings for these individuals.

The retirement fund industry has been under the spotlight in recent years due to various concerns. The purpose of this Bill is to enhance the protection of pension interests of members, which the ACDP welcomes and supports. We do, however, note that the Bar council raised concerns regarding the registrar's ability to impose penalties of up to R5 million per day. They argued that it would take away people's right to a fair trial.

Treasury, however, argued that administrative penalties were a well-respected tool internationally. We also trust that the retrospective application of certain provisions, though extraordinary and justifiable, will be upheld by a court should they be challenged. We, as indicated earlier, will support this Bill, as it seeks to protect the interests of members of pension funds. I thank you.

Dr S E M PHEKO: Chairperson, the PAC supports the Pension Funds Amendment Bill. As can be observed, the Pension Funds Act is a very old law. Much has happened since 1956; this Act is over 50 years old.

The Act is being amended to clarify certain expressions and provisions in line with the practical application and elite outdated provisions. Some of the expressions that are defined are "administrator", "beneficiary", "spouse", "employer's surplus account", etc. The object of this Bill is to protect the pension interests of members and indeed to align the Act to accommodate the changes in regulatory policy and practical considerations.

The Pension Funds Amendment Bill has no constitutional implications and the PAC supports this Bill. It is in the interest of pensioners who have served this country well and now rely on this kind of financial source for their living as senior citizens. Thank you.

Ms S RAJBALLY: Chairperson, the MF notes the importance that pensions plays in the lives of many contributing South Africans and their dependence on these funds once they have retired. Even though the Taxation Law Amendment Bill has made way to repeal taxes on retirement funds, it is a legislator's duty to ensure that the neces-

sary legal instruments have been put in place to secure these savings of contributions to the fund.

In view of the Bill, the MF finds the provisions made to clarify the role played in management of the fund as suitable. The MF, however, uses this platform to reiterate its call for a better liveable pension for all retirees. We would consider R1 800 pension to be far more suitable to fulfil the needs and basic necessities of our pensioners.

Free basic health care and a special pension rate for a number of government services and amenities such as food should be considered. The MF supports the Pension Amendment Bill. I thank you.

Mnu S E ASIYA: Siyabulela Mhlalingaphambili; le ntetho ndiza kuyenza namhlanje ndiyenzela ooVukayibambe ababesakubizwa ngokuba ziiYoung Lions, ulutsha lwangeeminyaka yoo-80, nelabona ukuba maluzale ezitalatweni, olwe-ANC kunye neminye imibutho eyayivalwe imilomo ngoko, lusenzela ukuba abone urhulumente wamaBhulu ukuba akenzi nto. Abantu beli loMzantsi Afrika abathi bahlangana eKliptown bayicacisa mhlophe eyokuba uKhongolozi unenkathalo kubantu beli lizwe ngokuthi umbutho wabantu uthabathe izigqibo zokuba abantu baya kulawula, kwaye akukho rhulumente uya kuzingomba isifuba athi umele abantu ngaphandle korhulumente onyulwe sisininzi sabantu.

Lo mbutho unguhobolozela okanye uGalelebhayini awuzange ube nedyudyu, kwaye wazibonakalisa ngokuthi uwushicilele ube sisihlomelo soMgaqo-siseko woMzantsi Afrika uMqulu waMalungelo. Le Ndlu ihloniphekileyo yoWisomthetho yathabatha isigqibo kwisikhokelo sayo esithi njengoko kwanyulwa abameli babantu benyulwa ngabantu boMzantsi Afrika isikhokelo sethu sale Ndlu sithi, kumele ukuba sisebenzise ilizwi labantu ekufezekiseni izifungo zoMgaqo-siseko esazithatha kule Ndlu kunye nasekuphunyezweni kwemithetho nokuba ngamagqabi kumasebe karhulumente.

Kweminye yemisebenzi emininzi kukho nejongene neSebe lezeziMali eluxanduva lokwenza inguqu ngakumbi kwezezimali nakubuncwane beli lizwe jikelele. Masiye apho kufele khona ithole ke. ISebe lezeziMali lithe thaca kule Ndlu iziphakamiso zenguqu kuMthetho wezoMhlalaphantsi njengoko kungazi kuba lula ukwenza njalo. Okokugqibela phambi koku kwakungonyaka wama-2001. Kungoko sisithi lo mngeni awunakuthatyathwa njengowethutyana ngoba iinguqu zenziwa ngokuhamba kwethuba nangokutshintsha kwamaxesha. Iimeko ziyanyanzelisa ukuba kwenziwe iinguqu. iPalamente ngoko inethuba lokwenza ezo nguqu zokuthi siphumeze lo Mthetho uYilwayo.

Lo Mthetho ukhusela amalungelo kunye nabo bonke abantu abaza kuzuza kwipenshoni njengokuba ililungelo labo. Onke amalungu anelungelo lokufumana inxalenye yemali kunye nenzala yayo ethe yangena ngethuba imali igcinwe koovimba okanye kushishinwe ngayo ukusuka kwiminyaka yoo-1980. Siyavuma ukuba onke amalungu kuyimfuneko ukuba afane ngokufanayo lawo asasebenzayo kunye nalawo adla umhlalaphantsi singalibali abalingani kunye nabantwana. Umbutho wesizwe uyakhathala ngoba ujongene neemeko abakuzo abahlolo kunye nabahlolokazi abangakhuselekanga ngokusemthethweni. Injongo yethu yeyokubakhusela ukuze bangabi ngamaxhoba ezi meko.

Siyazi ke ukuba xa injalo inguqu ayibikho mnandi kwaphela kwabanye. Ezi nguqu siziphakamisayo thina malungu ombutho wesizwe siyazamkela, kwaye siyazixhasa. Kutheni sisitsho nje? Kungokuba iimali zabantu esizibeke koovimba zezabo kwaye kufuneka bezifumene kunye nenzala yazo. Ngethuba iKomiti yezeziMali ibihlalutya le ntetho bonke oosomashishini bebengenangxaki namakhwiniba kwezinye iinguqu eziphakanyisiweyo. Inye inguqu abangavumelani nayo—njengokuba ebesitsho ugxa wam—yeyokuba ibuyiselwe ngasemva imali.

Bafunge, bamunca iintupha, bathi unotshe, ayinakwenzeka leyo. Bagrogrise bathi baza kuya kwiinkundla eziphakamileyo zeli lizwe, bade baye nakwiNkundla yomMgaqo-siseko. Sithi ke thina asothuswa yiloo nto. Thina senza oko sifanelwe kukukwenza; sikhusela amalungelo abantu, kwaye sikwakhusela nawabo amalungelo, ngoko sithi mabahambe. Huntshu yiyani apho kwezo nkundla! Izigqibo zenkundla siza kuzamkela, kodwa ze niyazi ukuba yekabani le mali niza kuya ngayo kwezo nkundla. Iza kunqanda bani inkundla ukuba angayifumani imali yakhe umnikazi?

IKomiti iyalamkela igalelo elenziwe yimibutho yabasebenzi xa besijula ngengxoxo kulo mba. Kodwa ke siyacela ukuba xa uyekile emsebenzini uba likheswa ungabikho phantsi kwemibutho yabasebenzi nguwe nomqondisi-zincwadi kuphela ukuze kuphicothwe umba wepenshoni yakho. Ngumngeni kurhulumente nakubo bonke ababandakanyekayo ukuba bajonge abo bantu baza kuba bengamaxhoba xa sele beyekile ukuba ngabasenzi. Umhlekazi apha emva kwam, uthe mandigqagqanise, ndixele umgqakhwe usaba ilifa. [Kwahlekwa.]

Abantu kufuneka bajonge kakuhle, bazikise ukucinga kunganjani na ukuba bangalongeza inani labasebenzi kweli bhunga okanye kule bhodi ukuze bakhusele amalungelo abantu. Siyazi ke ngokwasemthethweni, amalungu ayalingana, iba ziziqingatha ezilinganayo kodwa besisithi ukuba kunokongezwa kungangcono. Siyabulela ke njengekomiti, kwaye sisamkela thina malungu ombutho wesizwe. Masibulele nakugxa wam we-DA, uMarais, yena mntu uhlala ehleli nathi xa sijula ngengxoxo. Sithi le ntsebenziswana anayo angayilahli. Siyacamagushela. Camagu! [Kwaqhwatywa.] *(Translation of isiXhosa paragraphs follows.)*

[Mr S E ASIYA: Thank you Chairperson. I dedicate my speech to the brave young lions, the youth of the 1980s, the youth who felt the need to take to the streets. That is the ANC Youth League of that time, working together with the other organisations which were banned at the time. The youth made sure that the apartheid regime realised that it was fighting a losing battle. When people of South Africa met in Kliptown that clearly indicated that the ANC cared about the people of this country. The people decided it was they who should govern, and that there would be no government that would claim to be representing people without them.

This august organisation was not intimidated. It showed that by publishing the Bill of Rights as an addition to the South African Constitution. The National Assembly took a decision in its guide that, as the people's representatives were elected by the people of South Africa, it is necessary to use the people's voice to fulfil the obligations of the Constitution that we took in this House as well as the passing of the legislation, even if these are good working people from the government departments.

One of the tasks the Department of Finance is faced with, is the responsibility to make amendments especially with regard to finances and to the wealth of this country in general. Let us get straight to the point. The Department of Finance displayed in this House motions of amendments to the Pension legislation, as it is not going to be easy to do that. The last time this was done was in 2001. Therefore, it is for this reason that we say, this challenge cannot be taken as a short term challenge, because amendments are made with the opportunity that comes and as time changes. Circumstances are making amendments obligatory. Therefore, Parliament has an opportunity to make those amendments for the Bill to be approved.

This Bill protects the rights and all people are to benefit from their pension as it is their right. All members have a right to get the money with the interest it gained during the time it was put into investments or when it was used in some enterprise, starting from the 1980s. We agreed that all members

should benefit equally: those that are still working and those on pension, not forgetting their partners and children. The ANC cares because it deals with conditions that affect the widows and widowers. They are not protected according to the law. Our aim is to protect them in order not to become victims of these conditions.

We know for the fact that if an amendment is like that it is not liked by some people. We welcome the amendments that we raised as members of the ANC and we support them. Why do we say that? It is because the money invested belongs to them and they should get it together with the interest. The time the Finance Committee was analysing this speech, all businessmen did not have a problem with some of the amendments that were raised. There is only one amendment that they do not agree with, as my partner has already indicated—that the money should be reversed.

They swore that that would never occur. They threatened to go to the High Court of this country, including even the Constitutional Court. Therefore, we say that we do not feel threatened. We only do what we are supposed to do and protect people's rights and even theirs as well. Therefore we say let them go, well done, go to those courts! We will welcome the court's decisions but you should know where this money that you use for transport comes from. Whose money will the court stop from being given to its owner?

The committee welcomes the role played by the workers' organisations, when we debated this issue. Therefore, we request that when you leave your job, you should not not become an outcast. It is between you and your financial advisor to discuss your pensions. This is a challenge to the government and all those who are involved, to look at those people who will be victims when they retire. My brother behind me here said I must be short and to the point. [Laughter.]

People must be very careful and think deep. How would it be if they could bring more numbers of workers in this province on board, in order to protect people's rights? However, we know according to the law that members are equal, half are equal but we were saying it would be better if they can bring more. Therefore, we express our sincere gratitude as a committee and also welcome that as members of the ANC. Let me thank my colleague, hon Marais from the DA, who is always with us when we debate. We say he must keep up this co-operation. Well done! [Applause.]]

The HOUSE CHAIRPERSON (Mr G Q M Doidge): Order! I think we must commend the member. He spoke for three minutes and 23 seconds shorter than he was supposed to, so I think he was considering you. [Applause.] I did not intimidate him. [Laughter.]

Mr M J ELLIS: Mr Chairman, do you think there's a chance that the Deputy Minister could speak for three minutes and 23 seconds shorter than he is due to speak?

The DEPUTY MINISTER OF FINANCE: I'll surprise you.

Chairperson, the hon member here has quite clearly summarised the discussion in the debate. He said: We had to do what we are expected to do. And we did it. I would like to thank the members of this House who participated in this debate as well as the portfolio committee. I also want to say, hon Chairperson, that that is about it from us. It has been a long day. Thank you very much. [Applause.]

Debate concluded.

Bill read a second time.

Debate on seventh Order — deepening youth participation through service stood over.

The House adjourned at 19:27.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Membership of Committees

(a) The following changes have been made to **Joint Committees:**

Improvement of Quality of Life and Status of Children, Youth and Disabled Persons:

Appointed: Gore, Mr V C; Mdlalose, Ms M M; Rajbally, Ms S (Alt)

National Assembly

The Speaker

1. Membership of Committees

(a) The following changes have been made to **Portfolio Committees:**

Environmental Affairs and Tourism

Appointed: Green, Mr L M (Alt); Greyling, Mr L W; Ngema, Mr M V

Justice and Constitutional Development

Appointed: Bici, Mr J (Alt); Swart, Mr S N

(b) The following changes have been made to **Standing Committees**

Auditor-General

Appointed: Simmons, Mr S; Woods, Dr G G

Private Members' Legislative Proposals and Special Petitions

Appointed: Swart, Adv P S

Discharged: Lowe, Mr C M

2. Referral to Committees of papers tabled

(1) The following papers are referred to the **Portfolio Committee on Justice and Constitutional Development** for consideration:

(a) Report of the Auditor-General on an investigation into procurement at the Department of Justice and Constitutional Development—March 2007 [RP 38-2007].

(b) Report on the withholding of remuneration of Mr M F Mathe, an additional magistrate at Pinetown, in terms of section 13(4A)(b) of the Magistrates Act, 1993 (Act No 90 of 1993).

(2) The following paper is referred to the **Portfolio Committee on Agriculture and Land Affairs** for consideration:

(a) Report of the Auditor-General on a performance audit of the import inspection services at the Department of Agriculture—March 2007 [RP 42-2007].

(3) The following papers are referred to the **Portfolio Committee on Finance:**

(a) Government Notice No R.368 published in Government Gazette No 29834 dated 26 April 2007: Amendment of Schedule No. 2 (No. 2/287) in terms of the Customs and Excise Act, 1964 (Act No 91 of 1964).

(b) Government Notice No R.289 published in Government Gazette No 29855 dated 4 May 2007: Amendment of Schedule No. 2 (No.

2/288) in terms of the Customs and Excise Act, 1964 (Act No 91 of 1964).

(c) Government Notice No R.290 published in Government Gazette No 29855 dated 4 May 2007: Amendment of Schedule No. 2 (No. 2/289) in terms of the Customs and Excise Act, 1964 (Act No 91 of 1964).

(d) Government Notice No R.445 published in Government Gazette No 29889 dated 11 May 2007: Imposition of Provisional Payment (PP/127) in terms of the Customs and Excise Act, 1964 (Act No 91 of 1964).

(e) Government Notice No R.397 published in Government Gazette No 29858 dated 11 May 2007: Amendment of Schedule No. 1 (No. 1/1/1335) in terms of the Customs and Excise Act, 1964 (Act No 91 of 1964).

(f) Government Notice No R.398 published in Government Gazette No 29858 dated 11 May 2007: Amendment of Schedule No. 1 (No. 1/1/1336) in terms of the Customs and Excise Act, 1964 (Act No 91 of 1964).

(g) Government Notice No R.399 published in Government Gazette No 29858 dated 11 May 2007: Amendment of Schedule No. 3 (No. 3/611) in terms of the Customs and Excise Act, 1964 (Act No 91 of 1964).

(h) Government Notice No R.400 published in Government Gazette No 29858 dated 11 May 2007: Amendment of Schedule No. 3 (No. 3/612) in terms of the Customs and Excise Act, 1964 (Act No 91 of 1964).

(i) Government Notice No R.401 published in Government Gazette No 29858 dated 11 May 2007: Amendment of Schedule No. 3 (No. 3/613) in terms of the Customs and Excise Act, 1964 (Act No 91 of 1964).

(j) Government Notice No R.402 published in Government Gazette No 29858 dated 11 May 2007: Amendment of Schedule No. 4 (No. 4/305) in terms of the Customs and Excise Act, 1964 (Act No 91 of 1964).

(k) Government Notice No R.403 published in Government Gazette No 29858 dated 11 May 2007: Amendment of Schedule No. 5 (No. 5/84) in terms of the Customs and Excise Act, 1964 (Act No 91 of 1964).

(4) The following paper is referred to the **Portfolio Committee on Agriculture and Land Affairs** for consideration and report:

(a) Report of the Commission on Restitution of Land Rights for 2006-07 [RP 90-2007].

(5) The following paper is referred to the **Portfolio Committee on Transport**:

(a) Booklet containing the Department of Transport's Parliamentary Questions and Answers for 2006.

(6) The following paper is referred to

the **Portfolio Committee on Housing** for consideration:

(a) Strategic and Performance Plans for the Department of Housing for 2007 to 2010.

(7) The following paper is referred to the **Portfolio Committee on Arts and Culture** for consideration:

(a) Strategic Plan for the Department of Arts and Culture for April 2007 to March 2010.

(8) The following paper is referred to the **Portfolio Committee on Provincial and Local Government** for consideration:

(a) Strategic Plan for the Department of Provincial and Local Government for 2007 to 2012.

(9) The following paper is referred to the **Portfolio Committee on Home Affairs** and the **Portfolio Committee on Provincial and Local Government**:

(a) Report of the Electoral Commission on the 2006 Municipal Elections [RP 40-2007].

(10) The following papers are referred to the **Portfolio Committee on Justice and Constitutional Development** for consideration and report:

(a) Extradition Treaty between the Republic of South Africa and the Argentine Republic, tabled in terms of section 231(2) of the Constitution, 1996.

(b) Explanatory Memorandum to the Extradition Treaty between the Republic of South Africa and the Argentine Republic.

(c) Treaty between the Republic of South Africa and the Argentine Republic on Mutual Legal Assistance in Criminal Matters, tabled in terms of section 231(2) of the Constitution, 1996.

(d) Explanatory Memorandum to the Treaty between the Republic of South Africa and the Argentine Republic on Mutual Legal Assistance in Criminal Matters.

TABLINGS

National Assembly and National Council of Provinces

1. The Minister of Communications

(a) Protocol on Policy and Regulatory Framework for NEPAD (New Partnership for Africa's Development) ICT Broadband Infrastructure for Eastern and Southern Africa, tabled in terms of section 231(2) of the Constitution, 1996.

(b) Explanatory Memorandum to the Protocol on Policy and Regulatory Framework for NEPAD (New Partnership for Africa's Development) ICT Broadband Infrastructure for Eastern and Southern Africa.

2. The Minister of Environmental Affairs and Tourism

(a) Government Notice No 396 published in Government Gazette No 29864 dated 4 May 2007: Intention to declare the Highveld Priority Area in terms of section 18(1) of the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004).

(b) Government Notice No 438 published in Government Gazette No 29887 dated 11 May 2007:

Change of name: Greater St Lucia Wetland Park and Greater St Lucia Wetland Park Authority, in terms of the World Heritage Convention Act, 1999 (Act No 49 of 1999).

COMMITTEE REPORTS

National Assembly

1. **Report of the Portfolio Committee on Housing** on the ***Housing Consumers Protection Measures Amendment Bill*** [B 6—2007] (National Assembly—sec 76), dated 13 June 2007:

The Portfolio Committee on Housing, having considered the subject of the ***Housing Consumers Protection Measures Amendment Bill*** [B 6—2007] (National Assembly—sec 76), referred to it and classified by the Joint Tagging Mechanism as a section 76 Bill, reports the Bill with amendments [B 6A—2007].

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 14:02.

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

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS—see col 6002.

NEW MEMBER

(Announcement)

The Deputy Speaker announced that the vacancy caused by the vacation of a seat in the National Assembly by Mr T S Dodovu, had been filled by the nomination of Mr G J Selau, with effect from 1 June 2007.

OATH

Mr G J Selau, accompanied by Ms N C Kondlo and Mr P D N Maloyi, made and subscribed the oath, and took his seat.

PRESIDENT MBEKI'S BIRTHDAY

(Draft Resolution)

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

That the House—

(1) notes that yesterday, Monday, 18 June 2007, President Thabo Mbeki celebrated his birthday;

(2) recalls that under his leadership our continent, country and people continue to accelerate the effort to reduce poverty, grow the economy, deepen the sense of a common nationhood among our people and work for a peaceful and prosperous Africa and a just world;

(3) commends the principled and exemplary manner in which the President is executing his duties on behalf of our continent, country and people; and

(4) wishes the President of the Republic a happy birthday and many happy returns.

Agreed to.

CONGRATULATIONS TO WORLD BOATING CHAMPIONS

(Draft Resolution)

Mnr P J GROENEWALD: Agb Adjunkspeaker, ek stel sonder kennisgewing voor:

Dat die Huis—

(1) kennis neem dat Suid-Afrika nog 'n wêreldkampioen opgelewer het;

(2) sy gelukwense uitspreek teenoor Stephan Lindeque wat die P750 Inflatable Boat World Championship vir 2007 in Scarborough in Engeland gewen het;

(3) sy gelukwense ook uitspreek teenoor Phil Louw van Klerksdorp wat die derde plek in dieselfde kampioenskap verower het; en

(4) kennis neem dat Suid-Afrika trots is op hierdie sportsterre van die SA Inflatable Boat Association.

(Translation of Afrikaans draft resolution follows.)

[Mr P J GROENEWALD: Hon Deputy Speaker, I move without notice:

That the House—

(1) notes that South Africa has produced yet another world champion;

(2) congratulates Stephan Lindeque, who won the P750 Inflatable Boat

World Championship for 2007 in Scarborough, England;

(3) further congratulates Phil Louw of Klerksdorp, who won the third place in the same championship; and

(4) notes that South Africa is proud of these sport stars of the SA Inflatable Boat Association.]

The DEPUTY SPEAKER: Are you objecting?

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Deputy Speaker, we are not objecting, but again, we received no prior notice. It puts us in a bit of a difficult position, because clearly the motion is unobjectionable. No one would have an objection. We wish to reaffirm the principle: Could we please circulate such things before they are moved here.

The DEPUTY SPEAKER: Order! Hon Whips, will you please do what you always do behind the scenes.

Mnr P J GROENEWALD: Op 'n punt van orde, agb Adjunkspeaker: Ek het dit versprei. Dit is ook na die kantore van die verskillende Swepe gestuur. Ek het ook bevestiging dat dit wel afgelewer is deur die personeel. *(Translation of Afrikaans paragraph follows.)*

[Mr P J GROENEWALD: On a point of order, hon Deputy Speaker: I did distribute it. It was also sent to the offices of the respective Whips. I also have confirmation that it was indeed delivered by the personnel.]

The DEPUTY SPEAKER: Ek glo die agb lid, maar ek dink daar is iewers fout. [I believe the hon member, but I think there must be a problem somewhere.]

What we are saying is, let the systems try to speak to each other. The motion itself is not objectionable, as the Acting Chief Whip has said. They did not get it. Mr Ellis?

Mr M J ELLIS: Just to support the ANC, I want to say that we did not receive it either, but we don't have any objection to the motion.

The DEPUTY SPEAKER: We have a situation where we can allow the motion, as it is not objectionable, and also plead with you that we try and have some controls that indicate that every party has seen the motion before it is read in the House. The text of the motion is not objected to. We then take the first motion on the Order Paper in the name of the Acting Chief Whip of the Majority Party.

Agreed to.

QUESTIONS NOT TO HAVE PRECEDENCE

(Draft Resolution)

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Madam Deputy Speaker, we move the motion printed on the Order Paper:

That, notwithstanding Rule 29(8) and Rule 113(1), Questions do not have precedence tomorrow.

Agreed to.

The DEPUTY SPEAKER: There is quite a lot of movement in the House.

MOTION OF CONDOLENCE

(The late Prince Nhlahla Elijah Zulu)

Mr J H VAN DER MERWE: Madam Deputy Speaker, I move:

That the House—

(1) notes—

(a) with regret and profound sadness that His Royal Highness, the hon Prince Nhlahla Elijah Zulu, MP, passed away on Friday, 15 June 2007;

(b) that the late Prince Zulu served on the Portfolio Com-

mittee on Labour and as an alternate on several others;

(c) that he was a true gentleman of shining integrity, kind and courteous to all he met, and, hailing from an illustrious scion of the Zulu royal family, held a deep respect for his nation's traditions and values which found expression in his public service; and

(d) that he will be sorely missed by his party and many friends; and

(2) expresses its sincere condolences to his two wives, Princess Jabulisile and Princess Eugenia, his children, his family and all those who loved him.

Prince M G BUTHELEZI: Madam Deputy Speaker, it is a privilege to pay tribute to my dear first cousin and friend, His Royal Highness Prince Nhlahla Zulu. To me he was a constant source of encouragement and wise counsel, a fund of shrewd and honest advice. His loss will be felt by his loved ones, his party, this House and beyond.

The prince possessed an easygoing charm and warmth. He was always courteous and courtly to all he met and was proof that being a gentleman was not somehow associated with being old-fashioned. He was in fact very much a man of our time who relished progress and the beauty of tradition in equal measure. The prince led an extraordinary life which spanned the best part of the last century and nearly the first decade of this one.

Our grandfather King Dinizulu had no less than 60 queens, and hence several homesteads. I must explain, Deputy Speaker, since there was a chuckle. In fact, it was not because of lust. In Zulu culture there is a "baleka" custom, and all the lawyers in the House will know that if a girl fancied you, she would pay you a betrothal visit without you even saying a word to her. This is how some of these wives were collected.

The king had several daughters and sons. His first daughter, Princess Phikisile Harriet married Dr Pixley ka Isaka Seme, the founder of the African National Congress. Doctor Seme discussed with King Dinizulu the idea of the king becoming one of the patrons of the ANC along with other African kings. He died before this proposal was finalised.

King Dinizulu had several royal homesteads. One of them was the homestead of Ezinhlendleni. One of his wives, Oka Hlokolo Ndwandwe, bore him only sons. One of his sons was Prince Nojombo. He was Prince Nhlahla's father. My uncle Prince Nojombo died when Prince Nhlahla was very young. Prince Nhlahla's mother, Princess Triphina Oka Manqele, struggled to give my cousin some education. After he had passed his junior certificate, he continued to study to improve himself. He qualified as a laboratory technician and went to work for the SA Paper and Pulp Industry or Sappi in Mandini in 1967.

It was during this time that I first met my cousin. It did not take me long to see that he was a patriot whose heart burned like mine concerning the sacrifices that our forebears, such as King Mpande, King Cetshwayo and King Dinizulu, suffered. He, Prince Gideon ka Mnyayiza and I soon became a trio because of our convictions. We all felt that apartheid had to be defeated by all possible means. It was not surprising then, when I visited Zambia to thank President Kenneth Kaunda for giving sanctuary to our exiles and later President Julius Nyerere, that I was inspired to found Inkatha ye Nkululeko ye Sizwe, Tokologo ya Setshaba [the National Cultural Liberation Movement].

Bishop Alphaeus Zulu reinforced what President Kaunda said to me when I visited the United National Independence Party headquarters in Lusaka during my visit. Doctor Kaunda had impressed upon me the

need to start a membership-based organisation so that in our internal resistance against grand apartheid we could present ourselves as a cohesive force. The only person who had to be consulted was the leader of the ANC in exile, Mr Oliver Tambo. After he had approved, I then formed Inkatha. Prince Nhlahla and Prince Gideon were the first in the royal house to join me in 1975.

Prince Nhlahla became a highly respected member of our Central Committee before it became the National Council, which he was a member of until his passing. He was a respected voice in the councils of my party and we had no hesitation in asking him to join those of us who came to Parliament as representatives of our party in 1994.

He was a remarkable person of great depth whose every word was spoken only after a lot of thought and with clarity. He was a man of great wisdom whose opinions we all valued in the party. He was not garrulous, yet when he expressed his opinion on any issue, all listened. He was a model of modesty. He would never flaunt his royal lineage. He was a gentleman who was loved and respected across party lines.

Yesterday, when I spoke to His Majesty King Goodwill Zwelithini ka Bhekuzulu, the nephew of Prince Nhlahla, he lamented the fact that the prince's wisdom would no longer be available to him and the rest of us as a family. In the royal family, he was a rare breed. He was a humble scion of Zulu kings whose life mission was to serve his people, the Zulu nation and the people of South Africa.

We thank God for having lent us the gift of this royal prince. He believed strongly that his mission would not be accomplished as long as his people were trapped in poverty, living with high unemployment, when corruption still persisted and so many suffered from HIV and Aids in our province of KwaZulu-Natal, which has the highest prevalence rate in the country. We feel that he has made his own unique contribution and he has completed his mission in serving our people in the highest council of state, Parliament. We extend our heartfelt condolences to his beloved wives, Princess Jabulisile and Princess Eugenia, his family, the royal house, members of his party and his colleagues across all parties in Parliament.

Mr M J ELLIS: Madam Deputy Speaker, we, from the DA, certainly support the motion. I want to say that I had the privilege of knowing Prince Zulu for a number of years. He was, as the hon Buthelezi has pointed out, a remarkably polite and decent man. I want to use the word dignified as far as he is concerned, because I think he was really a remarkably dignified person. He was held in very high esteem by all those he came into contact with. Therefore, it was with great sadness and regret that the DA learnt that he had passed away at the age of 67, in the early hours of Friday, 15 June.

Prince Zulu has certainly been an important and respected Member of Parliament, since he joined this institution in the mid 1990s. During his time as an MP, we know that he served on a number of portfolio committees including labour, education, and home affairs. I would like the House to know that our members who served with him on those committees have acknowledged him to have been a worthy adversary, but also a good friend, an accomplished debater and a hard-working person generally. But it was the dignity with which he upheld both himself and that auspicious position as a Member of Parliament that always was particularly noteworthy about him.

Again, as we have heard from the hon Buthelezi, Prince Zulu was a long-time member of the IFP and the precursor to the IFP, the Inkatha Cultural Liberation Movement, when it was launched in 1975. He was indeed a stalwart of the struggle and of the IFP, and we offer our sincere condolences to his party.

One of the many things that was impressive about Prince Zulu was that he was someone who always strived to better himself. Throughout his long career at Sappi, and during his time here in Parliament, he continued studying and he received numerous qualifications in a wide range of subjects. And as we have heard from those who knew him, he truly believed that knowledge was power and he read anything he could get his hands on, be it newspapers, magazines, journals, articles or books. He was also a devout Christian. He was an active member of the Anglican Church.

On behalf of the DA, I would like to extend our sincere condolences to the family and friends of Prince Zulu at this time of their loss. Our thoughts are very much with you all at this difficult time.

Parliament has lost an exemplary member who was a true asset to the institution. We are confident that he will be greatly missed, not only by the Members of this Parliament, but by all parliamentary staff who had the pleasure of working with him as well.

Mr H B CUPIDO: The ACDP wishes to extend our deepest heartfelt condolences to the family, friends and colleagues of the late Member of Parliament, Prince Zulu. The commendable 67-year-old IFP Member of Parliament passed away on the morning of 15 June 2007. Prince Zulu will be remembered by many of his colleagues, distant colleagues and friends, as a constant source of encouragement and wise counsel. We ask that our fellow colleagues bestow prayers on and give encouragement to the family of the late hon Prince Zulu in this time of their bereavement.

Mnr P J GROENEWALD: Mevrou die Adjunkspeaker, namens die VF Plus wil ons graag ons innige meegevoel betuig met die familie en die vriende en die gesin van die oorledene. Dit is so dat enige sterfte traumaties is vir die familielede. Dit is ook traumaties vir die Inkatha Vryheidsparty. Tot hulle leedwese moes hulle verneem dat een van hulle partygenote te sterwe gekom het. Ons het hom leer ken as 'n persoon wat enige tyd graag sy standpunt gestel het en nie gehuiwer het om te sê waarin hy glo nie. Daar was altyd 'n goeie verhouding tussen die oorledene en die lede van die VF Plus. As Christene kan ons ook net vir hulle sê: Hulle sal hul troos net van Bo af ontvang. *(Translation of Afrikaans speech follows.)*

[Mr P J GROENEWALD: Madam Deputy Speaker, on behalf of the FF Plus, we would like to extend our sincere condolences to the family, friends and relatives of the deceased. Any death is traumatic for the family members concerned. This is also traumatic for the Inkatha Freedom Party. To their regret they have learnt of the passing of one of their party members. We had come to know him as a person who was keen to state his point of view at any given time and never hesitated to articulate what he believed in. There was always a good relationship between the deceased and the members of the FF Plus. As Christians, all we can tell them is that they will only find consolation from Above.]

Mr G T MADIKIZA: Madam Deputy Speaker, the UDM is saddened by the news that the hon Prince Zulu has passed away. It is always a shock to learn that one of us has suddenly been snatched away. We extend our heartfelt condolences to the family, to the friends, to the IFP and to the colleagues of His Royal Highness, Prince Nhlahla Elijah Zulu. His commitment to his party, his traditional culture and his country was there for all to see. Our thoughts and prayers are with his loved ones and we hope that they will draw consolation from the praise that has been expressed today in this House. Thank you.

Rre P H K DITSHETELO: Modulasetulo, re le UCDP re utlwile botlhoko thata ka loso la ga Prince Zulu wa IFP. Re lela le bona mme jaaka Bakeresete ra re, re itse gore ba ba swang ba swela Morena le ba ba tshelang ba tshelela Morena. *(Translation of Setswana paragraph follows.)*

[Mr P H K DITSHETELO: Chairperson, we as the UCDP are greatly saddened by the death of Prince Zulu of the IFP. We would like to convey our condolences, but as Christians we believe that those who die do so unto to the Lord and those who live also do so unto to the Lord.]

When the Inkatha National Cultural Liberation Movement, the precursor to the IFP, was launched in 1975, the prince was an activist holding various leadership positions at a high level. He was elected to the central committee of Inkatha at the beginning of 1980, after which he became a leader of the National Council of the IFP.

He was an avid reader, truly believing that education is power; a man with a deep insight; a man who had loved soccer during his youth.

Re lela le lona. Lalang ka ntho madi a tshologa le pelo di gamuketse botlhoko di tla fola. Pinagare e lo ntseng lo e tshepile e ole. Setlhare se lo ntseng lo kwaya mo go sone, moriti wa sone o ile le o lebile.

Go swa motho go tsalwe motho. Mo tlogeleng motho wa batho a lale ka kagiso. Ga gagwe o go dirile. *(Translation of Setswana paragraphs follows.)*

[We would like to express our deepest condolences to you and we hope you can find a healing power in grieving. We acknowledge that you have lost a person who was the core of your existence.

When one person dies, another one is born. Leave him to rest in peace. He made his contribution.]

Mr R B BHOOLA: Madam Deputy Speaker, with deep sorrow and great regret, the MF expresses its deepest condolences on the loss of the late N E Zulu. There are indeed many sorrows in life and one of the greatest sorrows that no one would like to experience is that of death. We get so engrossed in living that we fail to realise that it is not forever. However, we need to realise that the lives we live have an impact on those around us, our society and our country. It is our beliefs, values and endeavours that are immortal.

Our deepest condolences are extended to the family and friends of the late Prince Zulu. May the Lord be your strength in this time of mourning, and may your pain be eased through our love and support.

We further extend this message of condolence to the IFP on the loss of your inspiring member, friend and comrade. To the late Prince Zulu, South Africa salutes you. May you find bliss in the gardens of paradise where you may comfortably watch over our mother, South Africa, blossoming into greatness. I thank you.

Mr N T GODI: Madam Deputy Speaker, it was with a sense of shock and disbelief that I received the news of the passing away of Prince Zulu in the early hours of Friday. On behalf of the PAC, we wish to convey our heartfelt condolences to the family and the IFP on the loss of such a long-standing member and leader of the party.

Indeed, like everybody else has said before me, Prince Zulu was a true gentleman, a man of integrity and a very courteous person. He will most definitely be missed. I was fortunate to have served with the late Prince Zulu in the Portfolio Committee on Labour, and he indeed struck one as a true gentleman who was very diligent in his work, who was open-minded, and who had a progressive outlook on issues that we were debating. May his soul rest in peace. Thank you.

Mnu D M GUMEDE: Phini likaSomlomo, thina kuKhongolose sidabuke kakhulu ngokuzwa ngokukhothama kukaMntwana uNhlahla ozalwa uMntwana uNojombo kaDinizulu kaCetshwayo kaMpande kaNdaba.

Umntwana uNhlahla ubenokuzithoba, ejulile ngolwazi. Ubeneqiniso, engumuntu wabantu. Akwenzayo ubekwenzisisa. Izinkulumo zakhe bezakha, zikhombisa ukuthi ubeyilalela yonke imibono ngaphambi kokuba aphimise ngakushoyo. Ngithi

kumakhosikazi akhe, omunye udadewethu, umtakaKhondlo kanye nokaMajozi, silahlekelwe sonke; izinyembezi zenu, ziyizinyembezi zesizwe sonke.

Eqenjini lakhe, i-IFP, nakuMntwana waKwaPhindangene esimhloniphayo sithi: Lalani ngenxeba. Kubuhlungu kodwa umdali izinhlelo zakhe uyazazi. Endlunkulu nakubaNtwana bonke sithi: nina baka-Malandela, nina bakaJama, nina bakaMjokwane kaNdaba, uMntwana uyibekile induku ebandla. Izwe liyaziqhenya ngani.

UKhongolose nesizwe sonke silahlekelwe kakhulu. Yebo, ziyohamba izinsizwa zisale izibongo. Usikhonzele kobabamkhulu. Ndlelanhle, siyohlala sikukhumbula! Akwehlanga lungehliyo. Siyasemukela lesi siphakamiso sikababa uVan der Merwe. Ngiyabonga *(Translation of isiZulu paragraphs follows.)*

[Mr D M GUMEDE: Deputy Speaker, we in the African National Congress are sad to learn of the passing away of Prince Nhlahla, the son of Prince Nojombo, begotten by Dinizulu, begotten by Cetshwayo, the son of Mpande, who was begotten by Ndaba.

Prince Zulu was very humble yet knowledgeable. He was truthful and he was loved by people. He was very meticulous with almost everything. His speeches were constructive, and they showed that he would listen to all opinions first before he made a pronouncement. To his wives—the other one is my cousin—the daughter of Khondlo and the daughter of Majozi, I say your loss is our loss; you are not alone, the whole nation is weeping.

To his political party, the IFP, and to the Prince of KwaPhindangene, whom we respect, we say may he find comfort to accept this. It is painful but God knows his plans. To the royal family we say, you, the generation of Malandela, begotten by Jama, who was begotten by Mjokwane, the son of Ndaba, the Prince made his mark. We are proud of you.

The African National Congress and the whole nation has suffered a loss. It is indeed true that people die but their good work lives on. To the late Prince we say, convey our greetings to our forefathers. Go well, we will always remember you! What has happened is fate. We agree to this motion of the hon Van der Merwe. Thank you.]

Debate concluded.

The DEPUTY SPEAKER: I take it that there are no objections to the adoption of the motion by the House. I am going to ask the service officers to just suspend their movements in the House as I will ask all the members to rise to observe a moment of silence in memory of the late hon Prince Zulu.

Motion agreed to, members standing.

The DEPUTY SPEAKER: Please be seated. The condolences of the House will be conveyed to the family of Prince Zulu.

DIAMOND EXPORT LEVY BILL

DIAMOND EXPORT LEVY ADMINISTRATION BILL

(Introduction)

The MINISTER OF FINANCE: Thank you very much, Deputy Speaker. The Diamond Export Levy Bills—and there are two of them—provide for a levy on the export of rough diamonds from South Africa. It should be noted that the imposition of an export tax is already contained in the Diamonds Act of 1986.

One of the many positive aspects of our Constitution is the requirement that all taxes must be imposed by way of a Money Bill, thereby providing for greater transparency and oversight. Amendments made to the Diamonds Act during 2005 have resulted in the need for amendments relating to the export levy on rough diamonds, thereby requiring a separate Money Bill. Both sets of changes represent an interdepartmental ef-

fort with the Department of Minerals and Energy working towards regulatory reform, while the National Treasury assists with supporting fiscal measures.

The original intent of the export levy on rough diamonds was to facilitate adequate and regular supplies of rough diamonds to local cutters and polishers. The Diamonds Act of 1986 was only partially successful in this regard. The Department of Minerals and Energy accordingly amended the Diamonds Act in 2005 to improve regulatory oversight. The revised export levy on rough diamonds is intended to complement these regulatory provisions.

The export levy on rough diamonds in the Diamonds Act of 1986 is currently set at 15%. However, this Act provided for relatively generous exemptions. The proposed Diamond Export Levy Bills of this year reduce the export levy on rough diamonds to 5%, but tighten the relief provisions, thereby laying a foundation for increased effectiveness.

It should also be noted that the reduced 5% rate was not intended to undermine the power of the levy as a deterrent. According to informal police estimates, diamond smuggling costs are between 2,5% and 5% of gross diamond values. Therefore the current 15% rate merely enhances smuggling; whereas the proposed 5% rate is high enough to deter unpolished exports without hidden benefits for smuggling.

The proposed relief measures ensure that the local supply of rough diamonds is commensurate with local demand. No reason exists to force diamonds onto the local market beyond local capacity. The core element of these incentives is to encourage producers to supply the local market with rough diamonds so that they can export the remainder free from the levy.

As a general rule, the Diamonds Act, as amended in 2005, requires that all rough diamonds intended for export must be offered for sale via a tender process at a Diamond Export and Exchange Centre. However, in the case of large producers, the Minister of Minerals and Energy may waive the requirement to offer all rough diamonds on the DEEC. This waiver is, for practical reasons, to ensure that the tendering process at the centre is not overwhelmed by large volumes of very small rough diamonds.

The Minister of Minerals and Energy may exempt a large producer from the tendering process if he believes that 40% of that producer's gross sales over the course of a year will comprise of sales to local diamond beneficiators and if the producer's total gross sales in the same period will exceed R3 billion. The Diamond Export Levy Bill provides a large producer with a levy exemption for an assessment period under similar conditions. Relief for medium producers and exemption for small producers is also built into the legislation.

In respect of beneficiators, it is not always possible for a diamond beneficiator to cut and polish 100% of the diamonds purchased. The Regulator may accordingly grant a beneficiator permission to export rough diamonds if the local beneficiator will cut 80% of the diamonds purchased. Once this permit is issued, the diamond beneficiator is exempt from the levy in respect of the 20% remainder for export, provided that the diamonds are first subject to the tendering process of the DEEC.

While the levy is regulatory in nature, the import credit and the exemptions may be limited in order to raise revenue if deemed necessary. At this time we see no need for this limitation, because all related administration is being fully funded in the budget.

Chairperson, let me just share with members of this House that two morning newspapers carried erroneous stories on this matter on what happened when it was dealt with in the committee. The full text of this speech sets the record straight. Neither newspaper was

willing to publish a correction, but their reports were terribly erroneous.

In closing, I would like to thank the chairs of the portfolio committees on Finance and on Minerals and Energy, namely Mr Nhlanlha Nene and Mr Nathi Mthethwa, for their leadership, and the members of these portfolio committees for their constructive role in the process. Chairperson . . .

The HOUSE CHAIRPERSON (Mr G Q M Doidge): The two Bills.

The MINISTER OF FINANCE: . . . I hereby table the Diamond Export Levy Bill, 2007, as well as its companion, the Diamond Export Levy Administration Bill, 2007. Thank you.

Bills referred to the Portfolio Committee on Finance for consideration and report.

APPROPRIATION BILL

(Decision of Question on Votes and Schedule)

The HOUSE CHAIRPERSON (Mr G Q M Doidge): Order! I wish to thank parties for advising the Table staff on which Votes they will make declarations, on which they will record their objections and on which they intend dividing. This information will greatly assist the process this afternoon.

I will put each Vote and ask parties for Declarations of Vote as they have indicated. Members may make Declarations of Vote from the floor microphones if they so wish. After this I will put the Vote for decision.

I have been advised that by agreement declarations will be limited to two minutes each. The bells will be rung for five minutes for the Division on a Vote but for only one minute on subsequent divisions.

Vote No 1—Presidency—put and agreed to.

Vote No 2—Parliament—put.

Declaration of vote:

Mrs S A SEATON: Chairperson, we will be supporting this Vote, but we would call on Madam Speaker to ensure that a number of issues are sorted out during the course of this year: That the Parliamentary Oversight Authority starts meeting on a regular basis; that we have a situation where the administration of Parliament is sorted out once and for all; that Madam Speaker herself leads the way and holds discussions with Minister Trevor Manuel with regard to members' pensions and really gets this sorted out once and for all; and possibly to look at sorting out the issue of Mrs Mars' laptop. I think we really and truly have to make a last plea to Madam Speaker to ensure that Mrs Mars has a replacement for her laptop within a month.

Vote agreed to.

Vote No 3 Foreign Affairs—put.

Mr M J ELLIS: Mr Chairman, we indicated to the Table staff that we would not be making a declaration on this Vote.

Vote agreed to (Democratic Alliance dissenting).

Vote No 4—Home Affairs—put.

Declarations of vote:

Mrs S V KALYAN: Chairperson, the Department of Home Affairs has pride of place as one of government's most dysfunctional departments. Qualified audits and disclaimers have been the order of the day as a result of continuous poor financial management practices and recurring noncompliance with the PFMA.

The forensic audits conducted on the FPB, the GPW and the immigration process at the department are damning and the outcomes of other forensic investigations into alleged fraudulent and corrupt activities within the department are awaited. Information on the amounts owing to the GPW by other departments is not forthcoming and we suspect the reason is inaction on the part of the department with regard to recovery and that these

debts have become prescribed, as is the case with airline penalties amounting to about R17 million.

The department has underspent its budget by 7,3%, had unauthorised expenditure of R15 million and irregular expenditure of R19 million. In addition, money is constantly being spent on the Hanis Project with no definitive results to date.

These are just some of the reasons why the Democratic Alliance will not support the budget of the Department of Home Affairs.

Ms N C NKABINDE: Chairperson, whilst the UDM will support this Budget Vote, it is necessary to express our deep concern regarding the longstanding problems within the department.

Home Affairs has been in a downward spiral for more than a decade now. It is riddled with corruption and has become notorious for terrible service and long queues. We know that new plans have been announced and we eagerly await reports of drastic improvement. But previous promises of dramatic turnarounds have only led to disappointment.

Another matter that is of concern is the amount of taxpayers' money already spent and being spent on the Hanis Project. The dangers of such a large and sensitive project being developed within a department that has been infiltrated by organised crime cannot be overstated. It would be best to completely halt projects such as this until corruption has been eradicated.

Mr S N SWART: Chairperson, the ACDP has noted that notwithstanding the severe challenges facing this department, projected underspending amounts to R206 million due, *inter alia*, to the slow filling of vacant posts as well as delays in tendering by the Department of Public Works.

A glaring weakness in the department identified previously and confirmed by the intervention task team, was the lack of internal monitoring, particularly in the finance section of the Department of Home Affairs. The challenges, as pointed out by the audit committee, relate to late capturing of source documentation, the department of Revenue and clearance of suspense accounts.

These deficiencies resulted in a qualified Auditor-General's report with unauthorised expenditure not being condoned by National Treasury.

Other key challenges faced by the department relate to the need to find a balance between fast-tracking citizen registration and ensuring the integrity of South African citizenship. Anecdotes abound of citizens struggling for years to obtain identity documents. This indicates serious service delivery problems and results in those citizens not being able to access social services, in particular.

The ACDP trusts that the turnaround strategy will succeed and we look forward to an unqualified clean bill of health from the Auditor-General in years to come.

However, in view of the serious shortcomings in the department, the ACDP will not support this Budget Vote.

Mrs M M MAUNYE: Chairperson, the ANC supports Budget Vote No 4 because of the appointment of the DG and the skills task teams that are working hard with the Ministry to change the department and we are confident that these programmes will be successfully implemented by the task teams.

Another thing that we need to remember is that the Department of Home Affairs has been under the leadership of an ANC Minister for only three years. It is too short a time for the ANC to change the problems that are in that department. We are confident that with the appointment of all the task teams that are there, there will be change in the department and hopefully that there will be light at the end of the tunnel. [Applause.]

Vote agreed to (Democratic Alliance, Afri-

can Christian Democratic Party, Independent Democrats, Freedom Front Plus and United Party of South Africa dissenting).

Vote No 5—Provincial and Local Government—put.

Declarations of vote:

Mr M J ELLIS: Chairperson, your information is not correct, sir. We will not be asking for a declaration of vote.

Mr H B CUPIDO: Chairperson, there's a serious outcry from all corners of our country that our people are in need of much-needed services to be delivered. This does not seem to be forthcoming. Unrest and disruption of people's lives are the order of the day as government seems to be slow in addressing these urgent needs.

Mismanagement, corruption and the payment of performance bonuses to under-performing municipal managers are not contributing to stabilising our communities. Therefore the ACDP does not see fit to support this Vote. Thank you.

Mr G T MADIKIZA: Chair, the UDM supports the Vote, but it is imperative that we make this declaration. There are communities in Limpopo, in Port St Johns and in Lusikisiki in the Eastern Cape, who are under pressure from local governments to pay property rates and other taxes. We view this as an unjust bureaucratic action that will only place greater pressure on the tenuous household incomes of very poor people.

The application of property rate taxation in the rural areas should be put on hold until such time as the issues of title deeds and land tenure are resolved. The bitter irony regarding these communities is that they are expected to pay rates to local governments that provide them with little or no services or infrastructure. Yet in towns and cities government has subsidised and is constantly developing and/or upgrading infrastructure.

Does this imply that rural people must pay first before they get services and infrastructure, even though they've built their homes from their own pockets? Instead of the service delivery due to these communities, it is the other way round. I thank you.

Mr S A MSHUDULU: Chairperson, the ANC supports the budget. It is as a result of the centrality of local government and because of its capacity that South Africa as a country has been chosen to host the 2010 Fifa World Cup.

Baye bathi: "Zikhonkotha ehambayo." [Controversy dogs those who have achieved successes.]

There are features that demonstrate the statement. One is that local government has put a programme in place that mainstreams hands-on support, as was demonstrated by Project Consolidate.

Furthermore, we are aware in this country that in the past there was no municipal governance until such time as the ANC-led government put in place a municipal system that inculcated a culture of performance management.

Through the Municipal Finance Management Act, today even the opposition can talk about transparency in terms of the ills within the system. Local government has refined and strengthened policies, as well as the regulatory regime, as demonstrated within the fiscal environment through the FFC's recommendations that are responded to, and more so in terms of the expansionary budget that was announced by the President, which is directed, in line with the RDP, towards the needy. I thank you.

Mnr P J GROENEWALD: Agb Voorsitter, op 'n punt van orde: Ek wil net van u verneem of daar vandag een of ander administratiewe fout is. Die VF Plus het ook sy lyste ingedien. Ek verneem net graag van u die ordereëling: Gaan u vir ander partye ook 'n geleentheid gee of gaan u streng volgens die lyste wat ingedien is? *(Translation of Afrikaans paragraph follows.)*

[Mr P J GROENEWALD: Hon Chairperson, on a point of order: I just want to know from you whether there is some or other administrative error today. The FF Plus has also submitted its lists. I would like you to clarify the ruling. Will you allow other parties an opportunity as well, or will you be guided strictly by the lists that have been submitted?]

The HOUSE CHAIRPERSON (Mr G Q M Doidge): You can put up your hand or indicate on the screen; we will accommodate you.

Mnr P J GROENEWALD: Dankie, Voorsitter. Dan vra ek vir 'n geleentheid om oor hierdie begrotingspos te praat.

Die VF Plus sal nie hierdie begrotingspos ondersteun nie. Ek het in verskeie debatte wat gevoer is in hierdie Parlement spesifiek verwys na die nuwe eiendomsbelastingwet. Daar is verskeie plekke in die land waar stadsrade nou misbruik maak van die nuwe eiendomsbelastingwet en dit as 'n geldmaakinstrument gebruik. Belasting op eiendomme styg geweldig. Daar is byvoorbeeld die geval van Belfast waar dit met 'n enorme 800% gestyg het.

Ek het vir die agb Minister daarop gewys dat die nasionale wetgewing hom die bevoegdheid gee om 'n maksimum koers te bepaal. Hy doen dit egter nie. Dit lyk dan daardeur of die agb Minister dit ondersteun dat stadsrade buitengewoon hoë belasting begin hef op eiendom. Dit is nie vir die VF Plus aanvaarbaar nie. Inteendeel, dit gaan beslis die ekonomie op die lange duur skaad, as ons buitengewone belasting op ons eiendom moet betaal. *(Translation of Afrikaans paragraphs follows.)*

[Mr P J GROENEWALD: Thank you, Chairperson. In that case I request an opportunity to respond to this Vote.

The FF Plus will not support this Vote. I have, in several debates engaged in by this Parliament, specifically referred to the new Municipal Property Tax Act. There are several areas in the country where city councils are now abusing the new Municipal Property Tax Act by using it as a money-making mechanism. Taxes on property are increasing at a tremendous rate. For example, there is the case of Belfast, where property taxes have increased by an enormous 800%.

I have pointed out to the hon Minister that national legislation gives him the power to determine a maximum rate. He is not doing that, however. This creates the impression that the hon Minister supports the practice of city councils levying exceptionally high taxes on properties. That is not acceptable to the FF Plus. On the contrary, it will definitely cause damage to the economy in the long term if we have to pay exceptionally high taxes on our property.]

Vote agreed to (Democratic Alliance, African Christian Democratic Party and Freedom Front Plus dissenting).

Vote No 6—Public Works—put.

Declarations of vote:

Mr V C GORE: Chairperson, the ID supports this Budget Vote. However, we must declare our concern over the lack of progress in making public buildings accessible for people with disabilities. Our courts, hospitals and schools remain, in the vast majority of cases, inaccessible, particularly for people with mobility impairments, as well as those with sensory impediments.

In a recent court judgement handed down in the Equality Court in Port Elizabeth against the Minister for Public Works and the Minister of Safety and Security, it was found that the respondents infringed on numerous constitutional rights such as equality and dignity. We call on the Minister for Public Works to address these very serious concerns and be proactive rather than reactive to the needs of people with disabilities. I thank you.

Mr H B CUPIDO: Chairperson, the ACDP

supports this Budget Vote and welcomes the plans it intends to put in place, as well as the increases in the maintenance budget. The condition of buildings and the maintenance plans must be used as a means to create long-term job opportunities for the unemployed and the unskilled.

In conjunction with Asgisa, which does place maintenance very high on the development agenda and on the department's strategy and national infrastructure maintenance plan, the South African economy should get a well-deserved boost, especially in the second economy where it is needed most. Opportunities to develop skills among the unskilled citizens will definitely benefit the economy of our country in the long term. Thank you.

Mr L D MADUMA: Chairperson, the ANC supports this Budget Vote. We, however, would like to raise areas of concern around the assets and asset management of the department, as well as the leases. We think that much needs to be done around this process and we hope that the Minister, as she promised, is going to live up to this challenge.

Also, on the challenge around the EPWP, as the portfolio committee we commend the strides that have been taken by the Deputy President and the Minister in terms of engaging the National Youth Services. I think this is also going to address the challenge of the unemployed youth.

There is also a challenge around the strengthening and monitoring of intergovernmental and interdepartmental relations. I think these also need to be strengthened around infrastructural service delivery.

I think there is also a challenge around the Construction Seta. We hope that the Minister, most probably in collaboration with the Minister of Labour, is going to address the challenge around this Seta.

We are also proud to say that at least with the leadership of the current Minister, this department is moving and she has shown us that she is so courageous and she has a vision. I thank you.

Vote agreed to.

Vote No 7—Government Communication and Information System—put. Vote agreed to. (Democratic Alliance dissenting).

Vote No 8—National Treasury—put and agreed to.

Vote No 9—Public Service and Administration—put.

Declarations of vote:

Mr G T MADIKIZA: Chairperson, we will support the Budget Vote but it would be remiss of us if we failed to point out that the current round of salary negotiations for the Public Service was poorly managed by the government. It must have been patently clear from the outset that the original offer was insufficient and downright miserly and that consequently it would be rejected outright by the representatives of the employees. Government should have made a better offer from the outset. Instead, we have seen the country being plunged into an unnecessary and costly strike action that could have been avoided.

It is worth remembering that every reasonable taxpayer agrees that our teachers and nurses are receiving pittances and would happily endorse paying them better. I thank you.

Mrs C DUDLEY: Chairperson, while we should be talking of accelerated service delivery, existing services are grinding to a halt. The ACDP is concerned that the department that serves as one of the country's main arteries is itself largely responsible for the present national disruptions. Service delivery is dependent on a well-trained and competent public service, but regrettably a skills deficit has been in the making for some time now.

While government has experimented with

questionable policies in the name of accelerated transformation, they have also ignored the reality that market-related salaries are imperative in order to retain and attract the necessary skills. The delays have taken their toll.

In addition, government has created a monster, as inflexible labour laws encourage and protect those who abuse their employed status, but this cannot be used as an excuse to penalise those who are dedicated and committed to delivering excellence. We must deal with the problem and not the symptom.

Whilst the ACDP calls on educators and those providing essential and emergency services, who have the sympathy of the vast majority of South Africans, to act responsibly and not make the public and their children pay for government's shortsightedness, it also expects the hon Minister to make urgent and adequate interventions to address the widespread dissatisfaction in the Public Service.

Government's handling of this situation is in serious question. The ACDP will not support this Budget Vote. Thank you.

Mnr W D SPIES: Voorsitter, hoewel die VF Plus hierdie begrotingspos ondersteun, wil ons graag in dié stadium die Huis meedeel dat ons met ernstige kommer kennis geneem het van die feit dat verskeie staatsamptenare wat nie aan die afgelope staking deelgeneem het nie, nog nie hul salarisse ontvang het nie.

Ons het minstens drie voorbeelde van onderwysers in Pretoria wat dit aan hul eie sak gevoel het toe hulle 'n salaris van slegs R180,00 ontvang het, terwyl hulle net op die eerste dag van die skool weggebly het. Hoewel ons die begrotingspos steun, sal ons baie graag wil sien dat die regering sy stelsels in orde kry en dat hierdie saak so gou as moontlik uitgesorteer word. Ek dank u. *(Translation of Afrikaans declaration of vote follows.)*

[Mr W D SPIES: Chairperson, although the FF Plus supports this Vote, we would, at this stage, like to inform the House that we have noted, with serious concern, the fact that several public servants who did not participate in the recent strike, have still not received their salaries.

We have at least three examples of teachers in Pretoria who felt the pinch when they received salaries of only R180,00, while they only stayed away on the first day of school. Though we support the Vote, we would very much like to see government getting its systems in order and for this matter to be resolved as soon as possible. I thank you.]

Vote agreed to (African Christian Democratic Party and Independent Democrats dissenting).

Vote No 10—Public Service Commission—put and agreed to.

Vote No 11—South African Management Development Institute—put and agreed to.

Vote No 12—Statistics South Africa—put and agreed to.

Vote No 13—Arts and Culture—put.

Declarations of vote:

Mrs D VAN DER WALT: Chairperson, serious weaknesses exist in the department regarding asset control and supply chain management.

Die hoë getal vakante poste wat daar tans is, bemoeilik die implementering van die begroting op die Tafel. Slegs vyf van die 25 entiteite wat tans aan die departement verslag doen, het skoon ouditverslae van die OG ontvang. Ons glo aan die behoorlike monitering van dié entiteite om te verseker dat hulle doeltreffend en kostedoeltreffend bestuur word.

Minister, ons wil almal deel wees van 'n wenspan. Ek het verlede jaar hier gestaan en gesê dat ek hoop ons gaan vanjaar die begrotingspos steun. Maar dit is baie moeilik om die begrotingspos te steun as die

departement eers ná die begrotingsdebat kom en dan al die antwoorde op die tafel plaas.

In die omstandighede kan ons dus nie vanjaar die begrotingspos steun nie, en ons daag die departement, tesame met die Minister, uit om dit volgende jaar behoorlik te doen sodat ons kan saamstem. Dankie. *(Translation of Afrikaans paragraphs follows.)*

[The current high number of vacant posts is impeding the implementation of the budget on the Table. Only five of the 25 entities that are reporting to the department at present have received unqualified audit reports from the Auditor-General. We believe that these entities should be monitored properly so as to ensure that they are managed in an efficient and cost-effective manner.

Minister, we all want to be part of a winning team. Last year, I stood here and said that I hoped that we would be supporting the Vote this year. But it is very difficult to support the Vote when the department only tables all the answers after the budget has been debated.

Under the circumstances, we therefore cannot support the Vote this year and we challenge the department, together with the Minister, to do better next year so that we can agree. Thank you.]

Dr P W A MULDER: Agb Voorsitter, die hele kwessie van naamsveranderings val onder hierdie departement. In dié stadium is daar heelwat verwarring in die land oor presies hoe dit gehanteer word.

Die Potchefstroomse munisipaliteit het aangekondig dat hy môreoggend 'n groot vergadering gaan reël om 'n belangrike aankondiging te maak oor naamsverandering. Wat dit behels, weet ons nie, en dit raak die departement nie direk nie, want dit val nie direk daaronder nie. Myns insiens is die departement wel oorkoepelend daar om te sorg dat dit ordelik geskied.

Die VF Plus is bekommerd daaroor dat dit tot op hierdie stadium op 'n ad hoc-basis van punt tot punt geskied sonder dat die nodige oorlegpleging gedoen word. As daar môre 'n aankondiging van die stadsraad kom, is dit weer eens waarskynlik verkeerd omdat die korrekte prosesse nie gevolg is nie.

Omdat die departement nog nie finale besluite geneem het nie, gaan die VF Plus nie teen die begroting stem nie, maar ons wil wel hierdie saak onder u aandag bring, want ons glo dit het die potensiaal om in die toekoms groot probleme te veroorsaak. *(Translation of Afrikaans declaration of vote follows.)*

[Dr P W A MULDER: Hon chairperson, the entire issue of name changes falls under this department. At this stage, there is quite a lot of confusion in the country over precisely how this should be dealt with.

The Municipality of Potchefstroom has announced that it is going to arrange a huge meeting tomorrow morning in order to make an important announcement about name changes. We do not know what this is all about, and it does not affect the department directly, as it does not fall directly under the department. In my opinion, the department in fact has an overarching role to play in ensuring that this takes place in an orderly manner.

The FF Plus is concerned that, to date, this has taken place on an ad hoc basis from point to point without the necessary consultation having taken place. If the city council makes an announcement tomorrow, it will once again probably be wrong because the correct procedures were not followed.

As the department has not yet made any final decisions, the FF Plus will not vote against the budget, but we do want to draw your attention to this matter, because we believe it has the potential to cause big problems in the future.]

Ms P TSHWETE: Chair, it is a pity that we are dealing with people that are bitter, and when you are bitter you plug your ears and

sometimes close your eyes. The DA has deliberately plugged its ears and closed its eyes. You know that the department came to the portfolio committee, and I'm not going to respond to people who are not part of the portfolio committee, because they are just howling. The department did not say that they do not have challenges; they are addressing the challenges.

The issue that you are talking about, hon Van der Walt, of the department presenting today, you knew about long ago. We were holding public hearings before the Budget Votes. So, I'm not going to answer all the questions . . .

The HOUSE CHAIRPERSON (Mr G Q M Doidge): Order! Hon member, your two minutes have expired.

Ms P TSHWETE: The ANC supports Budget Vote No 13.

Vote agreed to (Democratic Alliance and United Party of South Africa dissenting).

Vote No 14—Education—put.

Declarations of vote:

Mrs C DUDLEY: Chair, the ACDP believes that the future of our country is dependent, to a large degree, on the skills of our people and the strength of our education system. Therefore, we will support this Vote.

The ACDP places on record that we do not support extended teacher and learner boycotts, which effectively hold the education and future of learners to ransom. At the same time we do expect government to play its role in ensuring that educators are adequately remunerated.

We recognise that a vibrant higher education sector is crucial to economic development. We support the significant subsidisation of higher education institutions and an increase in the Student Financial Aid Scheme.

We acknowledge, however, that there are still too many children being disadvantaged because of failing or underachieving schools. We, in the ACDP, are of the opinion that if we want to see these results change, we need a more intense focus on literacy and numeracy lessons, improved teacher-pupil ratios and increased training and pay for teachers.

The ACDP would like to see a greater move towards investing in intra and extramural activities such as dance, drama, music, sport, languages, etc, through the development of extended schools. Communities can provide a range of family and learning services.

Adult education could benefit from these hubs of family learning too, especially if programmes offered have greater relevance. Abet appears to have pretty much failed to date, and a much-needed review, with a view to improving access, retention and throughput rates, is overdue. The need to raise levels of adult literacy and numeracy is critical, but a more creative approach is necessary.

Special education needs are still not being adequately provided for and the ACDP adds its voice to calls for government to ensure that every child has the opportunity to fulfil his or her potential. The need for both special schools and mainstream schools to be made available and to be suitably resourced is urgent. Yet the budget does not appear to address this adequately. I thank you. [Time expired.]

Mr A M MPONTSHANE: Chairperson, whilst the IFP will support Vote No 14—Education, we remain deeply concerned about the ever-widening gap between the policy and its implementation. In this instance we would appeal to the department to strengthen its monitoring mechanisms and not to rely on the provincial monthly reports only, which, most of the time, contain figures that are not credible at all.

For instance, it is not credible, as is indicated in the report, that Limpopo province only has about nine schools without toilets. It is certainly not credible to read in the report that KwaZulu-Natal only has six schools without toilets. It is for these reasons that we

appeal to the department to pay more attention to the monitoring mechanisms and not to rely on these reports. I thank you.

Mnr W D SPIES: Agb Voorsitter, ek het gister met 'n vooraanstaande ekonoom gesels wat vir my gesê het dat Suid-Afrika dié land in die wêreld is wat die meeste op onderwys spandeer, maar ook dié land is met die swakste gepaardgaande resultate. Dié syfers dui vir my op 'n fundamentele probleem in die onderwys en ek dink nie ons het dié probleem al aangepak nie.

Die Vryheidsfront Plus se standpunt is eenvoudig dat solank ons nie 'n punt bereik waar ouers en onderwysers en ouergemeenskappe weer in beheer van onderwys geplaas word nie, ons nie die begroting sal kan steun nie. Baie dankie. *(Translation of Afrikaans declaration of vote follows.)*

[Mr W D SPIES: Hon Chairperson, I spoke to a leading economist yesterday who told me that South Africa is the country in the world with the highest expenditure on education, but also the country with the worst accompanying results. These figures point to a fundamental problem in education and I do not think that we have addressed this problem yet.

The FF Plus's view is simply that until we have reached a point where parents, teachers and communities are placed in charge of education once again, we will not be able to support the budget. Thank you very much.]

Prof S M MAYATULA: Chairperson, the ANC not only supports but is also very excited about this budget, because it addresses the very issues that members of the opposition are referring to.

An amount of R2 billion has been set aside to address illiteracy. There is a needs project relating to monitoring. As much as 40% has been set aside for Early Childhood Development, ECD; R850 million has been set aside for Abet over the MTEF period; R700 million has been set aside for our teachers for the next three years; R600 million has been set aside for FET colleges; R2 billion has been set aside for infrastructure in higher education institutions.

The budget has increased by 11% for the provinces and by 12% for higher education, which is meant to address all these issues that are being tabled today. Thank you, sir.

Division demanded.

The House divided:

AYES—256: Abram, S; Anthony, T G; Arendse, J D; Asiya, S E; Balfour, B M N; Baloyi, M R; Bapela, K O; Batyi, F; Bekker, H J; Bhamjee, Y S; Bhengu, F; Bhengu, M J; Bhengu, P; Bhoola, R B; Bici, J; Biyela, B P; Bloem, D V; Bogopane-Zulu, H I; Bonhomme, T J; Botha, N G W; Burgess, C V; Buthelezi, M G; Cele, M A; Chalmers, J; Chang, E S; Chikunga, L S; Chohan-Khota, F I; Combrinck, J J; Cronin, J P; Cupido, H B; Cwele, S C; Dambuza, B N; Daniels, P; Davies, R H; De Lange, J H; Diale, L N; Dikgacwi, M M; Direko, I W; Dithebe, S L; Ditshetelo, P H K; Dlali, D M; Du Toit, D C; Dudley, C; Fihla, N B; Frolick, C T; Fubbs, J L; Gabanakgosi, P S; Gaum, A H; Gcwabaza, N E; George, M E; Gerber, P A; Gigaba, K M N; Godi, N T; Gololo, C L; Gomomo, P J; Gore, V C; Greyling, C H F; Greyling, L W; Gumede, D M; Gxowa, N B; Hanekom, D A; Hangana, N E; Hendricks, L B; Hendrickse, P A C; Holomisa, S P; Jeffery, J H; Johnson, M; Jordan, Z P; Kalako, M U; Kasienyane, O R; Kasrils, R; Kekana, C D; Kganyago, N M; Khoarai, L P; Kholwane, S E; Khumalo, K K; Khumalo, K M; Khunou, N P; Komphela, B M; Kondlo, N C; Kotwal, Z; Landers, L T; Lebenya, P; Lekgetho, G; Lekota, M G P; Lishivha, T E; Louw, J T; Louw, S K; Ludwabe, C I; Maake, J J; Mabe, L L; Mabena, D C; Mabudafhasi, T R; Madasa, Z L; Madella, A F; Madlala-Routledge, N C; Maduma, L D; Magwanishe, G B; Mahlaba, T L; Mahlawe, N M; Mahote, S; Maine, M S;

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

Maja, S J; Makasi, X C; Makgate, M W; Malahlela, M J; Maloyi, P D N; Maluleka, H P; Maluleke, D K; Manana, M N S; Manuel, T A; Mapisa-Nqakula, N N; Mars, I; Martins, B A D; Maserumule, F T; Mashangoane, P R; Mashigo, R J; Mashile, B L; Masutha, T M; Mathibela, N F; Matlala, M H; Matsemela, M L; Matsepe-Casaburri, I F; Matsomela, M J J; Maunye, M M; Mayatula, S M; Mdladlose, M M; Mentor, M P; Meshoe, K R J; Mgabadeli, H C; Mkhize, Z S; Mkongi, B M; Mlangeni, A; Mnguni, B A; Mnyandu, B J; Moatshe, M S; Mofokeng, T R; Mogale, O M; Mogase, I D; Mohamed, I J; Mohlaloga, M R; Mokoena, A D; Molefe, C T; Moleketi, P J; Moloto, K A; Monareng, O E; Montsitsi, S D; Moonsamy, K; Morutoa, M R; Morwamoche, K W; Mosala, B G; Moss, L N; Moss, M I; Mpahlwa, M B; Mpontshane, A M; Mshudulu, S A; Mthembu, B; Mthethwa, E N; Mtshali, E; Nawa, Z N; Ndzanga, R A; Nefolovhodwe, P J; Nel, A C; Nene, M J; Nene, N M; Newhoudt-Druchen, W S; Ngaleka, E; Ngcengwane, N D; Ngcobo, B T; Ngcobo, E N N; Ngcobo, N W; Ngculu, L V J; Ngele, N J; Ngwenya, M L; Ngwenya, W; Nhlengethwa, D G; Njikelana, S J; Nkabinde, N C; Nkuna, C; Nqakula, C; Ntuli, B M; Ntuli, M M; Ntuli, R S; Nwamitwa-Shilubana, T L P; Nxumalo, M D; Nxumalo, S N; Nyambi, A J; Nzimande, L P M; Olifant, D A A; Oliphant, G G; Oosthuizen, G C; Padayachie, R L; Pahad, E G; Pandor, G N M; Phadagi, M G; Phungula, J P; Pieterse, R D; Pule, B E; Rabinowitz, R; Radebe, B A; Radebe, J T; Rajbally, S; Ramgobin, M; Ramodibe, D M; Ramotsamai, C P M; Rasmeni, S M; Reid, L R R; Roopnarain, U; Rwexana, S P; Saloojee, E; Schippers, J; Schneemann, G D; Schoeman, E A; Seadimo, M D; Seaton, S A; Sefularo, M; Selau, G J; Shabangu, S; Sibande, M P; Sibanyoni, J B; Siboza, S; Sibuyana, M W; Sigcau, S N; Sisulu, L N; Skhosana, W M; Skosana, M B; Skweyiya, Z S T; Smith, V G; Solo, B M; Solomon, G; Sonjica, B P; Sonto, M R; Sosibo, J E; Sotyu, M M; Surty, M E; Swanson-Jacobs, J; Swart, S N; Thabethe, E; Tobias, T V; Tolo, L J; Tshabalala-Msimang, M E; Tshivhase, T J; Tshwete, P; Turok, B; Vadi, I; Van den Heever, R P Z; Van der Merwe, J H; Van der Merwe, S C; Van Wyk, A; Vos, S C; Vundisa, S S; Wang, Y; Woods, G G; Xolo, E T; Zita, L; Zulu, B Z.

NOES—40: Blanché, J P I; Boinamo, G G; Botha, C-S; Delport, J T; Doman, W P; Dreyer, A M; Ellis, M J; Farrow, S B; Gibson, D H M; Groenewald, P J; Joubert, L K; Julies, I F; Kalyan, S V; Kohler-Barnard, D; Labuschagne, L B; Lee, T D; Leon, A J; Lowe, C M; Marais, S J F; Masango, S J; Minnie, K J; Morgan, G R; Mulder, P W A; Nel, A H; Opperman, S E; Sayedali-Shah, M R; Schmidt, H C; Selfe, J; Seremane, W J; Simmons, S; Smuts, M; Spies, W D; Stephens, J J M; Steyn, A C; Swart, P S; Swathe, M M; Trent, E W; Van Der Walt, D; Van Dyk, S M; Yengeni, L E.

Vote accordingly agreed to.

Vote No 15—Health—put.

Declarations of vote:

Mr G R MORGAN: Chairperson, while there have been a few triumphs in the past year, most notably the new strategic plan on HIV and Aids, which was a triumph for stakeholder consultation, our healthcare system does not meet the standards that our citizens deserve. At the very heart of the problem in the public sector is the human resource crisis. The public sector is short of close to 40 000 nurses and there is a vacancy rate of 30% in the national department, so the skills crunch cannot be underestimated.

Notwithstanding the presentation this morning to the Health committee on the department's human resource plan—a plan which

is far from being fully implemented—there is no sense of urgency on this matter. No norms and standards, let alone a complete audit of required skills, have been completed. Many health indicators remain poor or are worsening. The TB cure rate is currently 56%, which is below the national department's own target of 65% and far below the World Health Organisation's target of 85%. Linked to this poor rate are the growing incidents of XDR-TB.

The department continues to have a qualified audit report and must do more to bring provincial departments in line with regard to business plans associated with conditional grants.

With regard to the private sector, the department insists on overly regulating it and frustrating its ability to flourish—this, despite the government not being able to run a quality public healthcare sector itself. The Department of Health, both as a regulator and a service provider, has a long way to go before it realises its vision of creating an accessible and caring healthcare system. I thank you.

Dr R RABINOWITZ: Chairperson, in order that the money allocated to health and its various programmes corrects the many failings in the public health services, the IFP recommends fundamental changes in policy. We have and continue to propose, firstly, improved accountability achieved through decentralisation. This must be accompanied by clarity on who has authority to do what and who holds the purse strings. Health governance should be from the bottom up within frameworks to ensure accountability.

Secondly, raise the level of service in the public sector by putting the private sector to work for the public through public-private partnerships that go to the best bidders and not to the best buddies.

Thirdly, administrators in health should not be concerned with bureaucratic over-regulation concerning certification needs, price fixing, foreign doctors and medical schemes. They should rather be concerned with upholding standards, preventing corruption and attracting nurses and doctors through offering appropriate incentives.

Fourthly, the department should act to regulate—for the sake of safety and transparency—medical devices, food labels, complementary medicines and traditional healers.

Finally, there should be independent health ombudspersons and a statutory council should be democratically elected and vigorously independent for the sake of transparency and accountability to the public and not to the Ministry of Health.

The management of TB leaves a lot to be desired, but largely because of the government's changing will towards the management of HIV and Aids the IFP will support the budget. Thank you.

Mrs C DUDLEY: Chair, South Africa's skills crisis is arguably at its most serious in the public healthcare sector, where skilled personnel literally could mean the difference between life and death. Expanding the training of nurses, increasing the number of training institutions, improving the quality of training and introducing a bursary system are critical but shockingly delayed interventions. Extensive budgets need to be set aside to attract and retain skilled healthcare personnel. Other obstacles to entry into the profession for those within the country and outside must also be addressed.

While the reasons for not poaching health professionals from Sadec countries and the expected consequences are understood, it seems a great shame that we refuse to employ these healthcare professionals who then take up posts outside the Sadec region altogether. Surely, limited contracts or other reasonable solutions can be found instead of a blanket ban on them.

Our public healthcare system is burdened with innumerable problems, ranging from

deteriorating infrastructure to the HIV/Aids pandemic and the increasing dilemma of XDR-TB, and we cannot hope to recover without adequate numbers of dedicated healthcare professionals. At the same time the urgent prioritisation of funds for hospital revitalisation is necessary to accelerate progress.

It is estimated that for every person receiving ARV treatment, five more are infected with HIV/Aids. Government's stubborn refusal to consider the ACDP's calls for mandatory or routine testing has undermined prevention strategies, which have been weak and plagued with inconsistencies.

Specialists say that HIV/Aids is now the number one cause of child mortality in South Africa and only 30% of pregnant women have access to prevention of mother-to-child transmission of HIV. This is tragic.

South Africa has one of the highest TB infection rates in the world, with almost 250 000 new TB cases being diagnosed every year and, of course, only 53% of these being cured, and almost as many being reinfected.

One of the greatest tragedies and inconsistencies is the health budget's role in legal abortion under the guise of eliminating backstreet abortions. [Time expired.]

Mr L V J NGCULU: Chairperson, as the ANC we would like to once again stand up in strong support of the budget. Equally, we would like to indicate that there should come a time, in particular from within the ranks of the DA, that all would appreciate movement and progress. Similarly, it is interesting to see the hon Ruth Rabinowitz, after an awol of over three or four months, standing up on this podium to oppose this budget.

One of the things we should avoid perhaps, especially the parties from the opposition, is to be predictable in what we are going to say, especially when it comes to the budget of Health. For instance, today as a portfolio committee we received a briefing from the Department of Health on the human resource and nursing strategy. All of us, including the IFP and the DA, supported the presentation of the department and praised and commended the department. Yet, we have the temerity today to stand here and oppose this particular budget. We all know the challenges facing the Department of Health.

The HOUSE CHAIRPERSON (Mr G Q M Doidge): Hon member, there is a point of order.

Mrs S A SEATON: Chairperson, the hon Dr Rabinowitz did not oppose, but indicated that we would support the budget.

Mr L V J NGCULU: Today we talk of a human resource plan having been developed . . . [Interjections.]

The HOUSE CHAIRPERSON (Mr G Q M Doidge): Order, hon member! A correction has been made to your statement to the effect that the hon Rabinowitz in fact said that the IFP supports the Budget Vote.

Mr L V J NGCULU: I have listened to that, but I listened to the content and not the form of what she was saying.

The HOUSE CHAIRPERSON (Mr G Q M Doidge): Thank you.

Mr L V J NGCULU: Today we talk of a human resource plan having been developed. Today we talk of the increases in the intake of nursing students in colleges. Today we talk of mid-level workers being implemented. We talk of country-to-country agreements being implemented to assist with immediate shortages—countries like Cuba, Tunisia and Iran have actually come to our assistance.

Why then should anyone stand up and oppose this budget? Why should anyone stand up and talk about some of the problems? [Time expired.] The ANC supports this budget. [Applause.]

Division demanded.

The House divided:

AYES—256: Abram, S; Ainslie, A R; Anthony, T G; Arendse, J D; Asiya, S E; Balfour, B M N; Baloyi, M R; Bapela, K O; Bekker, H J; Bhamjee, Y S; Bhengu, F; Bhengu, M J; Bhengu, P; Bhoola, R B; Bici, J; Biyela, B P; Bloem, D V; Bogopane-Zulu, H I; Bonhomme, T J; Botha, N G W; Burgess, C V; Buthelezi, M G; Cele, M A; Chalmers, J; Chang, E S; Chikunga, L S; Chohan-Khota, F I; Combrinck, J J; Cronin, J P; Cwele, S C; Dambuza, B N; Daniels, P; Davies, R H; De Lange, J H; Diale, L N; Dikgacwi, M M; Direko, Dithebe, SL; I W; Ditshetelo, P H K; Dlali, D M; Du Toit, D C; Fihla, N B; Frolick, C T; Fubbs, J L; Gabanakgosi, P S; Gaum, A H; Gcwabaza, N E; George, M E; Gerber, P A; Gigaba, K M N; Godi, N T; Gololo, C L; Gomomo, P J; Gore, V C; Greyling, C H F; Greyling, L W; Gxowa, N B; Hajaig, F; Hanekom, D A; Hangana, N E; Hendricks, L B; Hendrickse, P A C; Holomisa, S P; Jeffery, J H; Johnson, M; Jordan, Z P; Kalako, M U; Kasienyane, O R; Kasrils, R; Kekana, C D; Kganyago, N M; Khoarai, L P; Kholwane, S E; Khumalo, K K; Khumalo, K M; Khunou, N P; Komphela, B M; Kondlo, N C; Kotwal, Z; Landers, L T; Lebenya, P; Lekgetho, G; Lishivha, T E; Louw, J T; Louw, S K; Ludwabe, C I; Maake, J J; Mabe, L L; Mabena, D C; Mabudafhasi, T R; Madasa, Z L; Madella, A F; Madikiza, G T; Madlala-Routledge, N C; Maduma, L D; Madumise, M M; Magwanishe, G B; Mahlaba, T L; Mahlawe, N M; Mahote, S; Maine, M S; Maja, S J; Makasi, X C; Makgate, M W; Malahlela, M J; Maloyi, P D N; Maluleka, H P; Maluleke, D K; Manana, M N S; Manuel, T A; Mapisa-Nqakula, N N; Mars, I; Martins, B A D; Maserumule, F T; Mashangoane, P R; Mashigo, R J; Mashile, B L; Masutha, T M; Mathibela, N F; Matlala, M H; Matsemela, M L; Matsepe-Casaburri, I F; Matsomela, M J J; Maunye, M M; Mayatula, S M; Mbombo, N D; Mentor, M P; Mgabadeli, H C; Mkhize, Z S; Mkongi, B M; Mlangeni, A; Mnguni, B A; Mnyandu, B J; Moatshe, M S; Modisenyane, L J; Mofokeng, T R; Mogale, O M; Mogase, I D; Mohamed, I J; Mohlaloga, M R; Mokoena, A D; Molefe, C T; Moleketi, P J; Moloto, K A; Monareng, O E; Montsitsi, S D; Moonsamy, K; Morutoa, M R; Morwamoche, K W; Mosala, B G; Moss, L N; Moss, M I; Mpahlwa, M B; Mpontshane, A M; Mshudulu, S A; Mthembu, B; Mthethwa, E N; Mtshali, E; Mzondeki, M J G; Nawa, Z N; Ndzanga, R A; Nefolovhodwe, P J; Nel, A C; Nene, M J; Nene, N M; Newhoudt-Druchen, W S; Ngaleka, E; Ngcengwane, N D; Ngcobo, B T; Ngcobo, E N N; Ngcobo, N W; Ngculu, L V J; Ngele, N J; Ngwenya, M L; Ngwenya, W; Nhlengethwa, D G; Njikelana, S J; Nkabinde, N C; Nkuna, C; Nqakula, C; Ntuli, B M; Ntuli, M M; Ntuli, R S; Nwamitwa-Shilubana, T L P; Nxumalo, M D; Nxumalo, S N; Nyambi, A J; Nzimande, L P M; Olifant, D A A; Oliphant, G G; Oosthuizen, G C; Padayachie, R L; Pahad, E G; Pandor, G N M; Phadagi, M G; Phungula, J P; Pieterse, R D; Pule, B E; Rabinowitz, R; Radebe, B A; Radebe, J T; Rajbally, S; Ramgobin, M; Ramodibe, D M; Ramotsamai, C P M; Ramphele, T D H; Rasmeni, S M; Reid, L R R; Roopnarain, U; Rwexana, S P; Saloojee, E; Schippers, J; Schneemann, G D; Schoeman, E A; Seadimo, M D; Seaton, S A; Sefularo, M; Selau, G J; Shabangu, S; Sibande, M P; Sibanyoni, J B; Siboza, S; Sibuyana, M W; Sigcau, S N; Sisulu, L N; Skhosana, W M; Skosana, M B; Skweyiya, Z S T; Smith, V G; Solo, B M; Solomon, G; Sonjica, B P; Sonto, M R; Sosibo, J E; Sotyu, M M; Surty, M E; Swanson-Jacobs, J; Thabethe, E; Tobias, T V; Tolo, L J; Tshabalala-Msimang, M E; Tshivhase, T J; Tshwete, P; Vadi, I; Van den Heever, R P Z; Van der Merwe, J H; Van der Merwe, S C; Van Wyk, A; Vos, S C;

Vundisa, S S; Wang, Y; Woods, G G; Xolo, E T; Yengeni, L E; Zita, L; Zulu, B Z.

NOES—43: Blanché, J P I; Boinamo, G G; Botha, C-S; Cupido, H B; Delport, J T; Doman, W P; Dreyer, A M; Dudley, C; Ellis, M J; Farrow, S B; Gibson, D H M; Groenewald, P J; Joubert, L K; Julies, I F; Kalyan, S V; Kohler-Barnard, D; Labuschagne, L B; Lee, T D; Leon, A J; Lowe, C M; Marais, S J F; Masango, S J; Meshoe, K R J; Minnie, K J; Morgan, G R; Mulder, P W A; Nel, A H; Opperman, S E; Sayedali-Shah, M R; Schmidt, H C; Selfe, J; Seremane, W J; Simmons, S; Smuts, M; Spies, W D; Stephens, J J M; Steyn, A C; Swart, P S; Swart, S N; Swathe, M M; Trent, E W; Van Der Walt, D; Van Dyk, S M.

Vote accordingly agreed to.

Vote No 16—Labour—put.

Declarations of vote:

Mr C M LOWE: Chairperson, South Africa continues to face unemployment of epic proportions in the skills classes. While the Department of Labour claims to focus predominantly on reducing unemployment, poverty and inequality, under the leadership of the Minister, it appears unable or unwilling to tackle this blot on our landscape. Despite some improvement in job creation figures, nearly eight million people remain jobless.

As we have heard in committee hearings again this morning, many, if not most, of the Setas are crippled by fraud, mismanagement and other serious problems. The Seta situation, in particular, is a national scandal.

To turn the situation around, we need a Labour department that makes job creation its absolute number one priority, with every strategy, every goal and every objective focused on that need. Until the department accepts this and redirects its efforts from overly racially based affirmative action and empowerment policies to tackling the skills crisis, which is one of the critical constraints to economic growth and job creation, the DA will vote against the Labour Budget Vote. South Africa deserves better. [Applause.]

Mnr W D SPIES: Agb Voorsitter, die afgelope jaar is waarskynlik die jaar wat die Minister van Arbeid baie gou sal wil vergeet. Die afgelope jaar was die jaar waarin die Nelspruitse kantoor van die Departement van Arbeid gesluit is weens gesondheidsredes. Dit was ook die jaar waartydens die Minister 'n swartlys gepubliseer het van maatskappye wat nie voldoen aan die vereistes van regstellende aksie nie en waaruit dit toe geblyk het dat die meeste staatsdepartemente self nalaat om te voldoen aan die vereistes van die wet. Dit is ook die jaar wat geteister is deur totale chaos in die Seta's, die wanaanwending van fondse en grootskaalse korrupsie.

Om dit alles te kroon, glo ons dat die Departement van Arbeid 'n beleid volg wat die verkeerde medisyne vir die problem van werkloosheid is. Ons glo dat die koek groter gemaak moet word, dat die ekonomie moet groei en dat meer mense 'n geleentheid moet kry, en die Departement van Arbeid doen in dié stadium niks meer nie as om bloot die koek te herverdeel, om witmense, sogenaamde nie-aangewese mense, uit die arbeidsmark te druk en te vervang met mense wat aan die vereistes voldoen.

Wat ons betref, is dit nie die volhoubare pad nie, die VF Plus kan nie die beleidsrigting steun nie, en gegewe dié feite, kan ons ook nie die begroting steun nie. Baie dankie. *(Translation of Afrikaans declaration of vote follows.)*

[Mr W D SPIES: Hon Chairperson, the past year is probably one which the Minister of Labour would want to forget very quickly. The past year was the year in which the Department of Labour's offices in Nelspruit were closed for health reasons. It was also the year during which the Minister published a black list of companies that are not

The House divided:

AYES—256: Abram, S; Ainslie, A R; Anthony, T G; Arendse, J D; Asiya, S E; Balfour, B M N; Baloyi, M R; Bapela, K O; Bekker, H J; Bhamjee, Y S; Bhengu, F; Bhengu, M J; Bhengu, P; Bhoola, R B; Bici, J; Biyela, B P; Bloem, D V; Bogopane-Zulu, H I; Bonhomme, T J; Botha, N G W; Burgess, C V; Buthelezi, M G; Cele, M A; Chalmers, J; Chang, E S; Chikunga, L S; Chohan-Khota, F I; Combrinck, J J; Cronin, J P; Cwele, S C; Dambuza, B N; Daniels, P; Davies, R H; De Lange, J H; Diale, L N; Dikgacwi, M M; Direko, Dithebe, SL; I W; Ditshetelo, P H K; Dlali, D M; Du Toit, D C; Fihla, N B; Frolick, C T; Fubbs, J L; Gabanakgosi, P S; Gaum, A H; Gcwabaza, N E; George, M E; Gerber, P A; Gigaba, K M N; Godi, N T; Gololo, C L; Gomomo, P J; Gore, V C; Greyling, C H F; Greyling, L W; Gxowa, N B; Hajaig, F; Hanekom, D A; Hangana, N E; Hendricks, L B; Hendrickse, P A C; Holomisa, S P; Jeffery, J H; Johnson, M; Jordan, Z P; Kalako, M U; Kasienyane, O R; Kasrils, R; Kekana, C D; Kganyago, N M; Khoarai, L P; Kholwane, S E; Khumalo, K K; Khumalo, K M; Khunou, N P; Komphela, B M; Kondlo, N C; Kotwal, Z; Landers, L T; Lebenya, P; Lekgetho, G; Lishivha, T E; Louw, J T; Louw, S K; Ludwabe, C I; Maake, J J; Mabe, L L; Mabena, D C; Mabudafhasi, T R; Madasa, Z L; Madella, A F; Madikiza, G T; Madlala-Routledge, N C; Maduma, L D; Madumise, M M; Magwanishe, G B; Mahlaba, T L; Mahlawe, N M; Mahote, S; Maine, M S; Maja, S J; Makasi, X C; Makgate, M W; Malahlela, M J; Maloyi, P D N; Maluleka, H P; Maluleke, D K; Manana, M N S; Manuel, T A; Mapisa-Nqakula, N N; Mars, I; Martins, B A D; Maserumule, F T; Mashangoane, P R; Mashigo, R J; Mashile, B L; Masutha, T M; Mathibela, N F; Matlala, M H; Matsemela, M L; Matsepe-Casaburri, I F; Matsomela, M J J; Maunye, M M; Mayatula, S M; Mbombo, N D; Mentor, M P; Mgabadeli, H C; Mkhize, Z S; Mkongi, B M; Mlangeni, A; Mnguni, B A; Mnyandu, B J; Moatshe, M S; Modisenyane, L J; Mofokeng, T R; Mogale, O M; Mogase, I D; Mohamed, I J; Mohlaloga, M R; Mokoena, A D; Molefe, C T; Moleketi, P J; Moloto, K A; Monareng, O E; Montsitsi, S D; Moonsamy, K; Morutoa, M R; Morwamoche, K W; Mosala, B G; Moss, L N; Moss, M I; Mpahlwa, M B; Mpontshane, A M; Mshudulu, S A; Mthembu, B; Mthethwa, E N; Mtshali, E; Mzondeki, M J G; Nawa, Z N; Ndzanga, R A; Nefolovhodwe, P J; Nel, A C; Nene, M J; Nene, N M; Newhoudt-Druchen, W S; Ngaleka, E; Ngcengwane, N D; Ngcobo, B T; Ngcobo, E N N; Ngcobo, N W; Ngculu, L V J; Ngele, N J; Ngwenya, M L; Ngwenya, W; Nhlengethwa, D G; Njikelana, S J; Nkabinde, N C; Nkuna, C; Nqakula, C; Ntuli, B M; Ntuli, M M; Ntuli, R S; Nwamitwa-Shilubana, T L P; Nxumalo, M D; Nxumalo, S N; Nyambi, A J; Nzimande, L P M; Olifant, D A A; Oliphant, G G; Oosthuizen, G C; Padayachie, R L; Pahad, E G; Pandor, G N M; Phadagi, M G; Phungula, J P; Pieterse, R D; Pule, B E; Rabinowitz, R; Radebe, B A; Radebe, J T; Rajbally, S; Ramgobin, M; Ramodibe, D M; Ramotsamai, C P M; Ramphele, T D H; Rasmeni, S M; Reid, L R R; Roopnarain, U; Rwexana, S P; Saloojee, E; Schippers, J; Schneemann, G D; Schoeman, E A; Seadimo, M D; Seaton, S A; Sefularo, M; Selau, G J; Shabangu, S; Sibande, M P; Sibanyoni, J B; Siboza, S; Sibuyana, M W; Sigcau, S N; Sisulu, L N; Skhosana, W M; Skosana, M B; Skweyiya, Z S T; Smith, V G; Solo, B M; Solomon, G; Sonjica, B P; Sonto, M R; Sosibo, J E; Sotyu, M M; Surty, M E; Swanson-Jacobs, J; Thabethe, E; Tobias, T V; Tolo, L J; Tshabalala-Msimang, M E; Tshivhase, T J; Tshwete, P; Vadi, I; Van den Heever, R P Z; Van der Merwe, J H; Van der Merwe, S C; Van Wyk, A; Vos, S C;

Vundisa, S S; Wang, Y; Woods, G G; Xolo, E T; Yengeni, L E; Zita, L; Zulu, B Z.

NOES—43: Blanché, J P I; Boinamo, G G; Botha, C-S; Cupido, H B; Delport, J T; Doman, W P; Dreyer, A M; Dudley, C; Ellis, M J; Farrow, S B; Gibson, D H M; Groenewald, P J; Joubert, L K; Julies, I F; Kalyan, S V; Kohler-Barnard, D; Labuschagne, L B; Lee, T D; Leon, A J; Lowe, C M; Marais, S J F; Masango, S J; Meshoe, K R J; Minnie, K J; Morgan, G R; Mulder, P W A; Nel, A H; Opperman, S E; Sayedali-Shah, M R; Schmidt, H C; Selfe, J; Seremane, W J; Simmons, S; Smuts, M; Spies, W D; Stephens, J J M; Steyn, A C; Swart, P S; Swart, S N; Swathe, M M; Trent, E W; Van Der Walt, D; Van Dyk, S M.

Vote accordingly agreed to.

Vote No 16—Labour—put.

Declarations of vote:

Mr C M LOWE: Chairperson, South Africa continues to face unemployment of epic proportions in the skills classes. While the Department of Labour claims to focus predominantly on reducing unemployment, poverty and inequality, under the leadership of the Minister, it appears unable or unwilling to tackle this blot on our landscape. Despite some improvement in job creation figures, nearly eight million people remain jobless.

As we have heard in committee hearings again this morning, many, if not most, of the Setas are crippled by fraud, mismanagement and other serious problems. The Seta situation, in particular, is a national scandal.

To turn the situation around, we need a Labour department that makes job creation its absolute number one priority, with every strategy, every goal and every objective focused on that need. Until the department accepts this and redirects its efforts from overly racially based affirmative action and empowerment policies to tackling the skills crisis, which is one of the critical constraints to economic growth and job creation, the DA will vote against the Labour Budget Vote. South Africa deserves better. [Applause.]

Mnr W D SPIES: Agb Voorsitter, die afgelope jaar is waarskynlik die jaar wat die Minister van Arbeid baie gou sal wil vergeet. Die afgelope jaar was die jaar waarin die Nelspruitse kantoor van die Departement van Arbeid gesluit is weens gesondheidsredes. Dit was ook die jaar waartydens die Minister 'n swartlys gepubliseer het van maatskappye wat nie voldoen aan die vereistes van regstellende aksie nie en waaruit dit toe geblyk het dat die meeste staatsdepartemente self nalaat om te voldoen aan die vereistes van die wet. Dit is ook die jaar wat geteister is deur totale chaos in die Seta's, die wanaanwending van fondse en grootskaalse korrupsie.

Om dit alles te kroon, glo ons dat die Departement van Arbeid 'n beleid volg wat die verkeerde medisyne vir die problem van werkloosheid is. Ons glo dat die koek groter gemaak moet word, dat die ekonomie moet groei en dat meer mense 'n geleentheid moet kry, en die Departement van Arbeid doen in dié stadium niks meer nie as om bloot die koek te herverdeel, om witmense, sogenaamde nie-aangewese mense, uit die arbeidsmark te druk en te vervang met mense wat aan die vereistes voldoen.

Wat ons betref, is dit nie die volhoubare pad nie, die VF Plus kan nie die beleidsrigting steun nie, en gegewe dié feite, kan ons ook nie die begroting steun nie. Baie dankie. *(Translation of Afrikaans declaration of vote follows.)*

[Mr W D SPIES: Hon Chairperson, the past year is probably one which the Minister of Labour would want to forget very quickly. The past year was the year in which the Department of Labour's offices in Nelspruit were closed for health reasons. It was also the year during which the Minister published a black list of companies that are not

complying with the requirements of affirmative action, and from the list it then became apparent that most state departments are also failing to comply with the law. It was also the year that was marked by total chaos in the Setas, the misappropriation of funds and large-scale corruption.

To crown it all, we believe that the Department of Labour is following a policy that does not offer a solution to the unemployment problem. We believe that the cake must be made larger, that the economy has to grow and that more people should be given a chance whereas, at this stage the Department of Labour is, doing nothing more than merely redividing the cake in order to force white people—so-called nondesignated people—out of the labour market and replace them with people who meet the requirements.

As far as we are concerned, this is not a sustainable route. The FF Plus cannot support this policy and, in light of the facts, we cannot support the Budget either. Thank you.]

Ms O R KASIENYANE: Chairperson, in supporting Budget Vote No 16, I think it is imperative to highlight some of the issues, especially after the hon Lowe has mentioned the question of skills development.

This Budget Vote is aimed at the challenges faced by the economy as far as issues such as skills development and unemployment are concerned. Our policies and legislation already address these challenges, hence the need to strengthen already existing institutions that deliver according to the mandate. There are some that are still experiencing difficulties.

Setas have shown improvement since their restructuring process in 2005. The labour policies are sound and their results are clear, through improvement, investment and gradual absorption of unemployment. Still on Setas, I think the hon Lowe knows very well that we are hands on. We are dealing with Setas for the whole of this week. They are starting to move and we need to look at what is best for the future of these Setas.

Looking at the National Industrial Policy Framework, this is the basis for the new Seta landscape. We agree that the Setas should be restructured, because we feel that the fewer Setas we have, the better. We are on course. We must make it very clear that a decision has been made to review the Setas. Thank you. [Applause.]

Division demanded.

The House divided:

AYES—253: Abram, S; Ainslie, A R; Anthony, T G; Arendse, J D; Asiya, S E; Balfour, B M N; Baloyi, M R; Bapela, K O; Bekker, H J; Bhamjee, Y S; Bhengu, F; Bhengu, M J; Bhengu, P; Bhoola, R B; Bici, J; Biyela, B P; Bloem, D V; Bogopane-Zulu, H I; Bonhomme, T J; Botha, N G W; Burgess, C V; Buthelezi, M G; Cele, M A; Chalmers, J; Chang, E S; Chikunga, L S; Chohan-Khota, F I; Combrinck, J J; Cronin, J P; Cwele, S C; Dambuza, B N; Daniels, P; Davies, R H; De Lange, J H; Diale, L N; Dikgacwi, M M; Direko, I W; Dithebe, S L; Ditshetelo, P H K; Dlali, D M; Du Toit, D C; Fihla, N B; Frolick, C T; Fubbs, J L; Gabanakgosi, P S; Gaum, A H; Gcwabaza, N E; George, M E; Gerber, P A; Gigaba, K M N; Godi, N T; Gololo, C L; Gomomo, P J; Gore, V C; Greyling, C H F; Greyling, L W; Gumede, D M; Gxowa, N B; Hajaig, F; Hanekom, D A; Hangana, N E; Hendricks, L B; Hendrickse, P A C; Holomisa, S P; Jeffery, J H; Johnson, M; Jordan, Z P; Kalako, M U; Kasienyane, O R; Kasrils, R; Kganyago, N M; Khoarai, L P; Kholwane, S E; Khumalo, K K; Khumalo, K M; Khunou, N P; Komphela, B M; Kondlo, N C; Kotwal, Z; Landers, L T; Lebenya, P; Lekgetho, G; Lishivha, T E; Louw, J T; Louw, S K; Ludwabe, C I; Luthuli, A N; Maake, J J; Mabe, L L; Mabena, D C; Mabudafhasi, T R; Madasa, Z L; Madella, A F;

Madikiza, G T; Madlala-Routledge, N C; Maduma, L D; Madumise, M M; Magwanishe, G B; Mahlaba, T L; Mahlangu-Nkabinde, G L; Mahlawe, N M; Mahote, S; Maine, M S; Maja, S J; Makasi, X C; Makgate, M W; Malahlela, M J; Maloyi, P D N; Maluleka, H P; Maluleke, D K; Manana, M N S; Manuel, T A; Mapisa-Nqakula, N N; Martins, B A D; Maserumule, F T; Mashangoane, P R; Mashigo, R J; Mashile, B L; Masutha, T M; Mathibela, N F; Matlala, M H; Matsemela, M L; Matsepe-Casaburri, I F; Matsomela, M J J ; Maunye, M M; Mayatula, S M; Mbombo, N D; Mentor, M P; Mgabadeli, H C; Mkhize, Z S; Mkongi, B M; Mlangeni, A; Mnguni, B A; Mnyandu, B J; Moatshe, M S; Modisenyane, L J; Mofokeng, T R; Mogale, O M; Mogase, I D; Mohamed, I J; Mohlaloga, M R; Mokoena, A D; Molefe, C T; Moleketi, P J ; Moloto, K A; Monareng, O E; Montsitsi, S D; Moonsamy, K; Morutoa, M R; Morwamoche, K W; Mosala, B G; Moss, L N; Moss, M I; Mpahlwa, M B; Mpontshane, A M; Mshudulu, S A; Mthembu, B; Mthethwa, E N; Mtshali, E; Mzondeki, M J G; Nawa, Z N; Ndzanga, R A; Nefolovhodwe, P J; Nel, A C; Nene, M J; Nene, N M; Newhoudt-Druchen, W S; Ngaleka, E; Ngcengwane, N D; Ngcobo, B T; Ngcobo, E N N; Ngcobo, N W; Ngculu, L V J; Ngele, N J; Ngwenya, M L; Ngwenya, W; Nhlengethwa, D G; Njikelana, S J; Nkabinde, N C; Nkuna, C; Nqakula, C; Ntuli, B M; Ntuli, M M; Ntuli, R S; Nwamitwa-Shilubana, T L P; Nxumalo, M D; Nxumalo, S N; Nyambi, A J; Nzimande, L P M; Olifant, D A A; Oliphant, G G; Oosthuizen, G C; Padayachie, R L; Pahad, E G; Pandor, G N M; Phadagi, M G; Phungula, J P; Pieterse, R D; Pule, B E; Rabinowitz, R; Radebe, B A; Radebe, J T; Rajbally, S; Ramgobin, M; Ramotsamai, C P M; Rasmeni, S M; Reid, L R R; Roopnarain, U; Rwexana, S P; Saloojee, E; Schippers, J; Schneemann, G D; Schoeman, E A; Seadimo, M D; Seaton, S A; Sefularo, M; Selau, G J; Shabangu, S; Sibande, M P; Sibanyoni, J B; Siboza, S; Sibuyana, M W; Sigcau, S N; Sisulu, L N; Skhosana, W M; Skosana, M B; Skweyiya, Z S T; Smith, V G; Solomon, G; Sonjica, B P; Sonto, M R; Sosibo, J E; Sotyu, M M; Surty, M E; Swanson-Jacobs, J; Thabethe, E; Tobias, T V; Tolo, L J; Tshabalala-Msimang, M E; Tshivhase, T J; Tshwete, P; Vadi, I; Van den Heever, R P Z; Van der Merwe, J H; Van der Merwe, S C; Van Wyk, A; Vos, S C; Vundisa, S S; Wang, Y; Woods, G G; Xolo, E T; Yengeni, L E; Zulu, B Z.

NOES—43: Blanché, J P I; Boinamo, G G; Botha, C-S; Cupido, H B; Delport, J T; Doman, W P; Dreyer, A M; Dudley, C; Ellis, M J; Farrow, S B; Gibson, D H M; Groenewald, P J; Joubert, L K; Julies, I F; Kalyan, S V; Kohler-Barnard, D; Labuschagne, L B; Lee, T D; Leon, A J; Lowe, C M; Marais, S J F; Masango, S J; Meshoe, K R J; Minnie, K J; Morgan, G R; Mulder, P W A; Nel, A H; Opperman, S E; Sayedali-Shah, M R; Schmidt, H C; Selfe, J; Seremane, W J; Simmons, S; Smuts, M; Spies, W D; Stephens, J J M; Steyn, A C; Swart, P S; Swart, S N; Swathe, M M; Trent, E W; Van Der Walt, D; Van Dyk, S M.

Vote accordingly agreed to.

Vote No 17—Social Development—put.

Declarations of vote:

Mrs S V KALYAN: Chairperson, the chronic underfunding of welfare services, particularly to children, can no longer be tolerated. The government states that children are at the top of its agenda, yet they choose to underfund the Child Care Act by a staggering R3,1 billion, or 65%. This results in hundreds of thousands of vulnerable children simply not receiving precious services.

Another factor compounding the situation is

the severe lack of social workers in the public sector, which can be attributed to the perpetual underfunding. There are currently about 5 063 social workers in the public sector and in two and a half years' time we will need 66 329. This figure is stated in government's own costing report on the Children's Act. At the current rate of 1 066 new students each year, and assuming that all of them graduate and no social workers retire or resign in the meantime, it will take another 58 years before we reach the 2010 target.

Clearly government has been found wanting and the DA cannot support this budget.

Mrs C DUDLEY: Chairperson, despite the enormous challenges the ACDP will, once again, support this budget. However, dedicated focus on human capital development is long overdue and much damage has been done. Funds to train new social workers and develop the capacity and skills of existing social workers are critical.

We will need to employ an estimated 3 000 social workers a year if we are to make any difference at all. With this in mind, the 190 scholarships to social work students in 2006–07 are frighteningly insufficient, and much more must be done.

Unless adequate funding is utilised for building the capacity of service providers, our severely under-resourced child protection system will continue to be totally inadequate and chaotic.

The present lack of funding for the recovery process for abused and traumatised children leaves these children vulnerable and at risk of becoming perpetrators themselves. Children are often targeted simply because they are the easiest targets, and South African society is becoming more and more violent towards children as we experience greater degrees of moral breakdown.

Without intervention an increasingly negative impact on multiple budgets, including health, safety and security and justice, is inevitable.

The ACDP is also still extremely concerned that street children continue to fall through the cracks, and the fact that there is no orphan database is very perturbing. Dedicated funds must be made available for provincial and local spheres to provide adequately for these children in need of care.

Lastly, government's failure to extend child support grants to 18-year olds has had bizarre repercussions, including, according to social workers, teen pregnancy. The ACDP will, despite the challenges, vote in favour. Thank you.

Mr J B SIBANYONI: Chairperson, the ANC-led government's unwavering commitment to eradicating poverty, promoting social inclusion and building social cohesion is correctly located in its various strategic interventions in social welfare services, community development and comprehensive social security. We therefore welcome the increased budget allocation of 8,3% per annum.

We welcome the following initiatives by our government: The allocation of R365 million to train new social workers through the provision of scholarships and to use the additional resources to develop the capacity and skills of social workers already within the system. We call on the higher education sector to work with government to ensure that schools of social work in the country are fully operational and that more is done to ensure recruitment of social workers.

We welcome the allocation of resources to implement the Older Persons Act of 2006. Government's expansion of access to early childhood development through increased budgetary allocations affirms its commitment to tackling child poverty through early childhood development and social grants.

Through the expansion of our social assistance safety net we witness how the lives of

children, older persons, the vulnerable and the destitute are improving. Over 8 million children now have access to social assistance. This includes 7,8 million children benefiting from the Child Support Grant, nearly 400 000 benefiting from the foster grant and 95 000 benefiting from the care development dependency. More than 2,1 million elderly persons receive an old age grant and 1,4 million receive a disability grant.

We welcome the government's initiative to put in place measures to support children over 14 years and to remove the means test for old-age pensioners. We especially welcome the paradigm shift to a comprehensive approach to poverty reduction, especially for our children, and we support the initiative to link social grants to access to basic services. The ANC supports Budget Vote No 17. [Time expired.] [Applause.]

Division demanded.

The House divided:

AYES—260: Abram, S; Ainslie, A R; Anthony, T G; Asiya, S E; Balfour, B M N; Baloyi, M R; Bapela, K O; Bhamjee, Y S; Bhengu, F; Bhengu, M J; Bhengu, P; Bhoola, R B; Bici, J; Biyela, B P; Bloem, D V; Bogopane-Zulu, H I; Bonhomme, T J; Botha, N G W; Burgess, C V; Buthelezi, M G; Cele, M A; Chalmers, J; Chang, E S; Chikunga, L S; Chohan-Khota, F I; Combrinck, J J; Cronin, J P; Cupido, H B ; Cwele, S C; Dambuza, B N; Daniels, P; Davies, R H; De Lange, J H; Diale, L N; Dikgacwi, M M; Direko, I W; Dithebe, S L; Ditshetelo, P H K; Dlali, D M; Doidge, G Q M; Du Toit, D C; Dudley, C; Fihla, N B; Frolick, C T; Fubbs, J L; Gabanakgosi, P S; Gaum, A H; Gcwabaza, N E; George, M E; Gerber, P A; Gigaba, K M N; Godi, N T; Gomomo, P J; Gore, V C; Greyling, C H F; Greyling, L W; Gumede, D M; Gxowa, N B; Hajaig, F; Hanekom, D A; Hangana, N E; Hendricks, L B; Hendrickse, P A C; Holomisa, S P; Jeffery, J H; Johnson, M; Jordan, Z P; Kalako, M U; Kasienyane, O R; Kasrils, R; Kekana, C D; Kganyago, N M; Khoarai, L P; Kholwane, S E; Khumalo, K K; Khumalo, K M; Khunou, N P; Komphela, B M; Kondlo, N C; Kotwal, Z; Landers, L T; Lebenya, P; Lekgetho, G; Lishivha, T E; Louw, J T; Louw, S K; Ludwabe, C I; Luthuli, A N; Maake, J J; Mabe, L L; Mabena, D C; Mabudafhasi, T R; Madasa, Z L; Madella, A F; Madikiza, G T; Madlala-Routledge, N C; Maduma, L D; Madumise, M M; Magwanishe, G B; Mahlaba, T L; Mahlangu-Nkabinde, G L; Mahlawe, N M; Mahote, S; Maine, M S; Maja, S J; Makasi, X C; Makgate, M W; Malahlela, M J; Maloyi, P D N; Maluleka, H P; Maluleke, D K; Manana, M N S; Manuel, T A; Mapisa-Nqakula, N N; Martins, B A D; Maserumule, F T; Mashangoane, P R; Mashigo, R J; Mashile, B L; Masutha, T M; Mathibela, N F; Matlala, M H; Matsemela, M L; Matsepe-Casaburri, I F; Matsomela, M J J; Maunye, M M; Mayatula, S M; Mbombo, N D; Mdladlose, M M; Mentor, M P; Meshoe, K R J; Mgabadeli, H C; Mkhize, Z S; Mkongi, B M; Mlangeni, A; Mnguni, B A; Mnyandu, B J; Moatshe, M S; Modisenyane, L J; Mofokeng, T R; Mogale, O M; Mogase, I D; Mohamed, I J; Mohlaloga, M R; Mokoena, A D; Molefe, C T; Moleketi, P J; Moloto, K A; Monareng, O E; Montsitsi, S D; Moonsamy, K; Morutoa, M R; Morwamoche, K W; Mosala, B G; Moss, L N; Moss, M I; Mpahlwa, M B; Mpontshane, A M; Mshudulu, S A; Mthembu, B; Mthethwa, E N; Mtshali, E; Mzondeki, M J G; Nawa, Z N; Ndzanga, R A; Nefolovhodwe, P J; Nel, A C; Nene, M J; Nene, N M; Newhoudt-Druchen, W S; Ngaleka, E; Ngcengwane, N D; Ngcobo, B T; Ngcobo, E N N; Ngcobo, N W; Ngculu, L V J; Ngele, N J; Ngwenya, M L; Ngwenya, W; Nhlengethwa, D G; Njikelana, S J; Nkabinde, N C; Nkuna, C; Nqakula, C;

Ntuli, B M; Ntuli, M M; Ntuli, R S; Nwamitwa-Shilubana, T L P; Nxumalo, M D; Nxumalo, S N; Nyambi, A J; Nzimande, L P M; Olifant, D A A; Oliphant, G G; Oosthuizen, G C; Padayachie, R L; Pahad, E G; Pandor, G N M; Phadagi, M G; Phungula, J P; Pieterse, R D; Pule, B E; Rabinowitz, R; Radebe, B A; Radebe, J T; Rajbally, S; Ramgobin, M; Ramodibe, D M; Ramotsamai, C P M; Rasmeni, S M; Reid, L R R; Roopnarain, U; Rwexana, S P; Saloojee, E; Schippers, J; Schneemann, G D; Schoeman, E A; Seadimo, M D; Seaton, S A; Sefularo, M; Selau, G J; Shabangu, S; Sibande, M P; Sibanyoni, J B; Siboza, S; Sibuyana, M W; Sigcau, S N; Simmons, S; Sisulu, L N; Skhosana, W M; Skosana, M B; Skweyiya, Z S T; Smith, V G; Solomon, G; Sonjica, B P; Sonto, M R; Sosibo, J E; Sotyu, M M; Surty, M E; Swanson-Jacobs, J; Swart, S N; Thabethe, E; Tobias, T V; Tolo, L J; Tshabalala-Msimang, M E; Tshivhase, T J; Tshwete, P; Vadi, I; Van den Heever, R P Z; Van der Merwe, J H; Van der Merwe, S C; Van Wyk, A; Vos, S C; Vundisa, S S; Wang, Y; Woods, G G; Xolo, E T; Yengeni, L E; Zita, L; Zulu, B Z.

NOES—36: Blanché, J P I; Boinamo, G G; Delport, J T; Doman, W P; Dreyer, A M; Ellis, M J; Farrow, S B; Gibson, D H M; Groenewald, P J; Joubert, L K; Julies, I F; Kalyan, S V; Kohler-Barnard, D; Labuschagne, L B; Lee, T D; Leon, A J; Lowe, C M; Marais, S J F; Masango, S J; Minnie, K J; Morgan, G R; Nel, A H; Opperman, S E; Sayedali-Shah, M R; Schmidt, H C; Selfe, J; Seremane, W J; Smuts, M; Spies, W D; Stephens, J J M; Steyn, A C; Swart, P S; Swathe, M M; Trent, E W; Van Der Walt, D; Van Dyk, S M.

Vote accordingly agreed to.

Vote No 18—Sport and Recreation South Africa—put.

Declarations of vote:

Mr T D LEE: Madam Chairperson, we will not support the Budget Vote this year for the following three reasons. [Interjections.] Firstly, last year we supported the Budget Vote because we were promised that Boxing SA's house would be in order. However, this year Boxing SA has received another disclaimer of opinion of the Auditor-General.

Secondly, the transformation agenda continues to be racist and is pursued at the expense of the development of sport at school and at club level. Thirdly, the department continues to have an unacceptable backlog in terms of infrastructure.

The department can be likened to a rudderless ship, as a director-general has still not been appointed. We cannot understand why the previous incumbent's contract could not be extended. He was professional, diligent and efficient. I thank you, Chairperson.

The DEPUTY MINISTER FOR JUSTICE AND CONSTITUTIONAL DEVELOPMENT: Chairperson, I rise on a point of order. Is it correct for the hon member to proclaim that the policies of a department are racist? I thought that that was not something to be done and to be said in Parliament, so I would like that to be withdrawn.

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Deputy Minister, you cannot say that a person is racist or a member is racist, but you can say that a party is racist and that a department is racist.

Mr M J ELLIS: Madam Chair, the hon Mr De Lange has just said that the DA is racist, and then he said, "Mike is a racist". [Interjections.] I do believe that is unparliamentary.

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon member, are you raising a point of order or just making a comment?

Mr M J ELLIS: I beg your pardon; I am raising a point of order, yes.

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Minister, it is unparliamentary to say this.

The DEPUTY MINISTER FOR JUSTICE AND CONSTITUTIONAL DEVELOPMENT: I did not refer to a single person in your ruling. I said, "Then they are racist." That's what I said. I didn't say . . . If he wants to be a racist, that's fine. But I didn't say he was a racist. [Laughter.]

The HOUSE CHAIRPERSON (Ms C-S Botha): I think, hon members, that this is an issue of semantics which can go very badly wrong. So, please, let's try to avoid the word, even if you are now saying that it's "they who are". I am not ruling you out of order, but I know that it is a sensitive issue to call people racist, and therefore let's try to avoid it. Thank you.

Mr J H VAN DER MERWE: Chairperson, I rise on a further point of order. The Deputy Minister clearly indicated with his hand towards this side of the House . . . [Laughter.] . . . including all of us here, saying "They are racist". In fact, then he means that individual Members of Parliament are racist, and he should withdraw that and apologise. [Interjections.]

Mr M J ELLIS: Madam Chair, I rise on a point of order. I do support fully what the hon Van der Merwe has said. You cannot point at a group of people and say, "They are racist," because they think he is singling out individuals within that group. He is not saying the DA is racist. He is not referring to a political party. He is saying: "They are racist."

Mr T M MASUTHA: I rise on a point of order, Madam Chair. You have already ruled on the matter. I do not understand why they continue to resuscitate it. Your ruling was that if the comment was not targeted at an individual member, then it was not out of order. You have already ruled on the matter. I urge you to put the matter to rest. Thank you.

The HOUSE CHAIRPERSON (Ms C-S Botha): I must say that I find this difficult because I know the Rule and the Rule says that you can say this about a party and that you can say it about a department, but not about an individual. If it is actually stated that it was not directed at an individual, then I cannot rule it out of order. Thank you. Can we continue with declarations?

Mr J H VAN DER MERWE: No, Madam Chair. Madam Chair, then in terms of your ruling, I just want to say: They are idiots. [Laughter.] [Interjections.]

The HOUSE CHAIRPERSON (Ms C-S Botha): Order, please! Order, please! Order, please! I am not going to take any more points of order on this particular issue. I am asking if there is a declaration of vote on Sport and Recreation SA. I have heard the DA. Are there any further declarations?

Mnr W D SPIES: Voorsitter, dit is eintlik baie jammer dat ons moet stem oor die begrotingspos vir sport en ontspanning, want ek dink almal van ons stem saam dat sport een van die potensieel verenigende faktore in hierdie land kan wees. Ons het dit al in die geskiedenis gesien. Ons het dit in 1995 gesien en in 1996 gesien, maar ongelukkig is dit anders in Suid-Afrika in 2007.

Die VF Plus kan nie vir hierdie begrotingspos stem nie en wel om die eenvoudige rede dat hierdie begrotingspos se geld aangewend gaan word om die Minister in staat te stel om sy magte, wat hy verkry in terme van die Wysigingswet op Sport en Ontspanning, uit te oefen en deur te voer. Hierdie magte stel die Minister in staat om in te meng in dispute wat hy self kan skep. Hy kan self riglyne uitvaardig oor hoe spanne moet lyk en wanneer daar dispute oor die spanne kom, kan hy self ingryp om die dispuut op te los. Dit is 'n onaanvaarbare situasie. Die VF Plus kan dit nie aanvaar nie en kan om daardie rede ook nie hierdie begroting steun nie. *(Translation of Afrikaans declaration of vote follows.)*

[Mr W D SPIES: Chairperson, it is actually very sad that we have to vote on the Budget Vote for sport and recreation, as I think we all agree that sport has the potential to be one of the most uniting factors in this country. We have already seen it in our history. We saw it in 1995 and again in 1996, but unfortunately things are different in South Africa in 2007.

The FF Plus cannot support this Vote for the simple reason that the money for this Vote will be used to enable the Minister to exercise and implement the powers he has in terms of the National Sport and Recreation Amendment Act. These powers enable the Minister to intervene in disputes which he can create himself. He will be able to issue guidelines concerning the composition of teams and, when it comes to a dispute over the teams, he will be able to intervene himself and settle the dispute. This is an unacceptable situation. The FF Plus cannot accept it and, for this reason, cannot support this budget either.]

Mr B M KOMPHELA: Chairperson, the ANC Stellenbosch resolution demands of the ANC to increase the pace of transformation in sport, and up to now we have not had another conference. The ANC has not reviewed that for any other reason. Therefore, it is on the right course to increase the pace of transformation in sport in particular in this country.

The other matter is around the issue of Boxing SA. The DA, through Mr Lee, knows that in terms of the disclaimer that the Auditor-General gave there are only two things that he talked about. This is not the huge discrepancy that he is trying to purport in front of this House. He knows, in terms of the matter we have asked Boxing SA about, that they must report on a quarterly basis so that we can see how they are resolving this matter. They have done exactly that. They are no longer in that situation and the next time they report on what Mr Lee discussed, they will no longer have that problem. I do not know what the problem is now. The other thing is that as far as the Bill before the House today is concerned, what Mr Spies was saying is not correct. Mr Spies is so obsessed—like Donald Lee—that a change is only racist when it is a change demanded by the majority of the people of this country. It is not racist when it is demanded in exclusion of the majority of the people of this country. Thank you, Chair.

Division demanded.

During division:

Mnr P J GROENEWALD: Agb Voorsitter, op 'n punt van orde: kan ons net duidelikheid kry? Gewoonlik as die stelsel geaktiveer word, verander die skermpie ook, maar ek sien by baie lede verander hy nie. Is dit dan 'n defek in die stelsel? Moet ons dan ons name weer gee of word hy nog steeds aangeteken as jy net die knoppies druk?

Die HUISVOORSITTER (Me C-S Botha): Laat ek net vra. Net 'n oomblik. *(Translation of Afrikaans paragraphs follows.)*

[Mr P J GROENEWALD: Chairperson, on a point of order: Can we just have clarity? Usually the screen also changes when the system is activated, but I see this isn't happening for many of the members. Is it a defect in the system? Do we have to enter our names again or is it still logged on if you just press the buttons?

The HOUSE CHAIRPERSON (Ms C-S Botha): Let me ask. Just a moment.]

Mr M J ELLIS: Madam Chair, it would appear that most of the people whose system isn't working are not members of the DA. I'm quite happy to ask members of the DA to go round to assist people on how to vote in future. [Interjections.]

The HOUSE CHAIRPERSON (Ms C-S Botha): Agb Groenewald, die name kom deur. [Hon Groenewald, the names are coming through.]

Mr P J GROENEWALD: Goed. [Very well.]

The House divided:

AYES—255: Abram, S; Anthony, T G; Asiya, S E; Balfour, B M N; Baloyi, M R; Bapela, K O; Bhamjee, Y S; Bhengu, F; Bhengu, M J; Bhengu, P; Bhoola, R B; Bici, J; Biyela, B P; Bloem, D V; Bogopane-Zulu, H I; Bonhomme, T J; Botha, N G W; Burgess, C V; Buthelezi, M G; Cele, M A; Chalmers, J; Chang, E S; Chikunga, L S; Chohan-Khota, F I; Combrinck, J J; Cronin, J P; Cupido, H B; Cwele, S C; Dambuza, B N; Daniels, P; Davies, R H; De Lange, J H; Diale, L N; Dikgacwi, M M; Direko, I W; Dithebe, S L; Ditshetelo, P H K; Dlali, D M; Doidge, G Q M; Du Toit, D C; Dudley, C; Fihla, N B; Frolick, C T; Fubbs, J L; Gabanakgosi, P S; Gaum, A H; Gcwabaza, N E; George, M E; Gerber, P A; Gigaba, K M N; Godi, N T; Gololo, C L; Gomomo, P J; Gore, V C; Greyling, C H F; Gumede, D M; Gxowa, N B; Hajaig, F; Hanekom, D A; Hangana, N E; Hendricks, L B; Hendrickse, P A C; Holomisa, S P; Jeffery, J H; Johnson, M; Jordan, Z P; Kalako, M U; Kasienyane, O R; Kasrils, R; Kekana, C D; Kganyago, N M; Khoarai, L P; Kholwane, S E; Khumalo, K K; Khunou, N P; Komphela, B M; Kondlo, N C; Kotwal, Z; Landers, L T; Lebenya, P; Lekgetho, G; Lishivha, T E; Louw, J T; Louw, S K; Ludwabe, C I; Luthuli, A N; Maake, J J; Mabe, L L; Mabena, D C; Mabudafhasi, T R; Madasa, Z L; Madikiza, G T; Madlala-Routledge, N C; Maduma, L D; Madumise, M M; Magwanishe, G B; Mahlaba, T L; Mahlangu-Nkabinde, G L; Mahlawe, N M; Mahote, S; Maine, M S; Maja, S J; Makasi, X C; Makgate, M W; Malahlela, M J; Maloyi, P D N; Maluleka, H P; Maluleke, D K; Manana, M N S; Manuel, T A; Mapisa-Nqakula, N N; Mars, I; Martins, B A D; Maserumule, F T; Mashangoane, P R; Mashigo, R J; Mashile, B L; Masutha, T M; Mathibela, N F; Matlala, M H; Matsemela, M L; Matsepe-Casaburri, I F; Matsomela, M J J; Maunye, M M; Mayatula, S M; Mdladlose, M M; Mentor, M P; Meshoe, K R J; Mgabadeli, H C; Mkhize, Z S; Mkongi, B M; Mlangeni, A; Mnguni, B A; Mnyandu, B J; Moatshe, M S; Modisenyane, L J; Mofokeng, T R; Mogale, O M; Mogase, I D; Mohamed, I J; Mohlaloga, M R; Mokoena, A D; Molefe, C T; Moleketi, P J; Moloto, K A; Monareng, O E; Montsitsi, S D; Moonsamy, K; Morutoa, M R; Morwamoche, K W; Mosala, B G; Moss, L N; Moss, M I; Mpahlwa, M B; Mpontshane, A M; Mshudulu, S A; Mthembu, B; Mthethwa, E N; Mtshali, E; Mzondeki, M J G; Nawa, Z N; Ndzanga, R A; Nefolovhodwe, P J; Nel, A C; Nene, M J; Nene, N M; Newhoudt-Druchen, W S; Ngaleka, E; Ngcengwane, N D; Ngcobo, B T; Ngcobo, E N N; Ngcobo, N W; Ngculu, L V J; Ngele, N J; Ngwenya, M L; Ngwenya, W; Nhlengethwa, D G; Njikelana, S J; Nkabinde, N C; Nkuna, C; Nqakula, C; Ntuli, B M; Ntuli, M M; Ntuli, R S; Nwamitwa-Shilubana, T L P; Nxumalo, M D; Nxumalo, S N; Nyambi, A J; Nzimande, L P M; Olifant, D A A; Oliphant, G G; Oosthuizen, G C; Padayachie, R L; Pahad, E G; Pandor, G N M; Phadagi, M G; Phungula, J P; Pieterse, R D; Pule, B E; Rabinowitz, R; Radebe, B A; Radebe, J T; Rajbally, S; Ramgobin, M; Ramodibe, D M; Ramotsamai, C P M; Rasmeni, S M; Reid, L R R; Roopnarain, U; Rwexana, S P; Saloojee, E; Schippers, J; Schneemann, G D; Schoeman, E A; Seadimo, M D; Seaton, S A; Sefularo, M; Selau, G J; Shabangu, S; Sibande, M P; Sibanyoni, J B; Siboza, S; Sibuyana, M W; Sigcau, S N; Sisulu, L N; Skhosana, W M; Skosana, M B; Skweyiya, Z S T; Smith, V G; Solomon, G; Sonjica, B P; Sonto, M R; Sosibo, J E; Sotyu, M M; Surty, M E; Swanson-Jacobs, J; Swart, S N; Thabethe, E; Tobias, T V; Tolo, L J; Tshabalala-Msimang, M E; Tshivhase, T J; Tshwete, P; Vadi, I; Van den Heever, R P Z; Van der Merwe, J H; Van der Merwe, S C; Van Wyk, A; Vos, S C;

Vundisa, S S; Wang, Y; Xolo, E T; Yengeni, L E; Zita, L; Zulu, B Z.

NOES—37: Blanché, J P I; Boinamo, G G; Delport, J T; Doman, W P; Dreyer, A M; Ellis, M J; Farrow, S B; Gibson, D H M; Groenewald, P J; Joubert, L K; Julies, I F; Kalyan, S V; Kohler-Barnard, D; Labuschagne, L B; Lee, T D; Leon, A J; Lowe, C M; Marais, S J F; Masango, S J; Minnie, K J; Morgan, G R; Nel, A H; Opperman, S E; Sayedali-Shah, M R; Schmidt, H C; Selfe, J; Seremane, W J; Simmons, S; Smuts, M; Spies, W D; Stephens, J J M; Steyn, A C; Swart, P S; Swathe, M M; Trent, E W; Van Der Walt, D; Van Dyk, S M.

Vote accordingly agreed to.

Vote No 19—Correctional Services—put.

Declarations of vote:

Mr J SELFE: Chairperson, there are thousands of dedicated officials in the Department of Correctional Services who succeed, against overwhelming odds, in making a difference, and in achieving the goal of correcting and rehabilitating offenders. To them we say: Well done and keep it up.

We are also delighted that Mr Vernie Petersen has been appointed as the new national commissioner and we hope that he will be the proverbial new broom that will sweep clean.

But there's another side to the department. It's the side that has resulted in five successive qualified audits of the department's accounts. It's the department that, in its kid-glove treatment of Schabir Shaik and Tony Yengeni, made a mockery of their sentences. It's the department that has only half completed one of the eight new generation prisons promised between 2002 and 2006. It's the department whose members allowed Annanias Mathe to escape from a prison that was supposedly the most secure in South Africa.

It's the department that lost 8 292 tagging devices in Westville at a cost of more than R7 million that no one seems to have accounted for. It's the department that, despite the huge challenges it faces, underspent on last year's budget and left 1 718 funded posts unfilled. Under these circumstances we must and we will oppose the Vote. Thank you, Chairperson.

Mrs S A SEATON: Madam Chair, we will support this Budget Vote. However, we have to agree that there are major problems in this department. We sincerely hope that this year the budget will be spent as planned. In fact, the funds need to be spent as planned this year. We hope that the staff shortages will be addressed once and for all. We really do have a problem, and it needs to be addressed. We need to see that the corruption is stamped out in this department. There are major problems, and they have to be addressed.

We want to see that the concerns that the Portfolio Committee on Correctional Services have addressed will be dealt with and that we get answers to these matters this year. We want to see the eight new generation prisons built this year. We really want to see progress.

We also congratulate the new national commissioner. I believe we have an extremely capable, very motivated and very positive man in our new commissioner and with his help, I believe, we can make a difference. Minister, I hope that you will be tackling these challenges this year to see that this department really moves.

Mnr P J GROENEWALD: Agbare Voorsitter, die Departement van Korrektiewe Dienste is een van die komponente wat baie belangrik is vir die bekamping van misdaad in Suid-Afrika. Stem die agbare Minister saam of nie met die feit dat 'n persoon soos Tony Yengeni voorkeurbehandeling kry en dat hy nie sy volle deel van sy vonnis hoef uit te dien nie. Ek kan vir die agbare Minister voorbeelde gee van ander gevangenes wat 'n baie meer geringe oortreding as mnr Tony

Yengeni begaan het en wat langer in die gevangenis moet deurbring.

Daardie persepsie gee 'n sein na die publiek toe dat as jy die regte lidmaatskaart het, dan gaan jy voorkeurbehandeling kry. Dit bevorder beslis misdaad en dit bekamp nie misdaad soos wat dit behoort te doen nie. Misdadigers moet hulle vonnisse uitdien. Die Vryheidsfront Plus sal nie die begroting ondersteun nie. *(Translation of Afrikaans declaration of vote follows.)*

[Mr P J GROENEWALD: Hon Chairperson, the Department of Correctional Services is one of the components that are vital in combating crime in South Africa. Does the hon Minister agree or disagree with the fact that a person like Tony Yengeni gets preferential treatment and does not have to serve his full sentence. I can give the hon Minister examples of other prisoners who have committed far lesser transgressions than Mr Tony Yengeni and have to remain in prison for longer.

This perception indicates to the public that if one has the correct membership card one will receive preferential treatment. This certainly promotes crime instead of combating crime in the way it is supposed to do. Criminals should serve their sentences. The FF Plus will not support the budget.]

Mr D V BLOEM: Madam Chairperson, we all know very, very well that prisons were never used as rehabilitation centres in the past but rather as tools to oppress freedom fighters. The ANC changed the approach. They are now rehabilitation centres.

Madam Chairperson, I am very confident that our new national commissioner Petersen will make a difference. You can already notice a positive approach by the commissioner. Let's give him a chance. I'm sure he will prove himself, I am positive about that. The ANC will definitely support this Budget Vote. Thank you very much. [Applause.]

Mrs S V KALYAN: Madam Chairperson . . . [Interjections.]

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon members, we've had these particular unfortunate noises several times when this particular member rises. I really find it despicable and I hope that it is the last time I will ever hear it in this House. Please continue, hon member.

Mrs S V KALYAN: Madam Chairperson, the Democratic Alliance calls for a division.

Division demanded.

The House divided:

AYES—250: Abram, S; Anthony, T G; Asiya, S E; Balfour, B M N; Baloyi, M R; Bapela, K O; Bhamjee, Y S; Bhengu, F; Bhengu, M J; Bhengu, P; Bhoola, R B; Bici, J; Biyela, B P; Bloem, D V; Bogopane-Zulu, H I; Bonhomme, T J; Botha, N G W; Burgess, C V; Buthelezi, M G; Cele, M A; Chalmers, J; Chang, E S; Chikunga, L S; Chohan-Khota, F I; Combrinck, J J; Cronin, J P; Cwele, S C; Dambuza, B N; Daniels, P; Davies, R H; De Lange, J H; Diale, L N; Dikgacwi, M M; Direko, I W; Dithebe, S L; Ditshetelo, P H K; Dlali, D M; Du Toit, D C; Fihla, N B; Frolick, C T; Gabanakgosi, P S; Gaum, A H; Gcwabaza, N E; George, M E; Gerber, P A; Gigaba, K M N; Gololo, C L; Gomomo, P J; Gore, V C; Greyling, C H F; Gumede, D M; Gxowa, N B; Hajaig, F; Hanekom, D A; Hangana, N E; Hendricks, L B; Hendrickse, P A C; Holomisa, S P; Jeffery, J H; Johnson, M; Jordan, Z P; Kalako, M U; Kasienyane, O R; Kasrils, R; Kekana, C D; Kganyago, N M; Khoarai, L P; Kholwane, S E; Khumalo, K K; Khumalo, K M; Khunou, N P; Komphela, B M; Kondlo, N C; Kotwal, Z; Landers, L T; Lebenya, P; Lekgetho, G; Lishivha, T E; Louw, J T; Louw, S K; Ludwabe, C I; Luthuli, A N; Maake, J J; Mabe, L L; Mabena, D C; Mabudafhasi, T R; Madasa, Z L; Madella, A F; Madikiza, G T; Madlala-Routledge, N C; Maduma, L D; Madumise, M M; Magwanishe, G B; Mahlaba, T L; Mahlangu-Nkabinde, G L; Mahlawe,

N M; Mahote, S; Maine, M S; Maja, S J; Makasi, X C; Makgate, M W; Malahlela, M J; Maloyi, P D N; Maluleka, H P; Maluleke, D K; Manana, M N S; Manuel, T A; Mapisa-Nqakula, N N; Mars, I; Martins, B A D; Maserumule, F T; Mashangoane, P R; Mashigo, R J; Mashile, B L; Masutha, T M; Mathibela, N F; Matlala, M H; Matsemela, M L; Matsepe-Casaburri, I F; Matsomela, M J J; Maunye, M M; Mayatula, S M; Mbombo, N D; Mdladlose, M M; Mentor, M P; Mgabadeli, H C; Mkhize, Z S; Mkongi, B M; Mlangeni, A; Mnguni, B A; Mnyandu, B J; Moatshe, M S; Mofokeng, T R; Mogale, O M; Mogase, I D; Mohamed, I J; Mohlaloga, M R; Mokoena, A D; Molefe, C T; Moleketi, P J; Moloto, K A; Monareng, O E; Montsitsi, S D; Moonsamy, K; Morutoa, M R; Morwamoche, K W; Mosala, B G; Moss, L N; Moss, M I; Mpahlwa, M B; Mpontshane, A M; Mshudulu, S A; Mthembu, B; Mthethwa, E N; Mtshali, E; Mzondeki, M J G; Nawa, Z N; Ndzanga, R A; Nefolovhodwe, P J; Nel, A C; Nene, M J; Nene, N M; Newhoudt-Druchen, W S; Ngaleka, E; Ngcengwane, N D; Ngcobo, B T; Ngcobo, E N N; Ngcobo, N W; Ngculu, L V J; Ngele, N J; Ngwenya, M L; Ngwenya, W; Nhlengethwa, D G; Njikelana, S J; Nkabinde, N C; Nkuna, C; Nqakula, C; Ntuli, B M; Ntuli, M M; Ntuli, R S; Ntuli, S B; Nwamitwa-Shilubana, T L P; Nxumalo, M D; Nxumalo, S N; Nyambi, A J; Nzimande, L P M; Olifant, D A A; Oliphant, G G; Oosthuizen, G C; Padayachie, R L; Pahad, E G; Pandor, G N M; Phungula, J P; Pieterse, R D; Pule, B E; Rabinowitz, R; Radebe, B A; Radebe, J T; Rajbally, S; Ramgobin, M; Ramodibe, D M; Ramotsamai, C P M; Rasmeni, S M; Reid, L R R; Rwexana, S P; Saloojee, E; Schippers, J; Schneemann, G D; Schoeman, E A; Seadimo, M D; Seaton, S A; Sefularo, M; Selau, J G; Shabangu, S; Sibande, M P; Sibanyoni, J B; Siboza, S; Sibuyana, M W; Sigcau, S N; Sisulu, L N; Skhosana, W M; Skosana, M B; Skweyiya, Z S T; Smith, V G; Solomon, G; Sonjica, B P; Sonto, M R; Sosibo, J E; Sotyu, M M; Surty, M E; Swanson-Jacobs, J; Thabethe, E; Tobias, T V; Tolo, L J; Tshabalala-Msimang, M E; Tshivhase, T J; Tshwete, P; Vadi, I; Van den Heever, R P Z; Van der Merwe, J H; Van der Merwe, S C; Van Schalkwyk, M C J; Van Wyk, A; Vos, S C; Vundisa, S S; Wang, Y; Xolo, E T; Yengeni, L E; Zita, L; Zulu, B Z.

NOES—41: Blanché, J P I; Boinamo, G G; Cupido, H B; Delport, J T; Doman, W P; Dreyer, A M; Dudley, C; Ellis, M J; Farrow, S B; Gibson, D H M; Groenewald, P J; Joubert, L K; Julies, I F; Kalyan, S V; Kohler-Barnard, D; Labuschagne, L B; Lee, T D; Leon, A J; Lowe, C M; Marais, S J F; Masango, S J; Meshoe, K R J; Minnie, K J; Morgan, G R; Nel, A H; Opperman, S E; Sayedali-Shah, M R; Schmidt, H C; Selfe, J; Seremane, W J; Simmons, S; Smuts, M; Spies, W D; Stephens, J J M; Steyn, A C; Swart, P S; Swart, S N; Swathe, M M; Trent, E W; Van Der Walt, D; Van Dyk, S M.

The MINISTER OF EDUCATION: Chairperson, I was wondering whether the Rules that have normally been practised in the House have changed. I noted an hon member walking in after the bells had been rung and the doors closed. I wondered whether there is now a change in the House.

The HOUSE CHAIRPERSON (Mrs C-S Botha): No Madam, there are no changes with respect to that. I am sorry I did not notice that and I don't think anybody at the Table did either. The hon member should be aware of the Rules and has breached the Rules of the House. The particular member's vote will not be recognised and the voting session is now closed.

Vote accordingly agreed to.

Vote No 20—Defence—put.

Declarations of vote:

Adv H C SCHMIDT: Madam Chair, the National Defence Force has admittedly improved with regard to certain issues; one of them being the improvement of the SANDF and the recent and effective deployment of it during the public service strike in order to maintain peace and order.

However, the department's approach to ensure an increase in the funding of the presidential and VIP air transport fleet and operations at the cost—and I repeat—at the cost of the SA Air Force, is unacceptable. A continued reduction in flying hours and the reduction in the number of pilots, in particular fighter pilots, leaves much to be desired. Our Constitution requires an effective and efficient national defence force, which includes the air force.

Die departement beskik nie oor die vermoë om die voortdurende dreigende probleme rondom onderhandelinge met die weermagunies te besleg nie. Daar is ook die voortdurende gesloer met die aanstelling van 'n bekwame bevelvoerende generaal vir die Suid-Afrikaanse Nasionale Weermag. Voorts is daar 'n gebrek aan dissipline, soos duidelik blyk uit die aard en omvang van optrede jeens . . .

Die Ouditeur-generaal gee die departement ook gereelde voorbehoude oudits en daar word versuim om 'n aanvaarbare uitdienstredingspakket, vrywilliglik of andersins, daar te stel wat gebaseer word op kundigheidsvlakke al dan nie van diegene wie die diens wil verlaat. Dit laat die DA met geen opsie nie as om die begroting te opponeer. Ek dank u. *(Translation of Afrikaans paragraphs follows.)*

[The department does not have the capacity to solve the ongoing threatening problems around negotiations with the defence force unions. There is also the ongoing delay in appointing a competent general officer commanding for the SA National Defence Force. Furthermore, there is a lack of discipline, as is evident from the nature and extent of the behaviour towards . . .

The Auditor General also regularly gives the department qualified audits and no effort has been made to put an acceptable retirement package, voluntarily or otherwise, in place that is based on levels of expertise or lack thereof of those who wish to leave the service. This leaves the DA with no other option but to oppose the budget. I thank you.]

Mr S N SWART: Chairperson, there is a huge gap between the department's commitments in terms of the Constitution, foreign policy and military doctrine and the resources allocated to building and maintaining its capacity to meet them.

At present we spend just 1,3% of GDP on defence, almost the lowest ratio of most countries that have a significant defence force and are required to perform roles beyond territorial defence. For example, Denmark spends far less than we do, yet has nearly one tenth of our population and far greater regional and continental commitments. Clearly, a political decision needs to be made; either the expectations of what the defence force must do need to be scaled down severely or it must get more money.

Across the board the department is faced with the challenge of retaining persons with scarce skills. Our specialised defence force members must be fairly and reasonably compensated to prevent them being lured to the private sector. It is regrettable therefore that this department did not receive a greater increase in its budget in view of its commitments. Notwithstanding the above, however, the ACDP will support the Budget Vote. I thank you.

Mnr P J GROENEWALD: Voorsitter, as 'n mens kyk na die verslae oor die gevegsgereedheid van die weermag, dan is dit eintlik skokkend om te verneem dat daar

partykeer nie eens genoeg geld is om genoeg ammunisie te voorsien aan ons voetsoldate nie.

Die regering, Voorsitter, het biljoene rande gaan spandeer aan nuwe wapenaankope. Dit is die belastingbetaler se geld. Dit is 'n verantwoordelikheid van die regerende party en van hierdie Huis om te verseker dat die belastingbetaler waarde vir sy geld kry.

Nou kom ons met 'n transformasiebeleid en regstellende aksie wat volgens die VF Plus die oorsaak is dat daar nie genoeg mannekrag is nie en dit is hoekom kundiges die SANW verlaat. Dit moet gestaak word. Alvorens ons nie na hierdie pertinente aspek kyk nie, Voorsitter, sal die VF Plus nie die begroting kan ondersteun nie en gaan ons nie die beste van die bestes kry vir ons nasionale weermag nie. Dankie. *(Translation of Afrikaans declaration of vote follows.)*

[Mr P J GROENEWALD: Chairperson, if one looks at the reports regarding the combat readiness of the defence force then it is actually shocking to note that sometimes there aren't even sufficient funds to supply enough ammunition to our foot soldiers.

Chairperson, the government spent billions of rand on the acquisition of new weapons. This is the taxpayer's money. It is a responsibility of the ruling party and of this House to ensure that the taxpayer gets value for money.

Now we have a transformation policy and affirmation action, which, according to the FF Plus, is the reason why there isn't enough manpower and that is why experts are leaving the SANDF. This must cease. Until we look at these pertinent issues, Chairperson, the FF Plus will not be able to support this budget and we will not get the best of the best for our national defence force. Thank you.]

Ms T V TOBIAS: Chairperson, the ANC hereby declares that the Department of Defence is on track in connection with building peace and security on the continent, and also building the country's skills base through the Managing the Service Delivery System programme. Therefore, we want to declare that it is also important to allocate more funds through Jipsa to ensure that the momentum on the MSDS is sustained and the UN should also fund the AU for the hybrid force that has recently been deployed to Sudan.

We also declare a need to allocate more funds through the Special Defence Account to allow the department to furnish its fleet from the strategic defence packages by purchasing a landing ship. We further request the assistance of the National Treasury to ensure the speedy implementation of the financial management system and that they should continue to revamp our battalions, including the 21st battalion, to maintain the high morale of our troops.

We also noted the qualifications that the Auditor-General has presented against the department; however, it is important to set the record straight, that indeed the department has improved and that this fact should be appreciated and we as the portfolio committee will continue to support the department in its endeavours.

It is simplistic for the DA to raise the issue of the VIP fleet as this matter is sub judice. The hon member from the ACDP again drew a comparison between South Africa and Denmark on the issue of our expenditure, yet he knows that the population size of the two countries is not the same, including their economies. So, it is premature for you to draw such comparisons.

We had an intensive discussion during the budget . . . [Time expired.] The ANC supports this budget.

Vote agreed to (Democratic Alliance, Freedom Front Plus and Independent Democrats dissenting).

Vote No 21—Independent Complaints Directorate—put.

Declarations of vote:

Rev K R J MESHOE: Chairperson, the ACDP will not support Budget Vote 21. Members of the Portfolio Committee on Safety and Security have expressed their disapproval of the unjustifiably high number of staff members in the ICD's national office.

Three provinces, namely the Northern Cape, Free State and Mpumalanga, according to the list of employees that has been given to the members, do not have a single person performing secretarial or clerical duties, while the national office has more than 25 employees performing secretarial and clerical duties. As a result provinces are inhibited in performing their duties and the ACDP will therefore not support this budget, because they had plenty of time to rectify this mistake.

Ms M M SOTYU: Chairperson, the ANC supports this Budget Vote and we believe that the appointment of the new permanent executive director for the ICD will take forward the recommendations of the Portfolio Committee on Safety and Security, and plead with the National Treasury to give more funds to the ICD in order for them to establish satellite offices in all provinces and address the issue of a shortage of staff, especially the investigators in all provinces.

We are aware, Moruti, as much as you are aware, that the department is, of course, addressing the matter with the Minister, but I agree with you. I think we need to be a little bit quicker in that regard, because it is a concern lately. Thank you very much.

Vote agreed to (African Christian Democratic Party dissenting).

Vote No 22—Justice and Constitutional Development—put.

Declarations of vote:

Mr L K JOUBERT: Chairperson, the DA would have loved nothing more than to support this Budget Vote, because we consider justice a cornerstone of democracy. In a government system based on the doctrine of the separation of powers, the justice portfolio is one of the most important portfolios in government. Yet, notwithstanding this, the Minister keeps underperforming.

Dit is nie net ek of die DA wat so dink nie, ook die *Mail & Guardian* dink so. [Tussenwerpsels.] In die jongste rapport van die koerant—julle moet dit lees!—het die Minister 'n G gekry. [Tussenwerpsels.] *(Translation of Afrikaans paragraph follows.)*

[It is not just I or the DA who think like this, the *Mail & Guardian* thinks like this as well. [Interjections.] In the latest report card of the newspaper—you must read it!—the Minister received a G. [Interjections.]]

The HOUSE CHAIRPERSON (Ms C-S Botha): Order, please. Order!

Mnr L K JOUBERT: Dit is die laagste simbool van die hele Kabinet. Suid-Afrika verdien sekerlik beter van sy Minister van Justisie en van haar adjunk. Ook in die Balie is die opinie van die Minister nie baie hoog nie. 'n Senior advokaat het onlangs die volgende te sê gehad: *(Translation of Afrikaans paragraph follows.)*

[Mr L K JOUBERT: This is the lowest symbol in the whole Cabinet. South Africa certainly deserves better from its Minister of Justice and her deputy. Even in the Bar Council the opinion of the Minister is not very high. A senior advocate recently said the following:]

> The wheels of policy formation and implementation in the area of justice and constitutional development turn so slowly that, like the wheels of a car taking off in a movie, they appear at times to turn in reverse and at times the proposed policies appear to be taking us to a past we thought we had left behind.

The Minister is not here today, but we wanted to give her a message by objecting to this Budget Vote and that message is: Min-

ister, get your act together. You owe it to South Africa. Thank you.

Mr J H VAN DER MERWE: Chairperson, I wish to refer to the Budget Vote debate on Justice that took place on 29 May in which we raised, once again, the question of 383 applications for presidential pardons. This is as a result of what the Human Rights Commission found, namely that the Minister had violated the human rights of those people.

But the Deputy Minister said in the debate—now the Human Rights Commission has never taken a decision on this matter and has not placed a single report before the Minister—"all we have is a one-and-a-half-page letter from a junior official in that unit".

Madam Chairperson, this is absolute nonsense and it is not true. The truth is totally different. The Human Rights Commission has confirmed to us once again today that the decision was in fact a decision by the commission. And that, secondly, where the Deputy Minister says there was only a one-pager from a junior, I have numerous letters in my hand that Jodi Kollapen, the chairperson, has written to the Minister. This means that the hon Deputy Minister has . . .

The DEPUTY MINISTER FOR JUSTICE AND CONSTITUTIONAL DEVELOPMENT: [Inaudible.]

Mnr J H VAN DER MERWE: Wie sê ek lieg? [Gelag.] Hoor u wat sê hy, mevrou? [Gelag.]

Die HUISVOORSITTER (Me C-S Botha): Agb Adjunkminister, sal u asseblief terugtrek wat u gesê het?

Die ADJUNKMINISTER VIR JUSTISIE EN STAATKUNDIGE ONTWIKKELING: Ek sal dit terugtrek as hy dit ook terugtrek. Hy het net gesê ons lieg, toe sê ek vir hom hy lieg. So, as hy dit terugtrek, trek ek dit onvoorwaardelik terug.

Die HUISVOORSITTER (Me C-S Botha): Nee, ek het nie gevra vir 'n voorwaardelike terugtrekking nie. Ek het net gevra dat u dit terugtrek. Baie dankie. Sal u asseblief voortgaan?

Mnr J H VAN DER MERWE: Voorsitter, feit is, die Adjunkminister het die Parlement mislei deur te sê die Menseregtekommissie het nie die bevinding gemaak nie en daar is nie briewe geskryf nie. Die bewyse is daar. *(Translation of Afrikaans paragraphs follows.)*

[Mr J H VAN DER MERWE: Who says I am lying? [Laughter.] Did you hear what he said, Madam?

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Deputy Minister, will you please withdraw what you just said?

The DEPUTY MINISTER FOR JUSTICE AND CONSTITUTIONAL DEVELOPMENT: I shall withdraw it if he withdraws what he said. He only said that we were lying and then I said to him that he was lying. So, if he withdraws what he said, I will unconditionally withdraw what I said.

The HOUSE CHAIRPERSON (Ms C-S Botha): No, I did not ask for a conditional withdrawal. I just asked you to withdraw what you said. Thank you. Will you continue please?

Mr J H VAN DER MERWE: Chairperson, the fact is, the Deputy Minister has misled Parliament by saying the Human Rights Commission did not make that finding and no letters were written. The proof is there.]

In addition, the Human Rights Commission is so upset about the Minister's violation of human rights that the Human Rights Commission informed me today that they are considering intervening in the High Court case against the Minister as amicus curiae. It appears therefore that the hon Deputy Minister has misled the House. He should apologise and he should withdraw. Then the hon De Lange . . .

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Van der Merwe, I regret your time has expired.

Mr J H VAN DER MERWE: My time has not expired. He wasted my time and you've not taken that into consideration. [Interjections.] I need another five seconds. [Interjections.] There was a song many years ago *Give Me Five Minutes More*! [Interjections.] May I conclude?

The HOUSE CHAIRPERSON (Ms C-S Botha): I regret, this is not the opera.

Mr J H VAN DER MERWE: I just want to say that the Minister needs . . .

The HOUSE CHAIRPERSON (Ms C-S Botha): No, hon Van der Merwe.

Mr J H VAN DER MERWE: You need to learn a lot about humility!

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Van der Merwe, please take your seat now!

Ms F I CHOHAN: Madam Chair, he just said that the hon Deputy Minister is a "poephol". Is that acceptable? [Interjections.]

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Van der Merwe, is the accusation correct?

Mr J H VAN DER MERWE: The accusation is correct. He is one. [Laughter.]

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Van der Merwe, you may be funny, but you're doing this House no justice. Please withdraw, without stating what you said.

Mr J H VAN DER MERWE: I withdraw. [Laughter.]

Mr S N SWART: Chairperson, I'll make no reflections on any Ministers, thank you.

A judicial system is only as good as those who administer the law. Whilst there are very many dedicated prosecutors and magistrates, the prolonged process of dealing with crime is aggravated by a criminal justice system that is struggling to cope. Chairperson, I can't hear myself.

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon members, please!

Mr S N SWART: Courts are understaffed and court rolls clogged to such an extent that cases are continuously postponed with a knock-on effect on the number of awaiting-trial prisoners kept in deplorable conditions of overcrowding.

The problems in the various links in the criminal justice system, from the arrest by an investigating police officer to the prosecutor to the correctional services officer to the interpreter, judicial officer and defence lawyer, remain a challenge. A delay in any one of these links severely affects the whole chain and adds to the backlog of cases.

The ACDP supports an integrated approach whereby the four key departments: Safety and Security, Justice, Correctional Services and Welfare, take responsibility for the success of the systems by means of binding interdepartmental protocols. Such protocols will serve to enhance and strengthen the existing integrated justice system court centres. Notwithstanding these many and various challenges, however, the ACDP will support this Budget Vote. I thank you.

Ms F I CHOHAN: Chairperson, I must say I am rather taken aback. The hon Joubert seems to use every opportunity he can to attack the Minister personally and I must say that it comes as an enormous surprise to me, bearing in mind that we've had very substantive discussions and inputs during the budget hearings.

I will have no fear of embarrassing the Minister today when I say the following—because she's not here. The Minister is an extremely competent and consensus-seeking person and you interpret this latter quality as a weakness at your own peril. Frankly, I don't think that your personal attacks make

her lose any sleep, Mr Joubert. I think also that what this does is expose very blatantly your small-mindedness. [Interjections.]

As to Mr Van der Merwe who keeps flogging this dead horse even after it was dealt a fatal blow in the Budget debate, it is a well-known fact, and everybody knows it here, that the IFP had called on their rank and file not to participate in the TRC hearings. As the rest of us have moved on into the future, there is Mr Van der Merwe flogging this horse, tabling cream cakes and going to court and blaming the Minister for Justice and Constitutional Development for all of his sins that he should really bear the responsibly for. I think it is an utter, utter shame.

The department this year receives an additional R473 million to deal with some of the problems that the ACDP raised and the ANC will definitely support this Budget Vote.

Mr D V BLOEM: Chairperson, I am feeling very offended by Koos calling the Minister names. It must stop now. [Interjections.] It must stop! [Interjections.]

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon members, before I take anything further, I would ask you to take your seats, not to use that word again at all, whether in response or originally, and to treat this House with the respect it deserves. Are there any further objections?

Mr J H VAN DER MERWE: Madam Chairperson, I beg leave to tender an explanation, which I think I am entitled to in terms of the Standing Rules, resulting from the words spoken by the Chairperson of the Justice Committee.

The HOUSE CHAIRPERSON (Ms C-S Botha): I will confer with the Table whether there is any such Rule.

Hon Van der Merwe, although I think you are entitled to do so, I would prefer in this instance that you come and discuss it with me later on and if we need to take it any further in the House tomorrow we shall do so. Thank you very much.

Mr J H VAN DER MERWE: I just wanted to say that I never asked anybody not to go to the TRC. In fact, I defended people.

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Van der Merwe, you are out of order.

Vote agreed to (Democratic Alliance and United Party of South Africa dissenting).

Vote No 23—Safety and Security—put.

Declarations of vote:

Ms D KOHLER-BARNARD: Chairperson, while there are signs that government is beginning to retreat from its denialist stance with regard to crime and the impact it's having on the citizens of this country, the reality today is that crime is the major factor behind immigration, while equally creating a negative impact on tourism and deterring foreign investment.

With 50 or more citizens murdered here daily, coupled with the increase in violence in relation to crimes, the focus must be on how it is that the Ministry of Safety and Security spends its considerable budget, yet fails absolutely to fulfil its mandate.

The SAPS has failed to produce anything new in relation to fighting crime and corruption in this country and with 529 police members suspended for corruption this past year, the calibre of our police and the quality of their training must be questioned and one must also question how it is the Minister intends to supply training to the thousands of new recruits he intends to pull in before 2010. Also to be considered is the seemingly bottomless pit down which Saps pours millions—that being the implementation of the Firearms Act—with citizens waiting for years for a licence or being refused outright.

Visible policing isn't visible, despite the directive from the President. Station after station claims that it has a shortage of

equipment. Bulletproof vests for women, for example, are always on order. The forensic laboratories are not functional in any sense of the word with, for example, eight out of ten motorists caught for drunk driving in Buffalo City, never having to go to court, because the blood test results just don't come back in time. The Ministry states that there is a backlog of 6 086 samples in our laboratories and today claims are emerging that these figures are grossly understated.

Finally, with the political appointment of the shady National Commissioner, coupled with the seemingly endless Scorpions investigation of him and the Minister's regular absences from the country, the management structures are weak from the top down. Voting for the Budget Vote would suggest that the DA supports the Ministry's intention to spend more on much of the same, though there are no indications that it would do otherwise. Therefore, of course, we vote against the budget.

Mr J H VAN DER MERWE: Madam Chairperson, I assume that the VIP drivers and bodyguards fall under this particular Minister and I want to bring to his attention that it now happens regularly that you see them driving at high speed, overtaking on the left, for instance—and I have seen this personally—between Parliament and the airport, cutting in over solid white and yellow lines, pushing people out of the way, driving in excess of 180 km per hour, endangering the lives of citizens.

I'm sure the Minister will not allow that, but I ask him to look into that and to assure those drivers that they are not above the law. They are not above the law and if they transgress, if they commit traffic offences, they should be prosecuted.

Rev K R J MESHOE: Chairperson, the ACDP will be supporting the Safety and Security Budget Vote, not because we are satisfied with the performance of our police, but because we want to see their salaries and conditions of service greatly improved. The level of crime in our country is still too high and the investigation capacity of many of our detectives leaves much to be desired. We want to appeal to the hon Minister to ensure that the police keep members of the public informed about progress made in the investigation of cases they have reported.

Promises made to victims of crime must be kept so that trust and confidence in the police service can remain high. We will support the Vote.

Mr P J GROENEWALD: Chairperson, in the hon Minister's response in the Budget Vote he referred to me and he said:

> We will not find each other. Not today, not tomorrow, not ever.

I want to agree with the hon Minister, we will not find each other as long as the hon Minister is part of the executive surrounded by bodyguards and I am part of the public who don't have the privilege of bodyguards. [Interjections.]

Agb Minister, of u dit nou wil weet of nie, misdaad daar buite raak ons mense. Die afgelope drie jaar was meer as 2,5 miljoen mense slagoffers van geweldsmisdaad, maar die agb Minister sê die toekoms, wat misdaad in Suid-Afrika betref, lyk rooskleurig. Agb Minister, u is eintlik in 'n toestand van ontkenning en solank as wat u in daardie fase is, sal u nie misdaad behoorlik kan bekamp nie. Daarom sal die VF Plus dan ook nie hierdie begroting ondersteun nie. Dankie. *(Translation of Afrikaans paragraph follows.)*

[Hon Minister, whether you want to know it or not, the crime out there is affecting our people. In the past three years more than 2,5 million people were victims of violent crime, but the hon Minister says that the future, as far as crime in South Africa is concerned, looks rosy. Hon Minister, you are actually in a state of denial and as long as you remain in that phase, you will not be

able to combat crime properly. That is why the FF Plus will also not be supporting this budget. Thank you.]

Ms M M SOTYU: Chairperson, I don't want to call anybody anything, not even a "poephol", but I'm not even going to bother myself with a basket full of nothing, especially nothing new.

I would like to urge the members of the committee to stop demoralising the morale of the police and make the criminals feel great by always being so negative towards everything that the police and the Minister are doing. Say something positive for a change! Something about the running of police stations like Galeshewe in Kimberley. You were in Kimberley, you saw what the police were doing, you said nothing. You were in Bloemfontein in Bloemspruit, you saw the morale of the police under difficult conditions, you said nothing. You were in Welkom Police Station at ten o'clock in the evening, you saw what the police were doing, you said nothing.

The hon member Kohler-Barnard reported to the Chairperson about the non-cooperation of the police commissioner in Pinetown Police Station. The chairperson arranged for a delegation of members of the portfolio committee to go to that station. And what happened? She was not to be found. You were never there. [Interjections.] The portfolio committee went to that station. You did not go to that station to address some of the issues that you are raising here.

The ANC supports this budget. Thank you. [Interjections.]

Division demanded.

During Division:

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon member, a cell phone has certainly, as far as I've seen, never been used so openly in this Chamber. [Interjections.] Please, cell phones are not used in here. Switch it off. Thank you. All members in their allocated seats, voting will now commence.

Mr F T MASERUMULE: Again, Tlokwe Maserumule, once again.

The HOUSE CHAIRPERSON (Ms C-S Botha): I'm so sorry. Are there any other members who need to indicate that their vote hasn't been recorded?

The MINISTER OF HOUSING: I'd like to think this has nothing to do with you, Chairperson. Again.

The HOUSE CHAIRPERSON (Ms C-S Botha): No, I can assure you, it hasn't. [Laughter.]

The MINISTER OF HOUSING: I know. Again, on the "yes" vote, please.

The HOUSE CHAIRPERSON (Ms C-S Botha): Your vote will be recorded. Anybody else?

Ms L L MABE: Koos van der Merwe. [Laughter.]

The HOUSE CHAIRPERSON (Ms C-S Botha): Thank you. Order, please. The voting session is now closed.

An HON MEMBER: Siyambongela uKoos van der Merwe. [We congratulate Koos van der Merwe.] [Laughter.]

The HOUSE CHAIRPERSON (Ms C-S Botha): Siyabonga. [Thank you.]

The House divided:

AYES—247: Abram, S; Ainslie, A R; Anthony, T G; Asiya, S E; Balfour, B M N; Baloyi, M R; Bapela, K O; Bekker, H J; Bhamjee, Y S; Bhengu, F; Bhengu, M J; Bhoola, R B; Bici, J; Biyela, B P; Bloem, D V; Bogopane-Zulu, H I; Bonhomme, T J; Botha, N G W; Burgess, C V; Buthelezi, M G; Cele, M A; Chalmers, J; Chang, E S; Chikunga, L S;

Chohan-Khota, F I; Combrinck, J J; Cronin, J P; Cupido, H B; Cwele, S C; Dambuza, B N; Daniels, P; Davies, R H; De Lange, J H; Diale, L N; Dikgacwi, M M; Direko, I W; Dithebe, S L; Ditshetelo, P H K; Dlali, D M; Doidge, G Q M; Du Toit, D C; Dudley, C; Fihla, N B; Frolick, C T; Gabanakgosi, P S; Gaum, A H; Gcwabaza, N E; Gerber, P A; Gololo, C L; Gomomo, P J; Gore, V C; Greyling, C H F; Greyling, L W; Gumede, D M; Gxowa, N B; Hajaig, F; Hanekom, D A; Hangana, N E; Hendricks, L B; Hendrickse, P A C; Jeffery, J H; Johnson, M; Jordan, Z P; Kalako, M U; Kasienyane, O R; Kasrils, R; Kekana, C D; Kganyago, N M; Khoarai, L P; Kholwane, S E; Khumalo, K K; Khumalo, K M; Khunou, N P; Komphela, B M; Kondlo, N C; Kotwal, Z; Landers, L T; Lebenya, P; Lekgetho, G; Lishivha, T E; Louw, S K; Ludwabe, C I; Luthuli, A N; Maake, J J; Mabe, L L; Mabena, D C; Mabudafhasi, T R; Madasa, Z L; Madella, A F; Madikiza, G T; Madlala-Routledge, N C; Maduma, L D; Madumise, M M; Magwanishe, G B; Mahlaba, T L; Mahlangu-Nkabinde, G L; Mahote, S; Maine, M S; Maja, S J; Makasi, X C; Makgate, M W; Malahlela, M J; Maluleka, H P; Maluleke, D K; Manana, M N S; Manuel, T A; Mapisa-Nqakula, N N; Mars, I; Martins, B A D; Maserumule, F T; Mashangoane, P R; Mashigo, R J; Mashile, B L; Masutha, T M; Mathibela, N F; Matlala, M H; Matsemela, M L; Matsepe-Casaburri, I F; Matsomela, M J J; Maunye, M M; Mayatula, S M; Mbombo, N D; Mdladlose, M M; Mentor, M P; Meshoe, K R J; Mgabadeli, H C; Mkhize, Z S; Mlangeni, A; Mnguni, B A; Mnyandu, B J; Moatshe, M S; Modisenyane, L J; Mofokeng, T R; Mogale, O M; Mogase, I D; Mohamed, I J; Mohlaloga, M R; Mokoena, A D; Molefe, C T; Moleketi, P J; Moloto, K A; Monareng, O E; Montsitsi, S D; Moonsamy, K; Morutoa, M R; Morwamoche, K W; Mosala, B G; Moss, L N; Moss, M I; Mpahlwa, M B; Mpontshane, A M; Mshudulu, S A; Mthembu, B; Mthethwa, E N; Mtshali, E; Mzondeki, M J G; Nawa, Z N; Ndzanga, R A; Nel, A C; Nene, M J; Nene, N M; Newhoudt-Druchen, W S; Ngaleka, E; Ngcengwane, N D; Ngcobo, B T; Ngcobo, E N N; Ngcobo, N W; Ngculu, L V J; Ngele, N J; Ngwenya, M L; Nhlengethwa, D G; Njikelana, S J; Nkabinde, N C; Nkuna, C; Nqakula, C; Ntuli, B M; Ntuli, M M; Ntuli, R S; Nwamitwa-Shilubana, T L P; Nxumalo, M D; Nxumalo, S N; Nyambi, A J; Nzimande, L P M; Olifant, D A A; Oliphant, G G; Oosthuizen, G C; Padayachie, R L; Pahad, E G; Pandor, G N M; Phadagi, M G; Phungula, J P; Pieterse, R D; Pule, B E; Rabinowitz, R; Radebe, B A; Rajbally, S; Ramgobin, M; Ramodibe, D M; Ramotsamai, C P M; Rasmeni, S M; Reid, L R R; Roopnarain, U; Rwexana, S P; Saloojee, E; Schippers, J; Schneemann, G D; Schoeman, E A; Seadimo, M D; Seaton, S A; Sefularo, M; Selau, J G; Shabangu, S; Sibande, M P; Sibanyoni, J B; Siboza, S; Sibuyana, M W; Sigcau, S N; Sisulu, L N; Skhosana, W M; Skosana, M B; Skweyiya, Z S T; Smith, V G; Solomon, G; Sonjica, B P; Sonto, M R; Sosibo, J E; Sotyu, M M; Surty, M E; Swanson-Jacobs, J; Thabethe, E; Tobias, T V; Tolo, L J; Tshabalala-Msimang, M E; Tshivhase, T J; Tshwete, P; Vadi, I; Van den Heever, R P Z; Van der Merwe, J H; Van der Merwe, S C; Van Schalkwyk, M C J; Van Wyk, A; Vos, S C; Woods, G G; Xolo, E T; Yengeni, L E; Zita, L; Zulu, B Z.

NOES—38: Blanché, J P I; Boinamo, G G; Delport, J T; Doman, W P; Dreyer, A M; Ellis, M J; Farrow, S B; Gibson, D H M; Groenewald, P J; Joubert, L K; Julies, I F; Kalyan, S V; Kohler-Barnard, D; Labuschagne, L B; Lee, T D; Leon, A J; Lowe, C M; Marais, S J F; Masango, S J;

Minnie, K J; Morgan, G R; Mulder, P W A; Nel, A H; Opperman, S E; Sayedali-Shah, M R; Schmidt, H C; Selfe, J; Seremane, W J; Simmons, S; Smuts, M; Spies, W D; Stephens, J J M; Steyn, A C; Swart, P S; Swathe, M M; Trent, E W; Van der Walt, D; Van Dyk, S M.

Vote accordingly agreed to.

The MINISTER OF FINANCE: Madam Chair, may I address you before you put the next Vote.

The HOUSE CHAIRPERSON (Ms C-S Botha): On what point, hon Minister?

The MINISTER OF FINANCE: On the decorum of the House. The hon Van der Merwe used a word in relation to the Deputy Minister for Justice and Constitutional Development which has been repeated, subsequently, by other members of the House. I think we do the House and the presence of the National Assembly a very grave disservice if we allow this to continue and I'm rising to plead that . . . [Interjections.] . . . I'm talking about all members. Would you kindly allow me to speak? Words such as this one shouldn't find a place in a House like this, and I plead that we desist from using them. Thank you. [Applause.]

Mr J H VAN DER MERWE: Madam Chairperson, I just want to say that I was enraged when I used the word. I withdraw it and I apologise.

The HOUSE CHAIRPERSON (Ms C-S Botha): Thank you very much. I hope that now closes the debate on this issue for ever and ever.

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Chair, I concur with what the hon Minister of Finance has said and I suggest that we put this matter on the agenda of the Chief Whips' Forum, which is scheduled to meet tomorrow. It's not the first time that we have discussed the issue of the decorum of the House, but I think today's proceedings certainly necessitate that we reopen that matter. Thanks.

The HOUSE CHAIRPERSON (Ms S-C Botha): Hon Nel, I wish you had said that some time ago and not waited for the Minister to lead you. [Interjections.]

Vote No 24—Agriculture—put.

Declaration of vote:

Mr J BICI: Chairperson, the UDM will support the Budget Vote, but would like to express concern about issues relating to the Land Bank that have recently been exposed in a meeting of the Standing Committee on Public Accounts, Scopa.

The Land Bank is supposed to be a development finance institution, yet it has shifted the goalposts and has since become more of a commercial than a development bank. It is critical that the Land Bank is focused upon its development mandate, since agriculture is such a core element in ensuring that the land reform programme succeeds in a meaningful way.

There is a huge need to support the growth of emerging farmers and agribusiness, and this cannot be achieved without development-focused financing. Thank you.

Vote agreed to.

Vote No 25—Communications—put.

Declaration of vote:

Mr S N SWART: Chairperson, common good is undoubtedly best served by a free flow of information. It is a vital function and indeed a duty of the press and other media to make available information and analyses about every aspect of public, political, social and economic activity.

The media has played a crucial role in exposing crime, corruption, mismanagement and nepotism, both in the public and the private spheres. In view of this, the obvious question is: How did the Films and Publications Amendment Bill pass through Cabinet

considering its serious constitutional flaws, particularly in relation to Icasa's jurisdiction?

Clearly, the removal of the exemption for broadcasters infringes upon the constitutional domain of Icasa. Icasa is the regulator for broadcasting, and not the Films and Publications Board. At the very least though, following the intervention of Parliament, Icasa's unfettered constitutional jurisdiction over broadcasters has been reinstated.

We, as the ACDP, trust that the NCOP will consider the ACDP's proposal to reinstate total exemptions for the print media and broadcasters, with the media being subject to criminal sanctions related to child pornography. Notwithstanding the above, the ACDP will support this Budget Vote. I thank you.

Vote agreed to (Democratic Alliance dissenting).

Vote No 26—Environmental Affairs and Tourism—put and agreed to.

Vote No 27—Housing—put.

Declarations of vote:

Mr A C STEYN: Madam Chairperson, the DA believes that the Housing Budget to date has not been spent efficiently, effectively and economically. That should usually be reason enough not to support the Budget Vote. However, the DA recognises and acknowledges that a great many of our citizens, for various reasons, mostly not of their own making, are unable to provide basic shelter for themselves or their families.

While we have doubts regarding the claim by the department that they have delivered 2,4 million houses to date, due to the many blocked and incomplete projects identified, we nevertheless recognise that without state support the legitimate families who have benefited would otherwise still be living on the streets.

We also identify with the Minister's vision of moving away from houses in the veld to the creation of sustainable communities. We further take note of the Minister's stated intention to learn from her department's mistakes, notably with regard to the N2 Gateway pilot project, the acknowledgement of the department's internal maladministration, the Presidential proclamation of the Special Investigating Unit to combat widespread corruption within the housing sector and the Minister's commitment to deal with officials who have unfairly benefited from the housing subsidy scheme.

The DA therefore supports the Housing Budget and pledges to support and criticise the department where necessary in order to ensure the efficient, effective and economical delivery of a sustainable product to the rightful beneficiaries in this country. I thank you, Chairperson.

Mr H B CUPIDO: Madam Chairperson, the ACDP would like to speak in support of this budget and acknowledge that the provision of affordable housing for the poor has been and will remain a huge challenge to any government, especially in a climate of rapid urbanisation. Therefore, the need for a national housing database is urgent and we welcome the announcement by the hon Minister on this matter during the Budget Vote debate.

People must be prevented from being able to access the housing subsidy system more than once or in more than one province. Having a national database for housing will be a way of addressing the backlog much faster and preventing duplication of housing.

Mr G D SCHNEEMANN: Chairperson, the Housing Budget Vote, which we are about to vote on, provides additional resources that will enable the housing delivery programme to increase the number of houses to be constructed in the 2007-08 financial year.

We in the ANC wish to welcome the increase in the allocation to Vote 27, which is up from R7,3 billion in 2006-07 financial year to the

current R8,8 billion in this financial year as well as the increase in the housing subsidy to R38 984. It will be important that, as we continue to see increases in the housing share of the budget, the department continues to strengthen both its monitoring and evaluation capacity.

The newly developed norms and standards, which came into effect on 1 April 2007, are welcome. This means that breaking new ground houses will be quality houses of 40 square metres in size and consist of two bedrooms, a separate bathroom with toilet, shower and hand basin, a separate kitchen area with a kitchen sink. We want to express our support for both the budget and the programme of work, which was announced by the Minister in her budget speech a few weeks ago.

I want to conclude that it is correct that this ANC-led government has built 2,4 million houses and will continue to do so. I would like to suggest that the hon Steyn and his party should be ashamed of themselves for having openly admitted last year that we only built one house. Thank you. [Laughter.] [Applause.]

Vote agreed to.

Vote No 28—Land Affairs—put.

Declarations of vote:

Mr A H NEL: Chairperson, we did not support the Budget Vote for Land Affairs last year, because it was the only way we could have demonstrated our opposition to the underspending of the budget, the ineffective administration and the irresponsible statements by senior officials of the department.

This year again, in contrast to what the Minister has said in her Budget Speech, R1,2 billion was taken off her budget in the adjustment budget in November 2006 because the department could not spend it.

Why then support the budget for Land Affairs this year? This is a valid question. We considered the following issues: Firstly, the acceptance of a proactive land acquisition strategy which we think is the right way to go; secondly, the creation of a special purpose vehicle, an agency which is targeted to speed up sustainable land reform; thirdly, positive sentiments flowing from the Presidential Agricultural Workshop; and fourthly, the acceptance by the Minister of the goodwill of landowners and their willingness to help.

In the light of these positive events and plans, we will support the Budget Vote on Land Affairs and we will diligently monitor the progress made to see if our support is in vain or not. Thank you, Madam Chairperson.

Mr J BICI: Madam Chair, we shall support the Budget Vote again, but we would like to declare our concern about the Land Restitution and Redistribution Programme. The pace of land reform has consistently been slower than was projected. The department faces a very ambitious target of redistribution of nearly 25 million hectares of white-owned agricultural land to black people by 2014.

The Constitution correctly protects the property rights of the current landowners where there is no historical claim against the land and large-scale expropriation would not only face time-consuming and expensive legal challenges but would also damage nation building.

It is therefore problematic that there continues to be uncertainty in the department about the actual size, location and arability of state-owned land. Thank you, Chairperson.

Mnr P J GROENEWALD: Agb Voorsitter, die agb Minister is baie lief daarvoor om die boere daarvan te beskuldig dat hulle as grondeienaars uit hulle pad gaan om grondhervorming in Suid-Afrika te benadeel en te vertraag. Ek het 'n amptelike vraag aan die agb Minister in hierdie Huis gevra oor die grondeise wat oor die afgelope drie finansiële jare toegestaan is. Die agb Minis-

ter het my geantwoord en aangedui dat meer as 24 000 eise deur die departement uitbetaal is en amper R4 miljard is daarop gespandeer. Die agb Minister het ook gesê dat nie een enkele eis teengestaan is nie.

As dit die antwoord is van die agb Minister, dan mislei sy die publiek wanneer sy die indruk probeer skep dat dit die boere en die grondeienaars is wat grondhervorming wil vertraag. Sy moet kyk na haar eie departement se onbeholpenheid soms met sekere grondeise.

Die departement het belastinggeld gebruik om 'n veldtog teen boere te loods in Desembermaand en dit was 'n uiters groot belediging vir die boere. Anders as die DA, sal die VF Plus, net op grond van die feit dat u belastingbetalergeld gebruik om 'n advertensieveldtog te voer teen boere en hul integriteit daarmee aangetas het, nie hierdie begrotingspos ondersteun nie. *(Translation of Afrikaans declaration of vote follows.)*

[Mr P J GROENEWALD: Hon Chairperson, the hon Minister loves to accuse farmers that they, as landowners, are going out of their way to impair and delay land reform in South Africa. I posed an official question to the hon Minister in this House about the land claims which were sanctioned over the past three financial years. The hon Minister answered me and indicated that more than 24 000 claims had been paid out by the department and that almost R4 billion had been spent on that. The hon Minister also said that not a single claim had been opposed.

If this is the answer of the hon Minister, then she is misleading the public when she tries to create the impression that it is the farmers and landowners who want to delay land reform. She should look at her own department's ineptitude at times with certain land claims.

The department used taxpayers' money to launch a campaign against farmers in December and it was a very grave insult to farmers. Unlike the DA, the FF Plus will not support this Budget Vote, solely on the grounds that you used taxpayers' money to conduct an advertising campaign against farmers and thereby tarnished their integrity.]

Mrs D G NHLENGETHWA: Madam Chairperson, I'll only respond to committee members. I won't deal with people who are here representing farmers only, knowing that South Africa has all kinds of people and the entire population is represented by the majority of the people of South Africa, and not farmers only.

The 2007-08 budget of the Department of Land Affairs is a substantial testimony to the ANC-led government's commitment to land reform and social justice. The increase in the 2007 financial year showed that through the restitution programme we are indeed committed to restoring dignity to hundreds of thousands of beneficiaries who were victims of racial dispossession. We all know that it took you, in your era, one minute to dispossess, destroy and displace those people. It will take us some time to replace them on their own land.

We fully support the turnaround strategy that the Ministry is coming up with, like Operation Gijima and the special purpose vehicle project to speed up the process of land redistribution. The ANC supports Budget Vote No 28. I thank you, Chairperson. [Applause.]

Vote agreed to (Freedom Front Plus dissenting).

Vote No 29—Minerals and Energy—put.

Declarations of vote:

Adv H C SCHMIDT: Madam Chair, the DA opposes this Budget Vote for, inter alia, the following reasons: Firstly, the department's and hence the government's approach to the supply of electricity has been, to say the least, atrocious. Currently the whole country is living with the threat of possible rolling

power outages due to a dramatically reduced and below standard reserve margin related to the supply of electricity in this country.

Secondly, the Oilgate saga, where the ANC was paid R11 million via a parastatal, that is PetroSA, has still not been resolved satisfactorily. The Public Protector has indicated that he will consider the possible reopening of this matter. The ANC has to date still to respond by paying the money back to PetroSA.

The third point is the failure by government to take all necessary steps to curb the dramatic rise in the price of fuel by increasing the state levy and other costs which are added to the basic price of fuel instead of reducing the cost of fuel. Government, in fact, contributes to the rising costs by raising its only income from the sale of every litre of fuel, in particular petrol and diesel. The DA opposes the Budget Vote. I thank you.

Mr L W GREYLING: Chairperson, hon Minister, the ID would really like to support the Minerals and Energy budget. Unfortunately, it is impossible to do so when we see year in and year out lip service being paid to renewable energy without any substantial financial resources being dedicated to it.

The time has come to signal a break with the past and to start to position South Africa as a future world leader in renewable energy. The possibilities are there but we need to start dedicating serious resources to this field.

It is also unacceptable to the ID that we now intend to meet our already small renewable energy target by relying mainly on biofuels. Biofuels can certainly form part of a future energy mix but that cannot replace the need for technology such as solar, wind, wave and a whole host of others.

Let us embrace the future and start positioning South Africa at the forefront of the renewable energy revolution. It is only then that the ID would support the budget. I thank you.

Mr E N MTHETHWA: Chair, I think the first thing we need to do is to differentiate between . . .

. . . umlotha nomquba nje namaqiniso. I-DA yazi kahle ukuthi kusukela ngo-2004 silokhu simatasatasa sithuthukisa ingqalasizinda. [. . . the garbage, trash and the truth. The DA knows very well that since 2004, we are very busy developing the infrastructure.]

This year, during the debate on this Budget Vote, 10 substations were mentioned by the Minister.

Bayakwazi lokho. Kodwa-ke njengoba belapha bafuna nje ukubukwa ngabantu abalaphaya kwi-gallery. Maqondana ne-ID, lungu elihloniphekile, uyabona usungenza ngishintshe umqondo. Besithi sizokucelela ukuba ube yingxenye yaleli thimba okufanele liye eLatin America ukuze ukwazi ukukuqonda ukuthi udaba lwezamandla akwaziyo ukuvuseleleka seluhambe kangakanani nokuthi yiziphi izinselelo ezikhona. Manje usungenza ngifune ukuwutshinta ngempela umqondo.

Maqondana nalokho okushilo, inkinga ukuthi sinezinto eziningi esibhekene nazo eMnyangweni wonke. Asinaso isikhathi sokubhekana "neMail and Garbage". Musa ukulokhu uzositshela izindaba "zeMail and Garbage". [Ubuwelewele.] *(Translation of isiZulu paragraphs follows.)*

[And they know that. But now, because there are people sitting in the gallery, they start showing off. Well, with regard to the ID, you see, hon member, you make me change my mind. We had planned that we would plead for you to be part of the delegation that is going to Latin America so that you will understand how far they have gone with regard to biofuels and the challenges they are facing. And now you want me to change my mind.

Regarding what you said, the problem here is that we are dealing with a lot of things in the whole department. We don't have time

for the "Mail and Garbage". So stop telling us the stories from the "Mail and Garbage". [Interjections.]]

Vote agreed to (Democratic Alliance, Independent Democrats and Freedom Front Plus dissenting).

Vote No 30—Public Enterprises—put.

Declarations of vote:

Dr S M VAN DYK: Agb Voorsitter, in die afwesigheid van die Minister, kan die DA nie Begrotingspos 30 goedkeur nie omdat die Departement vir Openbare Ondernemings nie omsigtig met die belastinggeld omgaan nie en dit swak bestuur. Die department wend toegewese geld ook nie optimaal aan nie en begroot onverskillig om aan openbare behoeftes te voldoen.

Die department bestee te veel op senior aangestelde personeel teen hoë salarisse. Vir elke twee junior poste word 'n senior pos geskep van direkteursvlak af en hoër. Tog bestee die department R34 miljoen aan konsultante om sy werk vir hom te doen. Die department spog met vier adjunk-direkteurs-generaal uit 'n totale personeel van net 138.

Die department het R280 miljoen van verlede jaar se begroting nie bestee nie en het vir die huidige boekjaar R1,3 miljard te min begroot as gevolg van swak besigheidsplanne wat aan die Tesourie voorgelê is vir die ontwikkeling van die korrelbed-modulêre kernreaktor; juis noudat Suid-Afrika meer elektrisiteit benodig.

Die doel van die department is om met behulp van openbare ondernemings die ekonomie te help ontwikkel, mededinging te bevorder en dividende op belastinggeld terug te ploeg tot die Staatskas, maar in praktyk misluk die department en word die teenoorgestelde bereik.

Openbare ondernemings absorbeer 72% van die department se begroting. Ten spyte daarvan skop die SA Lugdiens, met sy 11 direkteure wat gesamentlik 136 direkteurskappe beklee, die boekjaar af met 'n verlies van R1,3 miljard, terwyl Denel met sy 13 direkteure, wat gesamentlik op 111 direksies dien, sukkel om finansieel te oorleef en vanjaar vir die soveelste keer byna R1 miljard uit die Staatskas ontvang vir oorlewing.

Gegewe ook Eskom, wat sukkel met swak onderhoud- en kapasiteitsprobleme, asook Transnet, wat nie voldoende in die vervoerbehoeftes van Suid-Afrika kan voorsien nie, asook Alexkor, wat teen 'n verlies funksioneer, kan die DA nie hierdie Begrotingspos goedkeur nie. Omdat die departement ook nie aan sy missie voldoen nie, vra die DA dat sy teenstem geboekstaaf word. Dankie. *(Translation of Afrikaans declaration of vote follows.)*

[Dr S M VAN DYK: Hon Chairperson, in the absence of the Minister the DA is unable to approve Budget Vote 30, because the Department of Public Enterprises does not handle taxpayers' money judiciously, but mismanages it. Furthermore, the department does not use allotted funds optimally and is careless in budgeting for public needs.

The department spends too much money on senior staff appointed at high salaries. For every two junior posts, a senior post is established at director's level or higher. Yet the department spends R34 million on consultants to do its work. The department boasts four deputy directors-general out of a total staff component of just 138.

The department failed to spend R280 million of last year's budget, and it underbudgeted by R1,3 billion for the current financial year, on account of the poor quality of business plans submitted to the Treasury for the development of the pebble-bed modular nuclear reactor; this at a time when South Africa needs more electricity.

The department's objective is to develop the economy with the aid of public enterprises, to promote competition, and to channel dividends on taxpayers' money back to the Treasury, but in practice it is failing to achieve this objective and is doing the opposite.

Public enterprises absorb 72% of the department's budget. Despite this SAA, with its 11 directors who together hold 136 directorships, started the financial year with a loss of

R1,3 billion while Denel, with its 13 directors who together serve on a total of 111 boards, is struggling to survive financially and this year, for the umpteenth time, is receiving almost R1 billion from the Treasury to ensure its survival.

Given that Eskom is also struggling with problems relating to poor maintenance and capacity, while Transnet cannot meet South Africa's transport needs adequately, and Alexkor is also operating at a loss, the DA cannot approve this Budget Vote. Since the department is also failing to carry out its mission, the DA requests that its objection be recorded. Thank you.]

Mr P A C HENDRICKSE: Madam Chair, in the 20th century the developing countries that succeeded in promoting industrialisation, sustained growth and development have all had in common developmental states that played a leading role in infrastructure development programmes which had an active industrial strategy. In this context it is correct that there has been renewed emphasis on the role that State-owned Enterprises, SOEs, must play in the developmental state, in that they must remain government-owned to play a vital role in economic growth, as stated in the Estimates of National Expenditure, 2007.

Given South Africa's current challenges, the developmental state should maintain its strategic role in shaping the development of a number of key economic sectors, including through continued ownership of state-owned enterprises. These sectors include the energy, national transport and logistics system, where an ongoing strategic role is envisaged for Eskom and Transnet. We should consider the best means to enhance the strategic role of these and other public enterprises, utilities and agencies across all spheres of government.

The state thus intends to retain ownership of South African Airways as the national carrier with a strategic role to play in South Africa's rapidly developing economy, which requires reliable and extensive air transport capacity. As has been said previously, there are no guarantees that the market would run SAA in a manner that would deliver on the developmental objectives and it is thus vital that SAA remains in state hands.

In conclusion, when there are problems with state-owned enterprises, it is important that we look at the management of these state-owned enterprises and not at their ownership. The ANC supports the Vote.

Vote agreed to (Democratic Alliance dissenting).

Vote No 31—Science and Technology—put and agreed to.

Vote No 32—Trade and Industry—put.

Vote agreed to (Democratic Alliance dissenting).

Vote No 33—Transport—put.

Declarations of vote:

Mr S B FARROW: Chairperson, in my last two budget debate speeches, I reflected a more positive approach in the direction that the department was taking towards policy developments. My main concerns were the department's inability to implement these plans, spend its budget efficiently, and finally monitor and evaluate its key programmes with a 40%-plus vacancy rate.

On many counts I've been proved right. The absolute debacle surrounding the implementation of eNatis migration is reminiscent of the same continued failure by the department to properly manage the credit-card format driver's licence. Both these projects have concerns of alleged corrupt dealings involving Mr Schabir Shaik and his companies and the former Minister Mac Maharaj. Removing these associated companies from the credit card licence deal through a shuffling of shareholders will not resolve the matter as to how the contract was awarded in the first place.

I therefore reiterate my appeal to the Minister, as I did in my budget speech, for a full independent audit of the project from inception to implementation. The same could be said of the Tasima contract. Unless this is done, these two projects will continue to haunt the department for years to come.

The department's budget has changed dra-

matically this year with the inclusion of added responsibilities towards transport-related and public transport systems, particularly with regard to bus rapid transit, commuter rail and taxi recapitalisation. These three developments are of great importance in ensuring a successful World Cup and the legacy that it leaves us.

However, the lack of capacity in the department to implement these projects timeously and efficiently is of concern. The monitoring of Gautrain with its massive expenditure over the next three years will require exceptional skills in the transfer of funds in accordance with the tender, its objectives and ultimate sustainability. Time will tell whether this stand-alone project will attract currently marginalised users and integrate public transport services, as the Minister continues to assure this House and the public at large.

Finally, I cannot but reiterate the need for more funds to maintain our roads. Safe access between our cities for the World Cup for those who are unable to afford air flights is essential. Under these circumstances, we will have to object to this Vote.

Mnr P J GROENEWALD: Agb Voorsitter, die departement sal hierdie jaar bekend staan as die departement van blapse. Die eerste blaps was die implementering van die eNatis-stelsel. Die tweede blaps was om die koerante te probeer verbied om die inhoud van die Ouditeur-generaal se verslag te publiseer. Die derde blaps was om die motoriste met 'n bykomende R30 te wil belas om vir hierdie blapse te betaal. Dit is totaal onaanvaarbaar. Die Minister is hierdie jaar die Minister van Blapse. Die VF Plus sal nie hierdie begrotingspos kan ondersteun nie. *(Translation of Afrikaans declaration of vote follows.)*

[Mr P J GROENEWALD: Hon Chairperson, this year the department will be known as the department of blunders. The first blunder was the implementation of the eNatis system. The second blunder was the attempt to ban the newspapers from publishing the Auditor-General's report. The third blunder was an attempt to impose an additional tax of R30 on motorists to pay for these blunders. This is totally unacceptable. This year the Minister is the Minister of blunders. The FF Plus will not be able to support this Vote.]

Mr J P CRONIN: Chairperson, I think it is important that we look at the big picture and not at the little picture. Three to four years ago we were spending some R6 billion a year on transport. By 2009-10, we'll be spending R21,5 billion on transport. That's wonderful news for millions of South Africans who frankly, at the moment, don't have decent public transport, and I think we really need to support this budget. That trend reflects an annual 20% and more increase.

This is not accidental. The Minister of Transport and his department have lobbied hard and long to really place transport, and particularly public transport, at the centre of our developmental priorities. The Cabinet agreed in January this year that the number one legacy that we need to develop out of our 2010 hosting of the Fifa World Cup needs to be decent public transport in our country.

Yes, there are challenges and as we are beginning to try to spend this money, there are challenges of capacity and so on. As you may or may not know, Chairperson, the ANC is going to an important policy conference next week and we always debate amongst ourselves what the motive force of the national democratic revolution is. I am not sure how that debate will pan out next week but I think one thing that we are very clear about as the ANC is that the motive force of the motive force, however you define it, is safe, affordable and accessible public transport. That's why the ANC supports this budget. [Applause.]

Vote agreed to (Democratic Alliance and Freedom Front Plus dissenting).

Vote No 34—Water Affairs and Forestry—put.

Declaration of vote:

Ms S N SIGCAU: Chairperson, though the UDM supports Budget Vote No 34, I would

like to use this declaration and again appeal that urgent attention be given to a policy area.

Our country suffers from a severe scarcity of water. Research indicates that the country will become even drier. Furthermore, we have a growing population. Whilst urbanisation towards Gauteng and the coastal regions places an even larger burden on areas already suffering from a shortage of water, long-term planning is required to address this undeniable issue.

Even if all current conservation and development strategies are implemented to their fullest extent, we might still face severe water shortages in 10 years' time. When those shortages occur, the price of water will rise until the poor can literally not afford water and the economy will be squeezed, as farms and factories cannot remain profitable with escalating water costs.

The department is not showing enough urgency in pursuing such alternatives. For instance, desalination of sea water is actively being researched and developed by numerous countries. Yet, South Africa remains a reluctant participant in this most obvious water resource solution. Thank you, Chairperson.

Vote agreed to.

Schedule put and agreed to.

APPROPRIATION BILL

(Second Reading debate)

There was no debate.

Bill read a second time.

ELECTRICITY REGULATION AMENDMENT BILL

(Consideration of Bill, as amended by NCOP, and of Report of Portfolio Committee on Minerals and Energy thereon)

There was no debate.

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Chairperson, I move:

That the Bill, as amended, be passed.

Motion agreed to.

Bill, as amended, accordingly passed.

STANDING OVER OF ORDER OF THE DAY

(Draft Resolution)

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Chairperson, I move:

That the fifth Order of the Day stands over.

Motion agreed to.

The House adjourned at 17:29.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

FRIDAY, 15 JUNE 2007

TABLINGS

National Assembly

1. The Speaker

(a) A letter dated 17 May 2007 was received from the Minister of Communications, requesting the National Assembly to submit a short list of candidates to consider for appointment to the Council of the Independent Communications Authority of South Africa due to the resignation of Ms M Mohlala, in terms of section 7 of the Independent Communications Authority of South Africa Amendment Act, 2006 (Act No 3 of 2006).

Referred to the **Portfolio Committee on Communications** for consideration and report.

MONDAY, 18 JUNE 2007

ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Classification of Bills by Joint Tagging Mechanism

(1) The Joint Tagging Mechanism, in terms of Joint Rule 160(3), classified the following Bills as section 75 Bills:

(a) ***Criminal Law (Sentencing) Amendment Bill*** [B 15—2007] (National Assembly—sec 75).

(b) ***Human Sciences Research Council Bill*** [B 16—2007] (National Assembly—sec 75).

(2) The JTM in terms of Joint Rule 160(3) also classified the ***Human Sciences Research Council Bill*** [B 16—2007], introduced in the National Assembly, as a Bill falling within the ambit of section 18(1)(a) of the Traditional Leadership and Governance Framework Act, 2003 (Act No 41 of 2003).

TABLINGS

National Assembly and National Council of Provinces

1. The Minister of Finance

(a) Convention between the Government of the Republic of South Africa and the Swiss Confederation for the Avoidance of Double Taxation with respect to Taxes on Income, tabled in terms of section 231(2) of the Constitution, 1996.

(b) Explanatory Memorandum to the Convention between the Government of the Republic of South Africa and the Swiss Confederation for the Avoidance of Double Taxation with respect to Taxes on Income.

(c) Convention between the Government of the Republic of South Africa and the Government of the Portuguese Republic for the Avoidance of Double Taxation with respect to Taxes on Income, tabled in terms of section 231(2) of the Constitution, 1996.

(d) Explanatory Memorandum to the Convention between the Government of the Republic of South Africa and the Government of the Portuguese Republic for the Avoidance of Double Taxation with respect to Taxes on Income.

(e) Convention between the Government of the Republic of South Africa and the Government of the Kingdom of Saudi Arabia for the Avoidance of Double Taxation with respect to Taxes on Income, tabled in terms of section 231(2) of the Constitution, 1996.

(f) Explanatory Memorandum to the Convention between the Government of the Republic of South Africa and the Government of the Kingdom of Saudi Arabia for the Avoidance of Double Taxation with respect to Taxes on Income.

National Assembly

1. The Speaker

(a) The President of the Republic submitted the following letter dated 13 June 2007 to the Speaker of the National Assembly informing Members of the Assembly of the employment of the South African National Defence Force within the Republic of South Africa during the National Public Service Strike:

EMPLOYMENT OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE FOR SERVICE IN CO-OPERATION WITH THE SOUTH AFRICAN POLICE SERVICE WITHIN THE REPUBLIC OF SOUTH AFRICA DURING THE NATIONAL PUBLIC SERVICE STRIKE

This serves to inform the National Assembly that I have authorised

the employment of the South African National Defence Force (SANDF) personnel, for service in co-operation with the South African Police Service, in the prevention and the combating of crime and the preservation of law and order within the Republic of South Africa during the Public Service strike.

The labour unions, representing the Public Service sector, embarked on a nation wide strike from 1 June 2007. The present situation with regard to the strike has escalated to such an extent that it has resulted in violence and intimidation against members of the public service who are not participating in the strike.

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

Approximately 35 000 members of the SANDF are employed from 7 June 2007 to assist the South African Police Service in preventing and combating crime and maintenance of law and order within the Republic of South Africa during the Public Service strike. The period of deployment will depend on the situation and on the duration of the strike.

I will communicate this report to members of the National Council of Provinces and wish to request that you bring the contents hereof to the attention of the National Assembly.

Regards

signed

THABO MBEKI

(b) The President of the Republic submitted the following letter dated 13 June 2007 to the Speaker of the National Assembly informing Members of the Assembly of the employment of the South African National Defence Force in Uganda:

EMPLOYMENT OF THE SOUTH AFRICAN NATIONAL DEFENCE FORCE IN UGANDA FOR SERVICE IN FULFILMENT OF THE INTERNATIONAL OBLIGATIONS OF THE REPUBLIC OF SOUTH AFRICA TOWARDS THE UNION

This serves to inform the National Assembly that I have authorised the employment of the South African National Defence Force (SANDF) personnel to Uganda, in fulfilment of the international obligations of the Republic of South Africa towards the African Union (AU), as part of the AU Mission in Northern Uganda.

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

A total of five SANDF members are employed from 1 June 2007 to 31 March 2008 as military observers in the AU Mission in Northern Uganda.

I will communicate this report to members of the National Council of Provinces and wish to request that you bring the contents hereof to the attention of the National Assembly.

Regards

signed

THABO MBEKI

COMMITTEE REPORTS

National Assembly and National Council of Provinces

1. JOINT BUDGET COMMITTEE: EXPENDITURE REPORT FOURTH QUARTER 2006/07:

1. INTRODUCTION

Since 1994, South Africa has endeavoured to build a democratic society through reconciliation and socio-economic transformation and thereby to improve the lives of all South Africans but particularly the poor and previously disadvantaged. In pursuing this ideal the challenge for Government has been how to optimally align and utilize the nations resources. It is the responsibility of Parliament, as the guardian of the public interest, to ensure that government is responsive to the needs of the people. To accomplish this Parliament has established a variety of mechanisms and instruments, predominately various specialized committees, to effectively monitor Government spending plans and performance. It is important to highlight that, for Parliament to carry out its functions, adequate procedural, administrative and research support are fundamental.

The Joint Budget Committee (JBC) was established to, amongst other things, monitor and report on government expenditure. In so doing, the JBC has reviewed and reported on departmental spending on a quarterly basis. In accordance with this practice, this report provides an analysis of departments' expenditure for the fourth quarter of the 2006/07 financial year. The report is divided into five main sections. These include a brief overview of spending in the first three quarters and an analysis of fourth quarter expenditure in terms of total expenditure, current expenditure, transfer expenditure and capital expenditure, respectively.

2. BRIEF OVERVIEW OF EXPENDITURE PER QUARTER

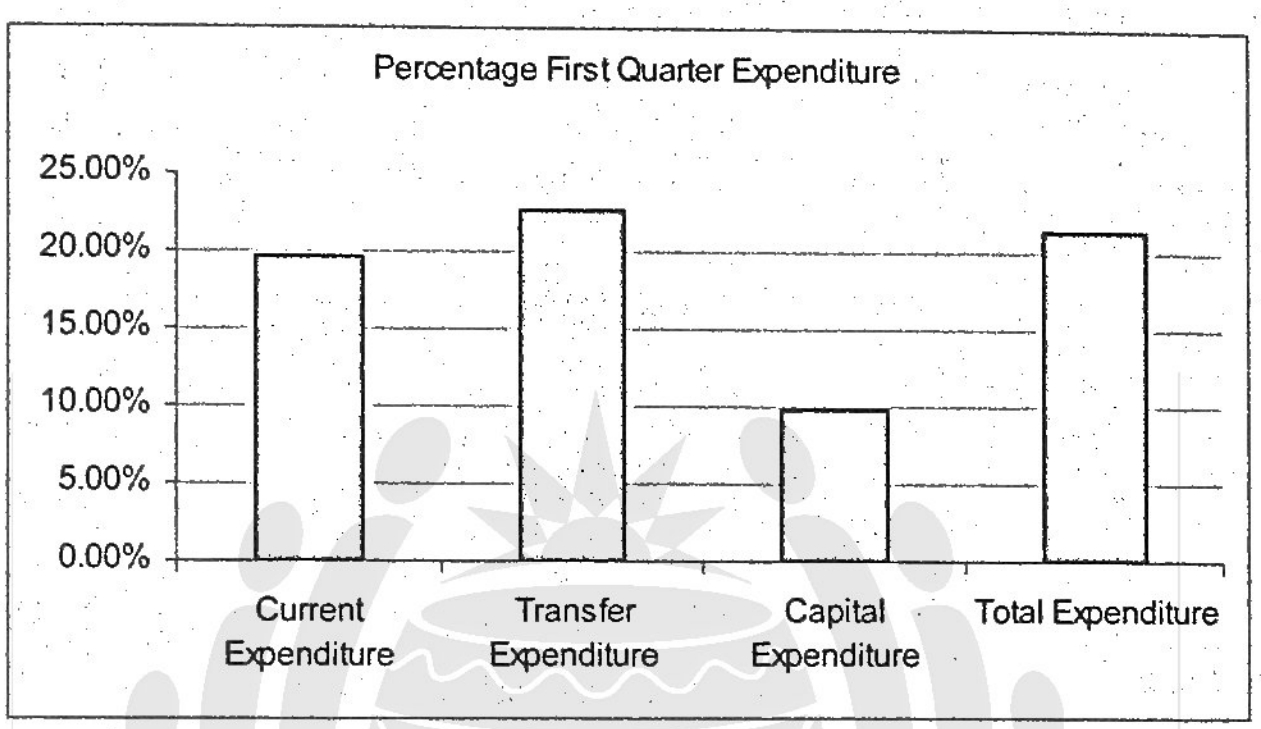
2.1. FIRST QUARTER

Average departmental expenditure at the end of the first quarter was 21.44% (23.14% 2005/06). The Department of Provincial and Local Government was the lowest spender, using only R958 million or 3.81% of its total budget, significantly less then the estimated R 1.7 billion. The Department of Education was the highest spender using R 6.7 billion or 49.16% of its total budget. A large part of these funds were transfers to tertiary institutions and provinces.

Departments spent on average 19.70% of their current budgets, 22.66% of their transfer budgets and 9.86 % of their capital budgets during the first quarter. This translated to a total expenditure of R55.7 billion or 21.44%. Based on the cash flow projections thirty-one departments spent less than estimated whilst three exceeded projections.

Figure 1 provides a graphical illustration of the average current, transfer and capital expenditure of National Departments for the first quarter.

Figure 1



2.2. SECOND QUARTER

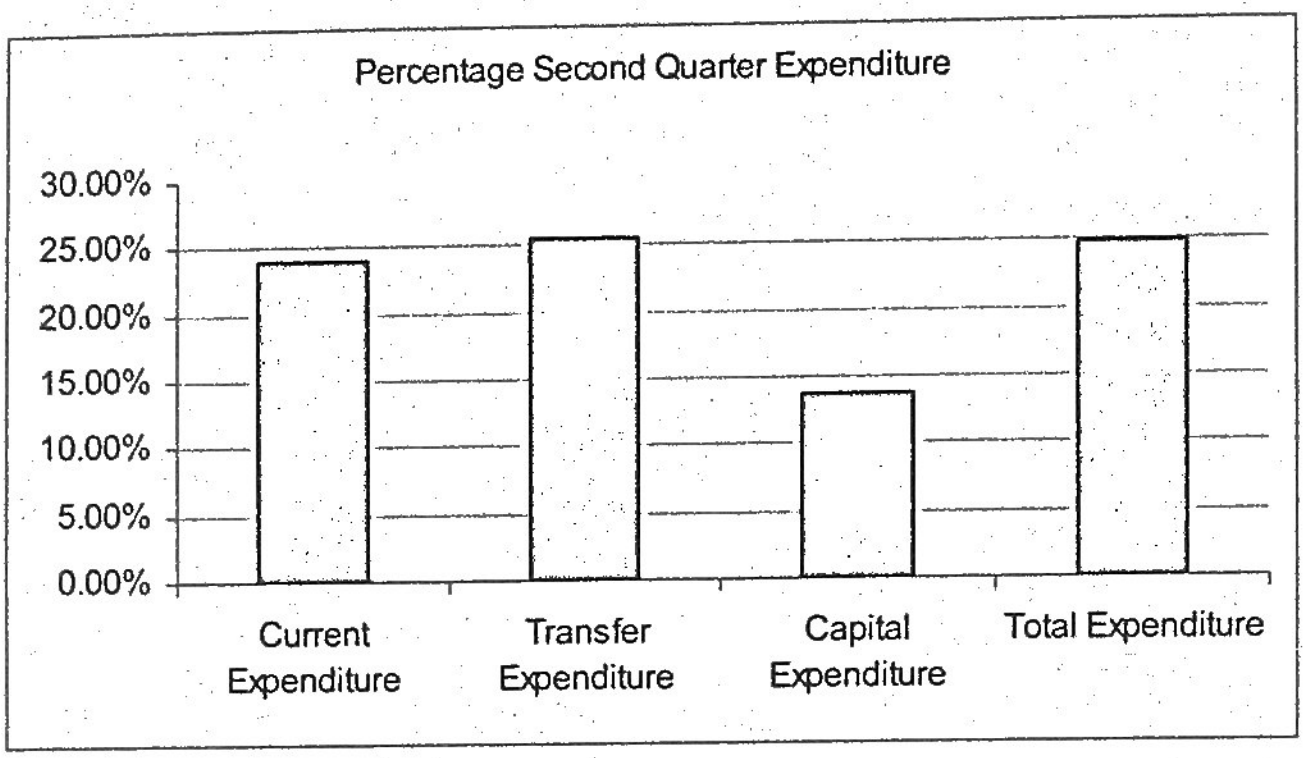
During the second quarter of the financial year, departments spent on average 24.80% of their total budgets. This translated into an increase of R8.8 billion compared to the first quarter. Total national expenditure was R120.23 billion or 46.24% (47.5% in 2005/06). Departments spent on average 23.91% of their current budgets, 25.60% of their transfer budgets and 13.82% of their capital budgets. Cash flow projections indicated that departments planned to spend R127.4 billion by the end of the year but were R7.2 billion below that target, which was indicative of a slow expenditure patterns and significant underexpenditure by certain departments.

At the end if this quarter, the JBC raised a concern about the slow expenditure on capex budgets and noted that, whilst there may have been valid reasons, this was unacceptable given its priority in promoting economic growth and employment in order to contribute to poverty reduction. The Committee felt that there was a need for Departments to develop far more robust measures to track capex.

Figure 2 provides a graphical illustration of the average current, transfer and capital expenditure of National Departments for the second quarter.

PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

Figure 2



2.3. THIRD QUARTER

Departments spent on average 67.24% of their current budgets, 72.54% of their transfer budgets and 53.12% of their capital budgets by the end of the third quarter of the 2006/07 financial year. This translated to a total expenditure of R187.6 billion or 70.48%.

During the third quarter departments spent R67.3 billion or 25.31% of their total budgets. In addition, departments spent on average 23.45% of their current budgets, 26.01% of their transfer budgets and 29.65% of their capital budgets during the third quarter. Cash flow projections showed that departments planned to spend R75.4 billion during the final quarter. Based on these forecasts an underexpenditure of R3.2 billion or 1.2% was expected. Having reviewed expenditure patterns at the end of the third quarter, the JBC identified several challenges that required attention. These included amongst others:

- The need to develop and implement appropriate risk management instruments to address the challenges posed by under- and overexpenditure;

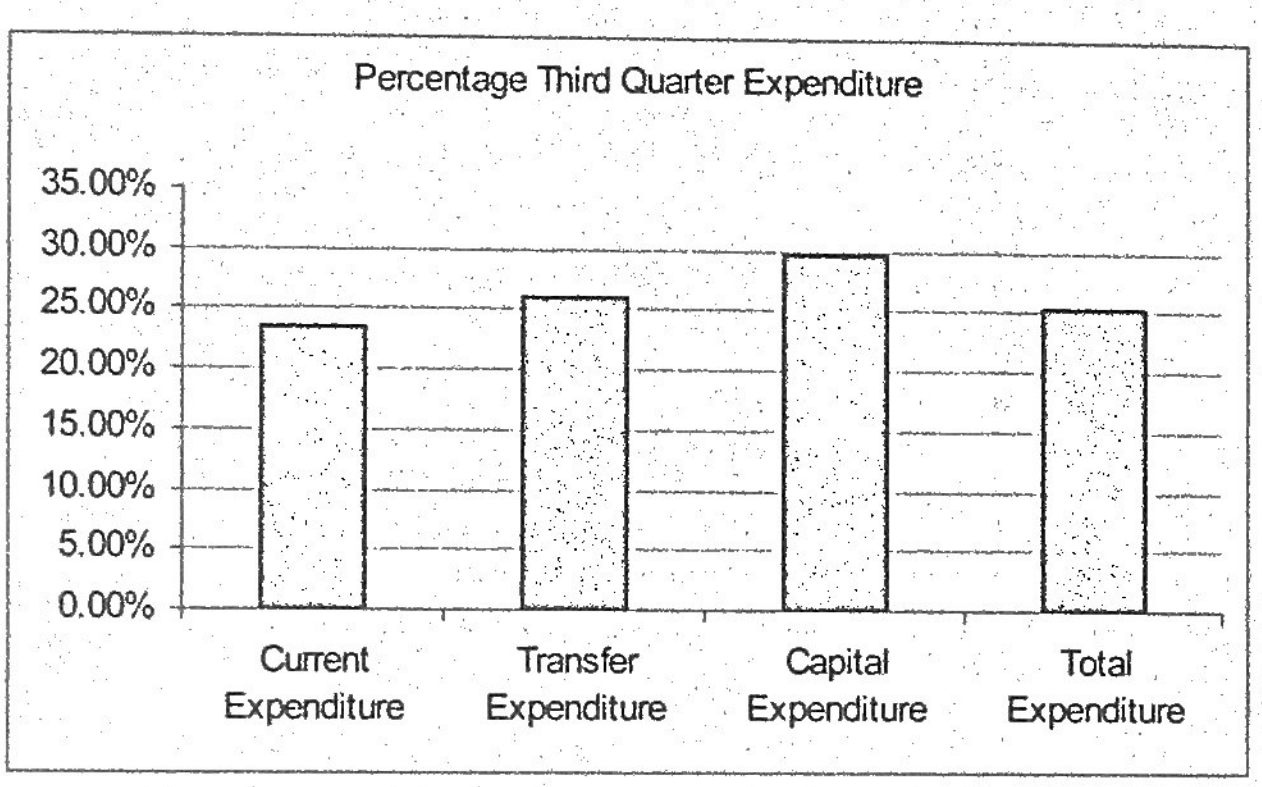
- The need to strength intergovernmental and interdepartmental co-ordination together with co-operative planning into the process of transfers to provinces, municipalities and other agencies;

- The JBC further emphasized the need for departments to develop resource action plans for capital projects in accordance with Treasury requirements and;

- The JBC also noted that few departments had responded positively to recommendations made in previous quarterly expenditure reports and hoped that concerns expressed in the Third Quarter Report would be taken more seriously.

Figure 3 provides a graphical illustration of the average current, transfer and capital expenditure of National Departments for the third quarter.

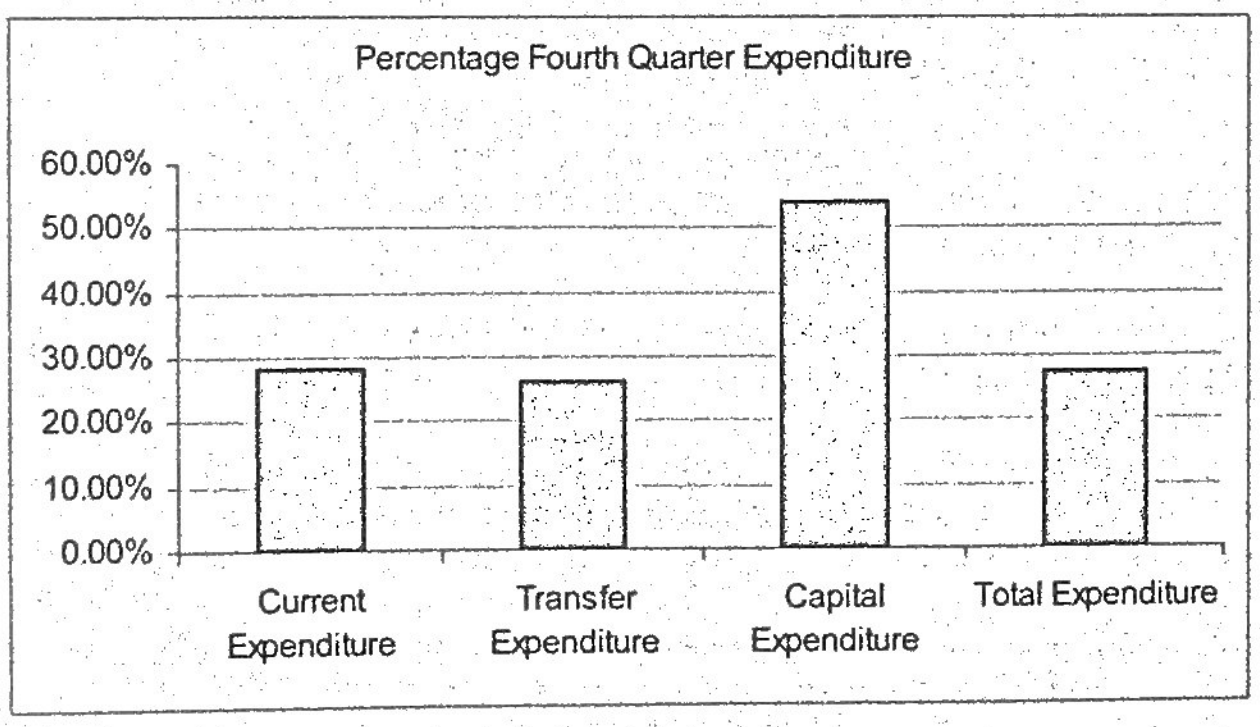
Figure 3



2.4. FOURTH QUARTER

During the last quarter of the financial year departments spent on average 28.31%, 26.30% and 53.82% of their current, transfer and capital budgets respectively. At the end of the 2006/07 financial year, departments spent an average of 95.55%, 98.83% and 106.95% of their current, transfer and capital budgets. More than 50% of the overall capital budget was spent in the last quarter of the financial year. Even though none of the departments overspent on their total budget, eighteen overspent their capital budget. Figure 4 provides a graphical illustration of the average current, transfer and capital expenditure of departments for the fourth quarter.

Figure 4



3. TOTAL EXPENDITURE

Total expenditure consists of current expenditure, transfer payments and capital expenditure. At the end of the 2006/2007, departments spent on average 98.02% of their total budgets. There was a gradual increase in expenditure throughout the year. During the first quarter departments spent R55.7 billion or 20.94%, during the second, R64.5

billion or 24.23%, during the third quarter R67.3 billion or 25.31%, and R73.3 billion or 27.54% during the fourth. In total, departments spent R260.9 billion during the year, which resulted in a R5.3 billion or 1.98% underexpenditure (R5.4 billion 2005/06, 3.6 billion 2004/05). Table 1 represents departments' total expenditure.

Table 1: Departmental Expenditure

R'000	Total Budget	% First quarter	% Second quarter	% Third quarter	% Fourth quarter	Total	% Total	Under Expenditure	% Under Expenditure
Voted Amounts	266,163,164	20.94%	24.23%	25.31%	27.54%	260,885,443	98.02%	5,277,721	1.98%
Central Government Administration	**35,372,602**	**8.54%**	**27.96%**	**22.17%**	**37.48%**	**34,010,155**	**96.15%**	**1,362,447**	**3.85%**
The Presidency	238,865	19.15%	22.50%	23.69%	34.11%	237,556	99.45%	1,309	0.55%
Parliament	782,133	14.11%	24.37%	26.17%	35.35%	782,133	100.00%	0	0.00%
Foreign Affairs	3,042,149	20.09%	20.36%	20.37%	32.98%	2,853,621	93.80%	188,528	6.20%
Home Affairs	2,800,405	18.48%	20.64%	21.91%	30.49%	2,563,035	91.52%	237,370	8.48%
Provincial and Local Government	25,392,288	3.73%	29.73%	23.41%	39.90%	24,571,639	96.77%	820,649	3.23%
Public Works	3,116,762	25.29%	28.87%	12.97%	29.19%	3,002,171	96.32%	114,591	3.68%
Financial and Administrative Services	**21,654,212**	**17.26%**	**20.26%**	**29.14%**	**28.66%**	**20,639,990**	**95.32%**	**1,014,222**	**4.68%**
Gov. Communications and Info. Services	294,580	25.82%	29.42%	15.88%	28.38%	293,107	99.50%	1,473	0.50%
National Treasury	16,729,581	19.41%	20.36%	29.44%	27.12%	16,115,620	96.33%	613,961	3.67%
Public Enterprises	2,869,923	4.88%	16.86%	33.30%	35.20%	2,589,783	90.24%	280,140	9.76%
Public Service and Administration	442,426	15.21%	30.36%	21.59%	30.00%	429,879	97.16%	12,547	2.84%
Public Service Commission	97,003	21.08%	24.72%	26.86%	26.36%	96,054	99.02%	949	0.98%
S A Management Development Institute	58,918	23.17%	24.42%	20.74%	30.84%	58,429	99.17%	489	0.83%
Statistics South Africa	1,161,781	14.85%	20.42%	21.42%	34.30%	1,057,118	90.99%	104,663	9.01%
Social Services	**91,919,174**	**31.11%**	**24.59%**	**24.50%**	**19.31%**	**91,470,534**	**99.51%**	**448,640**	**0.49%**
Arts and Culture	1,330,139	24.38%	24.34%	26.90%	24.37%	1,329,941	99.99%	198	0.01%
Education	14,299,176	46.87%	25.26%	18.96%	8.43%	14,229,514	99.51%	69,662	0.49%
Health	11,453,993	23.02%	24.93%	24.75%	26.29%	11,338,658	98.99%	115,335	1.01%
Labour	1,493,495	21.98%	20.70%	27.81%	27.49%	1,463,459	97.99%	30,036	2.01%
Social Development	62,382,425	29.70%	24.74%	25.57%	19.73%	62,222,158	99.74%	160,267	0.26%
Sport and Recreation South Africa	959,946	8.06%	7.28%	26.22%	50.82%	886,804	92.38%	73,142	7.62%
Justice and Protection Services	**72,800,200**	**18.43%**	**24.23%**	**24.47%**	**31.28%**	**71,648,510**	**98.42%**	**1,151,690**	**1.58%**
Correctional Services	9,831,512	19.00%	22.87%	22.14%	30.03%	9,245,377	94.04%	586,135	5.96%
Defence	23,902,904	14.34%	25.42%	24.37%	35.50%	23,815,243	99.63%	87,661	0.37%
Independent Complaints Directorate	65,906	21.91%	23.78%	23.33%	30.84%	65,811	99.86%	95	0.14%
Justice and Constitutional Dev.	6,478,647	18.31%	21.54%	22.85%	29.92%	6,000,849	92.63%	477,798	7.37%

R'000	Total Budget	% First quarter	% Second quarter	% Third quarter	% Fourth quarter	Total	% Total	Under Expenditure	% Under Expenditure
Safety and Security	32,521,231	21.29%	24.30%	25.57%	28.84%	32,521,230	100.00%	1	0.00%
Econ. Services & Infrastructure Dev.	**44,416,976**	**15.67%**	**22.46%**	**28.99%**	**29.95%**	**43,116,254**	**97.07%**	**1,300,722**	**2.93%**
Agriculture	2,367,630	14.92%	25.12%	24.69%	29.01%	2,219,522	93.74%	148,108	6.26%
Communications	1,322,306	9.99%	22.84%	38.63%	28.35%	1,319,795	99.81%	2,511	0.19%
Environmental Affairs and Tourism	2,061,804	32.73%	27.56%	22.19%	17.39%	2,059,139	99.87%	2,665	0.13%
Housing	7,333,726	19.53%	28.13%	27.10%	22.91%	7,162,345	97.66%	171,381	2.34%
Land Affairs	3,730,196	12.58%	19.38%	29.68%	38.23%	3,725,459	99.87%	4,737	0.13%
Minerals and Energy	2,635,100	13.42%	27.04%	29.39%	29.11%	2,607,677	98.96%	27,423	1.04%
Science and Technology	2,617,093	20.25%	24.89%	29.69%	25.01%	2,612,998	99.84%	4,095	0.16%
Trade and Industry	3,942,028	11.30%	25.25%	25.59%	33.09%	3,753,656	95.22%	188,372	4.78%
Transport	13,746,790	13.47%	17.30%	33.12%	33.19%	13,345,853	97.08%	400,937	2.92%
Water Affairs and Forestry	4,660,303	15.44%	21.19%	23.95%	31.90%	4,309,810	92.48%	350,493	7.52%

Parliament

Concerning Parliament, it should be noted that expenditure figures, as reflected in PFMA Section 32 Reports, are for funds requested, not expenditure figures. The 2007 Estimates of National Expenditure indicated that Parliament's opening surplus account balance (before taking into account under- or overexpenditure for 2006/07) was R293 million. The 2005/06 audited outcomes showed that Parliament underspent its budget by R75 million; in 2004/05 it was R81 million and in 2003/04, R42 million. Parliament's surplus account increased from minus R9.8 million in 2003/04 to R293 million at the start of 2007/08. The 2007 Estimate of National Expenditure stated that Parliament would receive R29.3 million by the end of 2006/07, mainly due to interest on accumulated surpluses. The Estimates also indicated that the closing balance of the surplus account would be used mainly for parliamentary accommodation projects.

Department of Provincial and Local Government

One of the Department's main functions is to administer conditional grant funds to provinces and municipalities. For this reason, around 96% of the Department's expenditure consisted of transfers through Programme Six: Provincial and Local Government Transfers. The Department's total expenditure at the end of the 2006/07 was R24.57 billion or 96.77% of the adjusted appropriation compared to 100% during the 2005/06 financial year. This resulted in underexpenditure of R821 million for 2006/07, with more than R807 million being transfer payments to provinces and municipalities. The Department's expenditure increased gradually throughout the financial year from 3.73% during the first quarter to 39.90% during the fourth.

This pattern of expenditure is due to the transfer schedule of the equitable share, paid every four months. The first payment was made during July (R6.77 billion) the second payment in November (R5.1 billion), and the final payment was made during February (R8.42 billion). The Department's expenditure pattern was in line with expenditure projections at the beginning of the year.

Department of Land Affairs

In the year under review the Department's total expenditure was R3.7 billion or 99.87% of the adjusted appropriation, which compares favourably with the 73.3% expenditure of

2005/06. Even though the Department spent 99.87% of its total budget, it made virements of R113 million from current expenditure, most going to the household line budget and R34 million to its capital budget.
The Department's expenditure increased gradually throughout the financial year from R496 million or 12.58% during the first quarter, R723 million or 19.38% during the second, R1.1 billion or 29.68% in the third, to R1.4 billion or 39.90% in the fourth quarter.

The improvement in expenditure from 2005/06 to 2006/07 was mainly attributed to spending on land restitution and redistribution. During the year, the Department implemented a Proactive Land Acquisition Strategy (PLAS) to fast track delivery. This included the initiative to purchase land for restitution purposes before identifying and negotiating with the relevant communities – as provided for in Section 10 of the Provision of Land and Assistance Act, (Act 126 of 1993). Despite improvements in spending, a number of concerns with PLAS were noted including the question of how acquired land would be maintained and the fact that, until the land was transferred, the objectives of the Department remained unfulfilled.

Department of Defence

The Department's total expenditure at the end of the 2006/07 was R23.8 billion or 99.63% of the adjusted appropriation in comparison to 99.9% during 2005/06. The Department's expenditure increased throughout the financial year from R3.4 billion or 14.34% during the first quarter to R8.5 billion or 35.50% in the fourth quarter.

The Department explained that this pattern of expenditure was due to contractual agreements. The increase in the expenditure pattern was mostly due to the increase in transfer payments especially Programme 9: Special Defence Account, which includes the procurement of defence equipment and strategic armaments. This pattern was reflected in the cash flow projections.

Department of Public Enterprises

The Department of Public Enterprises is responsible for seven State-Owned Enterprises (SOE's), namely Transnet, Eskom, Denel, Safcol, Alexkor, South African Airways (SAA), the Pebble Bed Modular Reactor (PBMR) (Pty) and the soon-to-be officially established broadband Infrastructure Company (InfraCo).

In the year under review, the Department's total expenditure was R2.59 billion or 90.24% of the adjusted appropriation in comparison to 99.8% during 2005/06. The Department's expenditure increased gradually throughout the financial year from 4.88% during the first quarter, 16.86% during the second, 33.30% in the third quarter, to 35.2% in the fourth quarter. It's important to note that the Department's budget was adjusted from R683 million to R2.87 billion during the adjustment process.

The Department stated that the expenditure pattern was due to the finalisation of specific projects during the second half of the year. In addition, the transfer payments for the PBMR, InfraCo and Alexkor were approved by the time of the adjusted budget. The PBMR and Alexkor allocations occurred in December 2006 and January 2007, whilst an additional transfer to Alexkor was made in March (R1. 9million). The Infraco transfer of R627 million was approved during the last week of March 2007.

The amount of R280 million underexpenditure was in respect of Value-Added Tax (VAT) on a transfer payment to the sum of R2 billion made to Denel in the previous year. The Department was advised by National Treasury to make provision for this amount in the adjusted estimates. During the latter period of the year, the Department contacted National Treasury and raised its concerns regarding this provision / payment as the transfer to Denel was of a capital nature where shares were issued to the Department. Subsequently, the Department consulted with Treasury and the South African Revenue

Services and established that capital transfers where shares are issued do not attract VAT.

Statistics South Africa

In the year under review, Statistics South Africa's (StatsSA) total expenditure was R1.06 billion or 90.99% of the adjusted appropriation in comparison to 87% during 2005/06. This resulted in under- expenditure of R105 million. Of this, R73.5 million was underexpenditure on compensation of employees and R21 million on the goods and services budget. Reasons given by StatsSA for underexpenditure included underspending on the Community Survey because some of the costs ran into 2007/08 and vacancies not being filled. StatsSA spent R399 million or 34.3% of its budget during the final quarter, R235 million during March alone. StatsSA stated that a huge portion of funds spent during the final quarter was to finance the Community Survey. StatsSA also spent R20 million on the Labour Force Reengineering Survey and R8 million on the Household Survey during the last quarter.

Department of Home Affairs

In the year under review, the Department's total expenditure was R2.56 billion or 91.52% of the adjusted appropriation in comparison to 101.08% during 2005/06. This resulted in under- expenditure of R237 million. Of this amount, R61 million was underexpenditure on compensation of employees, R25 million on goods and services budget, and R155 million on machinery and equipment. The Department's expenditure increased gradually throughout the financial year from R518 million or 18.48% during the first quarter, R577 million or 20.64% during the second, R613 million or 21.91% in the third, to R854 million or 30.49% in the fourth quarter. The Department spent R481 million or 17% of its budget during February. Reasons given by the Department for the rate of underexpenditure included:

- "Savings" on compensation of employees due to the slow filling of vacant posts as a result of job evaluations. The Department indicated they would request a roll-over of these funds and it would be utilised for the outstanding Foreign Affairs claims as from February 2005 until March 2006;

- Smart ID Card funds (R93.358 million) earmarked for the Electronic Document Management System (EDMS) project, which did not materialise. The Department would again request a roll-over;

- Payment of initiated severance packages (R3.94 million).

- "Savings" on capital works for the Repair and Maintenance Programme, which did not materialise as projected, to the amount of R58.963 million. The Department would request a roll-over.

Underexpenditure on compensation of employees seemed to be a recurring problem within the Department. This was highlighted in the Annual Report for 2005/06, which stated that, by 31 March 2006, the Department had filled only 6 963 of 9 853 posts. Overall, the Department had a vacancy rate of 29.3%. The Department had a very high vacancy rate in terms of critical posts, especially in highly skilled supervision level, 56.6% (292 of 673 posts filled) as well as in senior management level, 45% (57 of 104 posts filled). In the year under review, the Department appointed 837 people and 555 resigned, representing a turnover rate of 12.7%. Lower skilled employees had the highest turnover rate of 36.5%. With regards to turnover rate in the critical occupations, regulatory inspectors had the highest with 62.7%.

The General Report of the Auditor-General for 2005/06, which examined the audit opinions for the period 2000/01 to 2005/06, revealed that the Department had received six

consecutive qualified audits. It also stated that there were no written policies and procedures for financial accounting processes and accounting processes for asset management, and the asset register was inaccurate and not up to date.

Department of Sport and Recreation South Africa

In the year under review, the Department's total expenditure was R887 million or 92.38% of the adjusted appropriation in comparison to 95.20% during 2005/06. This resulted in underexpenditure of R105 million. A substantial portion of this amount was underexpenditure on goods and services – this despite nearly 40% of funds for this category being spent in March.

When comparing total expenditure to the main appropriation, the Department spent 21.97% during the first quarter (78% of projected expenditure) and 19.95% during the second quarter with 75.22% of projected expenditure being spent by the end of the first six months (R147 million of R196 million). Using the adjusted budget, the Departmental expenditure was 26.22% in the third quarter and up to 50.82% in the fourth quarter. This trend was similar to the previous financial year, when the Department spent 65% of its total budget during the last month. It is important to note that the Department received an additional R600 million, via the adjusted estimates, for the construction of stadiums for the 2010 FIFA World Cup. This was transferred to host cities during the last quarter. In addition, the Department indicated that the increase in spending was due to the relocation of the Department to new premises together with the necessary refurbishments and renovations.

The Department stated that underexpenditure was mainly in compensation to employees due to vacancies. The filling of vacancies was underway and should be concluded by June 2007. In addition, transfer payments to certain sport federations were withheld due to the non-compliance with funding agreements.

Department of Water Affairs and Forestry

The Department's expenditure increased gradually throughout the financial year from 15.44% during the first quarter, to 21.19% during the second, 23.95% in the third, and 31.9% in the fourth quarter. The Department's total expenditure at the end of the 2006/07 was R4.3 billion or 92.48% of the adjusted appropriation in comparison to 94.6% during the 2005/06. This resulted in under- expenditure of R350 million. The Department underspent its budget on its Administration Programme by R5.2 million. This was reportedly due to a once-off personnel related cost not paid, as the agreements related to the transfer of schemes could not be finalised.

The Water Resource Management Programme underspent by R314 million mainly due to the delay in obtaining the approval for the Environmental Impact Assessment for the construction of the De Hoop Dam. The Water Services Programme underspent by R32 million as a the direct grant for the refurbishment, operational and maintenance costs of the water schemes could not be finalised due to the delay in finalising agreements with local governments. The Forestry Programme underspent by R3 million as a result of unfilled posts.

With regards to the eradication of the bucket system, a departmental priority, the Department had reduced the backlog to 118 301 units at the end of March 2007 with a view to meeting the objective by December. Another R1 billion would be spent to make sure the bucket system was eradicated.

4. CURRENT EXPENDITURE

Current expenditure is categorised into two main components namely compensation of employees and goods and services. Compensation of employees includes most

payments to government employees, except social contributions and payments to government employees working on capital projects (classified as capitalised payments). Goods and services cover all goods and services used by a government department or entity.

Table 2 represents departments' overall current expenditure per quarter for the 2006/07 financial year based on the adjusted appropriations. During the first quarter departments spent R16 billion or 19.7%, during the second quarter R19.5 billion or 23.91%, during the third quarter R19 billion or 23.45% and during the fourth quarter R22.96 billion or 28.31%. Departments therefore in total spent R77.5 billion or 95.55%, which resulted in R3.6 billion or 4.45% recorded as under- expenditure.

Table 2: Current Expenditure

R'000	% Cur. Exp for 1st Quarter	% Cur. Exp for 2nd Quarter	% Cur. Exp for 3rd Quarter	% Cur. Exp for 4th Quarter	Total Current Budget	Current Expenditure	% Current Expenditure	Over / under expenditure	% Over / under expenditure
Voted Amounts	**19.78%**	**24.01%**	**23.45%**	**28.31%**	**81,091,278**	**77,480,903**	**95.55%**	**3,610,375**	**4.45%**
Central Government Administration	**19.33%**	**25.69%**	**23.21%**	**30.80%**	**6,575,103**	**6,511,540**	**99.03%**	**63,563**	**0.97%**
The Presidency	18.38%	22.59%	23.97%	32.00%	208,118	201,738	96.93%	6,380	3.07%
Parliament	17.96%	31.50%	27.29%	34.69%	601,208	670,011	111.44%	-68,803	-11.44%
Foreign Affairs	19.07%	25.26%	21.62%	34.67%	2,237,586	2,251,462	100.62%	-13,876	-0.62%
Home Affairs	19.97%	25.68%	25.40%	24.46%	1,836,732	1,754,132	95.50%	82,600	4.50%
Provincial and Local Government	18.97%	21.97%	22.34%	31.49%	318,753	302,080	94.77%	16,673	5.23%
Public Works	19.74%	25.21%	21.16%	30.94%	1,372,706	1,332,117	97.04%	40,589	2.96%
Financial and Administrative Services	**17.79%**	**20.98%**	**21.99%**	**28.38%**	**4,109,004**	**3,663,272**	**89.15%**	**445,732**	**10.85%**
Gov. Communications and Info. Services	20.67%	23.42%	22.66%	31.69%	198,786	195,657	98.43%	3,129	1.57%
National Treasury	18.75%	21.20%	20.99%	24.01%	2,204,877	1,873,295	84.96%	331,582	15.04%
Public Enterprises	19.61%	22.65%	27.34%	29.49%	101,336	100,415	99.09%	921	0.91%
Public Service and Administration	17.15%	16.91%	25.89%	35.97%	362,710	347,904	95.92%	14,806	4.08%
Public Service Commission	21.23%	25.00%	27.14%	25.57%	95,329	94,307	98.93%	1,022	1.07%
S A Management Development Institute	20.66%	24.75%	18.51%	33.93%	33,460	32,744	97.86%	716	2.14%
Statistics South Africa	15.04%	20.83%	21.77%	33.95%	1,112,506	1,018,950	91.59%	93,556	8.41%
Social Services	**17.81%**	**22.51%**	**19.14%**	**32.63%**	**3,116,775**	**2,870,348**	**92.09%**	**246,427**	**7.91%**
Arts and Culture	43.99%	30.14%	32.29%	22.44%	239,994	309,262	128.86%	-69,268	-28.86%
Education	12.04%	19.54%	15.38%	41.68%	581,778	515,632	88.63%	66,146	11.37%
Health	13.84%	19.99%	16.76%	34.16%	778,896	660,153	84.75%	118,743	15.25%
Labour	18.82%	24.18%	20.24%	32.32%	1,073,731	1,026,016	95.56%	47,715	4.44%
Social Development	19.88%	29.39%	22.26%	22.32%	265,913	249,548	93.85%	16,365	6.15%
Sport and Recreation South Africa	9.47%	12.56%	12.72%	27.45%	176,463	109,737	62.19%	66,726	37.81%

R'000	% Cur. Exp for 1st Quarter	% Cur. Exp for 2nd Quarter	% Cur. Exp for 3rd Quarter	% Cur. Exp for 4th Quarter	Total Current Budget	Current Expenditure	% Current Expenditure	Over / under expenditure	% Over / under expenditure
Justice and Protection Services	**20.50%**	**24.35%**	**23.80%**	**28.12%**	**59,225,284**	**57,314,789**	**96.77%**	**1,910,495**	**3.23%**
Correctional Services	20.59%	23.69%	23.09%	28.48%	8,630,038	8,271,830	95.85%	358,208	4.15%
Defence	19.08%	24.85%	23.31%	29.98%	14,912,947	14,498,162	97.22%	414,785	2.78%
Independent Complaints Directorate	21.63%	24.13%	23.68%	27.28%	63,970	61,869	96.72%	2,101	3.28%
Justice and Constitutional Dev.	16.49%	21.74%	21.96%	30.05%	5,055,825	4,562,596	90.24%	493,229	9.76%
Safety and Security	21.84%	24.73%	24.55%	26.79%	30,562,504	29,920,332	97.90%	642,172	2.10%
Econ. Services & Infrastructure Dev.	**16.56%**	**22.29%**	**23.44%**	**26.00%**	**8,065,112**	**7,120,954**	**88.29%**	**944,158**	**11.71%**
Agriculture	13.55%	18.65%	21.58%	34.15%	941,914	828,154	87.92%	113,760	12.08%
Communications	20.03%	22.55%	23.14%	32.76%	309,628	304,960	98.49%	4,668	1.51%
Environmental Affairs and Tourism	20.91%	25.52%	24.59%	25.63%	560,093	541,369	96.66%	18,724	3.34%
Housing	12.78%	17.34%	25.86%	39.57%	262,307	250,654	95.56%	11,653	4.44%
Land Affairs	15.16%	22.71%	22.47%	27.93%	984,731	869,137	88.26%	115,594	11.74%
Minerals and Energy	17.01%	21.20%	23.90%	34.09%	520,952	501,130	96.20%	19,822	3.80%
Science and Technology	22.46%	21.91%	20.87%	19.80%	204,861	174,201	85.03%	30,660	14.97%
Trade and Industry	14.37%	18.63%	21.00%	25.27%	790,635	626,710	79.27%	163,925	20.73%
Transport	14.51%	25.47%	17.44%	8.64%	724,802	478,843	66.07%	245,959	33.93%
Water Affairs and Forestry	17.82%	23.63%	26.37%	24.25%	2,765,189	2,545,796	92.07%	219,393	7.93%

Parliament

Parliament's current budget amounted to R601 million but actual funds requested amounted to R670 million or 11% higher then estimated. It should be noted that there is relatively little information available on Parliament's expenditure. The Committee felt, however, that it was important for purposes of financial accountability that such information should be made available.

Department of Arts and Culture

In the year under review, the Department's current expenditure was R309 million or 128% of its current budget in comparison with 106.6% during 2005/06. Overexpenditure amounted to R69 million for the year. The Department's explanation at the end of the third quarter for this high rate of expenditure was that they received additional responsibilities during the year for which they had not budgeted. Examples of this were the anniversary of the Women's March and the 16 June uprising (National Youth Day). The Department asked National Treasury for an additional R37 million to finance these activities but only received R5 million. Using virements the Department shifted funds between projects to fund these events.

The Department stated that according to their records, total current expenditure up to 31 March 2007 was R253.172 million after virements. The Department's total current budget for the financial year was R253.207 million.

Department of Foreign Affairs

In the year under review, the Department's current expenditure was R2.25 billion or 100.62% of its current budget in comparison with 98.5% during 2005/06. Overexpenditure amounted to R14 million for 2006/07. According to National Treasury the Department overspent its budget for goods and services by R87 million as a result of unfavourable forex movements, which affected spending in foreign missions. However, it underspent by R45.6 million on its compensation of employees budget as a result of vacant posts. The Department's current expenditure increased gradually throughout the financial year from R426 million or 19.07% during the first quarter, to R565 million or 25.26% during the second quarter, R484 million or 21.62% in the third quarter, and R776 million or 34.67% in the fourth quarter. The committee noted that the Department would always be subjected to forex movements. Therefore the committee expected the Department properly to hedge their foreign exchange requirements for the year forward.

The Department of Sport and Recreation South Africa

The Department is the lowest-spending department with current expenditure at R109.7 million or 62.19% of its current budget. The Department underspent its current budget by R66.7 million. Goods and services accounted for R58 million of underexpenditure and compensation of employees for R9 million. Delays in the finalisation of staff appointments as well as "savings" incurred by not filling the vacant posts were given by the Department as the reasons for under- expenditure for compensation of employees. The 2005/06 annual report stated that there was a 42% vacancy rate at senior management level at 31 March 2006 and 46% at the highly skilled supervisory level. The filling of vacancies was underway and should be concluded by June 2007. Underexpenditure on goods and services was directly linked to the underexpenditure on compensation of employees, as well as invoices for goods and services received after 31 March that would be processed in the new financial year. According to National Treasury, funds under programme 1, 2, 3 and 4 were shifted from the compensation of employees line budgets within those programmes as a result of "savings" to other line budgets. These include line budgets within programme 1 for the upgrading of SRSA's new building, transfers to sports federations in programme 2 and offsetting costs of the Women in Sports national games.

Department of Transport

In the year under review, the Department's current expenditure was R479 million or 66.07% of its current budget in comparison with 71.1% during 2005/06. Underexpenditure amounted to R246 million for 2006/07. According to the section 32 report, the Department only spent 8.6% of its current budget during the final quarter. The Department's current expenditure remained low throughout the financial year. It spent R105 million or 14.51% of its current budget in the first quarter, R185 million or 25.47% in the second quarter, R126 million or 17.44% in the third quarter, and R62 million or 8.64% in the fourth quarter. Revised figures taking into account virements received from National Treasury after the publication of the section 32 report showed that the Department spent R611.7 million or 84% of its current budget resulting in underexpenditure of R113 million. These figures indicated that the Department underspent its compensation of employees budget by R15 million due to vacancies and its goods and services budget by R98 million.

Department of Trade and Industry

In the year under review, the Department's current expenditure was R626 million or 79.27% of its current budget, in comparison with 83.6% during 2005/06. The Department's expenditure increased gradually throughout the financial year from R114 million or 14.37% in the first quarter, to R147 million or 18.63% in the second quarter, R166 million or 21% in the third quarter, and R199 million or 25.27% in the fourth quarter. The Department moved R116 million by way of virements from its current budget mainly to its transfer budget (mostly to the Small Enterprise Development Agency, East London

Industrial Development Zone and the Small and Medium Enterprise Development Programme). As a result the department spent 98% of its current budget.

Department of Health

In the year under review, the Department's total current expenditure was R660 million or 84.75% of its current budget, in comparison with 88.4% during 2005/06. The Department underspent its current budget by R119 million or 15.25%. The Department's expenditure remained below 20% per quarter except for the fourth quarter in which it spent 34% of its budget. Vacancy rates as at 31 March 2006 as per the annual report were 37% at senior management level (levels 13-16); 28% at highly skilled supervisory level (levels 9-12); 22% at highly skilled production level (levels 6-8); 19% at skilled level (levels 3-5); and 18% at lower skilled level (levels 1-2).

According to the Department the underexpenditure on goods and services was as a result of a variety of items e.g. the tender for Khomanani (R56 million) and printing costs in the HIV and Aids Directorate (R12 million). To a lesser degree, some underspending was directly linked to the high vacancy rate. The Department also underspent because of tenders for goods and services that ran over into the next financial year. Unlike in the years 2005/06 and 2004/05, the Department spent almost its entire budget for condoms.

5. TRANSFER PAYMENTS

Transfers and subsidies include all unrequited payments made by a government department or entity. A payment is unrequited if the government department or entity does not receive anything directly in return for the transfer to the other party. Both current and capital transfers are included in this item.

Table 3 represents departments' overall transfer payments per quarter for 2006/07. During the first quarter departments transferred R39 billion or 22.66%, during the second quarter R44 billion or 25.6%, during the third quarter R46.6 billion or 26.01% and during the fourth quarter R47 billion or 26.3% of their transfer budgets based on the adjusted appropriations. Departments in total transferred R176.95 billion or 98.93% during 2006/07, which resulted in a 1.17% or R2 billion underexpenditure. It is important to note that transfer payments do not necessarily signify that the receiving agency or department spent these funds during the 2006/07 financial year.

Table 3: Transfer Payments

R'000	% Tran. Exp for 1st Quarter	% Tran. Exp for 2nd Quarter	% Tran. Exp for 3rd Quarter	% Tran. Exp for 4th Quarter	Total Transfer Budget	Transfer Exp.	% Transfer Exp.	Over / under exp.	% Over / under exp.
Voted Amounts	**21.85%**	**24.68%**	**26.01%**	**26.30%**	**179,040,127**	**176,954,125**	**98.83%**	**2,086,002**	**1.17%**
Central Government Administration	**6.10%**	**29.73%**	**22.31%**	**38.33%**	**27,335,372**	**26,372,400**	**96.48%**	**962,972**	**3.52%**
The Presidency	30.27%	20.11%	19.77%	44.57%	24,350	27,936	114.73%	-3,586	-14.73%
Parliament	0.00%	0.00%	25.35%	41.52%	158,439	105,948	66.87%	52,491	33.13%
Foreign Affairs	34.94%	4.23%	16.74%	23.54%	486,668	386,705	79.46%	99,963	20.54%
Home Affairs	35.19%	20.87%	21.34%	22.94%	366,869	368,124	100.34%	-1,255	-0.34%
Provincial and Local Government	3.54%	29.83%	23.42%	39.98%	25,065,919	24,256,988	96.77%	808,931	3.23%
Public Works	38.55%	44.40%	1.79%	14.74%	1,233,127	1,226,699	99.48%	6,428	0.52%

R'000	% Tran. Exp for 1st Quarter	% Tran. Exp for 2nd Quarter	% Tran. Exp for 3rd Quarter	% Tran. Exp for 4th Quarter	Total Transfer Budget	Transfer Exp.	% Transfer Exp.	Over / under exp.	% Over / under exp.
Financial and Administrative Services	**17.16%**	**20.12%**	**30.89%**	**28.65%**	**17,464,158**	**16,909,036**	**96.82%**	**555,122**	**3.18%**
Gov. Communications and Info. Services	36.75%	41.97%	0.87%	20.44%	93,284	93,309	100.03%	-25	-0.03%
National Treasury	19.53%	20.25%	30.75%	27.58%	14,504,429	14,229,026	98.10%	275,403	1.90%
Public Enterprises	4.34%	16.63%	33.53%	35.38%	2,766,752	2,486,629	89.88%	280,123	10.12%
Public Service and Administration	5.18%	94.86%	0.04%	0.61%	75,670	76,197	100.70%	-527	-0.70%
Public Service Commission	44.57%	25.00%	7.61%	7.61%	92	78	84.78%	14	15.22%
S A Management Development Institute	25.36%	24.93%	24.83%	24.84%	23,069	23,059	99.96%	10	0.04%
Statistics South Africa	33.87%	0.58%	30.74%	20.42%	862	738	85.61%	124	14.39%
Social Services	**31.60%**	**24.67%**	**24.65%**	**18.84%**	**88,712,069**	**88,493,542**	**99.75%**	**218,527**	**0.25%**
Arts and Culture	20.15%	23.17%	25.82%	24.91%	1,085,349	1,020,641	94.04%	64,708	5.96%
Education	48.37%	25.51%	19.12%	7.01%	13,708,060	13,708,672	100.00%	-612	0.00%
Health	23.76%	25.34%	24.98%	25.73%	10,631,194	10,610,188	99.80%	21,006	0.20%
Labour	31.36%	10.31%	47.69%	13.13%	400,408	410,375	102.49%	-9,967	-2.49%
Social Development	29.75%	24.72%	25.58%	19.73%	62,110,322	61,968,355	99.77%	141,967	0.23%
Sport and Recreation South Africa	7.80%	6.13%	29.49%	56.40%	776,736	775,311	99.82%	1,425	0.18%
Justice and Protection Services	**8.69%**	**26.27%**	**25.67%**	**40.53%**	**9,906,665**	**10,021,910**	**101.16%**	**-115,245**	**-1.16%**
Correctional Services	33.99%	19.24%	32.13%	25.82%	33,277	36,998	111.18%	-3,721	-11.18%
Defence	6.28%	26.70%	26.21%	43.01%	8,691,707	8,882,836	102.20%	-191,129	-2.20%
Independent Complaints Directorate	36.92%	20.00%	-12.31%	84.62%	65	84	129.23%	-19	-29.23%
Justice and Constitutional Dev.	27.45%	24.79%	23.11%	23.98%	805,888	800,485	99.33%	5,403	0.67%
Safety and Security	22.14%	20.06%	18.10%	19.95%	375,728	301,507	80.25%	74,221	19.75%
Econ. Services & Infrastructure Dev.	**15.58%**	**22.64%**	**29.94%**	**30.54%**	**35,621,863**	**35,157,237**	**98.70%**	**464,626**	**1.30%**
Agriculture	15.24%	29.15%	26.33%	23.37%	1,373,213	1,292,027	94.09%	81,186	5.91%
Communications	6.84%	23.00%	43.64%	26.60%	1,005,688	1,006,504	100.08%	-816	-0.08%
Environmental Affairs and Tourism	37.12%	28.17%	21.18%	14.80%	1,484,869	1,503,739	101.27%	-18,870	-1.27%
Housing	19.79%	28.54%	27.16%	22.27%	7,065,891	6,907,527	97.76%	158,364	2.24%
Land Affairs	12.35%	18.94%	30.08%	35.74%	2,570,985	2,496,628	97.11%	74,357	2.89%
Minerals and Energy	12.55%	28.46%	30.72%	27.81%	2,109,432	2,099,746	99.54%	9,686	0.46%
Science and Technology	20.90%	26.69%	26.46%	27.03%	2,268,551	2,293,136	101.08%	-24,585	-1.08%
Trade and Industry	10.59%	26.93%	26.93%	34.98%	3,119,065	3,101,078	99.42%	17,987	0.58%

R'000	% Tran. Exp for 1st Quarter	% Tran. Exp for 2nd Quarter	% Tran. Exp for 3rd Quarter	% Tran. Exp for 4th Quarter	Total Transfer Budget	Transfer Exp.	% Transfer Exp.	Over / under exp.	% Over / under exp.
Transport	13.45%	16.87%	33.90%	34.79%	12,984,052	12,854,326	99.00%	129,726	1.00%
Water Affairs and Forestry	11.55%	16.81%	22.40%	46.95%	1,640,117	1,602,526	97.71%	37,591	2.29%

Parliament

Parliament had a budget of R158 million for transfer expenditure but requested R106 million. The amount requested was 33% lower than budgeted. There was no information available relating to Parliament's expenditure in either the section 32 report or from National Treasury. The committee felt that it was important that Parliament should be accountable and that information should be available so that the committee could perform its oversight function.

The Presidency

In the year under review, transfer payments by the Presidency were R27 million or 114.73%, in comparison with 100% during 2005/06. The Presidency therefore overspent its transfer budget by R3.5 million or 14.73%. The National Youth Commission was the main recipient of transfer funds. The bulk of transfer payments were effected during the first and fourth quarters of the financial year. During the year the Presidency moved R3.5 million from goods and services to its transfer budget. Treasury approval was granted to use "savings" to make a contribution to the SA Mali Timbuktu Project and to the Centre for African Renaissance Studies. The Presidency transferred R7.4 million or 30.27% in the first quarter, R4.9 million or 20.11% in the second quarter, R4.8 million or 19.77% in the third quarter, and R10.9 million or 39.90% in the fourth quarter.

Department of Correctional Services

Transfer payments for the Department's at the end of the 2006/07 financial year totalled R37 million or 111.18% of the adjusted appropriation, in comparison to 96.3% during the 2005/06. The Department therefore over spent its budget by R3.7 million or 11.18%. The Department transferred R11 million or 33.99% of its budget in the first quarter, R6.4 million or 19.24% in the second quarter, R10.7 million or 32.13% in the third, and R8.6 million or 25.82% in the fourth quarter. Transfer payments constituted a very small amount of the Department's total budget of R9.8 billion.

Department of Defence

In the year under review, the Department's total transfer payments were R8.88 billion or 102.2% of the adjusted appropriation, in comparison to 100% during the 2005/06 financial year. The Department therefore over spent by R192 million or 2.2%. The majority of over expenditure occurred on the departmental agencies and accounts line budget. The Department transferred R546 million or 6.28% of its budget in the first quarter, R2.3 billion or 26.70% in the second, R2.28 billion or 26.21% in the third quarter, and R3.7 billion or 40.01% in the fourth quarter.

The Department explained that this pattern of expenditure was due to contractual agreements, especially transfers made under Programme 9 of the Department: Special Defence Account. A billion rand was transferred during the last month of the financial year for the acquisition of strategic armaments delivered during the month. This pattern was reflected in the cash flow projections provided at the start of the financial year. The Department moved R192 million from its current budget to its transfer budget after the adjustment estimates.

Department of Foreign Affairs

In the year under review, the Department's total transfer payments were R387 million or 79.46% of the adjusted appropriation, in comparison to 99.4% during the 2005/06 financial year. The Department therefore under spent by R100 million or 20.54%. A large part of these transfers were meant for public corporations and private enterprises The Department transferred R170 million or 34.94% of its transfer budget in the first quarter, R21 million or 4.23% in the second, R81.5 million or 16.74% in the third quarter, and R115 million or 23.54% in the fourth quarter. Reasons given by the Department for the rate of under expenditure included:

- "Savings" on capital projects for Addis Ababa and Maseru due to unfavourable and unforeseen site conditions and "Savings" on maintenance works for Lilongwe, Brussels, Sao Paulo and Windhoek due to finalization of contracts;

- The African Union Membership fee was not paid in full and other transfers were not made due to cash flow problems. The Department indicated that funds used to pay for partner departments abroad had huge cash flow implications as the refunds from these departments were not received in full within the financial year. This resulted in the situation where there was not enough cash for the Department to meet other obligations.

Department of Safety and Security

Transfer payments for the Department at the end of the 2006/07 financial year totalled R301.5 million or 80.25% of the adjusted appropriation, in comparison to 81.3% during the 2005/06 financial year. The Department therefore under spent transfer by R74 million or 19.75%. The Department transferred R83 million or 22.14% in the first quarter, 75 million or 20.06% in the second, R68 million or 18.10% in the third quarter, and R75 million or 19.95% in the fourth quarter. In should be noted that Transfer payments constituted a very small amount of the Department's total budget of R32.5 billion.

Department of Public Enterprises

In the year under review, the Department's total transfer payment were R2.487 billion or 89.88% of the adjusted appropriation, in comparison to 99.9% during the 2005/06 financial year. The Department under spent its budget by R280 million or 10.12%. Almost the entire amount was under expenditure on the foreign governments and international organisations line budget. The Department transferred R120 million or 4.34% of its transfer budget in the first quarter, R460 million or 16.63% in the second, R928 million or 33.53% in the third quarter, and R9.79 million or 35.38% in the fourth quarter.

The Department indicated that transfer payments for the PBMR, InfraCo and Alexkor were approved in the adjusted estimates. The PBMR and Alexkor allocations were transferred during December 2006 and January 2007 with a further transfer to Alexkor in March. National Treasury only approved transfer payments to Infraco during the last week of March 2007.

The R280 million under expenditure referred to above was due to VAT on a transfer payment of R2 billion made to Denel in the previous year. During the year the Department contacted National Treasury to raise a concern regarding this provision / payment as the transfer to Denel was of a capital nature whereas shares where issued. Subsequent to further consultations, it was established that capital transfers involving shares do not attract VAT and that the funds should not be disbursed to the entity.

6. CAPITAL EXPENDITURE (CAPEX)

Capital assets comprise five main categories, namely buildings and other fixed assets, machinery and equipment, cultivated assets, software and other intangible asset and land and sub-soil assets. Expenditure on goods, such as items worth less than R5000, are not included under capital expenditure but categorised as goods and services.

Table 4 represents overall capital expenditure per department per quarter for the 2006/07 financial year based on the adjusted appropriations. In the first quarter departments spent R589 million or 9.86%, in the second R826 million or 13.82%, in the third quarter R1.8 billion or 29.65% and in the fourth quarter R3.2 billion or 53.82%. Departments therefore spent R6.45 billion during the 2006/07 financial year, which resulted in R419 million or 6.94% over expenditure.

Table 4: Capital Expenditure

R'000	% Cap. Exp for 1st Quarter	% Cap. Exp for 2nd Quarter	% Cap. Exp for 3rd Quarter	% Cap. Exp for 4th Quarter	Total Capital Budget	Capital Exp.	% Capital Exp.	over / under exp.	% over / under exp.
Voted Amounts	**9.77%**	**13.69%**	**29.65%**	**53.82%**	**6,031,759**	**6,450,415**	**106.94%**	**-418,656**	**-6.94%**
Central Government Administration	**5.53%**	**5.01%**	**15.04%**	**51.44%**	**1,462,127**	**1,126,215**	**77.03%**	**335,912**	**22.97%**
The Presidency	1.97%	28.69%	29.64%	62.92%	6,397	7,882	123.21%	-1,485	-23.21%
Parliament	10.60%	5.59%	2.05%	9.22%	22,486	6,174	27.46%	16,312	72.54%
Foreign Affairs	4.46%	10.52%	17.12%	35.68%	317,895	215,454	67.78%	102,441	32.22%
Home Affairs	3.65%	4.98%	11.50%	53.73%	596,804	440,779	73.86%	156,025	26.14%
Provincial and Local Government	6.26%	8.39%	35.61%	114.80%	7,616	12,571	165.06%	-4,955	-65.06%
Public Works	8.21%	1.23%	17.98%	59.36%	510,929	443,355	86.77%	67,574	13.23%
Financial and Administrative Services	**11.25%**	**13.08%**	**15.65%**	**43.53%**	**81,050**	**67,682**	**83.51%**	**13,368**	**16.49%**
Gov. Communications and Info. Services	28.05%	38.53%	36.37%	62.03%	2,510	4,141	164.98%	-1,631	-64.98%
National Treasury	5.26%	7.64%	14.15%	38.55%	20,275	13,299	65.59%	6,976	34.41%
Public Enterprises	12.75%	49.05%	25.50%	61.96%	1,835	2,739	149.26%	-904	-49.26%
Public Service and Administration	28.74%	30.40%	39.10%	44.56%	4,046	5,778	142.81%	-1,732	-42.81%
Public Service Commission	10.75%	7.90%	11.57%	75.28%	1,582	1,669	105.50%	-87	-5.50%
S A Management Development Institute	37.30%	14.82%	12.39%	45.42%	2,389	2,626	109.92%	-237	-9.92%
Statistics South Africa	10.10%	11.30%	13.17%	42.74%	48,413	37,430	77.31%	10,983	22.69%
Social Services	**8.18%**	**17.83%**	**65.17%**	**26.87%**	**90,330**	**106,644**	**118.06%**	**-16,314**	**-18.06%**
Arts and Culture	0.00%	0.00%	0.79%	0.00%	4,796	38	0.79%	4,758	99.21%
Education	18.82%	12.95%	10.51%	13.53%	9,338	5,210	55.79%	4,128	44.21%
Health	7.41%	13.16%	112.52%	22.51%	43,903	68,317	155.61%	-24,414	-55.61%
Labour	3.45%	42.77%	36.61%	57.02%	19,356	27,068	139.84%	-7,712	-39.84%
Social Development	26.48%	11.63%	18.84%	11.79%	6,190	4,255	68.74%	1,935	31.26%
Sport and Recreation South Africa	1.08%	1.84%	2.93%	20.17%	6,747	1,756	26.03%	4,991	73.97%
Justice and Protection Services	**11.31%**	**16.76%**	**32.03%**	**57.44%**	**3,668,251**	**4,311,811**	**117.54%**	**-643,560**	**-17.54%**

R'000	% Cap. Exp for 1st Quarter	% Cap. Exp for 2nd Quarter	% Cap. Exp for 3rd Quarter	% Cap. Exp for 4th Quarter	Total Capital Budget	Capital Exp.	% Capital Exp.	over / under exp.	% over / under exp.
Correctional Services	6.85%	16.93%	14.86%	41.53%	1,168,197	936,549	80.17%	231,648	19.83%
Defence	12.51%	16.67%	23.56%	92.86%	298,250	434,245	145.60%	-135,995	-45.60%
Independent Complaints Directorate	30.89%	11.87%	12.56%	150.88%	1,871	3,858	206.20%	-1,987	-106.20%
Justice and Constitutional Dev.	21.30%	15.58%	29.81%	36.68%	616,934	637,768	103.38%	-20,834	-3.38%
Safety and Security	10.47%	17.12%	47.18%	70.49%	1,582,999	2,299,391	145.26%	-716,392	-45.26%
Econ. Services & Infrastructure Dev.	**10.55%**	**15.21%**	**44.14%**	**44.90%**	**730,001**	**838,063**	**114.80%**	**-108,062**	**-14.80%**
Agriculture	31.24%	36.11%	37.78%	84.07%	52,503	99,341	189.21%	-46,838	-89.21%
Communications	18.84%	11.83%	3.28%	85.24%	6,990	8,331	119.18%	-1,341	-19.18%
Environmental Affairs and Tourism	38.83%	41.57%	31.17%	-28.26%	16,842	14,031	83.31%	2,811	16.69%
Housing	9.53%	7.24%	13.64%	44.92%	5,528	4,164	75.33%	1,364	24.67%
Land Affairs	1.42%	7.05%	64.35%	133.32%	174,480	359,694	206.15%	-185,214	-106.15%
Minerals and Energy	6.53%	35.33%	41.45%	60.90%	4,716	6,801	144.21%	-2,085	-44.21%
Science and Technology	6.88%	0.70%	93.25%	0.55%	143,681	145,661	101.38%	-1,980	-1.38%
Trade and Industry	4.42%	25.24%	8.37%	41.98%	32,328	25,868	80.02%	6,460	19.98%
Transport	2.02%	6.17%	68.30%	-43.06%	37,936	12,684	33.44%	25,252	66.56%
Water Affairs and Forestry	14.66%	22.89%	7.57%	18.21%	254,997	161,488	63.33%	93,509	36.67%

Independent Complaints Directorate

The Directorate's total capital expenditure at the end of the 2006/07 financial year was R3.9 million or 206.20% of the adjusted appropriation, in comparison to 113.2% during the 2005/06. The Directorate therefore overspent its capital budget by R2 million or 106.2%. The Directorate overspent on the machinery and equipment budget by R1.4 million and software and other intangible assets line budget by R618 thousand. According to the Section 32 Reports, the Directorate spend more than its total capital budget during the final quarter of the financial year.

Department of Land Affairs

The Department's total capital expenditure at the end of the 2006/07 financial year was R359.7 million or 206.15% of the adjusted appropriation, in comparison to 66.9% during the 2005/06. The Department therefore overspent by R185 million or 106.15%, with R180 million being over- expenditure on the land and subsoil assets line budget. The Department spent R2.5 million or 1.42% of its capital budget in the first quarter, R12 million or 7.05% in the second, R112 million or 64.35% in the third, and R233 million or 133% in the fourth quarter. The Department spent more than its total capital budget during the final quarter of the financial year.

Department of Agriculture

The Department's capital budget increased from R33 million to R52.5 million through the adjusted estimates. Capital expenditure at the end of the fourth quarter was R99 million, or 189.21%. The result was overexpenditure of R46 million. The Department spent R16.4 million or 31.24% of its capital budget in the first quarter, R19 million or 36.11% in the second quarter, R19.8 million or 37.78% in the third, and R44 million or 84.07% in the fourth quarter.

Department of Safety and Security

During the 2005/06 financial year the Department spent 143% of its capital budget of R1.399 billion leading to over expenditure of R601 million. The Department spent R166 million or 10.47% in the first quarter, R271 million or 17.12% in the second, R746 million or 47.18% in the third quarter, and R1.1 billion or 70.49% during the fourth quarter. After the Adjustment Estimates the Department moved R716 million to its capital budget, mostly from compensation of employees.

Department of Defence

The Department's capital expenditure at the end of the fourth quarter was R434 million, or 145.60%. This resulted in overexpenditure of R136 million or 45.6%. This noted, the Department indicated that PFMA Section 32 Reports did not take into account internal shifts / virements of funds. The Department spent R37 million or 12.51% of its capital budget in the first quarter, R49.7 million or 16.67% in the second, R70.3 million or 23.56% in the third, and R276 million or 92.86% during the fourth quarter. The Department spent nearly its entire budget during the final quarter of the financial year.

Department of Arts and Culture

The capital budget for the Department of Arts and Culture was R4.8 million of which only R38 thousand or 0.79% was spent by the end of the financial year compared to 103% in the previous financial year. The Department planned to spend R4.4 million during the final quarter of the financial year. In its response to a question put at the end of the third quarter, the Department stated that it expected large claims during the final quarter of the year for the development of Freedom Park.

Department of Sports and Recreation

The Department's entire capital budget of R6.7 million was intended for machinery and equipment. Capital expenditure at the end of the financial year was only R1.76 million, or 26.03% of its budget compared to 95.7% during the previous year. The Department spent R73 thousand or 1.08% of its capital budget during the first quarter, R124 thousand or 1.84% during the second quarter, R198 thousand or 2.93% in the third quarter, and R1.36 million or 20.17% during the fourth quarter. The Department stated that underexpenditure was mainly due to incomplete renovations and refurbishments to new premises.

Department of Transport

The Department's capital expenditure at the end of the fourth quarter was R12.7 million, or 33.44%. This resulted in underexpenditure of R25 million or 66.56%. During the 2005/06 financial year, the Department spent 175% of its capital budget of R14.5 million. In response, the Department again highlighted discrepancies between Section 32 Reports and the Department's records. According to the Department's records, the amount for capital expenditure was R37.6 million.

7. FINDINGS AND CONCLUSIONS

Departments started the financial year with a below average expenditure of 21.44% (or R55.7 billion) during the first quarter. At the end of the second quarter, average departmental expenditure was 46.24% (R120.2 billion) and, by the end of the third quarter 70.46% (R187.6 billion). By the end of year average departmental expenditure had increased to 98.02% or R260.9 billion (as compared to R225 billion or 97.67% in 2005/06 and 97.65% in 2004/05). This translated to under- expenditure of approximately R5.3 billion (R5.4 billion in 2005/06, R3.6 billion in 2004/05). Departments spent R77.5 billion or 95.55% of their current budgets, R177 billion or 98.83% of their transfer budgets and

R6.5 billion or 106.94% of their capital budgets by the end of the financial year. In assessing expenditure figures as well as the reach and impact of service delivery, the Joint Budget Committee identified the following general issues and concerns.

- Cash flow projections for the third quarter showed that departments planned spending R75.4 billion during the final quarter. Based on these forecasts an underexpenditure of R3.2 billion or 1.2% was expected. By the end of the final quarter, however, under expenditure of R5.3 billion or 1.98% was recorded.

- The inability of some departments to fill vacancies meant that the trend of underspending for current expenditure and particularly compensation of employees continued. In light of this trend, the Committee agreed to make further enquires concerning vacancies across government departments and their impact on the budget and service delivery.

- Certain departmental services continued to be compromised due to weak financial planning and management - as evident from consecutive qualified audits reports. In this regard, the Committee agreed to focus on and assess weaknesses in specific departments during the 2007/08 financial year including, but not limited to, the Departments of Home Affairs, Health and Land Affairs.

8. RECOMMENDATIONS

Based on the findings in this Report, the JBC makes the following recommendations:

1. Many departments use the term "savings" to describe underexpenditure and lack of spending. The Committee therefore recommends that National Treasury further clarify, to both the Committee and the various departments, the criteria for the classification of unspent funds, specifically savings.

2. Departments frequently make virements after the adjusted appropriations, especially from compensation of employees, to other line budgets. Such virements are often the result of poor planning, poor financial management and vacancies that remain unfilled for long periods. The JBC therefore recommends that additional attention be given by departments to planning and budgeting for filling of vacancies and that these indeed be prioritised, and that parliamentary committees pay particular attention to departmental initiatives in this regard.

3. Related to recommendation 8.2, departments should further focus on developing and expanding internship programmes to ensure that such programmes contribute to meeting the capacity needs of government.

4. National Treasury, after engaging with the JBC in this regard during the course of the current financial year, revise the content of Section 32 Reports published in terms of the Public Finance Management Act (PFMA) to include additional details of departmental expenditure.

5. As certain government capital projects were compromised as a result of poor departmental planning and financial management and slow spending, the relevant departments as referred to in this report ensure that urgent and appropriate steps be taken to address these problems.

6. Inadequate research capacity in Parliament remains a concern. This means that the ability of parliamentary committees to effectively and efficiently conduct oversight and thereby ensure better service delivery is compromised. In this regard, the JBC recommends that Parliament should prioritise enhancing research support to committees.

Report to considered.

TUESDAY, 19 JUNE 2007

ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Draft Bill submitted in terms of Joint Rule 159

(a) ***Diamond Export Levy (Administration) Bill***, 2007, submitted by the Minister of Finance. Referred to the **Portfolio Committee on Finance** and the **Select Committee on Finance.**

2. Introduction of Bills

(1) **The Minister of Finance**

(a) ***Diamond Export Levy Bill*** [B 22—2007].

Introduction in the National Assembly (proposed sec 77) and referral to the **Portfolio Committee on Finance** of the National Assembly, as well as referral to the Joint Tagging Mechanism (JTM) for classification in terms of Joint Rule 160, on 19 June 2007.

In terms of Joint Rule 154 written views on the classification of the Bill may be submitted to the JTM within three parliamentary working days.

(b) ***Diamond Export Levy (Administration) Bill*** [B 23—2007].

Introduction in the National Assembly (proposed sec 75) and referral to the **Portfolio Committee on Finance** of the National Assembly, as well as referral to the Joint Tagging Mechanism (JTM) for classification in terms of Joint Rule 160, on 19 June 2007.

In terms of Joint Rule 154 written views on the classification of the Bill may be submitted to the JTM within three parliamentary working days.

3. Referral of Bill to National House of Traditional Leaders

The Secretary to Parliament has, on 19 June 2007, in accordance with section 18(1) of the Traditional Leadership and Governance Framework Act, 2003 (Act No 41 of 2003), referred the ***Human Sciences Research Council Bill*** [B 16—2007] (National Assembly—sec 75) to the National House of Traditional Leaders, which must, within
30 days from the date of this referral, make any comments it wishes to make.

National Assembly

The Speaker

1. Referral to Committees of papers tabled

(1) The following paper is referred to the **Portfolio Committee on Home Affairs** for consideration:

(a) Employment Equity Report of the Department of Home Affairs for 2007-08, in terms of section 21(2) of the Employment Equity Act, 1998 (Act No 55 of 1998).

(2) The following papers are referred to the **Portfolio Committee on Public Service and Administration** for consideration:

(a) Report of the Public Service Commission (PSC) on Measuring the Effectiveness of the National Anti-Corruption Hotline (NACH), 2007 [RP 19–2007].

(b) Report of the Public Service Commission (PSC) on an Audit of Government's Poverty Reduction Programmes and Projects—February 2007 [RP 11–2007].

(3) The following papers are referred to the **Portfolio Committee on Communications** for consideration and report:

(a) Protocol on Policy and Regulatory Framework for NEPAD (New Partnership for Africa's Development) ICT Broadband Infrastructure for Eastern and Southern Africa, tabled in terms of section 231(2) of the Constitution, 1996.

(b) Explanatory Memorandum to the Protocol on Policy and Regulatory Framework for NEPAD (New Partnership for Africa's Development) ICT Broadband Infrastructure for Eastern and Southern Africa.

(4) The following papers are referred to the **Portfolio Committee on Environmental Affairs and Tourism:**

(a) Government Notice No 396 published in Government Gazette No 29864 dated 4 May 2007: Intention to declare the Highveld Priority Area in terms of section 18(1) of the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004).

(b) Government Notice No 438 published in Government Gazette No 29887 dated 11 May 2007: Change of name: Greater St Lucia Wetland Park and Greater St Lucia Wetland Park Authority, in terms of the World Heritage Convention Act, 1999 (Act No 49 of 1999).

2. Submission of Private Members' Legislative Proposals

(1) The following private members' legislative proposals were submitted to the Speaker in accordance with Rule 234:

(a) **Proposal to repeal the Dutch Reformed Church Union Act, No 23 of 1911** (Mr P A Gerber)

(b) **Legislative proposal to repeal the Apostolic Faith Mission of South Africa Act, No 24 of 1961** (Mr P A Gerber)

(c) **Legislative proposal to repeal the Apostolic Faith Mission of South Africa Amendment Act, No 4 of 1970** (Mr P A Gerber)

(d) **Legislative proposal to repeal the Methodist Church**

of South Africa Act, No 111 of 1978 (Mr P A Gerber)

(e) **Legislative proposal to repeal the Bible Society of South Africa Act, No 15 of 1970** (Mr P A Gerber)

(f) **Legislative proposal to repeal the Bible Society of South Africa Amendment Act, No 97 of 1985** (Mr P A Gerber)

In accordance with Rule 235 the legislative proposals have been referred to the Standing Committee on Private Members' Legislative Proposals and Special Petitions.

3. Bill passed by Houses—to be submitted to President for assent

(1) Bill passed by National Assembly on 19 June 2007:

(a) ***Electricity Regulation Bill*** [B 20D—2006] (National Assembly—sec 76).

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 14:03.

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

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS—see col 6157.

NOTICE OF MOTION

Prince M G BUTHELEZI: Madam Deputy Speaker, I give notice that I shall move:

That the House —

(1) notes a letter in the *Sunday Tribune* of 17 June 2007 titled: "The Song brings back toilet memories", which reported that striking teachers, nurses and municipal workers chanted an abusive and derogatory song about President Thabo Mbeki;

(2) condemns such displays of vulgarity against the Head of State, which exceeds the right of peaceful demonstration as it impairs the dignity and reputation of the Head of State;

(3) resolves that whilst respecting the right of public servants to strike, they should refrain from such uncouth behaviour; and

(4) notes that such behaviour provides evidence of the need to separate the offices of the Head of State and the Head of Government forthwith, as it is spelt out in the Constitution Eighteenth Amendment Bill.

PUBLIC SERVICE AMENDMENT BILL

(Second Reading debate)

The MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION: Madam Deputy Speaker and members of this august House, the public service innovation advocate Deb Gilbertson has argued that:

> Context is the ability to see the bigger picture of what is to be achieved. It is exemplified in the parable of the three stonecutters. The first stonecutter looked miserable and when asked what he was doing he muttered, "Breaking rocks". The second stonecutter looked more cheerful and when asked what he was doing said, "Earning a living". But the third stonecutter was ecstatic. He exclaimed he was "Building a cathedral."

Gilbertson goes on to argue that organisations that lack the ability to see context are often concerned with mundane administrative matters while those that perform better will focus on effectiveness and efficiency. Excellent organisations also concentrate on the rationale of what they are striving to achieve. While many public servants are deeply committed to the purpose of their organisations, this can be eroded through poor management and bureaucracy.

The Bill before you today for a second reading provides an opportunity for Parliament to strengthen the organisational and human resource policy of the Public Service Regulatory Framework in order to enhance the ability of committed public servants to focus on the purpose of what they are trying to achieve.

Section 195 of the Constitution provides that public administration must be governed by democratic values and principles, including:

(a) A high standard of professional ethics must be promoted and maintained.

(b) Efficient, economic and effective use of resources must be promoted.

(c) Public administration must be development-oriented.

(d) Services must be provided impartially, fairly, equitably and without bias.

(e) People's needs must be responded to, and the public must be encouraged to participate in policy-making.

Madam Deputy Speaker, we need to recognise that certain organisational and human resource practices in the current Public Service Act directly or indirectly obstruct service delivery. In broadening access to services for the masses of our people, we need to continuously identify opportunities for innovative ways of delivering services.

Currently, some government services are provided by national or provincial departments away from the points of service delivery and without direct accountability and decision-making by those functionaries responsible for their delivery. Other government services are provided by entities outside the public service without being directly accountable to a political head.

We have also come to recognise that compliance with the Public Service Act and its prescripts do not meet the desired standards. This weakens human resource management and results in time-consuming and costly legal proceedings. Employees dismissed by departments for corruption-related and other types of misconduct are often re-appointed by other government departments soon after their dismissal, which means that misconduct does not carry effective sanctions. Employees suspected of transgressions sometimes resign and are appointed in other departments without disciplinary steps being instituted or, if they have been instituted, without being sustained.

The primary aim of the Public Service Amendment Bill is therefore to approve the organisational and human resource framework for the Public Service to address these obstacles to service delivery. A general objective of the Bill is to ensure easier day-to-day administration of the Public Service Act by addressing certain legal difficulties, simplifying or clarifying several provisions, removing obsolete provisions and aligning the Act with other legislation.

However, the Bill also proposes some new substantive provisions. One of these is the introduction of a new institutional form or government component. Government components will be institutions separate from departments but within the Public Service. The aim of these alternative institutions is to enable direct service delivery through a dedicated entity under the direct control of a Minister, Premier or MEC. In addition, provision is also made for specialised service delivery units, ring-fenced within departments.

The Bill contains new measures to improve compliance with the Public Service Act. These measures include investigations and directions in terms of the Constitution by the Public Service Commission and the obligatory implementation of these directions by political and administrative heads. The Bill also makes proposals for the improvement of compliance by providing for compulsory disciplinary steps against transgressors and mandatory reporting in respect of such steps.

The Bill will enhance our anti-corruption initiatives: It introduces anti-corruption measures to prohibit the re-employment of persons in the Public Service dismissed for specified kinds of misconduct, eg misconduct involving corrupt activities, are also contained in the Bill. It is proposed that the prohibition on re-employment should en-

dure for a stipulated period and that different periods may be prescribed by regulation in respect of different types of misconduct.

Some key amendments in the Bill include the introduction of government components that will function as separate institutions within the Public Service with their heads serving as accounting officers in terms of the Public Finance Management Act. The component model is suitable for an institution, with a unique identity that has specific measurable functions that can be logically grouped in terms of a particular service delivery model. Such a component may have original statutory functions or assigned or delegated statutory functions or a combination of these.

A government component is partnered with a principal department, which will assist the executive authority of that department, ie the responsible Minister, in the case of a national department, with oversight of that component on policy implementation, performance, integrated planning, budgeting and service delivery.

While proposing this alternative service delivery model, however, it is important to stress that it is not intended to fragment the state. On the contrary, it responds directly to forms of fragmentation that have already occurred through the establishment of public entities. Indeed, the government component model will also be an institutional mechanism to reincorporate some public entities, where appropriate and if required, into the Public Service.

The Bill also proposes provisions that would enhance alignment and co-ordination between the conditions of service of the general Public Service falling under the Public Service Act, and those sectors which are part of the Public Service but have their own employment legislation, where this is desirable. Such alignment and co-ordination will take place through a committee of the responsible Ministers.

If this Bill is adopted by Parliament and signed into law by the President, it will contribute to the efficiency and effectiveness of the organisational and human resource framework for national and provincial departments, by introducing new service delivery models and enforcement mechanisms as well as by improving the day-to-day administration of the Public Service Act.

While compliance in itself does not guarantee efficient and effective service delivery, it is a necessary step in ensuring the improved performance which all of us seek in the Public Service. Indeed, all the measures proposed in this Bill are designed to enhance governance, accountability and compliance that I am convinced will lead to better service delivery. Thank you.

Mr P J GOMOMO: Madam Deputy Speaker, the Bill before the House today seeks to amend the Public Service Act to achieve the following: To provide for the alignment of certain conditions of service to enhance service delivery; to strengthen the co-ordination of policy implementation and accountability for effective delivery; to ensure interministerial and interdepartmental co-ordination of services in dealing with certain responsibilities to foster accelerated service delivery; to create structures meant to strengthen the service delivery machinery of the state; to regulate staff mobility in the interest of the public; to regulate Public Service workers as they sometimes perform remunerative work outside the Public Service, so that it is not done in a manner undermining the effectiveness of such workers in doing their daily Public Service tasks.

My comrades and some colleagues will further elucidate as to the practical impact and significance of this amendment. This Bill has been with this Parliament and being considered by the Public Service and Administration Portfolio Committee for some time now and some amongst us may be of the view that we took long to dispose of it. As a portfolio committee we are satisfied

that we had to take such a time period, perhaps save for those individuals in the committee and possibly outside, who will only be satisfied with the resurfacing of the old apartheid order of doing things.

I want to remind this House that when this Bill was introduced to Parliament late last year our committee was inundated with submissions to the effect that certain processes were either not observed at all or were not observed adequately. These submissions came from a majority of stakeholders that form part of the Nedlac constituencies.

Some were even calling for the withdrawal of the Bill and others went to the extent of declaring that they would seek legal recourse to challenge the Bill in court on the process of participatory legislation, particularly on the consultation process and on the timing. They expressed their view that their last hope lay in the portfolio committee's intervention in the matter. While others would like to use the public hearings organised by the committee for a fight in a manner and by parties unprecedented, we realise as a portfolio committee that we had a duty to protect democracy with its inherent notion and rule for the separation of powers amongst the three main organs of state.

We wanted to emphasise that we would do whatever it would take for us to ensure that the role of Parliament in legislation would not be jettisoned to either the executive or the judiciary. We did not opt to refer the Bill back to the executive or instruct that it be withdrawn, for that would have had its own consequences and would have compromised our oversight role.

We did not opt to continue with the consideration process heedless of the possibility of unnecessary confrontation, for that would have had consequences and the position of Parliament as a law-making institution would have been compromised.

We did not opt to ignore submissions challenging the consultation process, for doing so would have put us in a bad light as having failed to insist that the process of consultation is at all times adhered to when we deal with legislation.

We did not opt to ignore the Department of the Public Service and Administration's explanation on their experience in dealing with the consultation process prior to the tabling of the Bill before Parliament.

Instead we opted for an approach where we proceeded with the consideration of the Bill while encouraging all the stakeholders to have bilateral consultations with the Department of the Public Service and Administration. Such an arrangement was done with a view to facilitating that the parties concerned would be able to find each other and accommodate each other's views in the process, so as to cover the ground otherwise lost due to alleged inadequate consultation.

We are happy today that, as we recommend the approval of the portfolio committee's amendment to the Bill as introduced, we are presenting a Bill that is a product of thorough consultation. We want to acknowledge that this is a great achievement for democracy, because out of both the bilateral processes and the public hearings, we managed to accommodate and insert views that gave the shape of the Bill we are debating today.

The DEPUTY SPEAKER: Order, hon member! There are too many meetings taking place in the House.

Mr P J GOMOMO: Nqanda, Mhlalingaphambili, zingabi kho ezi ntlanganiso. [Stop the meetings, Chairperson.]

The DEPUTY SPEAKER: From both sides of the House, Mr Gomomo. Hon members, let's refrain from doing that. Otherwise we have the most beautiful lounges in Parliament for you to go and have tea and continue to have your meetings there.

Mr P J GOMOMO: We have to stress our observation as the portfolio committee that

despite the fact that we organised two workshops on the Bill with a view to clearing up all possible semantic misunderstandings, we heard throughout the consideration of the Bill that people approached the whole debate as if the Bill before us was introducing a single Public Service concept. People expressed their opinion of the Bill in that manner. It would not be surprising to hear such voices in this debate today. All that we can say about these people is that they are confused.

Of course, we are not saying that this Bill will not address issues that will become the subject of the debate on the Single Public Service Bill when it is finally introduced. But what we are saying is that this Bill currently merely amends the Public Service Act of 1994, with a view to facilitating service delivery in the current dispensation, such that, with or without the introduction of a single Public Service, our agent of change is in a position to deliver responsibly.

We cannot wait because there is talk about the introduction of a single Public Service Bill. We want those changes now and those changes can only come now and not later. We commend the Bill as amended.

Mr K J MINNIE: Adjunkspeaker, agb Minister, agb kollegas . . . [Deputy Speaker, hon Minister, hon colleagues . . .]

. . . during the First Reading debate in November 2006 I stated that the Public Service Amendment Bill is the first shot fired by government to move towards a single public service in 2009, and that's a fact.

The Bill purports to improve on staff mobility arrangements for the Public Service and introduces government components . . .

The DEPUTY SPEAKER: Order, hon members! Meetings again. Please! Next time I will have to call you by name and ask you to please excuse yourself from the House so that we can continue with the business of the House. Hon member, please continue.

Mr K J MINNIE: . . . as a new institutional form within the Public Service, as well as specialised service delivery units. It also seeks to enhance compliance with the Act through compulsory discipline of transgressors and reporting on such matters.

Die DA gaan in 'n groot mate akkoord met die inhoud van die wetsontwerp, maar daar is rigtinggewende aspekte waarmee die DA nie kan saamstem nie.

Die Staatsdienswysigingswet wat nou dien en die Staatsdienswet van 1994 sal verdwyn wanneer die beoogde enkelstaatsdiens in 2009 'n werklikheid word. Die wetsontwerp wat op die tafel is, is dus voortydig. Dit is onnodig en het 'n klomp tyd, energie en geld gemors. *(Translation of Afrikaans paragraphs follows.)*

[The DA, to a large extent, agrees with the content of the Bill, but there are directives which the DA cannot agree with.

The Public Service Amendment Bill now before us and the Public Service Act of 1994 will disappear when the proposed single public service becomes a reality in 2009. The Bill presently before Parliament is therefore premature. It is unnecessary and has wasted a lot of time, energy and money.]

The eventual and proposed creation of a single public service is nothing more than placing the Public Service under one central control, leading to a central bureaucracy. Components are the creation of another ANC monstrosity without any indication of any costs involved. [Interjections.]

Dit is so! As ons na die konsepwet kyk wat nou hier voor ons dien, dan sien ons dat die woorde, "government components" het "government agencies" tydens die bespreking van die wetsontwerp in die portefeuljekomitee vervang. Komponente sal slegs gevestig word nadat 'n lewensvatbaarheidstudie gedoen is.

Dit is nie seker wat die doel van die sogenaamde komponente gaan wees nie,

aangesien dit geen dienslewerings funksies verwant aan behuising, gesondheid, voedsel, water en maatskaplike sekuriteit mag verrig nie. Dit mag wees dat daar oor die spektrum van die Staatsdiens heen 'n behoefte is aan organisasies verwant aan die voorstel op die Tafel en dat 'n oop tjekboek aan al wat uitvoerende owerheid gegee gaan word. Dit is onaanvaarbaar, agb Minister. *(Translation of Afrikaans paragraphs follows.)*

[That is the case! If we scrutinise the draft Bill serving before us, we see that the words, "government components" replaced "government agencies" during the discussion of the Bill in the Portfolio Committee. Components will only be established once a feasibility study has been done.

It is not clear what the objective of the so-called components will be, as they may not perform any service delivery functions relating to housing, health, food, water and social security. It might be that across the whole Public Service spectrum, a need might exist for organisations relating to the proposal on the Table and that a blank cheque will be given to all the so-called executive authorities. That is unacceptable, hon Minister.]

The function of specialised service delivery units is clear, because they can perform specific functions that would enhance the service delivery of a department within a department. An executive authority may delegate human resource powers to the head of a unit and not to a head of department. The unit head operates on delegated powers.

In terms of clause 7A(4)(e) the relevant executive authority, after consultation with the Minister and the Minister of Finance and by notice in the *Gazette*, may establish an advisory board without executive functions for the component and determine—listen carefully—the board's composition, appointment procedures and remuneration and all matters required for its effective and efficient functioning and may include any other matters necessary for the effective and efficient functioning of the component.

Ek wonder hoe wyd kan dit gestel word? Die oorplasing en sekondering van departementshoofde is 'n politieke saak vir die enkele rede dat hulle uitvoering gee aan die beleid van die regering op nasionale en provinsiale vlak. In alle gevalle waar hoofde van departemente aangestel word, is die betrokke Minister deel van 'n kabinetskomitee wat aanbevelings aan die President maak. In die geval van provinsies besluit die Premier of LUR wie aangestel moet word. *(Translation of Afrikaans paragraph follows.)*

[I wonder how broadly this can be put. The transfer and secondment of heads of department is a political matter for the simple reason that they implement government policy at national and provincial level. In all cases where heads of department are appointed, the relevant Minister is part of a Cabinet committee that makes recommendations to the President. In the case of provinces, the Premier or MEC decides who should be appointed.]

The Premier could come from any of the political parties and this means that a Premier can appoint a head of department in terms of the policies of his/her party that he/she needs to implement. There is a potential for conflict if the President should transfer a head of department to a province where the Premier belongs to a party other than the President's political party. The argument against this might be that the appointment of heads of department is an administrative matter, but this is not so—it is a political matter.

Wat die oorplasing van amptenary betref, is die wetsontwerp gewysig sodat amptenare se oorplasing nie sonder hul toestemming mag geskied nie. Die vangplek is egter dat indien dit in openbare belang geag word, oorplasings sonder toestemming kan geskied. *(Translation of Afrikaans paragraph follows.)*

[With regard to the transfer of officials, the Bill has been amended so that officials cannot be seconded without their consent. The catch, however, is that if it is considered in the public interest, transfers can be effected without the officials' consent.]

The DA is of the opinion that the wide powers given to the President in the Bill in terms of making appointments at provincial level are inconsistent with the Constitution.

Verlede week se nuus dat die regering van voornemens is om met sy planne vir die sentralisering van die staatsdiens voort te gaan, sogenaamd in die belang van verbeterde dienslewering, laat die alarmklokkies lui. Die ware doelwit moet reguit gestel word: Dit is om die ANC se mag te sentraliseer; om die opposisie minder kanse te gun om alternatiewe diensleweringsmodelle te skep; en om die reeds vae skeidslyn tussen die regerende party en die staat te vernou.

Die beoogde wetgewing sal die Minister vir die Staatsdiens en Administrasie groot magte gee. Dit stel die nasionale regering in staat om oor aanstellings in alle nasionale departemente en staatsagentskappe, alle premierskantore, provinsiale departemente, alle munisipaliteite en munisipale agentskappe asook oor alle werknemers in dié liggame toesig te hou. Daar is geen waarborg dat sentralisering enigiets verbeter nie. Om dié rede kan die DA nie die wetsontwerp ondersteun nie. Ek dank u. [Applous.] *(Translation of Afrikaans paragraphs follows.)*

[The news last week that the government intends to pursue its plans to centralise the Public Service, ostensibly in the interest of improved service delivery, has the alarm bells ringing. Let's be frank about its main objective: It is to centralise power in the hands of the ANC; to give the opposition fewer chances to create alternative service delivery models; and to narrow the already vague divide between the ruling party and the state.

The proposed legislation will provide the Minister for the Public Service and Administration with greater powers. It will enable the national government to oversee all appointments in all national departments and state agencies, all premiers' offices, provincial departments, all municipalities and municipal agencies as well as all employees in these bodies. There is no guarantee that centralisation would improve anything. For this reason the DA cannot support the Bill. I thank you. [Applause.]]

Dr U ROOPNARAIN: Deputy Speaker and hon members, at the top of government's agenda is the need to centralise and consolidate power into a single state bureaucratic machine. While the Bill elucidates a number of important and positive issues such as compliance reporting and consolidating the stability of the Public Service, its overarching objective is laying the ground work for a single public service.

It is here that the IFP finds the devil in the detail. The IFP supports federalism, devolution of power and the decentralisation of power. Decentralisation is an integral part of a pluralist democracy and development. The three tiers of government should respect the constitutional status of the other spheres and not encroach on their institutional, geographical and functional integrity.

Let us not forget that we are bound by the entire Constitution and Chapter 7 elucidates the status of municipalities.

These amendments will begin to make huge inroads into the interdependence of local government institutions. The IFP is of the opinion that the independence and integrity of the three spheres of government should be upheld at all costs, it being a fundamental and entrenched principle of our Constitution.

The legislation demonstrates that government is pressing ahead to gain a centrally controlled developmental state. Therefore, the creation of a single Public Service will

achieve national regulation of all spheres of government within a single framework. Not surprisingly, the single Public Service will create a monolithic bureaucracy which will cripple local government's ability to deliver basic services.

Despite the flexibility of the Bill, especially in terms of outside remuneration and leave of absence, we have to guard against unintended consequences. In order to advance accountability and transparency we need to decentralise control. We cannot, I repeat, we cannot curtail the autonomy of municipalities by transferring decision-making power to a central government.

In short, with the creation of a single Public Service, this will discount voters and their ability to hold their elected representatives to account—very much like the crossing of the floor legislation.

The IFP supports the prescripts of good governance. The establishment of government components and specialised service delivery units will fracture service delivery and will almost dislocate them from the principal department. Also we need to ask the question: Does the department have the necessary monitoring and evaluation tools? The IFP believes that the constitutional integrity of the three spheres of government should be maintained, and the Minister cannot and should not unilaterally determine conditions of service. In short, we cannot create a monstrosity.

We have heard in this House today that to oppose the Bill is to wish back the evil and dark days of apartheid. Far from it! To oppose this Bill is to fight for power to be truly devolved to the people of South Africa. The IFP cannot support this Bill. I thank you. [Applause.]

Mrs C DUDLEY: Madam Deputy Speaker and hon Ministers, efforts to effect efficient human resource processes and improved disciplinary processes are commendable, but the ACDP does not agree with the fact that a centralised Public Service is necessary, or even desirable, in the quest to improve service delivery.

This Bill does just that. It expands the Minister's and the President's powers, weakens local accountability and threatens the independence and integrity of individual spheres of government.

While this Bill clearly delivers a blow to democracy it does not in fact address fundamental problems plaguing service delivery. When officials are appointed for reasons other than their ability to do their job and are not held accountable, we can expect service delivery to suffer.

While managers' salaries are out of proportion with those of the professionals who advise them and in fact carry the department's institutions and organisations, we are courting disaster. Because experienced and skilled personnel have been overlooked and underpaid and even enticed to leave the Public Service, we are presently paying consultants up to three times what we would have to pay relevant personnel. The few professionals left in the Public Service spend their time managing the consultants and tendering processes and are therefore not able to produce. This is the testimony of one such professional, and I quote:

> I recently had a consultant working in my office with one of our computers. I spent the first two months of the 12 month contract training him, he cost us R45 000 per month. That is the cost of not keeping loyal staff.

There are many who believe that a single Public Service will also rob professionals of their identity and sense of pride in their profession. When people think of public servants they think of unhelpful clerks at Home Affairs offices, and not their child's teachers or doctors, planners, architects and engineers. They believe a single Public Service will increase these perceptions.

When it comes to mandatory transfers, this

Bill could bring about the wholesale evacuation of whatever skills remain in the Public Service. The ACDP will not vote in favour of this Bill, which we believe does not address the critical issues . . . [Time expired].

Mr K K KHUMALO: Before I commence, Madam Speaker, I would like to advise the DA and the other parties to look at the legislation, such as the South Africa Act of 1909, section 141 and onwards. They would find the very same arrangement as proposed in this Bill. Thank you.

It is my belief that the ultimate honour to our liberation struggle for the freedom of our people resides within the content of the quality in the services that we deliver to the citizens of this country. The contingent does not arise in a vacuum, nor is it an invention of sorts, but derives also from the contextualisation of what the preamble to our Constitution enjoins us as public representatives to take cognisance of.

The above preamble enjoins us, *inter alia*, to lay the foundations for a united democratic state accompanied by social justices based on democratic values, fundamental human rights where every individual enjoys equal protection before the law and which affords the recognition of the individual's potential and to improve the quality of life of our people.

It follows, therefore, that the organisation of the state and its institutional delivery arrangements must be positioned such that the improvement in the quality of life of our people is realised, but also that should any challenges to optimal service delivery arise, the system must be responsive enough to rise to the occasion. The question then arises as to whether the Department of the Public Service and Administration in its current organisation is able to meet this challenge.

Madam Speaker, this question must be asked in the context of the basic values and principles governing Public Service administration as enshrined in Chapter 10 of the Constitution which I will not read out in total:

> Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles: a high standard of professional ethics must be promoted . . .; efficient, economic and effective use of resources must be promoted; and public administration must be development-oriented.

We are also enjoined by the Constitution to pass legislation in order to realise these principles. The answer to the earlier question is that despite the numerous milestones achieved by the Public Service in terms of service delivery, for example the provision of services as well as the introduction of the White Paper, introducing the Batho Pele framework as an initiative to improve service delivery, various institutional challenges have presented themselves. For example, underspending of resources that lead to poor or no service delivery—poor planning that is often characterised by bad prioritisation, leading to the abandonment of huge projects with untold socio-economic implications to citizens.

I know of an example in Upington where the construction of the hospital only went as far as the foundation, which really is an indictment in terms of planning. Considering the high levels of unemployment in Upington, the construction of the hospital could have gone a long way not only to address unemployment per se, but could also have contributed to skills development.

Another project which we hope is not also going to flounder is the upgrading of the Upington Airport into a fully fledged international cargo harbour. An agency for this purpose is already in place and we thank the Ministry of Transport in this regard.

What is clear from the above is that delivery challenges are not only being experienced at

national level, but at the points of delivery as well. This is evidenced by both the success stories of Project Consolidate and Khaedu. The success of these two could be categorised as follows: Firstly, it exposes senior management service to client-oriented skills development towards improved and effective service delivery; and, secondly, it highlights the urgent need to provide a mechanism to facilitate a sustained and co-ordinated synergy for effective service delivery.

Building of institutional capacity is therefore critical if we are to meet the challenges posed by poverty and underdevelopment. The policy priorities of the DPSA for the 2008 financial year, with respect to the micro-organisation of the state is therefore timely and welcomed. I quote:

> This policy serves to assist the state in ensuring that systems of the government work in synergy to deliver services. The strategy is to pave the way for a single Public Service.

But, not now under discussion; envisaged for the beginning of 2009. A single Public Service is a policy project aimed at incorporating policy, but it is not aimed at undermining the principle of the separation of powers between the spheres of government.

What this Bill envisages to realise, among other things, is to allow the mobility of staff between departments where they are most needed, and also to regulate change in the employment capacity where employees are appointed or transferred to other departments. This endeavour is not intended to undermine, as I said, the separation of powers between spheres of government but instead it is directed at giving effect to provisions of co-operative governance and improving intergovernmental relations—read together with the constitutional responsibilities of the relevant Minister and giving effect to the principles of the Public Service.

Madam Speaker, as I said, the streamlining of the work of the Public Service is nothing new and was there as long ago as 1910 and it is to be found in the sections that I have quoted. The ANC supports this Bill. Thank you. [Applause.]

Ms S RAJBALLY: Madam Deputy Speaker, hon Ministers, in respect of the amending Bill, the MF finds the provisions to be promising and establishing proper and effective management in the sector, especially in terms of probation requirements, retirement, absconding and re-employment. We do, however, note the potential of some concern arising regarding the potential construing of the centralisation of power.

We are certain that these terms will suit both the state and the Public Service sector that certainly is serviced with greater security through the amending Bill. We use this platform to cry out to the public sector to reach a settlement on its wage dispute and for unions to closely revise the multi-term wage settlement offered by the department.

The MF greatly appreciates all public servants and the valuable service they render to South Africa. The public sector is, however, suffering as a result of the strike and the MF suggests that the strike action be limited to the boardroom and a one day strike.

With the above reservation and concern the MF supports the Bill.

Thank you very much, Madam Deputy Speaker. [Applause.]

Mr N E GCWABAZA: Madam Deputy Speaker, hon Minister for the Public Service and Administration, hon Deputy President, hon Ministers and hon Deputy Ministers, the Public Service Amendment Bill, as it is being debated in this House today, seeks to address, amongst other things, issues relating to the conditions of service within the broader Public Service. [Interjections.]

The DEPUTY SPEAKER: Order, hon member! The corner where hon Mr Monareng is, please respect the House or continue with

your meeting outside the House. You may continue, hon member.

Mr N E GCWABAZA: The Public Service Amendment Bill, as it is being debated in this House today seeks to address, amongst other things, issues relating to the conditions of service within the broader Public Service.

The proposed Bill seeks to regulate the conditions of employment of public servants in line with the Labour Relations Act, the Constitution of the Republic of South Africa and the existing collective agreements signed at the PSCBC—Public Service Co-ordinating Bargaining Council—between the Department of the Public Service and Administration and organised labour.

The regulation of conditions of service of public servants through this Bill also takes into consideration the legislation which governs the sector departments and collective agreements entered into between sector departments and the unions. This means, therefore, that there is nothing in this Bill which contradicts sectoral legislative and sectoral collective agreement arrangements. Rather, the Bill facilitates a process leading to the overall regulation of conditions of service of public servants as we proceed towards the creation and realisation of a single Public Service. And, we make no apologies to anybody about envisaging the creation of a single Public Service.

In terms of the Bill the hon Minister for the Public Service and Administration will now determine conditions of service for the entire Public Service with the concurrence of a committee of Ministers. This committee of Ministers will consist of the Minister for the Public Service and Administration, the Minister of Finance and any other Minister or Ministers whose departmental employees would be affected by and through any proposed legislation.

Every determination imposed should comply with the Labour Relations Act and any existing agreements. The Minister will have the power to elucidate or supplement a determination by means of a directive on conditions of service if this would result in proper implementation of collective agreements. This is on condition that the directive would not be in conflict with or does not derogate from the terms of existing agreements.

The Bill emphasises that a head of department should conclude an employment contract within the prescribed period. This means that disclosures regarding vested interests must be made and that a performance contract would be signed within a reasonable period. According to the Public Service Commission, this provision has mostly been overlooked and there are discrepancies, which cause some heads of department not to sign a performance contract and ignore a declaration of vested interests. This, according to the PSC, is because some executive authorities overlook this important provision.

The Bill proposes that the President may transfer a head of department to the Office of the Premier to serve in a similar capacity as a head of department or in any other capacity. This shall happen in consultation with the Premier and shall only take effect if the head of department concerned agrees to this transfer.

Transfers of other employees who are not heads of department shall be made by an executive authority in agreement with another executive to whose department the employee will be transferred. If these two conditions do not exist, a transfer should be in the public interest. There will be requisite consultation with the applicable bargaining council established in terms of the Labour Relations Act, Act 66 of 1995.

The Bill also proposes that an executive authority may appoint an employee on probation for a prescribed period. At the end of the probation period, the executive authority may confirm the appointment on condition that the employee performed sat-

isfactorily and complied with all conditions set for his or her appointment.

With regard to secondments, the same process as in transfers will apply, except that there will be no consultation with the relevant bargaining council but there will be due consideration of representations. Employees would now qualify to apply for retirement from the Public Service from the age of 55–60 without being penalised during the pension payout if such application is granted or approved.

For those employees who, by virtue of the nature of their profession, want to engage in other remunerative work outside the Public Service, they would, upon application for such permission, be given or denied such permission within 30 days from the date of application. If the executive authority fails to take a decision within 30 days such permission would be deemed to have been granted.

An employee who feels aggrieved in an employment relationship will have recourse to lodging a grievance with the relevant executive authority. If an employee is not satisfied with the resolution to a grievance the executive authority would have to submit the employee's grievance to the Public Service Commission, which would make a recommendation. A head of department may lodge a grievance with the authority or directly with the Public Service Commission.

The Bill does not limit the constitutional mandate of provincial governments nor that of local governments as is alleged by our opposition. Instead, the Bill seeks to further strengthen co-operative governance. Therefore, there is nothing in this proposed Bill which is in contravention of the Constitution of the Republic of South Africa.

Lastly, the Bill seeks to regulate . . . The ANC supports the Bill. [Time expired.] [Applause.]

The MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION: Madam Deputy Speaker, hon members and the Deputy President, when one listens to the contributions that have come from certain quarters on this particular Bill, it is quite confusing as to what we are really dealing with.

Very clearly, the federalists have stuck their heads out this afternoon and have overlooked what is in Chapter 10 of the Constitution, which reflects on the basic values and principles governing administration, specifically stating that those principles apply to administration in every sphere of government, organ of state and public enterprise. There are various other things that one could take into account.

I want to restate this afternoon that the primary aim of the single Public Service is to increase access to public services for all the people of our country and to integrate and improve service delivery at local level. But this afternoon's debate is not about whether or not the single Public Service deals with the centralisation of the state, as there were attempts to suggest.

Today's debate is about the Public Service Amendment Bill. I have informed hon Minnie previously that he must hold on to his speech for when the time comes and not use it for this debate. That has actually provoked a comment from a colleague of mine who said: "May I ask you whether you are masochistic? You are getting help from 1,2 million public servants and right now you want a further 1,2 million."

It's because he assumed that this definitely could not have been what came through Cabinet. Indeed, the issues raised are not what came through Cabinet but are a theory á la DA and even the IFP today. Hon Roopnarain, you have really disappointed me because I thought you understood this particular Bill.

What we need to take forward is that we need to ensure that we properly inform stakeholders about the provisions of the

legislation that we have before us. We also need to ready ourselves for the debate on the single Public Service that will come up in future and let's not allow our coloured view of life to interfere with that. [Interjections.] I was talking about colour and not about race. If you have race on your mind, please go ahead and be my guest. I am not going to have that. [Laughter.]

Government components and specialised service delivery units cannot fragment government services as the new institutions are directly accountable to the relevant political heads. The current status quo pertaining to public entities fragments services in the absence of direct accountability. I think there is also a need to state . . . [Interjections.] The other issue that I should raise . . . [Interjections.]

The DEPUTY SPEAKER: Order, hon Minister! Mr Lee, I hope the newspaper you are amusing yourself with is relevant to the debate. If not, you have to put it away and . . . [Interjections.] [Laughter.]

Mr T D LEE: No! Not a speech . . . [Interjections.]

The DEPUTY SPEAKER: I don't need a speech from you. Where I am seated I can see what you are reading and let it be a matter between you and I. Do not tell the House what you are reading about and please take your seat. [Laughter.]

The MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION: Thank you very much, Deputy Speaker, for that intervention. On the issue of the role of the President in appointments, I would again point out to those members who profess to have studied the Bill, and clearly did not, that it states that the President may only transfer a head of department to a provincial department in consultation with the relevant Premier.

What I consider intriguing in the participation this afternoon is that the DA is now saying that they are all for political appointees. And clearly that means competence and everything else is on the back burner. We note that, as it was raised this afternoon.

I also want to say that, except for transfers, the President is not involved in the appointment of heads of provincial departments. The claim of unconstitutionality is thus unfounded. But I understand that it was not constitutional lawyers who were participating in the debate.

As regards the IFP on centralisation and fragmentation, how can one argue simultaneously that the Public Service Amendment Bill will centralise government and that it will fragment government? Is this logical slippage or what are we seeing here today? I am not quite sure. But I think what we need to take forward is that we should ensure that we take into account what has come forward through this Bill because it will contribute towards the efficiency and effectiveness of the organisational and human resource framework for national and provincial departments by introducing new service delivery models by enforcing mechanisms as well as improving the day to day administration of the Public Service Act.

While compliance in itself does not guarantee efficient and effective service delivery, it is a necessary step in ensuring the improved performance which all of us seek in the Public Service. Indeed, all the measures proposed in this Bill are designed to enhance governance, accountability and compliance, that we are convinced will lead to better service delivery.

I would like to take this opportunity as well to thank stakeholders for their constructive contributions during the public participation process facilitated by the Portfolio Committee on the Public Service and Administration under the chairpersonship of Mr John Gomomo. I would also like to thank all members of the committee for ensuring that the proposed legislative measures in this Bill uphold and enhance the constitutional values and principles for public administration en-

shrined in Chapter 10 of the Constitution. Notwithstanding the elements of . . . [Time expired.]

Thank you very much, Madam Deputy Speaker. [Applause.]

Debate concluded.

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

Division demanded.

The House divided:

AYES—199: Abram, S; Ainslie, A R; Arendse, J D; Asiya, S E; Balfour, B M N; Baloyi, M R; Bapela, K O; Bhamjee, Y S; Bhengu, F; Bhengu, P; Bhoola, R B; Bloem, D V; Bogopane-Zulu, H I; Bonhomme, T J; Botha, N G W; Burgess, C V; Cele, M A; Chikunga, L S; Chohan-Khota, F I; Combrinck, J J; Cronin, J P; Cwele, S C; Dambuza, B N; Daniels, P; Davies, R H; Diale, L N; Dikgacwi, M M; Direko, I W; Dithebe, S L; Dlali, D M; Dlamini-Zuma, N C; Doidge, G Q M; Du Toit, D C; Fihla, N B; Fraser-Moleketi, G J; Frolick, C T; Gaum, A H; Gcwabaza, N E; George, M E; Gerber, P A; Gololo, C L; Gomomo, P J; Greyling, C H F; Gumede, D M; Hajaig, F; Hanekom, D A; Hendrickse, P A C; Holomisa, S P; Jeffery, J H; Johnson, M; Jordan, Z P; Kalako, M U; Kasienyane, O R; Kekana, C D; Khoarai, L P; Kholwane, S E; Khumalo, K K; Khumalo, K M; Khunou, N P; Komphela, B M; Kondlo, N C; Kotwal, Z; Landers, L T; Lekgetho, G; Lekota, M G P; Lishivha, T E; Louw, S K; Ludwabe, C I; Luthuli, A N; Maake, J J; Mabe, L L; Madasa, Z L; Maduma, L D; Magwanishe, G B; Mahlaba, T L; Mahlawe, N M; Mahote, S; Maine, M S; Maja, S J; Makasi, X C; Makgate, M W; Malahlela, M J; Maluleka, H P; Manana, M N S; Manuel, T A; Martins, B A D; Mashigo, R J; Mashile, B L; Masutha, T M; Mathebe, P M; Mathibela, N F; Matlala, M H; Matsemela, M L; Matsepe-Casaburri, I F; Matsomela, M J J; Maunye, M M; Mayatula, S M; Mbili, M E; Mbombo, N D; Mdladlana, M M S; Mentor, M P; Meruti, M V; Mgabadeli, H C; Mkhize, Z S; Mlambo-Ngcuka, P G; Mlangeni, A; Mnguni, B A; Mnyandu, B J; Moatshe, M S; Modisenyane, L J; Mofokeng, T R; Mogale, O M; Mohamed, I J; Mohlaloga, M R; Molefe, C T; Moloto, K A; Monareng, O E; Montsitsi, S D; Moonsamy, K; Morobi, D M; Morutoa, M R; Mosala, B G; Moss, L N; Moss, M I; Mpahlwa, M B; Mshudulu, S A; Mthembu, B; Mzondeki, M J G; Nawa, Z N; Nel, A C; Nene, M J; Nene, N M; Newhoudt-Druchen, W S; Ngaleka, E; Ngcengwane, N D; Ngcobo, E N N; Ngculu, L V J; Ngele, N J; Ngwenya, M L; Ngwenya, W; Nhlengethwa, D G; Njikelana, S J; Nkuna, C; Nogumla, R Z; Ntuli, M M; Nwamitwa-Shilubana, T L P; Nxumalo, M D; Nxumalo, S N; Nyambi, A J; Nzimande, L P M; Olifant, D A A; Oosthuizen, G C; Padayachie, R L; Pahad, E G; Phungula, J P; Pieterse, R D; Radebe, B A; Rajbally, S; Ramgobin, M; Ramodibe, D M; Ramotsamai, C P M; Rasmeni, S M; Reid, L R R; Rwexana, S P; Saloojee, E; Schippers, J; Schneemann, G D; Schoeman, E A; Seadimo, M D; Shabangu, S; Sibande, M P; Sibanyoni, J B; Siboza, S; Sikakane, M R; Sisulu, L N; Skweyiya, Z S T; Smith, V G; Solo, B M; Solomon, G; Sonto, M R; Sosibo, J E; Surty, M E; Swanson-Jacobs, J; Thabethe, E; Thomson, B; Tobias, T V; Tolo, L J; Tshivhase, T J; Tshwete, P; Vadi, I; Van den Heever, R P Z; Van Schalkwyk, M C J; Van Wyk, A; Vundisa, S S; Wang, Y; Xingwana, L M; Xolo, E T; Yengeni, L E; Zulu, B Z.

NOES—64: Batyi, F; Bekker, H J; Bhengu, M J; Bici, J; Biyela, B P; Blanché, J P I; Boinamo, G G; Botha, C-S; Buthelezi, M G; Chang, E S; Cupido, H B; Delport, J T; Dhlamini, B W; Ditshetelo, P H K; Dreyer, A M; Dudley, C; Ellis, M J; Farrow, S B; Gibson, D H M; Groenewald, P J; Joubert, L K; Julies, I F; Kganyago, N M; Kohler-Barnard, D; Labuschagne,

L B; Lebenya, P; Lee, T D; Lowe, C M; Marais, S J F; Mars, I; Masango, S J; Mdladlose, M M; Meshoe, K R J; Minnie, K J; Morgan, G R; Mpontshane, A M; Mulder, P W A; Nel, A H; Nkabinde, N C; Opperman, S E; Pule, B E; Rabinowitz, R; Roopnarain, U; Sayedali-Shah, M R; Schmidt, H C; Seaton, S A; Selfe, J; Semple, J A; Seremane, W J; Sibuyana, M W; Simmons, S; Skosana, M B; Smuts, M; Stephens, J J M; Steyn, A C; Swart, M; Swart, P S; Swart, S N; Swathe, M M; Trent, E W; Van der Walt, D; Van Dyk, S M; Vos, S C; Woods, G G.

ABSTAIN—2: De Lille, P; Harding, A.

Question agreed to.

Bill accordingly read a second time.

QUESTIONS FOR ORAL REPLY

THE DEPUTY PRESIDENT

Payment by the Presidency of legal fees of former Deputy President Mr Jacob Zuma

9. Mrs S M Camerer (DA) asked the Deputy President:

(1) Whether the Presidency will continue to pay the legal fees of the former Deputy President Mr Jacob Zuma's legal team in the future; if not, what is the position in this regard; if so, for how long;

(2) whether a limit on this expenditure has been considered; if not, why not; if so, what are the relevant details? N1313E

The DEPUTY PRESIDENT: Thank you very much, Madam Deputy Speaker. The reply is as follows. An application for legal representation by any person who is or was in the employ of the state, including former Deputy President Zuma, is considered by the relevant department's accounting officer on its merits. The recommendation of the state attorney is taken into consideration in this regard. If approved, fees to be charged are negotiated at either a retainer rate or a reduced rate, whichever is the most cost-effective. The number of legal representatives to be involved in the matter is also limited to the barest minimum in order to save on costs to be incurred. This reply answers both parts 1 and 2 of the question.

The DEPUTY SPEAKER: I now call the hon Delport who is standing in for Mrs Camerer.

Dr J T DELPORT: Madam Deputy Speaker, Madam Deputy President, I'm quite sure that the hon Deputy President would have apprised herself of government policy and the principles underlying the assistance given to persons in such instances. I don't want to talk about specific instances, like the hon Zuma's situation. I want to address the hon Deputy President on general principles and ask her a question.

What are the criteria that the executive expects to be applied when assistance is given or not given? The problem is that in many instances a person in an official capacity must defend an action—sure, in his official capacity. But in his private capacity, who would be considered to be given assistance—only Ministers, only Presidents, Deputy Presidents, officials, Members of Parliament—and for what: only murder, only rape, or . . .

The DEPUTY SPEAKER: The time for the motivation is up, because you have asked your question.

Dr J T DELPORT: My question is: or, is it the position of he loves me, he loves me not, he loves me, he loves me not? [Laughter.]

The DEPUTY PRESIDENT: I love you not. [Laughter.] As I indicated in the answer, this applies to people who are in the employ of the state. The accounting officer looks at this on its merits. If it has been alleged that the person has committed a crime, the nature of the crime is then looked at on its own merit.

So, this is on a case-by-case basis; and, don't ask a follow-up question.

The DEPUTY SPEAKER: Deputy President, there is a follow-up, but definitely not from Dr Delport. It is from Mr Swart.

Mr S N SWART: Thank you, Madam Deputy Speaker. Hon Deputy President, without reference to the matter under discussion, is it still the practice in terms of the Treasury's instructions to recover legal fees spent on cases where public officials are convicted of charges committed when they are in public office? Are such fees recoverable at a later stage? Thank you.

The DEPUTY PRESIDENT: Yes, hon member, that is still the policy. I do just want to remind the honourable House that Wouter Basson and Magnus Malan were also funded by the state. [Applause.]

Creation of stronger links between government's imbizo programme and other government programmes

10. Ms B N Dambuza (ANC) asked the Deputy President:

(a) How can the government create stronger links between its imbizo programme and other government programmes and (b) what steps does the government take to monitor action that addresses issues raised by communities during izimbizo?
N1315E

The DEPUTY PRESIDENT: Madam Deputy Speaker, the answer to the question is as follows: Izimbizo are one of the main mechanisms to popularise the programme of action and to provide a platform to strengthen the partnership between government and communities.

The key objectives are to accelerate the implementation of the programme and to identify solutions to problems with regard to service delivery. Izimbizo have become a key institution of our participatory democracy and contribute to the capacity of people to act as their own liberators in changing their lives.

Since 2001 the Presidency has taken part in provincial and district izimbizo in all provinces, and members of the executive in all three spheres of government have participated in the national Izimbizo Focus Weeks each year. At the same time provinces have also held their own izimbizo and interactive outreach programmes as part of the broader izimbizo programme.

Out of the experience of this first phase of izimbizo, it was clear that certain common factors were at play in many of the concerns raised by communities. In particular, it was necessary to integrate izimbizo more closely with municipal processes. This led to us initiating a second phase of izimbizo in 2005 in the form of a municipal presidential izimbizo programme, alongside the continuing national Izimbizo Focus Weeks and provincial outreach programme.

The municipal izimbizo programme served as a support mechanism aligned to Project Consolidate in the identification of problems faced by municipalities and determining what we would do together to address these problems.

The izimbizo programme mobilises stakeholders to contribute to the solution of the challenges facing our municipalities. A fundamental lesson learnt in the following up of the matters raised during izimbizo has been the importance of intergovernmental co-operation and the clarification of roles and responsibilities amongst the three spheres of government. This has contributed to the development of draft guidelines for various spheres of government pre and post the izimbizo process.

The government, the Communication and Information Service and the Department of Provincial and Local Government are capturing all the issues that are arising out of the

izimbizo, and the DPLG monitors the issues specific to local government.

A review has recommended that provinces should play an active role in following up issues raised during izimbizo. This should be done in alignment with their integrated plans, that is their provincial and growth development strategies and their national spatial development plans.

In 2005-06 a general finding on the monitoring of post-izimbizo tasks was that there were weaknesses in the following up and reporting systems. Therefore we have put in place procedures that will ensure that we improve on the quality of our monitoring. This has now become part of our strategic agenda, and once we have gathered enough information to report on the trends, we'll gladly share with you what we are continuing to pick up and whether what we have now put in place is assisting us to monitor much better.

Nkskz B N DAMBUZA: Sekela-Mongameli obekekileyo, ndiyabulela ngenkcazo yakho enabileyo nekhuthazayo. Kambe ke umbuzo obalulekileyo ngowokuba: Ngaba ngokolu hlelo uthi sele lukhona, amasebe ayakwazi na ukuba aphendule eluntwini ngezikhalo neembono ezivakaliswa luluntu kwezi mbizo? Oko kwenzelwa ukuba xa siphinda sisiya kubamba ezinye iimbizo, singafiki sihlangabezane neengxaki.

Ukuba asenzi njalo abantu baya kuthi: Benilapha kulo nyaka uphelileyo ningurhulumente kazwelonke, owephondo nowasekhaya. Nithetha into enye, kodwa akubonakali kukho utshintsho. Enkosi. [Laphela ixesha.]

USEKELA-MONGAMELI: Sekela-Somlomo, into endiyibonayo kukuba lo asingombuzo koko ligalelo lokugxin inisa ukuba intle into yokuba sibe nayo indlela yokuba sibe neliso kwaye silande ekhondweni leengxaki ezichazwe ngabantu ukuze singazi kuxakekisa aMalungu ePalamente nabanye abantu abamele urhulumente xa bebuyela eluntwini ngenxa yokuba singalandanga ekhondweni leengxaki ezazichaziwe. *(Translation of isiXhosa paragraphs follows.)*

[Ms B N DAMBUZA: Hon Deputy President, I thank you for your broad and encouraging explanation. However, the important question is: According to this programme you say is already in existence, are the departments able to respond to the communities' complaints and concerns raised at these izimbizo? That is being raised so that when we go there to stage other izimbizo, we do not encounter problems.

If we do not do it that way, people will say: You were here last year as the three spheres of government, sharing the same sentiments, but there is still no difference. Thank you. [Time expired.]

The DEPUTY PRESIDENT: Deputy Speaker, what I noticed is that this is not a question but a contribution that emphasises the fact that we should look very carefully, and follow up on the problems raised by communities, so that our Members of Parliament and other government representatives should not encounter difficulties when they return to the communities.]

Mr M M SWATHE: Deputy President, I'm going to ask a follow-up question as to why we see people protesting, vandalising government buildings, looting and destroying the infrastructure of several municipalities after municipal izimbizo, for example in Khutsong?

Secondly, do the government and the executive extend the programmes of the ANC through izimbizo, using public funds? If not, when are we going to see the concerns of communities being addressed, and not have talk shows? Thank you very much.

IPHINI LIKAMONGAMELI: Somlomo, angilazi leli lungu ukuthi ngempela likhuluma ngani, sengathi liyaphupha. Izinkinga esiye sikhulume ngazo uma sisezifundazweni noma sikomasipala yilezo

zinkinga esizikhonjiswa omasipala bakulezo zindawo. Izinkinga futhi esizibhekayo yilezo ezisuke ziphuma emilonyeni yabantu esifike sibabone lapho.

Akukaze kwenzeke ukuthi uma siya endaweni thina sifike sesinohlelo lwethu esifike siphoqe abantu sithi abalulandele. Thina sikhuluma nabantu ngalezo zinkinga abanazo bese sibuyela emuva, sifike sizame ukuthi silandelele lezo zinto eMinyangweni kahulumeni, ohulumeni bezindawo nezifundazwe okufanele ngabe babhekene nalezo zinkinga.

Ngiyakwazi ukuthi, njengomuntu osohlangothini oluphikisayo, ukhuluma ipolitiki kodwa-ke le nto oyikhulumayo ayihlangene nalutho. *(Translation of isiZulu paragraphs follows.)*

[The DEPUTY PRESIDENT: Madam Speaker, I do not know what exactly this member is talking about. He seems to be daydreaming. Concerns which we address when we are in the provinces or municipalities are those that are highlighted by municipalities in those areas. And other concerns that we look into are those that come from the people themselves who have attended.

We have never been to an area and forced people to follow our programme. But we talk to people regarding the problems they have and then we go back, and try to do a follow up on those things at the government departments, local governments and provinces which were supposed to look into those concerns.

I know that since you are on the side of the opposition, you only talk politics but what you are saying has nothing to do with anything.]

Rev K R J MESHOE: Deputy President, when addressing an imbizo, in May last year, in the Bophirima district, one of the areas that had suffered the effects of heavy floods, it was reported that you had promised the people of the Greater Taung area that government would provide 2 000 houses within two months.

This was in response to some of the concerns raised by the people about the lack of houses and care, as well as insufficient schools. What I want to know is whether the Presidency has followed up on those specific matters and whether government has been able to fulfil that promise.

The Deputy President also did say that weaknesses in monitoring the actions required to deal with the concerns raised by communities are being addressed. Now, I want to know: when is the public going to be given the assurance that all the weaknesses that the Deputy President has identified will be dealt with? Thank you.

The DEPUTY PRESIDENT: Madam Deputy Speaker, in Taung the problem had to do with floods. So I cannot assure you that there will never be floods in Taung. The problem that we were dealing with in Taung at that particular time stemmed from the fact that that place was not suitable for people to build in. We continue to face the challenge of convincing people to move away from that area because it is flood-prone.

The local authority and the province have continued to engage with both the community and the traditional leaders on finding suitable land. The houses, which people continue to occupy, have been repaired. We started with those that were severely damaged. However, we are really urging the community that the long-term solution is for us not to continue having people stay in residential areas like those. My estimation was that in a cycle of 10 years we might see the same situation in that particular community.

Mr M W SIBUYANA: Hon Deputy President, you were at Thulamahashe stadium during an imbizo there. One woman told you of the politically motivated disruption of service delivery by way of vandalising of

infrastructure. My question is whether you are going to send a team to go and stabilise the situation in that area.

Given that nothing has happened and the fact that people are suffering, are you now going to send people to go and do something about that situation?

The DEPUTY PRESIDENT: Madam Deputy Speaker, there is ongoing interaction between our province and local government, on the one hand, and the community of Thulamahashe, on the other. We have not been able to persuade all the disruptive elements there to cease their actions completely. It's not because we have not been trying to do something about the situation there.

You will agree with me, hon member, that the situation has improved considerably. However, we cannot rest on our laurels; we have to continue to be vigilant because the situation has not improved to the level we would have liked. That is the reason we continue to have interactions with them through our provincial and local government structures.

DISRUPTION OF PROCEEDINGS BY MEMBER OF PUBLIC IN GALLERY AT START OF SITTING

(Announcement)

The DEPUTY SPEAKER: Regarding the disruption in the public gallery of the National Assembly earlier on, hon members, I wish to report to the House on steps that have been taken following the disturbance caused in the House earlier this afternoon by a member of the public in the gallery.

I have in terms of section 11 of the powers and privileges ordered that the person be taken into custody by the South African Police Services for questioning. Once I have received a full report from our security services I will inform the Whips accordingly. I thank you.

We now come to questions addressed to ministers in the economics cluster. Question number 187 has been put by the hon S J Njikelana to the Minister of Trade and Industry.

ECONOMICS

Cluster 3

MINISTERS:

Progress made towards regional economic integration in the South African Development Community

187. Mr S J Njikelana (ANC) asked the Minister of Trade and Industry:

(a)(i) What progress has been made towards regional economic integration in the Southern African Development Community (SADC) and (ii) what has been the contribution of his department thereto and (b) how will his department ensure that there will be no duplication in the activities of the SA Customs Union (SACU) and SADC as South Africa is a member of both organisations? N428E

The MINISTER OF TRADE AND INDUSTRY: Thank you very much, Deputy Speaker. The SADC regional indicative strategic development plan is the key policy framework for the advancement of the SADC common agenda, and the attainment of deeper and broader levels of economic integration and development in the region.

One of the most focused areas of the RISDP is the objective of the SADC free trade area by 2008, the customs union by 2010 and the common market by 2015. The regional economic programme in SADC aims to combine market integration with policy co-ordination and sectoral co-operation in a broad development project.

Free trade area negotiations were concluded in 2000, in terms of which by 2008, 85% of goods traded will be duty free and by 2012, 99% of goods traded will be duty free. The SADC protocol on trade is the vehicle for pursuing this strategic objective and seeks to

increase intra-regional trade and thereby stimulate economic growth and development.

SACU member states negotiated the SADC trade protocol as a single entity. These negotiations were an asymmetrical tariff reduction with SACU member states offering duty free access by January 2008 while other SADC member states would fully liberalise by 2012.

Since January 2006, as per SACU's commitment under the SADC trade protocol, tariff preferences into SACU are already duty free except for sugar, used clothing and some tariffs in the automotive chapter.

The department is intensifying the implementation of the protocol on trade to achieve a free area by 2008 which addresses the following areas in terms of regional integration: Accelerating tariff phase down offers to ensure deeper regional integration, adopting rules of origin that will be appropriate to the development needs of the SADC region; and resolving outstanding issues such as the elimination of none tariff barriers and negotiating annexes on sanitary and phytosanitary and technical barriers to trade measure.

Lastly, there is the enhancement of industrial competitiveness through the implementation of regional industrial development policies and the establishment of an industrial negotiating forum.

Mr S J NJIKELANA: Sihlalo, ndiyabulela kuMphathiswa ngendlela aphendule ngayo. [Chairperson, I am grateful to the hon Minister for the way he has responded.]

Minister Mphahlwa, I greatly appreciate the work that has been done by the country, the department and you under the leadership of President Mbeki in ensuring that there has been meaningful value added in terms of regional economic integration. However, can I take you further? Let's just shift a little bit, obviously on the basis of the good work that has been done by the executive. My question therefore is: What is the Minister's assessment of the contribution of the SADC parliamentary forum to economic regional integration and precisely what are his expectations in this regard?

Khawukhe usiphe apho ke, mhlekazi. Iyabulela ilali. [That is my question, hon Minister. I thank you.]

The MINISTER OF TRADE AND INDUSTRY: Sihlalo, mandibulele kwilungu elibekekileyo. [Chairperson, let me thank the hon member.]

It's important actually to point out the work of regional integration. For it to advance it means that for each country we must gradually relax the sovereignty that we each have as sovereign states. That is the only basis on which regional integration can work and, therefore, there are lots of things that we need to do in order to enhance regional integration which require legislative and regulatory measures.

This means adjusting our laws, our tariffs, our regulations and it also means creating new institutions, for example, in terms of the new SACU Treaty. We are creating supernational institutions which will be customs union institutions in order to deepen regional integration.

For all of these things to happen, you need the understanding and the support and the participation of parliaments. Therefore, the role of the parliamentary forum is absolutely vital in this particular regard, since the members of parliament from different countries do not understand what the agenda to advance regional integration entails.

Prof E S CHANG: Chairperson, hon Minister, America knows the importance of economic stability for its neighbouring countries in Central America and the Caribbean. America would also undertake all kinds of efforts to ensure their economic growth. South Africa, as the leader of SACU, is facing serious challenges as a result of the fact that we have least devel-

oped countries close to us. These economies are more vulnerable. Minister, you have repeatedly told the WTO that South Africa will unconditionally support these countries. With all these countries in our backyard, Minister: Is your department ready to deal with these countries so close to us?

The MINISTER OF TRADE AND INDUSTRY: Thank you very much, hon member. I think that there's an important question being raised here, namely that South Africa is a member of the Customs Union in which there are far less developed countries. I think the issue being raised here is: What are we doing in order to advance the interests particularly of the least developed countries among us?

This is an issue that we have addressed on a number of fronts. Yesterday and today we were hosts to the Prime Minister of Lesotho and from that angle South Africa has an active programme with the Kingdom of Lesotho to make sure that within a given period we can assist Lesotho and work together to make sure that Lesotho graduates out of that status as a least developed country to a developing country.

So, at a bilateral level, that's how we are advancing that issue, but at a multilateral level we are addressing that issue by ensuring that in the negotiations in the World Trade Organisation, we continue to fight for the interests of least developed countries such as, for instance, duty free, quota free market access for products from least developed countries into the markets of the developed world, as well as into the markets of those developing countries that are in a position to do so.

In a regional context, as South Africa we have liberalised and reduced our tariffs at a much faster rate than everybody else in the region, thus allowing those weaker members of our region to access the South African market. So, these are all the fronts on which we are fighting to advance the interest of least developed countries.

Mr L B LABUSCHAGNE: Thank you, Minister. The South African Customs Union is one of the oldest institutions of its sort in the world and SADC has an equally proud history. In light of your answer, Minister, could you—and of course we accept that economic integration is most important at this stage in the global economy—tell us what the details are of the integrated plan of your department in approaching the development of these two institutions. Thank you.

The MINISTER OF TRADE AND INDUSTRY: Alright, thanks. I think it has to be understood that, because these are regional bodies, what we do within each of these bodies is something that is done on the basis of consensus that is reached within these institutions and so, the Department of Trade and Industry wouldn't have a detailed blueprint for what must happen at Sacu and what must happen at SADC.

But, what happens is that we participate actively and vigorously within each of these regional bodies in order to make sure that the objectives of deepening regional integration are advanced and that we can work towards developing a consistent approach towards the entire project of regional integration.

For instance, one of the challenges that faces us now, is that you've got Sacu, which is a fully-fledged customs union, and you've got SADC, which has committed itself to achieving a customs union by 2010. In SADC we examine what the road map is that is going to take us to a customs union for the SADC region and what the route is that we are going to follow in that direction and do we use this fully fledged customs union, which is within the belly of SADC, as a building block or do we start on a completely new slate to establish a SADC customs union.

So, really our contribution is in the participation to shape those deliberations. Currently, the Heads of State from the annual meeting of the SADC region that was held in Maseru, Lesotho, last year, established the

ministerial task team to work exactly on these issues of what the road map is towards deepening regional integration. What are the obstacles and what are the things that we have to do to resolve them?

Therefore, our work must be understood in that context. It is work within which Treasury participates and it is work within which Foreign Affairs participates in order to advance those objectives.

Mr S N SWART: Chairperson, thank you. Hon Minister, most African economies retain very high trade barriers, largely due to weaknesses in revenue collection from other forms of taxation. In view of this we do not agree, hon Minister, that Africa as a continent, with regard to its ability to face globalisation challenges, should focus on basing regional African economic communities on free trade agreements and custom unions of regional neighbours, with each one then being linked to the others through phased reductions of tariffs and nontariff barriers throughout the continent.

Wouldn't this provide a solid institutional underpinning for the African Union as a whole and for trade negotiations with other countries and regional communities, given the slow progress being made with the WTO negotiations?

The MINISTER OF TRADE AND INDUSTRY: Certainly, we have to accelerate even without looking at what is happening in the WTO, just in the interest of achieving the objectives of Nepad. Within that, one of the things that we need to advance is industrialisation of the continent but, more importantly, to enhance intra-African trade.

The AU, as well as Nepad, have identified the regional economic communities as the building blocks that must take us towards a deeper integration within the continent. This is the stage to which we now need to move. This is the next stage beyond the framework of Nepad to begin to tackle the barriers that constrain the degree of trade taking place amongst us as African countries.

As the different regions, we actually have to work systematically to remove those barriers to trade. We have to do more than that. We have to invest in the kind of infrastructure that will ensure that you can facilitate trade and investment and industrialisation.

Therefore, investment infrastructure, be it road infrastructure or rail or our infrastructure on the borders or at our ports, is what we need if we are to ensure that the infrastructure we have and the ports we have, as well as the tariffs and regulations we have, all work towards the enhancement of inter-African trade and deepening regional integration. I therefore agree entirely with your approach to this matter.

Institution of a land audit

204. Mr A H Nel (DA) asked the Minister for Agriculture and Land Affairs:

> Whether she will institute a land audit; if not, why not; if so, when? N1276E

The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: Chairperson, yes, I have instituted a land audit of all state land in consultation with all state land custodians and users at national and provincial level. This is required for good land administration and to update asset registers of government. It is for this reason that I have instructed my department to conduct such an audit on all state land in co-operation with all involved stakeholders.

These audits are being led by the various surveyor-general's offices in all provinces. Land use investigations and more detailed land audits are being done in certain parts of the country, based on identified priorities by the Department of Land Affairs. The aim is primarily to have a clear and complete picture of all state land assets, including current and future use, in order to promote the disposal and development of available state land. I thank you.

Mnr A H NEL: Voorsitter, Minister, ek het my in Afrikaans voorberei. Ek het gedag u is nog in Limpopo besig om grond uit te deel.

Minister, ek is baie dankbaar dat u dit doen, want dit is een van die goeie dinge wat gedoen moet word. Nog 'n aspek van die grondoudit wat ook moet aandag kry, is die volgende: Heelwat grondhervorming geskied buite die departement se pogings, soos aandeleskemas, gesamentlike besit en privaat grondtransaksies.

Toe ek vir die DG van Grondsake gevra het of hierdie grondoordragte ingereken gaan word om die teiken van 30% by 2014 te haal, het hy "ja" geantwoord. Indien dit wel deel uitmaak daarvan, dan sal ons moet weet hoeveel dit is en waar dit is. Daarvoor het ons ook 'n grondoudit nodig, wat meer gaan oor privaatgrond wat oorgedra is. *(Translation of Afrikaans paragraphs follows.)*

[Mr A H NEL: Chairperson, Minister, I prepared myself in Afrikaans. I thought you were still in Limpopo busy handing out land.

Minister, I am very grateful that you are doing this, as this is one of the good things that must be done. Another aspect of the land audit that must also receive attention is the following: A good deal of land reform is taking place outside of the department's efforts, such as share schemes, joint ownership and private land transactions.

When I asked the Director-General of Land Affairs whether these land transfers would be included to reach the target of 30% by 2014, his answer was "yes". If it does form part of it, we will have to know how much it is and where it is. For this we also need a land audit that deals more with private land that has been transferred.]

UMPHATHISWA WEZOLIMO NEMICIMBI YEZEMIHLABA: Sihlalo, ndiyabulela kumhlekazi. Uphicotho lweencwadi siyalwenza, kwaye ukuza kuthi ga ngoku sifumanise ukuba umhlaba karhulumente uwonke singawuqikelela kwisihlanu okanye isixhenxe ekhulwini somhlaba osafumanekayo ukuze wabiwe okanye kuhlaliswe abantu kuwo. Ngoko ke, xa uthelekisa esi sihlanu ekhulwini somhlaba ndithetha ngaso kunye nala ma-30 ekhulwini, lo mhlaba mncinane lee, ukuba ube ungasetyenziselwa ukufezekisa iimfuno zabantu balapha eMzantsi Afrika abakwisininzi naba-ngenamhlaba.

Sivumelene kunjalo nje noMphathiswa wezeZindlu kwakunye noMphathiswa wezeMisebenzi yoLuntu ukuba siza kujonga naphaya kulaa masebe abo, ngoba nabo umhlaba bawuphethe kwaye bawunika abantu. Ngoko ke, nokuba umntu ufumana indlu, laa ndlu ayifumanayo yakhiwe phezu komhlaba, nolo ke ikwalolunye uhlobo lolwabiwo lomhlaba.

Ngoko ke, sithi wonke lo mhlaba siza kuwudibanisa ukuze wongeze phaya kulaa ma-30 ekhulwini siwafunayo. Kodwa ke, loo nto ayithethi ukuba abaMhlophe, nabaphethe ama-80 ekhulwini omhlaba woMzantsi Afrika, mabahlale bonwabe, bolule imilen ze bodwa kulaa mhlaba ngeli xesha thina sisazi ukuba ama-80 ukuya kuma-90 ekhulwini yabantu boMzantsi Afrika abanamhlaba. Abantu abaninzi kweli abanamhlaba, ngexa kukho amadoda aneefama ezikuma-20 umntu ngamnye, angaziyo nokuba makenze ntoni na ngazo.

Siyayijonga ke yonke le mithetho, kuqukwa nebinzana elaziwa njenge*willing buyer-willing seller*, ukuba njengokuba isithwalisa ubunzima nje, masize nawaphi na amacebo ukwenzela ukuba noko umhlaba ufikeleleke kubo bonke abantu. Kaloku uMqulu weNkululeko uthi umhlaba kufuneka unikwe abantu. [Kwaqhwatywa.] *(Translation of isiXhosa paragraphs follows.)*

[The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: Chairperson, I am grateful to the hon member. We are doing a land audit and until now we have found that land that belongs to the government is estimated at between 5% and 7% of the land that is needed for distribution. Therefore, if you compare the 5% and the proposed 30%

that we are aiming at, you'll notice that the 5% is a drop in the ocean and that it can hardly be used to meet the needs of the majority of the people of South Africa who are landless.

However, we have agreed with the Ministers of Housing and Public Works that we look into their departments, as they also deal with land and distribute it to the people. Therefore, whenever a person is given a house, that means land has been distributed, because that house has been built on land. That, we regard as another form of land distribution.

We are therefore saying that we are going to add up that land in order to make the 30% that we are talking about. However, that does not mean that white people who own 80% of the total land of this country should relax while 80% to 90% of the total population of this country is landless. The majority of the people of this country do not have land, while there are men who own about twenty farms each. These people do not even know what to do with this land.

We are looking at all these laws, including the clause that is known as the willing buyer-willing seller clause. We are checking what other options we can use in order to make sure that land is distributed evenly. Remember, the Freedom Charter says land must be distributed amongst the people. [Applause.]]

Mr C H F GREYLING: Hon Minister, there is a perception that vast tracts of state-owned land are available for disposal, but is it not the case that a percentage of this land falls under several state departments, for example, the Department of Public Works? What is the relationship between the Department of Land Affairs and Public Works with regard to such land? I thank you.

UMPHATHISWA WEZOLIMO NEMICIMBI YEZEMIHLABA: Njengokuba besele nditshilo, Mhlalingaphambili, siyasebenzisana neSebe lezeMisebenzi yoLuntu. Phambi kokuba uMphathiswa weli sebe anikezele ngomhlaba, kufanele ukuba ndivume ukuze ndityikitye, ndize emva koko ndinikezele kuye ke ukuba naye atyikitye phambi kokuba awuchithe loo mhlaba. *(Translation of isiXhosa paragraph follows.)*

[The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: As I have already said, Chairperson, we are co-operating with the Department of Public Works. Before the Minister of this department can hand over land, I have to give the green light and sign and thereafter he signs as well before handing over the proposed land.]

I want to say to the hon member that the impression that we have vast tracts of state land that can actually address the needs of the landless people in South Africa is not true. The fact of the matter is that we have approximately 5% of state land assets in the hands of the Department of Land Affairs and various other related departments and therefore it is not possible for us to meet the needs and the requirements of the majority of the population of South Africa. We therefore have to make sure ukuba nokuba siyakhala [that even if we are not fully satisfied], all of us have to make a contribution.

We have to take some of the land that belongs to the privileged groups that have had land since 1652 in South Africa. Our people have been waiting for decades if not centuries for their land to come back, and we are pleading with all concerned to support the government in its efforts to ensure a fair and just redistribution of land in South Africa. [Applause.]

Adv Z L MADASA: Mphathiswa, siluxhasa sinjalo olu phando uthetha ngalo, kukho umba endifuna ukuwuveza, wokuba ngokubhekisele kulaa komishoni wawukhe wayithumela ukuba iphande ngomhlaba ukuba ngoobani abaniniwo—ukuba usalukhumbula olo phando, ndicinga ukuba isithethi salo yayinguProf Gutto, endandimphulaphule kunomathotholo esithi

baphandile, kodwa abade bafikelele kwisigqibo sokuba ngowoobani lo mhlaba kweli lizwe.

Lilonke ke kukho umhlaba ongaziwayo nokuba ngokarhulumente okanye ngowabantu na, ingoobani abaniniwo. Ndizama ukuthi ke, kolu phando ulwenzayo, kuza kufuneka uyiphande le yalo mhlaba uzimeleyo ndithetha ngawo, nongaziwayo ukuba ngokabani na. Ndicela ke ukuba loo mba uwuse iliso nawo. [Laphela ixesha.]

UMPHATHISWA WEZOLIMO NEMICIMBI YEZEMIHLABA: Siyabulela kakhulu kwilungu elibekekileyo. Ewe, uProf Gutto kunye namanye amalungu ale komishoni uthetha ngayo sele beyinikezele ingxelo yophando obeluqwalasela ukuba lo mhlaba woMzantsi Afrika usezandleni zikabani na. Bafumanisile, noxa bengekalugqibi uphando lwabo, ukuba into engaphaya kwesithathu ekhulwini sabantu bangaphandle ngabanini bomhlaba apha kweli. Siseza kuyisa ke ngokupheleleyo ingxelo leyo kwiKhabhinethi ukuze iyixoxe, siphinde ke siyise ebantwini xa ibuya apho ukuze nabo bahlomle, babeke iimbono kunye neemfuno zabo ngalo mhlaba welizwe lookhokho babo.

Into ecace mhlophe yeyokuba kuza kufuneka simisele imithetho elawula ukuba abangaphandle okanye iindwendwe ziwufumana njani na umhlaba. Kuza kufuneka ukuba sijonge ukuba zikhona na iindlela zokuba bawuqeshe umhlaba ukuze bakwazi ukuba basebenze xa befuna ukusebenza kweli. Kodwa ke izigqibo zokuba kuya kwenziwa njani na ziya kufumaneka zikuhlobo lweziphakamiso ezijoliswe kwiKhabhinethi. Ngoko ke umkhomba-ndlela ngokubhekisele kulo mba uya kuphuma kooProf Gutto. Ezi ziphakamiso ziya kudluliselwa ebantwini ngokubanzi ukuze nabo benze ezabo iziphakamiso . . . *(Translation of isiXhosa of paragraphs follows.)*

[Adv Z L MADASA: Minister, while supporting the land audit, there is an aspect that I would like to highlight, with regard to the commission that you had appointed to do the audit with regard to who the land owners are—I don't know whether you still remember it, I think it was chaired by Prof Gutto. I remember listening to him on the radio. He said they had investigated who the owners of the affected land were, but they could not find out who owned it in this country.

In short, there is land in this country that nobody knows who rightfully owns it. I am trying to say to you that your investigation should also deal with that. I am pleading with you to consider this as well. [Time expired.]

The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: We thank the hon member very much. Yes, Prof Gutto and other members of this commission that you are referring to, have already handed in the investigation report that looked at who owns land in South Africa. They have also found out that about 3% of this country's land belongs to foreigners. We are still going to table that report to the Cabinet, so that they can discuss it. Thereafter, it will be referred to people, so that they can also make an input on the issue.

What is clear is that we need to formulate an Act that will govern the selling of land to foreigners. We shall have to look at whether they cannot lease the land, so that they can work in this country if they want to. However, the final decision on this will have to come from the Cabinet's proposals. Therefore, the way forward on this issue will have to come from Prof Gutto. These recommendations will be referred to the people, so that they can also have a say on the matter . . .]

. . . in terms of how we want to regulate land ownership by foreigners in South Africa. But, as we all know, in all democracies, whether you go to Germany—I cannot buy land in Germany, for instance, and who am I to do that?—or you go to America, they will tell you to go to the state, as this is under its jurisdiction. When you apply to the state,

they tell you that you can't buy land. There are all sorts of tricks that are put in place.

Kodwa ke siseza kuwuxoxa nathi apha eMzantsi Afrika lo mba, sibone ukuba siwuphatha njani na. Kukho umba we-enkampani kunye neethrasti nazo ezingabanini-mhlaba kweli lizwe. Bazimele ngazo ke abantu abaninzi. Siyaqhuba ngophando nalapho. Siza kujonga ukuba bekungekhe na kuchazwe ubunini-mhlaba ngabo bonke abantu abanomhlaba, kuqukwa noLulu Xingwana, achaze kuMphathiswa weMicimbi yezeMihlaba naMahlathi, kwanokuba umntu unezindlu ezingaphi okanye unamaplasi amangaphi na, wenza ntoni ngawo, ingawakhe nabani na. Ndiyabulela. [Laphela ixesha.] [Kwaqhwatywa.] *(Translation of isiXhosa paragraph follows.)*

[However, we still have to discuss this in South Africa and decide how we will handle this issue. There are issues of companies and trusts that own land in this country. Many people are hiding behind these formations. We are also investigating that. We are looking at requesting people who own land to declare that. That includes people like the Minister, Lulu Xingwana, and to make people declare how many houses and farms they own and what they are doing about their farms and with whom they own these farms. I thank you. [Time expired.] [Applause.]]

Measures taken by the National Treasury to overcome negative expenditure patterns in contract management

191. Ms J L Fubbs (ANC) asked the Minister of Finance:

> What measures is the National Treasury taking to overcome negative expenditure patterns in contract management?
>
> N1258E

The MINISTER OF FINANCE: Thank you very much, Chairperson. The hon Fubbs has explained she has had to go back to Johannesburg and I accept her apologies and wish her well. Let me just explain that the question deals with something that was raised earlier as well, namely contract management.

Now, in the context of the modernisation of government's services, there is going to be a range of contracts that have to be managed. Some are short-term and, by their nature, some kinds of contracts require a long-term relationship between government and the contractors. In respect of the latter there will be IT services, for instance, where the software is proprietary and vested with the company. You need to be able to manage that because government can't develop all of the software.

In the case of some contracts, if you need the design of some fancy buildings, dams, roads, etc you go to consulting engineers and they design it for you. Government can't employ all of these people. In dealing with the numbers, frequently we tend to get all of these mixed up.

What government did and what the National Treasury undertook as early as 2003 was to provide certain regulations in terms of the PFMA, so that departments report on the spending under sub-programmes for all contracts that are actually awarded. The premise of the PFMA, as I have said on a number of occasions, is that the money is allocated to departments, the resource is managed in departments.

The Treasury will, from time to time, issue such regulations, but the oversight responsibility is a responsibility of Parliament and the oversight responsibility in terms of these issues is vested in Parliament in terms of section 32 of the Public Finance Management Act. On a monthly basis, departments or portfolio committees therefore have access to the information of actual spending departments. These are the arrangements and the arrangements cut across all manner of matters under the broad heading of supply-chain management.

So, that is the story. The regulations are

there. The regulations have also been put in place, and they have been made much tougher. The hon Bhamjee and the hon Asiya always have debates with me about the toughness of the regulations in the Municipal Finance Management Act. It is the same issue and I am saying the power is vested in Parliament. The regulations are there and they are unequivocal about when contractors can be used and under what circumstances and the reporting requirements.

Mrs L S CHIKUNGA: Let me thank the Minister for such a comprehensive answer. Given that risk management and the availability of sophisticated skills are critical to professional contract management, is the Minister in a position to inform this House whether government will not be found wanting in managing major IT contracts and whether we have the capacity to intervene timeously to ensure that every service provider performs according to the prescripts and specifications of the contract intended by the supply-chain management guidelines?

The MINISTER OF FINANCE: It depends on the nature of the contract. Some of these are managed within the public-private partnership unit located in the Treasury. That unit was established after we discovered that some correctional facilities and the previous scheme called APOPS were given to the private sector without all of the norms being in place.

We established that unit and it oversees the relationship and ensures that we contract properly, ensures that we have the best available information that these contracts are so structured that they are to the advantage of the public service understanding, of course, that the profit motive would be there. We have had some very successful contracts that are structured and, for instance, Inkosi Albert Luthuli Hospital would be one such case.

In respect of IT contracts, some are public-private partnership contracts as well. They have been structured in that way. Some contracts are managed by outside agencies and many of the IT contracts are better dealt with by Sita, because they have the IT competencies and can understand some of the issues relating to service provision a lot better than the Treasury can.

In the Treasury we have a technical assistance unit, which is a kind of project management facility, available to other government departments in whatever sphere to support the task of contracting and define the rules for oversight. More recently, in respect of some other contractors outside of IT, there has also been the infrastructure development and improvement programme, as it is called, to ensure that we can get better bang for the buck in respect of the hard infrastructure contracts. So, we understand that the profit motive would tend to maximise returns and minimise the quality of the service. Our interest as a public service must be to try and tip the scales in the other direction and sometimes we get the equilibrium just right.

Mr D H M GIBSON: In the private sector, proper cash flow management and the disciplines of the market ensure that expenditure patterns in contract management are predictable and are very carefully managed. Companies that fail to control negative expenditure patterns tend to lose money and if it continues they go out of business.

In government sometimes it seems to be too easily accepted, especially at provincial government level, that a roll-over or even an increased budget allocation will be granted almost as a reward for failure. Will the Minister agree to support the naming and shaming of those departments, those officials, those Ministers, who are regular transgressors?

The MINISTER OF FINANCE: This is a maiden finance intervention from the hon Gibson.

The HOUSE CHAIRPERSON (Mr G Q M Doidge): You are correct, hon Minister. I was

a bit worried when I saw his name on the screen but then I recalled him being deployed to finance.

The MINISTER OF FINANCE: The short answer is: No, because I believe it's the responsibility of Parliament. The PFMA establishes different responsibilities. Accounting officers are responsible for the outputs and for finances and that is what portfolio committees must do and that is why we can publish the information in terms of section 32.

Section 32 encourages in-year monitoring. What the standing committee and the public accounts committee do is to do retrospective evaluation and then powers are given to Parliament, in terms of section 88 of the PFMA, including the power to institute criminal proceedings. These issues are there, they are set out in the legislation.

My job—sometimes I am an impimpi for Parliament—is to say, through financial accounts, that these are issues and I am glad that Scopa attacks as vigorously as they do from time to time, but then it is handed over to Parliament and I think that that strengthens the oversight role and it gives formal substance to the spirit of the Public Finance Management Act.

Effects of import quotas imposed against Chinese textiles

218. Prof E S Chang (IFP) asked the Minister of Trade and Industry:

(1) Whether the import quotas imposed against Chinese textiles resulted in increases in (a) the production output of local textile manufacturers and (b)(i) profits and (ii) employment in the local textile and clothing industries; if not, why not; if so, what are the relevant details in each case;

(2) what is the monetary value of the 40% decrease in textile and clothing imports, as compared to the corresponding period in 2006, as stated by the Director-General recently;

(3) whether this decrease in imports resulted in a 40% increase in production in the local textile and clothing industries; if not, why not; if so, what are the relevant details? N1294E

The MINISTER OF TRADE AND INDUSTRY: Chair, with respect to all three questions, perhaps it is important to say that it is too early to quantify the full impact of the quotas in terms of production, profits and employment, since it has only been five months since the introduction of the restrictions.

Nevertheless, the questions asked are pertinent and we should be able to provide more detailed and precise information as further statistical data becomes available. Having said that, some preliminary data available for the ex-factory value of sales at current prices for the period of January to March 2007, as compared to the same period in 2006, reflects textiles increasing marginally from R4,1 billion to R4,2 billion. Similarly, the clothing sector also grew slightly from R3,3 billion to R3,7 billion over the same period. We are, however, monitoring the trends at present and we will keep the hon member informed as soon as meaningful statistics and information become available.

It is also important for me to say that one of the developments we have had is that this has impacted positively on interactions between stakeholders within the clothing and textile sector—the manufacturers, the retailers as well as labour. Those instances where we have had to relax the quotas, and there have been four such instances so far involving well-known retailers, have resulted from interactions that took place between stakeholders within the sector to identify particular problems that they were experiencing and working out ways in which they would address those problems.

So, there are very good things that have come out of that—commitments that are being entered into among stakeholders within the sector. I believe that this is one of the things required for the survival of this sector. If you cannot improve and be dynamic with interactions among manufactures, retailers and labour, we can kiss the sector goodbye.

So, this is a positive development that I can say has resulted from the fact that we have these restrictions. It is also important to say that one of the things that we could hope for is that at least we may have stamped out the rapid loss of jobs. But, again, this is something we would have to verify with hard data.

I think the final point that I should make is that at the end of the day, this is a temporary measure—a stop-gap measure. At the end of the day, a viable strategy is needed for the sector and we are hard at work to make sure that we can achieve that consensus among stakeholders on a strategy and the interventions that we need to make to ensure the survival of the sector. Thank you, Chair.

Prof E S CHANG: Chairperson and hon . . . [Interjections.]

The HOUSE CHAIRPERSON (Mr G Q M Doidge): Just hold on a second, hon member. Can we ask the hon Bhengu to take his seat.

Prof E S CHANG: Hon Minister, thank you for your answer and I agree with you 100% that it is very early to see how this 40% decrease would impact on our economy. But I want to say that the reason I am raising this question is that I think that when your DG was interviewed by the SABC, he said that the 40% was decreased and absorbed into local production and job creation. That is the reason why I put my question here. But I am happy after your answer.

My question is: When the DTI introduced the quota, did it analyse what the purpose was of imposing the quota? The IFP believes that it is for the creation of jobs, particularly jobs in local manufacturing. Why has 95% of the quota been allocated to importers and retailers? If manufacturers have obtained a certain quota based on job creation, they can use that quota to attract more orders to be made in South Africa by offering a service or providing the quota to retailers. If there was a formula on how to calculate and allocate this, and if it was done through transparent procedures, tell us about the process. Thank you.

The MINISTER OF TRADE AND INDUSTRY: I think that matters of process were deliberated upon among us—the department and the stakeholders in the sector. These are matters which I think we settled before the coming into operation of the quotas. So, those are matters which I regard as having been settled.

What we may be dealing with right now are particular problems that may have arisen after that. We are addressing some of these problems, such as the example that I was referring to just now, where a particular product would be identified and the stakeholders would interact and agree among themselves that we do not have this particular product manufactured in South Africa.

They would then have those interactions that, at the end of the day, would culminate in them collectively approaching the Minister of Trade and Industry to say that, arising from these commitments that they have made amongst themselves on training of people and so on, they require the Minister to relax the quota on this particular product. There have been four such instances.

But I seem to have heard part of the question being why we did this in the first place. If I take you back, this is something we did on the basis of an approach that was made to us by one of the stakeholders in the sector, Labour. Labour asked us to take the People's Republic of China to the World Trade Organisation.

Our view was that the relationship between

us and China is not only defined by the importation of clothing and textile products. We have a much bigger relationship with China. China sources a lot of things from us. China is also a market which we perhaps aren't fully exploiting as yet. Therefore, if we had not gone this route of negotiating an arrangement with China that gives us breathing space in order to address the problems of the sector, currently we would be locked up in a very difficult process in the World Trade Organisation to prove whatever charges we would be laying against the People's Republic of China. But, that's also something that would have negatively affected the relationship between South Africa and the Peoples Republic of China, politically as well as economically.

So, I think that what we did was the best option available to us in the circumstances. It has given us breathing space and we are attending to the problems of the sector. It is my belief that in the course of this year, we will be coming out with measures that we are going to undertake in order to assist or make interventions that would assist the sector and ensure the long-term survival and perhaps the growth of the clothing and textile sector. Thank you very much, Chair.

Mr L B LABUSCHAGNE: Minister, your department made much of the plight of the clothing and textile industries, which at a certain point were estimated at losing jobs at the rate of about a thousand a month. In light of the fact that import quotas, as you said, are a temporary stop gap and seemingly ineffective—although we take your point that it's a bit too early to decide—when will your department be introducing the much-wanted customised sector support package which was supposed to be introduced after the inception of the trade restrictions in January? Thank you.

The MINISTER OF TRADE AND INDUSTRY: Chair, this is what I was referring to towards the end of my reply. As the department and as the economic cluster in government, following the adoption of a national industrial policy framework by Cabinet in January, we have been hard at work to develop a programme of action for that industrial policy framework.

So, it is in the context of that that we will, in the course of this year and hopefully quite soon, be announcing measures that we are going to be undertaking in a whole number of sectors in the economy, and addressing other matters, such as issues of infrastructure and so on. So, I can't give you a precise time but this is part of the work that we are doing. Clothing and textiles would be work that we are undertaking in the broader work that we are doing on industrial development.

Ms J L FUBBS: Hon Minister, I think I would like to agree with you that it is too early to quantify the full impact of the quotas in terms of production, profits and employment as it has only been five months since we have introduced these restrictions. I would say that I don't have any further questions. Thanks.

Measures adopted by National Treasury regarding allocation of financial resources for education and infrastructure projects

192. Ms B N Dambuza (ANC) asked the Minister of Finance:

(1) What is the updated amount of (a) roll-overs and (ii) under-expenditure in provincial education spending between 2002 and 2006, (b) how many instances of inadequate accountability for expenditure occurred and (c) what measures are being considered by the National Treasury regarding the allocation of financial resources to education;

(2) whether the National Treasury has developed any appropriate systems to track project expenditure commitments in relation to infra-

structure projects; if not, why not; if so, what are the relevant details?
N1259E

The MINISTER OF FINANCE: Thank you, Chairperson. The hon Dambuza has been hyperactive in her questioning for today's question time. Let me just start off by explaining that the process of roll-overs in the context of provinces is managed within provincial legislatures. As the Minister of Finance would be required to have a section of the adjusted estimates in October deal with roll-overs here at national level, provincial executives would approve the roll-overs but they must go before provincial legislatures as part of an adjustments budget. It is for that reason that this matter vests there and those roll-overs would also include those in respect of education.

Preliminarily, the figure we have for underspending in education for 2006-07 across the nine provinces is R1,35 billion. Provincial departments underspent in 2005-06 by R270 million and in 2004-05 by R1,3 billion; in 2003-04 they overspent by R714 million. They haven't quite found equilibrium in so far as these issues are concerned.

If you studied this there would be a few areas where you'd probably find some of the underspending. One of the areas of underspending, for instance, is that provinces use a part of the Schools Act, I think section 21, so schools then have the power to order books and take responsibility for their own management.

In some instances, in some very poor provinces, schools that are classified according to section 21 do not submit business plans and therefore cannot receive the money. It is a double whammy for poor learners in those poor schools, but that is how the laws apply. The second area where you'd find a measure of underspending would be in respect of the employment of educators. Sometimes there is overprovision on the resources side. The third area is in respect of infrastructure and fourthly, sometimes more generally, in respect of learner support materials.

Let me complain through you to the Office of the Clerk of the Papers. I can't work out what the question could mean with regard to the words, "inadequate accountability for expenditure occurred". I can't work out what it means. If it means whether parts of the expenditure was actually unauthorised, then Scopa would have to deal with it and for those years when there was unauthorised expenditure, the provincial standing committees on public accounts would have to deal with the issue. If the hon Dambuza meant something else, then I'd be happy to be advised.

Let me conclude by saying that our engagement as the Treasury is primarily in the making of budgets. In the making of budgets we do a number of things. Where there are concurrent functions, we establish what are called 10 × 10s. There would be 10 people from treasuries, both national and provincial treasuries, and there would be 10 people from the line functions.

There is an education 10 × 10. We try and ensure that the policy direction that the Minister of Education sets down is implemented and then finds resonance, especially when there are new policy areas. Take for instance the no-fee schools.

The education 10 × 10 meets from time to time. The next meeting is on 10 July and the education 10 × 10 would be very important in informing the Minister's committee on the budget in the allocation of resources, so that we can have our finger on the pulse of the changes anticipated in education for next year. Education would later come through the Medium-Term Expenditure Committee and make presentations about some of the changes but the Ministers would take responsibility.

When the Budget is tabled here in February, we need to know that the provinces are also in line and in sync with the broad policy

direction. That is our primary engagement. Once the money is allocated, we say: Parliament, please do what Parliament needs to do about this. Thank you, Chair.

Ms B N DAMBUZA: Chairperson, thank you, Comrade Minister, for your comprehensive response and it is greatly appreciated. While we recognise and support efforts and strides by the National Treasury in the financial control systems, my follow-up question is as follows: We understand that there is a pilot project that has been undertaken in the Western Cape for tracking infrastructure expenditure. What is the timeframe for the rolling out of this pilot project? We have observed in the Department of Education that for the last financial year, only 72% of the budget was spent on the planning and monitoring systems, due to the continuous delays in the rolling out of the education management information system.

The MINISTER OF FINANCE: That is indeed a very important question, hon Dambuza. It is not just the quantum of money, and that is frequently what we try to measure. It is what the money buys. In the area of infrastructure, it is not just the Western Cape, but across all nine provinces where the infrastructure reporting model is being implemented. We want to see how much money is spent, not just in one year but over a multiple of years, sometimes extending even beyond the Medium-Term Expenditure Framework. The current MTEF will take us to 31 March 2010.

This model also helps us with our budget planning. We have introduced a model and it is configured to include the names of each department by province so that we can do cross-provincial comparisons; the budget programmes and the funding sources and classifications, because sometimes there is foreign donor aid that goes into infrastructure as well; the kinds of investments; the unique source of funding; and the project implementation status, and that is then populated by the departments of education and they measure it against the register of school needs.

It might be early days, but one of the things that the Free State department of education has asked us to test—and it is still quite preliminary at this stage—is whether public-private partnerships would work in education. We don't know yet. It is part of trying to eliminate the hold-ups in respect of ensuring that schools are schools, and the Minister of Education says: We need to see schools as entities that are more than just a collection of classrooms. Schools need to have places of recreation. They need to have laboratories, libraries and a series of other facilities.

That is the route that we want to take. We need to build up the capacity and part of ramping up that capacity is the financial model that we have now introduced. There is a lot of interaction. We will be able to be on line with some of the information. For now it is an in-house monitoring tool.

Mr D H M GIBSON: Chairperson, hon Minister, financial modelling and planning all sound esoteric until we reduce it to what the results are of bad planning and bad expenditure. Every cent voted by Parliament for educational purposes that remains unspent means that thousands of our children are forced into schooling under trees or in overcrowded classrooms, or having to share books. In Diepsloot in my constituency I have schools with up to 87 children in one classroom.

Those in government who fail to plan properly and spend effectively are sabotaging the educational efforts of our country. What steps, may I ask, are you and your department taking to equip education MECs and their senior officials with the financial and management skills they need to do their jobs properly? [Interjections.]

The MINISTER OF FINANCE: Chairperson, despite the "hear, hear" from the hon Ellis over there, somewhere they said:

Give me the courage not to judge my neighbour until I've walked a mile in his moccasins.

The issue is that there are parts of the country where the migration of people is quite unplanned for. It is going to be the same in many informal settlements around the country. You can ask the hon Dambuza about the Western Cape and there would be parts of this province where schools are completely overcrowded. There are parts of this province where learners are bused from areas like Site C in Khayelitsha to Mowbray where there are vacant schools, because this part of planning is proving to be incredibly difficult.

There are other schools, and you can go to some of those areas—in the rural areas in the Eastern Cape, for instance—where the pupil-teacher ratios have fallen precipitously, yet you can't close down those schools. The planning function is an exceedingly difficult one. Part of the difficulty is that the receiving provinces with high urban populations tend to be playing catch up all the time, and this is the real difficulty.

What the modelling tool does, as esoteric as it sounds, is that while we have an interest as a Treasury in some of the financial information we also have the information available from departments of education, which includes nonfinancial information, and we are starting to build things like the Expanded Public Works Programme, so that we can get through this system as soon as possible. It is a never-ending issue, because part of the challenge is even where these schools are built to go back . . . [Time expired.]

Mrs C DUDLEY: I thought I would ask a question relating to your 10 × 10 situation, where provinces are not prioritising areas where national policy and Treasury's budget had intended that spending to be focussed. Portfolio committees are often blocked in their questioning with national departments insisting that they have no say over where provinces spend their money and it can be very frustrating in terms of what you see as our oversight function.

I know that the questions have been thrown out there, such as: Does Treasury hold the key in some way and are there ways of tightening parameters? You probably understand the questions better than I do. It's just a sense of portfolio committees often getting quite frustrated in their oversight role in these instances. Thank you.

The MINISTER OF FINANCE: Chairperson, let me admit that in some of these areas we in the Treasury are frustrated from time to time. In an address that the chairperson referred to the other day that I made to the NCOP conference, it's indeed this problem that we are talking about. I used the example in that address of the school building programme. The commitment is there.

We got the President to say on more than one occasion in the state of the nation address that "there shall be no learning under trees". In fact I said it in the Budget Speech two years ago and I gave a date, but that information is dependent on where government vests. In respect of the concurrent functions—health, education and social welfare—the decisions about the allocation of resources vest with the provinces.

They're governments; the Constitution gives them the right as governments. So, part of what we need to do is to try and reinforce Chapter 3 of the Constitution on co-operative governance. That is what the 10 × 10 can do. It can try and ensure that the norms are there and are fully understood. We can also try to ensure that we maximise the publicity and the reporting to Parliament about these issues.

One thing that we do each year—and the National Assembly has never dealt with this—is we publish an intergovernmental fiscal review that gives a kind of longer horizon—five years forward and three years back—so that over eight years you can begin to understand the trends in spending, espe-

cially on the concurrent functions. The National Assembly has never dealt with it.

I believe that those are important tools. The NCOP does debate the issue, but these tools need to find a place somewhere in Parliament, as Parliament is defined in the Constitution. I don't think we can pigeonhole these functions into different spheres of government, because education affects all our children and all young South Africans are our children collectively. Thank you.

Mr S N SWART: Chairperson, hon Minister, could you help me understand the infrastructure reporting model that you referred to earlier? Does it refer only to the education department, or will it be rolled out to other departments? The reason I ask is because, in the expenditure report for the fourth quarter of 2006-07, the report of the Joint Budget Committee, they refer to certain government capital projects being compromised as a result of poor departmental planning and financial management and slow spending. Would this be a model that would be applicable to address those concerns, or is there another type of model that will be developed to deal with capital expenditure? Thank you.

The MINISTER OF FINANCE: Chairperson, the model goes beyond education. It's a spreadsheet that supports planning and monitoring. That's essentially what it is. Among other issues that we have introduced—I referred earlier to the infrastructure development improvement plan—there is another system that we've discussed within national government and within the provinces and that is that some infrastructure projects have an expenditure period that doesn't match medium-term expenditure.

Sometimes people try and get money. They want to build a road, they want the money in the next budget, however, the time that elapses between when the road is announced, when the land is acquired, when the design is done and it goes out to tender, is frequently 18 to 24 months. There is no point in sitting with the money and rolling it over. What Treasury would have had to do would have been to have borrowed the money and pay interest on it while it's sitting in some government account.

We are taking a very different view with regard to infrastructure and a lot of this is still embryonic. The database is part of it, the IDIP is part of it, but then we're also looking at infrastructure extending over the timeframe of the MTEF so that departments can plan, knowing that the money will be provided for large infrastructure projects. Thank you.

Announcement of decision on awarding of national operating licence for National Lottery

205. Dr P J Rabie (DA) asked the Minister of Trade and Industry:

> When will he announce his decision on the awarding of the national operating licence for the National Lottery?
>
> N1277E

The MINISTER OF TRADE AND INDUSTRY: Chairperson, on 1 June I did make a statement on this matter. In that statement I said that on 30 May 2007, the National Lotteries Board delivered a report to me that contained its recommendation regarding the awarding of the licence to operate the National Lottery. I did indicate at the time that I would require time to carefully study the report and to apply my mind to all the issues covered to enable me to take a decision. I also said that during this period I would take legal advice and may need to have further communication with the National Lotteries Board.

Accordingly, a statement on the awarding of the licence will be made in due course, because I am currently involved in all of those steps that I indicated when I issued a statement on 1 June. I thank you.

Mr L B LABUSCHAGNE: Thank you, Minister. The purpose of the Lotto was to

provide funds to the nonprofit sector, which often provides services which the government fails to deliver or to supplement. There is trouble with the non-appointment or the factors surrounding the operator. Because of these factors and those that have led to the operator not being appointed, what is the impact on particularly the arts, sports and charities that serve the vulnerable by not having an operator at this stage? I thank you.

The MINISTER OF TRADE AND INDUSTRY: The correct answer is that there is no impact, because you recall that when I made a statement at the end of March, I did also indicate that we have sufficient reserves to continue the work of allocating moneys for charity purposes, and that is happening. We haven't exhausted those reserves. Therefore, there is no impact because we do not have the Lotto currently running.

What is happening is that we are not currently accumulating funds in addition to what we have in place. But there are no charities that would not benefit, simply because the lottery is not running at the moment. There is no problem there.

The MINISTER OF FINANCE: Chairperson, far be it from me to disagree with my colleague, but I run a charity called the SA Revenue Service and we are done in because the lottery is not running. [Laughter.]

The HOUSE CHAIRPERSON (Ms C-S Botha): I have the name of the hon Maake here, but the next speaker will be the hon Madasa.

Adv Z L MADASA: Chairperson, I pressed for myself to speak. I don't know if my name has appeared.

The HOUSE CHAIRPERSON (Ms C-S Botha): Sorry, I have as the first response here the hon Maake from the ANC. If this is not the case, I will give you an opportunity. I thank you. You may continue.

Adv Z L MADASA: My follow-up question to the follow-up of Mr Labuschagne is that the impact I have seen of the absence of the lottery is that the poor have their money in their pockets, more investments in their households, which means more investments in the economy, more productivity, and more exports. The economy is doing well so far. That is the impact I know about, and hear people mention on radio. The queues I normally saw in the stores are not there anymore. This means people are saving. That is the impact I wanted to report.

The MINISTER OF TRADE AND INDUSTRY: Chairperson, I think I must just take this opportunity to say that we are quite sincere in saying that we are rigorously processing the report of the National Lotteries Board and that we are working as hard as we can to make sure that we can conclude this matter very soon. I must also say that I am not going to be sloppy about this, and rush it at the expense of the quality of the work that we have to do.

I also want to give the assurance to the players of the Lotto and those who have an interest in continuing to play that the Minister and the department are very hard at work to ensure that we can resolve this matter in the very near future.

Ms S RAJBALLY: Chairperson, I was going to say that my question has been answered, but after our Minister of Finance made his statement, I am definitely going to ask this question. With various needy organisations that benefited from the National Lottery now being deprived of such benefits, can the hon Minister please tell us how these organisations are being helped, now that the National Lottery is no longer in existence? I thank you.

The MINISTER OF TRADE AND INDUSTRY: Chairperson, if there are instances like that, it would not be for lack of resources. It is something that we would have to examine in the functioning of the distribution agencies. So, I think if we were to be provided with the information as to which organisations have been negatively affected,

that is something that we can refer to the relevant distribution agency.

Mr C M LOWE: Thank you, Chairperson. Minister, obviously the hon Madasa was quite correct in the point that he made about the fact that because people are not playing the Lotto, they are saving a lot of money. As someone who doesn't play the Lotto regularly, I can agree and sympathise with poor people, who may have more money to spend on other things. As my colleague Rajbally, who is also from my home town, where we feel these things very keenly, has quite correctly said, there is another side to the story.

There are organisations that normally rely on money for the work that they do, whether they are organisations for children, old people, animals or whatever. The fact of the matter is that they are drowning in paperwork, scared stiff because money is not coming in. With great respect to you, Minister, somebody, somewhere has dropped the ball over this, and we can paper over as much as we like, there has been a huge problem.

We need to give some assurance to those organisations, be they sporting, artistic, humanistic, or whatever. The point is that they are not getting the money and are worried that they might not be. Perhaps some assurance from you this afternoon that that has been taken care of as well, would also go a long way. I thank you. [Time expired.]

The MINISTER OF TRADE AND INDUSTRY: Once again, Chairperson, it would not be on account of a lack of funds. We have to examine the issue of where the problem is. I am saying that the reserves and the money are there. If there is a problem like that, we have to look at the relevant distribution agency. As you know, we have sports and recreation distribution agencies and arts, culture, environment and heritage distribution agencies, as well as a social development distribution agency. So, we would have to identify appropriately where the problem is.

Budget allocated for development of Pebble Bed Modular Reactor technology

189. Mr Y Wang (ANC) asked the Minister for Public Enterprises:

> In light of the new opportunities emerging from the ongoing research and development of the Pebble Bed Modular Reactor technology since the start of the project, (a) what (i) amount and (ii) percentage of the budget allocated is spent on the development of (aa) the core technology (electricity generation) and (bb) new opportunities such as process-heat application and (b) what positive lessons have been learnt from this research while working with foreign partners? N1250E

The MINISTER OF TRADE AND INDUSTRY (On behalf of the Minister for Public Enterprises): Chair, I am really earning my salary today. I am trying to make up for the amount that the DA said I must be paid—1c. So, I am trying to earn a bit of extra overtime. The budget for the current financial year for the PBMR is R2,5 billion and 98,7% is deployed on the Electricity Generating Reactor System and the fuel plant.

The specific budget to develop process-heat applications is R32 million, which is 1,3% of the total budget. The process-heat designs benefit greatly from the development of the electricity plant and their design and basic engineering costs are not expected to be nearly as high for this reason.

Fuel plants, for instance, are identical in all cases and, by and large, so are the reactors. It is in the process plant beyond the reactor that the greatest differences lie and in the case of steam generation, for example, the necessary technologies are already highly developed.

Therefore, the anticipated cost of design, engineering and licensing actions for a process-heat system will be less than that for the first reactor at Koeberg. South Africa has participated in the Generation 4 International Forum hosted by the Nuclear Energy Agency of the OECD in Paris. This interac-

tion has permitted South Africa to secure precompetitive models of aspects of reactor design and costing. It has ensured that our programme is respected and understood globally and that our competitors cannot take a pre-emptive position with their different design approaches.

The PBMR is a full partner in a consortium led by Western House Electric Company. They have secured a contract in the US Department of Energy Programme called Next Generation Nuclear Plant. This participation has allowed South Africa to be seen as a key partner in one of the most respected reactor design and engineering companies globally in a competitive bidding process to provide preconceptual design inputs to this programme.

Finally, the PBMR also draws on the research, engineering and test services of partners in Spain, the Russian Federation, the Netherlands, Germany and Japan, among others. These inputs enhance the confidence of our current and future clients and regulatory authorities that we draw on global skills and good practice in developing a leading reactor system while ensuring the critical intellectual property is retained in South Africa as a platform to develop our own industry. Thank you.

The HOUSE CHAIRPERSON (Ms C-S Botha): Thank you, Minister. Hon Wang. Or is it hon Wong? Please tell me. Please help me.

Mr Y WANG: Yes, Chairperson, it's supposed to be Wang. Some people pronounce it differently; it depends where you come from. So, yes, it's Wang. Hon Minister, I am not too sure I should pose this question to you because in your reply it seems that the PBMR projects are still on track and 98% of the budget is still targeted on the core technology, which is electricity generation.

However, it seems to be in the committee or from the study groups, some of the funding is being diverted to the process-heat or additional applications. I am just wondering as to how this is going to affect our fiscus in future? Regarding these additional applications, are we going to have any fiscus benefits in terms of possible income and international agreements, if any, of our partners in the US or the agreement with the Chinese counterpart? I think there is Chingwa University that we are working with.

The MINISTER OF TRADE AND INDUSTRY: Well, we would refer the question to the relevant Minister. I know his officials are also present. I can say that the stage that we are at in terms of the development of the PBMR is really a stage where we are investing resources in the development of this highly advanced nuclear reactor technology.

So, we are not at a stage where we are looking at any immediate returns, because the timeline that we are looking at to produce even the first plant is somewhere around 2011-12. And so, we aren't at that stage where we will be looking at the flows to the fiscus. But we have to ensure that the money with which the fiscus supports us is appropriately deployed to develop the core technology and therefore if there are issues about moneys being diverted to other applications, I think that will be something which I would hope the Minister for Public Enterprises can come back to Parliament on. Thank you.

Dr S M VAN DYK: Chairperson, I don't know whether the Minister will be able to answer this question in the absence of Minister Alec Erwin, but maybe Minister Manuel can assist him. With regard to the Pebble Bed Modular Reactor or PBMR, I just want to know what measures have been planned to protect both the communities and the environment against possible exposure regarding the operation of such technology. Secondly, for what specific purpose will the more than R1 billion for this financial year be allocated?

The HOUSE CHAIRPERSON (Ms C-S Botha): Hon Minister, I don't see this being a

supplementary question. You are welcome to answer it but you are not obliged to.

The MINISTER OF TRADE AND INDUSTRY: Yes, Chair. With regard to the issue of the environmental impact of the PBMR, I think that in South Africa we historically have had a good track record in terms of the use of nuclear technology. I don't think that we have had any disaster that has had the kind of impact that the disaster at Chernobyl did.

Secondly, even though our environmental impact assessment dispensation is new, I think it is fairly robust and enables us to ensure that going forward, as we move more and more into this area of the necessary nuclear technology because of the energy challenges of the day, there are the necessary environmental impact assessments. This, as a technology which has a reputation for higher levels of safety than some of the existing nuclear technologies, is also something that gives us confidence. We are moving into this technology with a reasonable degree of confidence that we are not and will not be exposing South Africans unnecessarily or carelessly to the dangers of nuclear configurations that do happen on occasion.

On the amount that's been allocated, I think that the question that I responded to at the beginning does answer that question of where the money is going to. It is to develop the core technology.

Provision of gas stoves to disadvantaged communities, and contribution thereof to relieving the energy crisis

190. Mr Y Wang (ANC) asked the Minister for Public Enterprises:

(1) Whether Eskom continued to supply replacement gas stoves to the disadvantaged communities in 2007; if not, why not; if so, (a) how many (i) communities received gas stoves and (ii) units were given (aa) in 2006 and (bb) during the period 1 January 2007 up to the latest specified date for which information is available and (b) what was the rationale to give these gas stoves;

(2) whether any other options were considered; if not, why not; if so, what are the relevant details;

(3) whether this project contributed significantly to relieving the energy crisis; if not, why not; if so, what are the relevant details;

(4) whether Eskom engaged the gas industry to keep prices down; if not, why not; if so, what are the relevant details? N1251E

The MINISTER OF TRADE AND INDUSTRY (On behalf of the Minister for Public Enterprises): Thank you, once again. During the 2006 Cape electricity supply outage, a major accelerated Demand Side Management Programme was launched by Eskom to reduce electricity usage, particularly during peak times, which is from 6pm-8pm in the evening.

Given the fact that household cooking is a significant contributor to this evening peak use, a programme that specifically targeted the conversion of electric cookers and stoves to LP gas stoves and cookers was designed and launched for all households in Cape Town. Disadvantaged communities in the Cape were included through an electric two-plate exchange programme. The electric-to-gas programme was for a specific timeframe and therefore was not continued in 2007.

A number of lessons were learned from this exercise and these lessons are being incorporated into the overall demand side management roll-out programme. This will ensure that the most effective interventions are pursued.

Yes, alternatives were considered and adopted. The LP gas programme formed part

tion has permitted South Africa to secure precompetitive models of aspects of reactor design and costing. It has ensured that our programme is respected and understood globally and that our competitors cannot take a pre-emptive position with their different design approaches.

The PBMR is a full partner in a consortium led by Western House Electric Company. They have secured a contract in the US Department of Energy Programme called Next Generation Nuclear Plant. This participation has allowed South Africa to be seen as a key partner in one of the most respected reactor design and engineering companies globally in a competitive bidding process to provide preconceptual design inputs to this programme.

Finally, the PBMR also draws on the research, engineering and test services of partners in Spain, the Russian Federation, the Netherlands, Germany and Japan, among others. These inputs enhance the confidence of our current and future clients and regulatory authorities that we draw on global skills and good practice in developing a leading reactor system while ensuring the critical intellectual property is retained in South Africa as a platform to develop our own industry. Thank you.

The HOUSE CHAIRPERSON (Ms C-S Botha): Thank you, Minister. Hon Wang. Or is it hon Wong? Please tell me. Please help me.

Mr Y WANG: Yes, Chairperson, it's supposed to be Wang. Some people pronounce it differently; it depends where you come from. So, yes, it's Wang. Hon Minister, I am not too sure I should pose this question to you because in your reply it seems that the PBMR projects are still on track and 98% of the budget is still targeted on the core technology, which is electricity generation.

However, it seems to be in the committee or from the study groups, some of the funding is being diverted to the process-heat or additional applications. I am just wondering as to how this is going to affect our fiscus in future? Regarding these additional applications, are we going to have any fiscus benefits in terms of possible income and international agreements, if any, of our partners in the US or the agreement with the Chinese counterpart? I think there is Chingwa University that we are working with.

The MINISTER OF TRADE AND INDUSTRY: Well, we would refer the question to the relevant Minister. I know his officials are also present. I can say that the stage that we are at in terms of the development of the PBMR is really a stage where we are investing resources in the development of this highly advanced nuclear reactor technology.

So, we are not at a stage where we are looking at any immediate returns, because the timeline that we are looking at to produce even the first plant is somewhere around 2011-12. And so, we aren't at that stage where we will be looking at the flows to the fiscus. But we have to ensure that the money with which the fiscus supports us is appropriately deployed to develop the core technology and therefore if there are issues about moneys being diverted to other applications, I think that will be something which I would hope the Minister for Public Enterprises can come back to Parliament on. Thank you.

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supplementary question. You are welcome to answer it but you are not obliged to.

The MINISTER OF TRADE AND INDUSTRY: Yes, Chair. With regard to the issue of the environmental impact of the PBMR, I think that in South Africa we historically have had a good track record in terms of the use of nuclear technology. I don't think that we have had any disaster that has had the kind of impact that the disaster at Chernobyl did.

Secondly, even though our environmental impact assessment dispensation is new, I think it is fairly robust and enables us to ensure that going forward, as we move more and more into this area of the necessary nuclear technology because of the energy challenges of the day, there are the necessary environmental impact assessments. This, as a technology which has a reputation for higher levels of safety than some of the existing nuclear technologies, is also something that gives us confidence. We are moving into this technology with a reasonable degree of confidence that we are not and will not be exposing South Africans unnecessarily or carelessly to the dangers of nuclear configurations that do happen on occasion.

On the amount that's been allocated, I think that the question that I responded to at the beginning does answer that question of where the money is going to. It is to develop the core technology.

Provision of gas stoves to disadvantaged communities, and contribution thereof to relieving the energy crisis

190. Mr Y Wang (ANC) asked the Minister for Public Enterprises:

(1) Whether Eskom continued to supply replacement gas stoves to the disadvantaged communities in 2007; if not, why not; if so, (a) how many (i) communities received gas stoves and (ii) units were given (aa) in 2006 and (bb) during the period 1 January 2007 up to the latest specified date for which information is available and (b) what was the rationale to give these gas stoves;

(2) whether any other options were considered; if not, why not; if so, what are the relevant details;

(3) whether this project contributed significantly to relieving the energy crisis; if not, why not; if so, what are the relevant details;

(4) whether Eskom engaged the gas industry to keep prices down; if not, why not; if so, what are the relevant details? N1251E

The MINISTER OF TRADE AND INDUSTRY (On behalf of the Minister for Public Enterprises): Thank you, once again. During the 2006 Cape electricity supply outage, a major accelerated Demand Side Management Programme was launched by Eskom to reduce electricity usage, particularly during peak times, which is from 6pm-8pm in the evening.

Given the fact that household cooking is a significant contributor to this evening peak use, a programme that specifically targeted the conversion of electric cookers and stoves to LP gas stoves and cookers was designed and launched for all households in Cape Town. Disadvantaged communities in the Cape were included through an electric two-plate exchange programme. The electric-to-gas programme was for a specific timeframe and therefore was not continued in 2007.

A number of lessons were learned from this exercise and these lessons are being incorporated into the overall demand side management roll-out programme. This will ensure that the most effective interventions are pursued.

Yes, alternatives were considered and adopted. The LP gas programme formed part

of a broader energy savings programme in the Western Cape, which included the issuing of energy efficient lights, the insulation of geysers, retrofitting of commercial buildings with energy efficient equipment and incentivisation of the usage of back-up diesel generators owned by commercial and industrial undertakings.

The programme played a significant part in relieving the energy crisis, particularly during the crucial peak consumption periods with an overall attributable saving during the winter of approximately 20 megawatts.

Eskom had discussions with LP gas suppliers and it was agreed that prices would be kept at a preferential rate. Thank you, Chair.

Mr Y WANG: Chairperson, hon Minister, my query in terms of these gas stoves is the safety concerns, because the way I see it, we are taking away electric stove plates from the communities and we are giving something else, which is not as safe. You can't tell me that gas stoves are 100% safe. We have gas explosions all the time in other countries—I don't know about here yet—but that's why I was asking the rationale for giving gas stoves rather than other more energy saving electric plates as one option.

I was wondering if the Minister can perhaps answer in terms of future consideration. Are we ever going to consider that and education on the safe use of gas stoves in the community? Are there any educational programmes?

The MINISTER OF TRADE AND INDUSTRY: Thank you. Obviously, you would have heard from the response that the essential motivation was demand management, which is a huge challenge that is facing South Africa at the moment. What it means is that we have to undertake a variety of initiatives that will all work in the direction of containing excessive use of electricity.

Obviously, one of the things that we have to do as we encourage people to use less electricity and find better ways of limiting the use of electricity is the use of alternative sources for such things as heating, for example. So, the gas stove initiative must be seen as one such alternative source.

We have, however, to undertake intensive education campaigns, both to teach people on safety when they do use gas, but also to educate people about the need to contain and reduce the use of electricity. All of those things are a balancing exercise, the ultimate objective is to really ensure that we can preserve the energy resources that we have.

Dr S M VAN DYK: Thank you, Chairperson. Minister, what was the cost involved in replacing gas stoves? And, taking that into account, how much will Eskom, at the end of the day, save in substituting gas for electricity in this exercise? Thank you.

The MINISTER OF TRADE AND INDUSTRY: Chairperson, I do not know what it cost Eskom to undertake this exercise, but I think that it is important that part of the response indicated that a saving of 20 megawatts was realised as a result of this initiative. You can impute some rand value, I guess, to that, but I don't really know the direct cost to Eskom of undertaking this exercise.

Mr S N SWART: Thank you, Chairperson. Hon Minister, I'm not sure if you'd be able to respond to this, but during the Minister of Minerals and Energy's previous budget speech, reference was made to a total of some three million households receiving LPG cookers and the question was: How is this progressing and is Eskom part of this delivery?

Additionally, a comment has been made that very few countries have electric cooking as it is energy inefficient—30% versus 65%—and, therefore, is there a plan to convert our current electricity-based household cooking to other fuel such as LPG gas, bearing in mind the comments about safety that were made. Thank you.

The MINISTER OF TRADE AND INDUSTRY: Yes, obviously, I cannot answer the question exactly, except that the Department of Minerals and Energy is actually the main driver of the programme to ensure that we can increasingly encourage South Africans, and we can actually come up with a complete programme that is aimed at the management of demand and the diversification of sources of energy and heating.

I wouldn't have an exact answer as to how the programme is going, but this is actually an important initiative, which I think is going to require the participation of various faculties. It is a multidisciplinary process, because the Department of Minerals and Energy is driving it and Eskom has to play a role. We may also have to play a role as the Department of Trade and Industry to the extent that in some of these areas, you may actually have new possibilities to manufacture and produce things as part of supporting that overall drive towards alternative sources and diversification of sources of energy. Thanks.

Mr C L GOLOLO: Thank you very much, Chair. Thank you very much, Minister for your response. Given the tight supply of electricity in the country, does it mean that natural gas is going to play a prominent role in the South African energy supply? Thank you.

The MINISTER OF TRADE AND INDUSTRY: Again, hon member, I'm sure that the Minister of Minerals and Energy would probably give you a more accurate response than I can give you, except that I can really reaffirm the need for South Africa to diversify sources of energy.

If natural gas is going to be a major source, we would, obviously, have to look at the issue of supply of that natural gas, but I think the basic point is that South Africa has tended to rely excessively on electricity for its own energy needs and cooking and heating. As a result, because South Africa is also a low-cost electricity producer and, therefore, people have had this cheap access to electricity, there has been the tendency to be careless and to be wasteful. Part of what we have to do is to teach people ways of saving electricity. You have geysers that are on for the whole day when people are not at home but at work. So, these are the sort of things that South Africans have to begin to appreciate. They must not take for granted the availability of electricity. They must know that it is a finite resource that can run out and we've got to begin to inculcate that culture of energy saving amongst South Africans, including the drive towards the diversification of our energy sources.

Conclusion on separate government-led skills development interventions

201. Mr C M Lowe (DA) asked the Minister of Labour:

> Whether he has found that separate government-led skills development interventions in each economic sector are too resource and capacity intensive; if not, how did he reach this conclusion; if so, what are the relevant details? N1272E

The MINISTER OF LABOUR: Madam Chairperson, I do understand some English, but unfortunately it was very difficult to understand the question. Suffice it to say that we use a collaborative approach.

As government, we work with employers and trade unions. So, we do not have a skills development intervention which is only by government. I tried to look into all kinds of dictionaries to find out what is it that the hon member really wanted from us, because we use everything on skills development, including social dialogue. Even the money on the National Skills Fund has not been agreed by government alone. It was a matter of consultation and I have not received any complaint about the collaborative approach and the fact that we are using social dialogue from anyone. Therefore I cannot cherish a single-track approach to skills development. That's all I can say.

Mr C M LOWE: Thank you, Chairperson, and thank you, hon Minister of Labour, for a very good response. I must apologise, sir,

because this question was dictated back to South Africa when I was with you in Geneva recently and it has, possibly, not come out as I would have liked it to come out.

Let me try to explain what I am trying to say, Minister. The DA is very concerned that we are trying in various areas of government to address the skills problem, with a government that has serious capacity problems. I think we need to be frank about this: Government is not able to do as many things in certain areas as we would like it to do. Because of that there is a concern in the DA that we are trying to provide an answer to skills solutions across many fronts. That really was what was behind my question to you, sir.

Let me give you an example. If we deal with skills development and Setas and identifying scarce skills in South Africa, the Deputy President's Office is dealing with that under Jipsa. Your own department, sir, is looking at where the necessary skills are that we need to attract and what are they and how we deal with it, and Nedlac is dealing with that issue. The Setas—all 23 of them individually—are looking at what skills we need to be addressing . . . [Time expired.]

The MINISTER OF LABOUR: Chairperson, I don't know whether that is what Parliament must do, looking at what is behind these questions, because you must ask me a question and I must come and answer, not what is behind the question. I want what is in front of the question.

I don't know what I am going to do with the hon member. It is quite a pity that he is probably asking me the question for the last time, because he is now going to Home Affairs. [Interjections.] No, no, sir, please, English is your home language. The question that I have in front of me says: "Whether he has found that separate government-led skills development interventions in each economic sector are too resource and capacity intensive; if not, how did he reach this conclusion; if so, what are the relevant details"? We do not have a separate government-led skills development intervention. I have answered the question.

Ms O R KASIENYANE: Chairperson, there is confusion. I am actually satisfied with the Minister's response, when he says that interventions are based on a collaborative model and I agree with what the hon Lowe is saying, when he says that government cannot do things alone. He is quite right. One can ask the hon Minister: Do you think government can address this issue of service delivery alone? This is a matter of partnerships.

The MINISTER OF LABOUR: It is always through partnerships that we can succeed as government, in particular, on the matter of skills development. We cannot, as government, do this alone. That is why I was stressing that we are using a collaborative approach; we are using social dialogue; we are using tripartite; we are working with employer organisations; we are working with trade unions, in order for us to succeed. It can't be government only.

We even took advice, for that matter, from opposition parties—those that are not informed by newspapers on what ideology they must follow. Those who have an ideology and principles will obviously advise us and make comments, but those who just read newspapers and listen to journalists who are driven by their own ideology will obviously have difficulties with people like myself.

See also **QUESTIONS AND REPLIES.**

VISIT TO BRANDVLEI AND DRAKENSTEIN PRISONS

ESCAPE OF ANNANEAS MATHE FROM C-MAX IN PRETORIA

(Consideration of Reports of Portfolio Committee on Correctional Services)

Mr D V BLOEM: Thank you very much, Chair. I am presenting to this House on behalf of the Portfolio Committee on Cor-

rectional Services the report on a visit to Brandvlei Prison and Drakenstein Prison.

The Portfolio Committee on Correctional Services visited the Brandvlei and Drakenstein Maximum Security Prisons in January 2007. The committee had visited these facilities before, but the focus in the earlier visit was on juvenile offenders. This visit focused on offenders held in the maximum security facilities.

These prisons are both maximum security facilities, which hold serious offenders, many of whom have committed violent crimes. In addition, due to the location of these prisons in the Western Cape these centres also hold many gangsters with close ties to and networks with gangs outside the prison walls. It is thus very important that the security arrangements at these prisons should be tight to ensure that these gangsters cannot bring drugs and other illicit articles into the prison.

Key problems identified by the committee, include overcrowding. Both Brandvlei and Drakenstein Maximum Security Centres are very overcrowded. The Brandvlei Maximum Security Centre currently holds over 1 100 serious offenders and it is 175% overcrowded.

The Drakenstein Maximum Security Centre holds 665 offenders and it is 175% overcrowded. It is actually designed to hold 386 offenders. It is clear that high levels of overcrowding make it extremely difficult for correctional services staff to effectively control the offenders, and these problems make it more difficult when one takes into account the high number of gangsters and gangsterism activities within these centres.

Let me come to gangsterism. The problem of gangsters is rife in the Western Cape and both of these maximum security facilities hold high-profile gangsters from the region. A few weeks before the visit of the committee, a group of these gangsters attacked four warders at the Drakenstein centre.

I think I must say something about this. Two months ago, three inmates were killed in the Krugersdorp Prison after they were allegedly assaulted by prison officials. It made headlines in all the media. This is wrong! We have said that it is wrong and we are condemning it, but we must also be very honest. Our officials are being attacked, day in and day out, and nobody is saying anything about the attacks on our officials. Their lives are in danger day and night, and we can't condone a situation where inmates think that they are now prison warders and the prison warders are now inmates. It is unacceptable that law-abiding citizens like our officials must be held hostage. Nobody has the right to take anybody hostage!

The Constitution of this country is defending and protecting the rights of everybody, but when it comes to our officials, these people in orange uniforms think that they alone have rights and they can do or say whatever they like to our law-abiding officials. These people cry when we visit these prisons. They ask us what they must do. We are not saying that they must be assaulted, but these inmates must understand that there is law and order in prisons, and we as this House must really protect the prison warders' rights so that they can do their work to protect us.

These people are working with people with up to 23 life sentences. The other day we visited a maximum security prison where an inmate is serving 2 000 years. This person does not have any respect for life, but when he is inside there, he knows the Constitution of the country better than anyone else does. He thinks now that he is inside there he must be treated differently from people outside. I am saying that we must look into that.

The security problems at these prisons that were identified by members of the committee, include the shortage of members, partly due to the partial implementation of the seven-day working week, which means that unit and case managers who have been tasked to do their work, are often required to do security work.

New recruits are used to do security work and they lack experience, which is a problem in the prisons with high gang activity, as they do not yet have the knowledge and experience to identify potential gang-related problems before they escalate.

Physical issues, such as lockers for prison officials, were also a problem. Officials' lockers are kept within Brandvlei Maximum Security Centre, instead of outside the building, which is a security risk and can aid corrupt activities.

Our recommendation as a committee is to request the department to give updated reports on progress, on action taken to alleviate gangsterism in prisons around the country, on progress with the long-awaited anti-gang strategy. The department must report on that, follow-up on recommendations made by the Jali Commission—the report with regard to gangsterism—and monitor the extent to which these recommendations have been implemented by the department.

Collusion by some members in gang activities and the effort to reduce the opportunity for members to be involved in corrupt activities was a key concern of the commission. The committee has repeatedly called for the vetting of all staff that work in maximum security facilities. While the committee understands that part of the problem in the vetting process lies with the National Intelligence Agency, NIA, it will closely monitor efforts by the department to undertake this responsibility as agreed by the Cabinet.

The committee will also monitor progress in the implementation of security infrastructure, particularly in maximum security facilities, including the introduction of CCTV cameras, X-ray machines and the cashless system.

Mention must be made of some real successes within these two correctional centres. The Group of Hope at Brandvlei Maximum and the success of the technical courses in Drakenstein, including electrical engineering, must be noted. The department within the centres and even more importantly the offenders who drive these innovative and successful programmes must be commended. The ongoing support of the department and others in ensuring the growth of these successful programmes should be prioritised.

A problem noted by the committee was that the artisans are resigning in numbers because of poor salaries and a lack of promotion. We were informed that these people are being recruited by other countries. I want to present these reports to this House. I thank you. [Applause.]

There was no debate.

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: I move:

> That the Report on the Visit to Brandvlei and Drakenstein Prisons be adopted and that the Report on the Escape of Annaneas Mathe from C-Max Prison in Pretoria be noted.

Motion agreed to.

Report on Visit to Brandvlei and Drankenstein Prisons adopted.

Report on Escape of Annaneas Mathe from C-Max in Pretoria noted.

BUDGET ANALYSIS WORKSHOP

HEARINGS OF JUSTICE AND PROTECTION CLUSTER, 2006

THIRD QUARTER NATIONAL EXPENDITURE 2006-07 FINANCIAL YEAR

EXPENDITURE REPORT FOURTH QUARTER 2006-07

(Consideration of Reports of Joint Budget Committee)

Ms L L MABE: Thank you, hon Chairperson. I thought that somebody would jump up

and come and assist me. On behalf of the Joint Budget Committee I would like to present the Report on the Budget Analysis Workshop and the Report on the Hearings of the Justice and Protection Cluster. The Report on the Third Quarter National Expenditure, I'll combine with the Expenditure Report on the Fourth Quarter for 2006-07.

The committee had a workshop and we looked at the terms of reference in relation to other committees of Parliament, for instance the Portfolio Committee on Finance, and what our relationship with them should be, so that we avoid overlapping of issues; the relationship with Scopa, so that issues that were raised could be taken up by Scopa and vis-á-vis the issues raised by Scopa so that we can take them as the year continues; also our relationship with the portfolio committees to ensure that both committees in the Joint Budget Committee will inform each other on the issues that they deal with in the different departments.

We also looked at what our role should be in recommendations to Parliament on amending money Bills. In the workshop, of crucial importance were the programming challenges that we are faced with. The issues when we have public hearings should be discussed in the portfolio committees so that there should be no repetition in what we do in the Joint Budget Committee and what the portfolio committees are doing, so that both committees can benefit from that interaction. Unfortunately, we still have programming challenges that need to be taken up and addressed.

The important issue that will continue to be very important in our interaction as a committee is the research problem. The research capacity of Parliament leaves much to be desired and most portfolio committees find it difficult to get information which they can use to engage different departments. The Joint Budget Committee can then engage with departments on monthly spending.

The Minister of Finance earlier on indicated that Parliament has information in the form of section 32 reports which they can use to hold the department accountable. The challenge is: Does the capacity of Parliament's research assist committees of Parliament to do vigorous oversight? And this is a big challenge. It needs to be improved speedily.

We looked at what the training needs of the committee were so that we can have institutional memory but also that we can have an impact in terms of other departments spending for the sake of spending. Or are the departments spending to have outputs? What are early warnings in the departments? Do these departments have fiscal dumping at the end of the financial year and not have utilised funds?

Come March, especially, then you will see a lot of spending by the different departments because they will then transfer moneys to the different institutions or to local government and provincial government. This is posing a serious challenge. Without proper research capacity, the portfolio committees will not be able to monitor what is happening in the different departments and their spending of money.

We also looked at public participation. We have observed that most of the people who participated in the hearings of Parliament in the form of portfolio committee hearings, are people who have financial resource capacity. What about the poor who yearn to make inputs to what Parliament is doing regarding the budget? How do we cater for such people? Go to the rural areas. How do those people make an impact in terms of what issues are affecting their lives and how does Parliament take up those issues? These are some of the challenges that we are facing as a committee.

We also looked at the challenges of the joint nature of the committee. During provincial weeks it is difficult for the committee to fulfil its mandate. The NCOP component has to go to the provinces but at the same time there is a lot of work ahead of the committee which

the committee must grapple with whilst the other section is in the provinces. How can we address this problem to ensure that there is continuity in terms of addressing and attending to the issues as presented in the section 32 reports.

We also looked at the relationship between the committee and the Office of the Auditor-General and the National Treasury. I would like to report that we are satisfied and happy that both the National Treasury and the Office of the Auditor-General could take heed when we called on them and engaged them and they could meet the standard as per the request of the committee in terms of how they can assist the committee in order for the committee to be capacitated better to fulfil its functions.

I would also like to indicate that we had to define what our role should be as the committee in terms of the financial management capacity model presented by the Auditor-General. What can we as a committee do to ensure that the departments start putting systems in place so that by the time the Auditor-General comes with auditing the departments will be in a better position to provide what is needed by the Auditor-General? They could also account for what they have done with the funds allocated to them, rather than spending for the sake of spending.

We have critically raised the issue of what the departments are doing with regard to nonperformance by senior managers. What are the powers that the portfolio committees have to ensure that, if a particular manager does not perform, they can engage the department and the Minister in that regard?

I would like to cite an example. This morning we had a public hearing. It was a joint meeting with Scopa. The CFO of Home Affairs boldly stated that he was not an accounting officer so we cannot expect him to account, whereas he was in the company of the accounting officer. His excuse was that the accounting officer is new, therefore the accounting officer cannot respond to the issues raised by the two committees. This is uncalled for because the CFO is there. He is the person who looks after the finances of the department and he must assist the accounting officer, who is new in the department, to respond to the issues raised by the committee.

This is uncalled for. And you ask yourself: If the Minister says that there is a turnaround strategy in the Department of Home Affairs, how is that possible with such a CFO who says that he is not the accounting officer? What will the situation be with regard to finances and the managing of finances in that department? This is a challenge and I would like to make an appeal to the Minister that she must address this issue with the CFO.

I would like to present the reports to the House. Thank you. [Time expired.]

Dr S M VAN DYK: Agb Voorsitter, die komitee moet aandag gee aan die bestedingspatrone van departemente. 'n Groot bron van kommer is die feit dat departemente gesamentlik R5,3 miljard van hul begrotings nie in die afgelope boekjaar spandeer het nie. Dit, ten spyte daarvan dat die staat 83% van die konstruksie-infrastruktuur daar stel, wat as basis dien vir die privaatsektor vir verdere ekonomiese ontwikkeling. Gegewe die onderspandering, is die twee grootste sondebokke die justisie- en beskermingsdienstesektor, asook die ekonomiese dienste- en infrastruktuurontwikkelingsektor. Dit is juis hierdie twee sektore wat hulle aan die grootste agterstand in dienslewering skuldig maak.

Indien ons kyk na die individuele departemente, dan het die Departement van Vervoer R400 miljoen onderspandeer. In die praktyk is daar meer as 100 000 km paaie op die waglys vir herstelwerk. Die Departement van Handel en Nywerheid onderspandeer R188 miljoen, maar in die praktyk sukkel jong, opkomende ondernemings om toegang te kry tot internasionale handelsmarkte. Die Departement van Behuising onderspandeer

R171 miljoen en dit terwyl daar 'n agterstand van 2,2 miljoen huise is.

Die Departement van Landbou onderspandeer R148 miljoen en dit terwyl daar 'n groot behoefte aan opleiding- en ondersteuningsdienste aan opkomende en bestaande boere is. Die Departement van Justisie en Konstitusionele Ontwikkeling onderspandeer R477 miljoen. Die personeeltekort en agterstand in administrasie en die afhandeling van hofsake is nie naastenby aangespreek nie. Ons regstelsel beweeg nou na 'n punt om in duie te stort.

Die Departement van Korrektiewe Dienste onderspandeer R586 miljoen. Tronke om 12 000 misdadigers te huisves is nie gebou nie en Suid-Afrika sit steeds met chaotiese oorvol tronke. Die Departement van Gesondheid onderspandeer R115 miljoen. Ongeveer 50% van die geld was bestem om goedere en dienste aan te koop, wat so noodsaaklik is om ons openbare hospitale toe te rus.

Binnelandse sake onderspandeer R237 miljoen. Hierdie geld was bestem vir die aankoop van masjinerie en toerusting, wat die departement nodig het vir beter dienslewering. Provinsiale en plaaslike regering onderspandeer R820 miljoen. Vanweë 'n personeeltekort en swak ondersteuningsdienste van die departement se kant af aan derdevlakregering, het minder as 50% munisipaliteite hulle finansiële state betyds by die Ouditeur-generaal ingedien.

Hierdie ongespandeerde geld word van die belastingbetaler verhaal om dit in dienslewering terug te ploeg. Gepaardgaande hiermee het die Tesourie die afgelope boekjaar R30 miljard meer belastinggeld ingevorder as wat fiskaal beplan was vir die huidige jaar, en maak die Minister ook voorsiening vir 'n oorskotbegroting van 0,6% van die bruto nasionale produk.

Die Tesourie moet besef dat die oorinvordering van belasting en 'n oorskotbegroting niks anders as 'n skande is nie. Eerstens word geld onnodig uit die ekonomie onttrek, wat andersins in ekonomiese ontwikkeling teruggeploeg kon word. Tweedens word geld in 'n staatsrekening gestoor, wat andersins vir noodsaaklike dienslewering aangewend kon word. Derdens, die belastinglas kan verlig word vir Suid-Afrikaners, aangesien ons van die hoogste belasting ter wêreld betaal en kan die belastingkoers van 28% na 26% van die bruto binnelandse produk verlaag word.

So is die R5,3 miljard wat departemente nie spandeer het nie, tesame met die R30 miljard belastinggeld wat ooringevorder is, geld wat vrugteloos en waardeloos uit die Suid-Afrikaanse ekonomie onttrek is en is beslis nie tot voordeel van Asgisa se groei-inisiatiewe nie. Die Tesourie moet wegdoen met 'n oorskotbegrotingsbenadering, in plaas daarvan om dit te probeer koppel aan 'n gesonde ekonomie.

Tweedens, moet die Tesourie doeltreffender oordeel aan die dag lê tydens die toewysingsproses van geld vir departemente en dit is nou tyd dat die Tesourie sy eie interne openbare finansiële verhore hou met die direkteurs-generaal van departemente voor en na begrotingstoewysings oorweeg is om sodoende te verseker dat departemente hulle geld effektief spandeer.

Ek stem wel saam met Minister Manuel se punt dat die Parlement en spesifiek die portefeuljekomitees 'n groter en 'n strenger rol sal moet speel, om te kyk dat departemente hulle fondse effektief aanwend. Ek dank u. [Tyd verstreke.] *(Translation of Afrikaans speech follows.)*

[Dr S M VAN DYK: Hon Chairperson, the committee should address the spending patterns of departments. Of great concern is the fact that departments have jointly failed to spend R5,3 billion in the past financial year. This in spite of the fact that the state provides 83% of the construction infrastructure that serves as a basis for the private sector for further economic development. Given the underspending, the two main

culprits are the Justice and Protection Services Sector, as well as the Economic Services and Infrastructure Development Sector. It is precisely these two sectors that are guilty of the biggest backlog in service delivery.

In the case of individual departments, the Department of Transport has underspent to the tune of R400 million. In actual fact, there are more than 100 000 km of roads on the waiting list awaiting repairs. The Department of Trade and Industry has underspent by R188 million, but in reality, young emerging enterprises are struggling to gain access to international trade markets. The Department of Housing has underspent by R171 million and that whilst there is a housing backlog of 2,2 million houses.

The Department of Agriculture has underspent by R148 million and that whilst there is a great need for training and support services to emerging and existing farmers. The Department of Justice and Constitutional Development has underspent by R477 million. The staff shortage and backlog in administration and the finalising of court cases, have not even come close to being addressed. Our judiciary is moving towards a point of total collapse.

The Department of Correctional Services has underspent to the tune of R586 million. Prisons to accommodate 12 000 criminals have not been built and South Africa is still dealing with chaotic, overcrowded prisons. The Department of Health has underspent by R115 million. About 50% of this money was destined for the acquisition of goods and services which are so essential to equip our state hospitals.

The Department of Home Affairs has underspent by R237 million. This money was destined for the acquisition of machinery and equipment, needed by the department for improved service delivery. Provincial and local government has underspent to the tune of R820 million. On account of staff shortages and poor support services from the department to the third tier of government, less than 50% of municipalities have submitted their financial statements to the Auditor-General on time.

These unspent funds are recovered from the taxpayer to be ploughed back into service delivery. Coupled with that, the Treasury has collected R30 billion more in taxes in the past financial year than the National Treasury had envisaged it would for the present year and the Minister has also made provision for a budget surplus of 0,6% of the gross national product.

The Treasury should realise that the over-recovery of taxes and a budget surplus are a disgrace. Firstly, money is being withdrawn from the economy unnecessarily which otherwise could have been ploughed back into economic development. Secondly, money is being kept in a state account which otherwise could have been utilised for essential service delivery. Thirdly, the tax burden of South Africans could be lessened since we are paying some of the highest taxes in the world and the tax rate of 28% could be reduced to 26% of the gross national product.

So, the R5,3 billion that had not been spent by departments, together with the R30 billion in over-recovery of taxes, is money that had been withdrawn from the economy needlessly and with nothing to show for it and this is definitely not to the advantage of Asgisa's growth initiative. The Treasury should do away with a surplus budget approach, but rather try to link it to a sound economy instead.

Secondly, the Treasury should exercise far more effective judgement during the process of allocating money to departments and it is about time that the Treasury has its own internal public financial hearings with the directors-general of departments before and after budget allocations are considered, thus ensuring that departments spend their money more effectively.

I do agree with Minister Manuel's view that Parliament and especially the portfolio committees should play a more prominent and more rigorous role to ensure that departments use their Funds effectively. I thank you. [Time expired.]]

Mr H J BEKKER: Chairperson, I have a few general observations about the reports of the Joint Budget Committee. It has been contrasted that your first quarter expenditure is normally underproportioned, whereas your last quarter has been overspent in quite a few cases. This is particularly the case insofar as the capital budget and transfers are concerned, where you find that in the first quarter only about 10% was utilised, and in the final quarter—the fourth quarter—more than 50% of the total year's allocation was spent. I think that one must look at this, that particularly in future, there will be a more even spread in terms of the expenditure of the budget and not that they concentrate again on the last quarter.

There is a particular concern about the provinces and local governments. Parliament underspent by R75 million and it also had about R30 million extra, mainly in the form of interest that came through and which was utilised as a surplus account. The surplus account of Parliament was utilised for parliamentary accommodation projects. I must say, I think that this was very well spent. From the little bit I have seen so far, it seems to have been very well spent.

I would also like to agree with the Chairperson with regard to the inadequate research capacity in Parliament, which remains a concern. This means that the ability of the parliamentary committees to effectively conduct oversight and thereby ensure better service delivery is being compromised. In this regard, the Joint Budget Committee recommends that Parliament should prioritise enhancing research support to the committees.

The IFP supports this report and we will vote for it if any vote is called for. [Applause.]

Ms R J MASHIGO: Chairperson, hon members, government departments should use public funds for the purpose they were voted for by Parliament according to the PFMA's provisions, otherwise, we run the risk of the funds being diverted from appropriate priorities of government to other departments, which will inevitably compromise the quality of life of the people.

What we observe is that the departments referred to some savings under current expenditure, which I can say is actually underspending or lack of spending by the departments. Vacancies resulted in the most underspending and, as a result, at the end of the last quarter, these funds were moved from their original purpose to other programmes, which is totally unacceptable because this is what we actually term "fiscal dumping".

As far as vacancies are concerned, I think there were a lot of contradictions, because the departments said there were vacancies, but we have a database of unemployed graduates who are desperately looking for work and can be trained. The departments have told us that these graduates do not have experience. I say that there are learnership programmes, through which these unemployed graduates can be trained and given experience to fill the relevant vacancies.

What's more important is that there is a lot of money which is being used for recruitment agencies, who take a long time to headhunt suitable candidates. Sometimes they take far longer than the time it would have taken to retrain or put people in the learnership programmes.

As portfolio committees we should really ensure that our departments are engaged in addressing this issue of vacancies and the plans they have, because the government has all the systems in place to ensure that the issue of unemployment and vacancies is addressed.

With those words I can say the ANC supports this report. Thank you. [Applause.]

Mr S N SWART: Chairperson, the ACDP notes from the report that certain government capital projects were compromised due to poor departmental planning and financial management as well as slow spending. Clearly, urgent and appropriate steps need to be taken to address these problems.

We also share the concern that the inability of some departments to fill vacancies means that the trend of underspending, more particularly on salaries, will continue. This cannot be allowed to continue as severe understaffing impacts on budget and service delivery.

Additionally, it is apparent that certain government services continue to be compromised due to weak financial planning and management, resulting in consecutive qualified audit reports. The ACDP supports the Committee's focus on certain specific delinquent departments, including the Department of Home Affairs, Department of Health and Department of Land Affairs.

The ACDP will accordingly support this report and commends the work of the Joint Budget Committee. I thank you. [Applause.]

Ms L L MABE: Thanks, hon Chairperson. Based on the fourth quarter spending, I'm not going to comment much on the vacancies because the hon Mashego has captured what we discussed in the committee.

I would like to give an example pertaining to the Department of Sport and Recreation. The Auditor-General, in his report of 2005-06, indicated that 42% of senior managers' positions were vacant. In addition 46% of highly skilled supervisory level managers' posts were vacant.

This year the department underspent on vacancies, and the question is: Why does it take such a long time to employ people to fill those vacancies? What are the departments doing to ensure that they don't compromise service delivery?

Remember that Sport and Recreation is the department that must drive 2010 for South Africa. Without proper, skilled personnel at managerial level, at supervisory level, how will we achieve that objective? Will funds be utilised? Will funds be spent and not achieve what they are intended for? That is the question which we must ask as Parliament.

Let us remember that these funds that are supposed to be spent on the vacancies are termed savings. Are they real savings? That is a definition we said National Treasury must provide to the committee and to Parliament so that we know what the National Treasury and the different departments understand by savings.

As regard capital spending, I'd like to indicate that we have discovered that departments do not plan properly and do not manage; they do not monitor what happens with regard to capital spending. They come with projects; they do not send people to those projects to see whether projects are being carried out or not.

People monitor in their offices. How is that possible? How is it possible to do monitoring in your office rather than going to the project to see whether the project is taking place, if it is being constructed or not? That is the challenge to portfolio committees to perform their oversight function.

But we also discovered in our report that 18 departments spend less than 50% of their capital spending or capital fund. Remember, they spend less than 50%. Funnily enough, in the last quarter of the financial year, they spend more than 100% but the total budget says they spend well. How is this possible?

People outside will think that the department spends well, within the budget. Regarding capital spending, suddenly total spending is

in equilibrium. This is a question that needs to be answered by portfolio committees when they engage; they must get answers from the departments.

You know, we were proud. I remember reporting to this House that the department started spending in December, but I was not aware that they would not spend for January and February, until March, which is the end of the financial year, so that they could take the money to municipalities and provinces.

I was not aware of this. I thought that they had improved. Unfortunately this was not the case, and I erred telling this Parliament that there was an improvement with regard to capital spending by departments.

I'll also give an example of the Department of Public Works. During the first quarter they spent 8,2% of capital spending, during the second quarter 1,23%, during the third quarter 18% and during the fourth quarter 59,4%. How is that possible?

The Department of Provincial and Local Government, spent 6,2% during the first quarter, 8,4% during the second quarter, 35,6% during the third quarter and 114% during the fourth quarter. How is that possible? How is it possible, members? Remember, the Department of Provincial and Local Government must transfer funds to local government and provinces. One hundred and fourteen per cent in one quarter is a challenge to us.

With regard to the Department of Arts and Culture, they overspent because of the Women's Day and Youth Day celebrations. Is this department not aware that it must plan and budget for those activities because they are annual activities? Can they tell us that they were not aware of these celebrations? Then they tell us that they overspent because they didn't know that they were responsible for making provision for spending for those activities. That's really surprising.

The other thing that I want to raise with the House is that in the 2003-04 financial year, Parliament had minus R9,8 million in its surplus account. Suddenly, right now, the balance is R293 million. That money is supposed to assist us in our work as Parliament; it now goes to the surplus fund. Who decided that it must go there because we wanted it to be used? Why did they plan for it, knowing that they were not going to use it, and put it in a surplus fund?

We, as this House, must ensure that we make them accountable. They must account to us why that is the case when we are struggling as Members of Parliament and the money has been put in a surplus fund. On behalf of the committee, I want to mention that there are some departments—I'll give the Department of Health as an example. Of its budget, more than 90% goes to provinces in the form of transfer payments. But you go to a hospital or a clinic, there are no medicines. They get such a big allocation in the budget, but there are no medicines. What does that mean? And they tell you of procurement delays and all these things.

They will come and report to the portfolio committees that "we spent well and clinics have medication and whatever". Go to those clinics and you ask yourself: Did we vote that medicines must not be provided to clinics? Is that what we voted for as Parliament? This is a challenge. We know that in our constituencies people struggle to get proper health care facilities, but we vote for the funds to be used and they are not used for that function.

Remember, the Minister of Finance said earlier on that national priorities are overridden by the provinces because funds go to the provinces and they decide what to do with those funds. I'd like to present the report to the House. Thank you.

Debate concluded.

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Chairperson, I move:

That the Reports be adopted.

Motion agreed to.

Reports accordingly adopted.

VOTE NO 12: STATISTICS SOUTH AFRICA
VOTE NO 8: NATIONAL TREASURY

(Consideration of Reports of Portfolio Committee on Finance)

Mr N M NENE: Ngiyabonga Sihlalo, namalunga ahloniphekileyo. [Thank you, Chairperson, and hon members.]

The Portfolio Committee on Finance met on 22 May 2007 to consider an Updated Strategic Plan of the National Treasury for the financial year 2007-08 in accordance with section 55(2) of the Constitution and in line with section 27(4) of the Public Finance Management Act.

This engagement followed a briefing which took place on 10 May 2007 where the Minister briefed the committee on policy matters in relation to this Budget Vote. Subsequent to that, we had another briefing from Stats SA on its strategic plan for 2005-06 to 2009-10, together with the work programme for the same period.

Concluding these engagements, the committee tabled its reports in the ATCs of 23 May 2007. In these reports there are some recommendations that we made. We have recommended that the National Treasury must table a discussion paper on the measurable objectives so that there should be clarity on these things.

We also said that the National Treasury should submit a comprehensive report on government guarantees that are issued in respect of state-owned enterprises and conditions thereof. Finally, it should develop a policy framework relating to the mandates of the developments on finance institutions which we found did not exist.

On the South African Revenue Service or Sars we said that they must submit a detailed report on the progress of discussions within six month on their role with regard to the implementation of the social security tax and wage subsidy which was proposed at the beginning of the year.

They should also submit a report within six month on the implementation measures relating to the rights of debt. As Stats SA we said they must table a report with specific timeframes for the implementation of the National Statistics Systems and finally report on the development of a national poverty line outlined in their strategic plan.

We trust that the department and its agencies will implement these recommendations and the committee will follow-up on these matters as per our mandate as Parliament. On behalf of the committee I present this report. Thank you.

There was no debate.

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Chairperson, I move:

That the Reports be adopted.

Motion agreed to.

Reports accordingly adopted.

VOTE NO 21: INDEPENDENT COMPLAINTS DIRECTORATE (ICD)

STRATEGIC PLANNING WORKSHOP, 19-20 FEBRUARY 2007

STUDY TOUR TO AUSTRALIA, 30 NOVEMBER-10 DECEMBER 2006

(Consideration of Reports of Portfolio Committee on Safety and Security)

Ms M M SOTYU: Chairperson, on behalf of the Portfolio Committee on Safety and Security I'm presenting three reports for consideration by the House. There is a report on Vote 21, ICD, one on the strategic planning workshop and another on the study tour to Australia.

The Independent Complaints Directorate remains an important tool in the democratisation of the South African Police Service. This is clear in the 22% budget

increase that the ICD received for this financial year. Although the increase is welcomed, it is still insufficient to deal properly with the many challenges faced by the ICD. The priorities for 2007-08 include, among others, the filling of vacancies, especially those of investigators, as I said yesterday, and improving the finalisation of cases and addressing backlogs.

The opening of satellite offices that will improve the effectiveness of the ICD is clearly a priority. Among the recommendations that the committee made regarding the ICD are: Firstly, they must keep the committee informed about progress made in filling vacant positions.

Secondly, the committee further recommended that the ICD receives the required support and co-operation from members of the South African Police Service. We supported the budget of the ICD and we'll support efforts by the ICD for more funds to establish more satellite offices.

On 19 to 20 February 2007, the portfolio committee embarked on a strategic planning workshop. The workshop was attended by members of the committee, the Minister and the national management of SAPS. The workshop focussed on the following issues: The expected legislative framework for 2007; the training programme of the South African Police Service; the challenges that they face in terms of training, and other challenges that they face in general.

Regarding the preparations for the 2010 Soccer World Cup, the Presidential stations were discussed in detail in terms of budget allocation, training at station level, crime statistics and challenges and successes. The committee made some recommendations that are included in the report.

Regarding the study tour to Australia that was held from 30 November to 10 December 2006, the committee visited Australia to investigate legislation that specifically deals with human trafficking. In particular, the committee was interested in gaining insight into the policing of human trafficking and challenges that have been experienced since the passing of that country's legislation.

A number of lessons and recommendations for consideration came out of the trip. Among these were: The portfolio committee will liaise closely with the Portfolio Committee on Justice and Constitutional Development in the process of developing this legislation. The committee will further interact with the South African Police Services on current and envisaged plans to combat human trafficking more effectively. The committee believes that in terms of legislation we would do well to address the issue of reducing demand.

We further recommend that legislation must be premised on the protection of women as a human rights issue rather that a criminal justice issue. The committee further recommends that higher penalties should be included in the South African legislation for the trafficking of children. Other recommendations deal with, for instance, actual investigations and policing of human trafficking. Focus is also aimed at the training of all departments that will be included in the process.

In the area of prosecutions very specific recommendations are made. Victim support and prevention of these crimes and specific recommendations are also included in this report. I therefore introduce the report for consideration by the House. I thank you.

There was no debate.

The ACTING CHIEF WHIP OF THE MAJORITY PARTY: Chairperson, we move:

That the Reports be adopted.

Motion agreed to.

Reports accordingly adopted.

The House adjourned at 18:09.