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**PROCEEDINGS OF THE NATIONAL ASSEMBLY**

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The House met at 14:01.

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

**DISSOLUTION OF NATIONAL ASSEMBLY**

(Draft Resolution)

The CHIEF WHIP OF THE MAJORITY PARTY: Hon Speaker, we move:

That this House -

- (1) notes that section 50(1) of the Constitution, 1996, provides that the President must dissolve the National Assembly if the Assembly has

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adopted a resolution to dissolve with a supporting vote of a majority of its members;

(2) further notes that in terms of section 49(4) of the Constitution, the Assembly remains competent to function from the time it is dissolved or its term expires, until the day before the first day of polling for the next Assembly;

(3) acknowledges the President's announcement, on 7 February 2019, that the general elections will take place on 8 May 2019; and

(4) resolves -

(a) to dissolve the National Assembly in terms of section 50(1) of the Constitution; and

(b) to suspend Rule 333(2) and 351(2) to prevent Bills and other business from lapsing when the House is dissolved.

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I so move, hon Speaker.

**DISSOLUTION OF NATIONAL ASSEMBLY**

(Announcement)

The SPEAKER: Hon members, before I put the motion, I wish to use this opportunity to share with the House a letter from the hon the President of the Republic of South Africa in the same matter. Dissolution of the National Assembly, I received this letter and it is dated 20 February because we received it today. On 7 February 2019, during the state of the nation address, I announced that the general elections will be held on 8 May 2019. The Constitution requires that the government at all levels to support the Independent Electoral Commission, IEC, in the discharge of its mandate. As part of its mandate the IEC is required by law to set up and publish an electoral timetable. This timetable is dependent on the date of proclamation of the election's date.

Accordingly, we need to ensure that the dissolution of all the legislatures and the consequent proclamation of

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the election date are properly co-ordinated. The legislatures should adopt the resolutions to dissolve before 26 February 2019. The premiers must all then ensure that the election proclamations are published by Tuesday, 26 February 2019.

Kindly note that according to section 49(4) of the Constitution of the Republic of South Africa, 1996, the National Assembly remains competent to function from the time it is dissolved, until the day before the first day of polling for the next Assembly. I have sent a similar letter to the premiers of all provinces. Your urgent attention to the matter will be highly appreciated. Yours Sincerely, Mr Matamela Cyril Ramaphosa, President of the Republic of South Africa.

Hon members, having read this letter and having heard the motion from the Chief Whip of the Majority Party, I now put the motion. Are there any objections?

HON MEMBERS: No.

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The SPEAKER: There are no objections, so the motion has been agreed to. Are you happy? [Applause.] However, hon members we need actually to make sure that we know that we have the supporting vote of a majority of the members of the Assembly. Therefore, without there being a division, members are required to indicate their support or opposition to the motion for the record. Therefore, we will ring the bells. Do we really need to ring them for five minutes?

HON MEMBERS: Yes.

The SPEAKER: For five minutes?

HON MEMBERS: Yes.

The SPEAKER: Okay, hon members, the bells will be rung as you wish for five minutes.

Question put: That the motion as moved by the Chief Whip of the Majority Party on the dissolution of the National Assembly in terms of section 50(1) of the Constitution as it appears on the Order Paper be approved.

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Mr N L S KWANKWA: Hon Speaker, hon Skwatsha here is saying that he did not need the oppositions' votes to pass this motion. Can we restart the process again from scratch? [Laughter.]

The SPEAKER: Hon Skwatsha is just playing with you. Hon members, whereas the House according to the Constitution needs at least 201 votes, we did achieve 249 votes in favour of the motion. [Applause.] Therefore, the members have voted in support of the motion as require by section 50(1) (a) of the Constitution. The motion is accordingly agreed to and I thank you very much, hon members.

AYES - 249: [Take in form minutes]

The required support having been obtained in terms of section 50(1) (a) of the Constitution, motion accordingly adopted.

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, may I be the first to thank you for your service. [Laughter.]  
[Applause.]

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The SPEAKER: I thought you would thank me for my patience with you. Hon members, the Secretary will read the First Order of the day.

**CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS ON LOCAL GOVERNMENT: MUNICIPAL STRUCTURES AMENDMENT BILL.**

(Consideration of Report)

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

Motion agreed to.

Report accordingly adopted.

**LOCAL GOVERNMENT: MUNICIPAL STRUCTURES AMENDMENT BILL**

(Second Reading Debate)

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Madam Speaker, the hon members of this House,

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Ministers, Deputy Ministers. In his state of the nation address, President Ramaphosa outlined the five most urgent tasks this moment in our history. Firstly, that we must accelerate inclusive economic growth and create jobs. Secondly, improve the education system and develop the skills that we need now and in the future. Thirdly, improve the conditions of lives of all South Africans especially the poor. Fourthly, step up the fight against corruption and state capture. Finally, strengthen the capacity of the state to address the needs of the people.

The Local Government Municipal Structures Amendment Bill speaks to all these tasks. It comes as we celebrate 25 years of democracy and 19 years of fully democratic local government. Building a development local government has been a mammoth task. We have brought together over 1200 desperate apartheid local government entities into a coherent 257 wall to wall municipalities that have contributed to improving the lives of millions of South Africans.

We have travelled far but the road has and continues to be bumpy, uneven, strewn with potholes and obstacles and

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a number of very sharp bends. This Bill represents the lessons that we continue to learn as women and men who in the words of Theodore Roosevelt quoted by President Ramamaphosa during the state of the nation address and he says:

The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strive valiantly; who errs... but who does actually strive to do the deeds.

We thank those with hands-on experience of striving to do the deed in the local government arena for proposing these amendments in particular Provincial Co-operative Governance and Traditional Affairs, the South African Local government Association, the Independent Electoral Commission and the Municipal Demarcation Board. These amendments seek to strengthen governance in the municipalities and to deal with challenges in the management of local government elections.

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Breach of the Code of Conduct takes forward the fight against corruption and state capture. Firstly, it bans any councillor who has been removed from the office for breach of the Code of Conduct from becoming a councillor again for two years, on the Municipal Public Accounts Committees. Secondly, it makes it mandatory for all municipalities to establish Municipal Public Accounts Committees, Mpacs. Importantly, the amendments prohibit officials or holders of political offices such as mayors, Speakers, and Whips from being members of Mpac.

The amendments spell out clearly the oversight powers and functions of Mpacs, including the power to initiate investigations. Significantly, the amendments make it mandatory for Mpac reports to be submitted to Speakers who will be obliged to table these reports in the Council. So gone should be the days of indefinite delays in tabling Mpac reports or reports that will be hidden somewhere in the faraway cabinets.

Firstly, the Amendments Bill seeks to contribute to deepening democracy, strengthening governance, and bringing councillors closer to their constituencies. It

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abolishes the plenary type municipality, and ensuring that there is a minimum of 10 councillors in a municipality with at least five wards. Secondly, it reduces the extent of changes to municipal ward boundaries by allowing for a deviation of up to 20% of the number of councillors determined for a municipality, in municipalities that are larger than 20 000 square kilometres. Thirdly, it allows an MEC to designate a person to call and chair a meeting, when the municipal manager refuses to do so.

The Bill further makes it mandatory for all municipalities to establish the important office of the Whip, and for this position to be full time in those municipalities with 40 or more councillors. The amendments spell out the powers and functions of Whips who contribute to good governance and political stability. Lastly, the amendment Bill also improves the administration and management of local elections by clarifying the date when a councillor assumes office after an election is held. It provides for the resolution of a situation where excessive seats may arise. It also allows an MEC to inform the Independent Electoral

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Commission, IEC, of vacancies when a municipal manager fails to do so.

We take this opportunity to encourage all South Africans to register to vote on 8 May 2019, of course, the President is going to be formally proclaiming the date of the election and the voters' roll being closed. We thank also the Chairperson the Portfolio Committee on Co-operative Governance and Traditional Affairs, the hon Richard Mdakane, and all the members of the portfolio committee for their hard work and the broad support that they have given us during this process. I also want to thank my colleagues the Deputy Ministers, the director general and other officials who have worked hard to process this Bill to the state in which it is. Thank you very much Madam Speaker. [Applause]

**LOCAL GOVERNMENT: MUNICIPAL STRUCTURES AMENDMENT BILL**

(Second Reading debate)

Mr M R MDAKANE: Comrade Deputy Speaker, I rise on behalf of the Portfolio Committee on Co-operative Governance and

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Traditional Affairs to present this Report which was supported by all parties except the DA. The amendments that we have effected in the Bill will go a long way in bringing about the effective government closer to our people. It will also ensure that service delivery agenda at local government level, which is bringing a better life for all communities, is achievable at a faster rate.

This Bill represents the culmination of engagements with all local government stakeholders of over many years. The amendments have been sponsored by amongst others; the provincial Committees on Co-operative Governance and Traditional Affairs, Cogtas; the Independent Electoral Commission; the Municipal Demarcation Board; the South African Local Government Association, Salga, and other people who are interested in the affairs of local government. They have appeared before the committee and expressed their views and support for these amendments. The proposed amendments were further considered and some of the provisions were strengthened during the deliberations that we held in Parliament in November to December 2018.

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The Local Government Municipal Structures Amendment Bill contains provisions that are aimed at addressing the challenges that we have experienced in the management and administration of local government affairs, in particular, the elections. It is also assisting us to strengthen the governance at municipality level. Therefore, the Bill deals with amongst others the following electoral related matters which are: clarifying the date when a councillor assumes office; the requirements for municipal managers to inform the Member of the Executive Council, MEC, and the Independent Electoral Commission of ward vacancies; to provide for a resolution of a situation where excessive seats may arise and to allow for the MEC to inform the Independent Electoral Commission on vacancies when the municipal manager fails to do so.

Subsequently, the Bill also deals with the following governance related matters: through abolishing the plenary type of municipalities; providing for a minimum of 10 councillors in a municipality and allow the deviation of 20% of the number of councillors determined for the municipality, in municipalities that are larger

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than 20 000 square kilometres; prohibiting councillors from becoming a councillor for two years if such councillor violated a code of conduct; also to allow the MEC to appoint a person to call and facilitate a meeting when the municipal manager refuses to do so and to provide establishment of Municipal Public Account Committee.

It was noted that the Democratic Alliance raised some of the issues but the committee defeated their proposal. Hon Deputy Speaker, our view is that the amendments will assist all of us who are Members of Parliament to ensure that we assist at the local government level and to also ensure that the sphere of government that is closer to our people, functions in a manner that assist all our state organs. It is our view as the portfolio committee that matters of local government are very important to all of us, therefore, we should play our role in our constituencies and in other areas of our deployments of ensuring that local government engages communities and other stakeholders in many issues that they are dealing with.

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Hon Deputy Speaker, it is our view that this sphere of governance is very important for the proper running of a developmental state.

In conclusion, if the provision and interventions that are contained in the Bill are implemented by all municipal councils, it is certain to make a positive difference and attempts to upscale governance and to ensure that the municipality finds certainty in how to process challenges that they are confronted with. The memorandum of the objectives of the Bill provides further information in respect of each of the provisions that are contained in the Bill.

Finally, the ANC and the portfolio committee is of the view that the amendments contained in this Bill, will assist a great deal in strengthening and ensuring capable political leadership and oversight management that is accountable and transparent at a local level and capable of delivering on its mandate that is using public resources to better the lives of all our people. We are convinced that the majority of all South Africans will

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vote for the ANC in the coming election. Thank you.

[Applause.]

Debate concluded.

Bill read a second time.

Mr K J MILEHAM: Deputy Speaker, it is time to face reality. A few years ago I stood at this podium and accused the then Minister of Co-operative Governance and Traditional Affairs, Pravin Gordhan, of fiddling while our country burned.

I pointed out that our municipalities were in complete disarray, and that Minister Gordhan's Back to Basics programme had no tangible outcomes. I advised him that amalgamating dysfunctional municipalities was a recipe for disaster – a prophecy that has been borne out since the 2016 Local Government Elections, and which even the Co-operative Governance and Traditional Affairs, COGTA, admits was a mistake.

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The sad truth is that South Africa's municipalities are failing. They are crumbling under the mismanagement of the ANC. They are, by and large, bloated, inefficient and wasteful. There is a complete lack of oversight, support or intervention from the national or provincial departments.

We have been waiting for the Intergovernmental Monitoring, Support and Interventions Bill since at least 2013. It has been promised in budget speeches and in departmental annual performance plans and it shows no sign of being tabled any time soon.

Where interventions do take place, they are inadequate and have no clear outcomes. As a result, the municipalities frequently fall back into the same situation a few short months later. Honestly, when there is no political will to intervene and no real provincial or national oversight being conducted, is it any wonder that we have scandals like VBS scamming municipalities out of billions of rands? Is it any wonder that we have mayors like Florence Radzilani, when they know that any

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misconduct or crime is more likely to get them sent to Parliament than to prison?

Just ask the hon Zukisa Faku, who despite a court finding her guilty of fraud against Buffalo City Municipality in March 2016 sits in this House - so much for the ANC being a party that fights against corruption.

We have municipalities like Makana, where the dams have run dry and the pumps lack the capacity to bring water from available sources because they haven't been maintained or upgraded for many years. In Riebeek East, millions were spent on digging and equipping boreholes that have never been connected to the supply reservoir, because there are no pipes.

Maybe we should consider Enoch Mgijima, where the entire municipal fleet was auctioned off to settle outstanding debts; or Ethekwini, which wants to use ratepayer funds to pay for an album by the crooner from Nkandla?

We have seen municipalities under threat of cut-offs from ESKOM, not from load-shedding, but because they are

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unable to pay their bills to the power utility. Neither ESKOM nor SALGA seem willing to budge from entrenched positions.

The Inter-Ministerial Task Team appointed to chart a way out of the mess has presented exactly zero tangible solutions to the problem, despite being on the job since 2014. In fact, Minister Mkhize, you promised to present recommendations in January this year, but so far, nothing.

Now contrast all this with DA governed municipalities and the DA-led Western Cape. The DA took over Kouga municipality in August 2016, and since then has made significant strides in ensuring clean governance, enhancing revenue to the point that the municipality now has cash on hand in excess of R150 million, and implementing emergency measures to ensure that the drought does not affect its residents adversely. It has handed over hundreds of title deeds that sat in a storeroom under the previous ANC administration. It is a municipality that takes service delivery seriously.

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In Thabazimbi, the DA started off their first day in office with the sheriff coming in and taking away all their equipment and their fleet to settle debts run up by the previous ANC administration. Within two weeks, the DA leadership had ensured that the offices were operational and had furniture and equipment.

They had put in place emergency arrangements to enable the running of essential services. For the first time in seven years billings and valuations were rectified and that has helped stabilise the municipality's finances. There is still a long way to go, but the residents of Thabazimbi will agree that they are better off now than they were under the ANC.

In Modimolle-Mookgophong, DA Mayor Marlene van Staden has been begging since late 2016 for National Treasury to conduct a forensic audit into the finances at that municipality. It took nearly two years for the MEC in Limpopo to agree to such an audit – something the ANC and EFF were bitterly opposed to.

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That audit was concluded in October last year and handed to National Treasury. We still await the report, but it is clear that the ANC and EFF are seeking to cover up corruption and a looting spree in that municipality.

Maybe we should talk about Tshwane which the ANC left R2 billion in debt, and which now has R2,1 billion in its accounts and a positive credit rating. Or the City of Johannesburg, where Mayor Herman Mashaba has uncovered R18 billion in corruption, where more than three 3 500 cases are being investigated and 700 arrests have been made thus far.

Continuous oversight and a hands-on provincial government in the Western Cape have ensured that the province has the highest number of clean municipal audits in the country at 83%. It is the top province in terms of good governance and has been for the last 6 years in terms of the Presidency's Performance Management Assessment Tool.

You see, this is the difference: Where the DA governs, there is oversight and accountability. There is action, not words. There is delivery and not false promises. All

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of which brings me back to the Local Government Municipal Structures Amendment Bill we have before us today.

Make no mistake, this Bill does make some positive changes like establishing and empowering Municipal Public Accounts Committees, and clarifying the composition of Executive Committees – which have long been abused by the ANC, who seem to think that they can determine who other parties' representatives on those committees should be.

It is for these reasons that the DA will support this Bill. But it is little more than fiddling while Rome burns. It is fiddling around the edges of the massive systemic failure of local government.

Neither Minister Mkhize nor his predecessors, Pravin Gordhan and our very own weekend special, Des van Rooyen, have addressed the financial and governance failures of local government. Minister Mkhize's solution is to send them engineers rather than accountants. They have not addressed the criminal mismanagement of municipalities; instead, the ANC sends the perpetrators to Parliament.

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It's not just the BOSASA and VBS accused - it's the tainted people like "Mr Cash", hon Philly Mapulane, who allegedly made millions through graft while Municipal Manager of Madibeng. It's people like these who have turned local government into personal piggy banks, and they are the swine with their snouts in the trough.

So, while we support this legislation, because it does the right things, we believe it has not gone far enough. The time has come for change; change that delivers for all South Africans; change that cleans up the mess left behind by the ANC; change that brings about the good governance and service delivery of the DA. Because where the DA governs, we govern better than any other party in South Africa. On 8 May, vote DA and help us build one South Africa for All. Thank you. [Applause.]

Ms N K F HLONYANA: Hon Deputy Speaker, the local sphere of government is the most important sphere in as far as delivery of services is concerned. It is also true that most of our municipalities are in a dysfunctional state, with incompetent people, and have become havens for

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criminals whose sole intention is to loot public resources.

There are urgent reforms needed therefore to restructure the entire system of municipal governance, to guard against abuse of authority, against lapses in governance that lead to corruption, to regulate appointment, not just of councillors but of senior management too, and to have tough measures against those who engage in corrupt and destructive activities.

Instead of limiting itself to matters relating to the election of councillors and regulating the minimum number of councillors per municipality as this Bill does, it could have been used to comprehensively restructure local government. We do support the clarification of minor issues such as the date at which councillors become officially elected, and we welcome the proposal coming from the Northern Cape in particular, that there must be a minimum of 15 councillors per municipality. But these are barely enough to tackle the structural impediments to efficient local government and delivery of services.

These relate primarily to lack of consequence management

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in municipalities. The Auditor-General has for years identified problems that need to be resolved in each municipality, and year after year, these problems have not been resolved.

These problems, relating to lack of appropriate financial and management skills, political interference and infighting in councils have crippled local government in this country. As a result, the majority of municipalities are in a shambolic state, which suits the ANC's objectives of looting quite well. A comprehensive solution of these problems is required, and that includes tightening up legislative provisions and improving the administrative capacity of municipalities to collect the debt, fix infrastructure, and report regularly of service delivery challenges.

The solution must also entail a relook at the funding model of local government, to ensure that the bulk of the national budget actually goes to where it is needed the most, to municipalities who are at the coalface of service delivery. This must also entail asking questions about the continued relevance of the provincial sphere of

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government, and the need for the discontinuation of provinces, to pay more attention to service delivery at a local level. We are in broad support of the amendments proposed in this Bill, but we urge that it could have been utilised to usher in much more comprehensive changes to the structure and functioning of local government.

In conclusion, we are asking all South Africans to vote for the EFF. [Interjections.] The EFF is the only party that will usher true freedoms to our people. Stop voting for this ANC, year after year, which continues to put our people into more poverty. It keeps on telling you, Thuma Mina! Thuma Mina! And they are continuing ...

*IsiZulu:*

... bayontshontsha ...

*English:*

... in that Thumaring of theirs. Therefore we are asking all South Africans to vote for the EFF. Thank you very much. [Interjections.]

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Mr X NGWEZI: Hon Deputy Speaker, at the outset, let me state the IFP's support for this Bill but that being said, there remain a number of concerns that still require an address in our municipal structures. As handed down in the Tlokwe judgment, there must be proper defining and contextualising of the rules of legislatures and powers that are held, ex officio by their respective office bearers. The rule of law must be upheld and office bearers must be under no uncertain terms made aware that they themselves are creatures of statute. In the execution of their duties, they must be fair and free of any bias towards their political alignment and affiliation.

And Gcwabe, section 139 of the Municipal Structures Act must not be used to fight political battles. We are noticing that in many municipalities where, for example, the ANC is in leadership, they take too long to intervene in ANC-led municipalities, for example, the issue of uThukela and Newcastle. The MEC too so long to intervene there but in the IFP-led municipalities, by just hearing that on portfolio committee did not sit, the MEC will want to invoke section 139.

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*IsiZulu:*

Sinigadile ...

*English:*

... like in the issue of Mtubatuba. We have heard that you are trying to move in there slowly and that is actually on political points or using section 139. The Rule of law as has been stated on so many occasions cannot and must not continue to be sacrificed upon the altar of political expediency and convenience. If one looks at the findings of the Auditor-General as regards to audit outcomes, one will find that the audit area with the lowest improvement rate over the last number of years has been in regard to municipalities that fail to comply with municipal legislation.

Slow responses in respect of corrective actions in such matters only fuel municipal service delivery problems, with weak controls resulting in irregular and fruitless and wasteful expenditure. I wish to conclude by once again raising the plight and role of traditional leadership within the Act which must be strengthened. Section 81 of the principal Act as it currently stands is

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an affront to traditional leaders all over South Africa in that it expects traditional leaders to play a role in local governance but in no way, shape or form capacitates them, financially or otherwise to carry out such duties and that must be addressed, hon Minister. I thank you very much. [Applause.]

The DEPUTY SPEAKER: Hon Khubisa. [Interjections.]

Mr X NGWEZI: I said, in my first sentence, that the IFP supports the Bill. [Interjections.]

The DEPUTY SPEAKER: Order Chief Whip! Order!

[Interjections.]

Prof N M KHUBISA: Deputy Speaker, the NFP welcomes the Bill tabled here today, as the Bill seeks to provide for seamless administrative matters regarding the number of seats a local municipality must have, the elimination of the concept of district municipal areas, dates set aside for the by-election, and the representation threshold at a district municipality for local municipalities, considering the population size and geographical area.

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Whilst the NFP agrees that dealing with a void, or a lacuna, in case of the speaker, the municipal manager or any other official designated by members of the executive council is important, it is indeed worrying that, since 2000, government has not deemed it necessary to legislate on such pertinent matters. For instance, in the year 2000, there were 60 by-elections. In 2006, there were 54 by-elections. In 2011, there were 741 by-elections. In 2016, there were 43 by-elections. The list goes on and on.

In each year of a by-election or election, we have encountered instances where municipalities are paralysed by political power struggles, and it becomes worse where there is the perception that the intervention by the Department of Co-operative Governance and Traditional Affairs is partisan or biased. That exacerbates the problem, and municipalities are rendered dysfunctional for a long time. There have been many instances where it takes a long time to inaugurate municipalities officially and, at grassroots level, the citizens of that area become the victims of a lack of service delivery.

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Whilst the Bill attempts to respond where there is confusion on issues such as "declared elected" or "date of election" and many others, like the finding against the councillor that broke the code of conduct through fraud and corruption, etc, and was handed a two-year sentence, it is our considered view that in light of the killing of councillors and officials, we need to tighten the legislation. Murdering of councillors, officials and security guards has become a common phenomenon. The NFP feels that, working with the security cluster, the Department of Co-operative Governance and Traditional Affairs should attempt to tighten the legislation so that those who commit these heinous crimes of murdering others for their own ulterior motives are brought to book and face the full might of the law. It also takes a long time for officials and councillors who have been charged with wrongdoing to exit the system. It is worse when they are migrated to other lucrative positions, either in municipalities in the same province or other provinces in our country.

In its current form, the Bill has a number of loose valves and, whilst dealing with administrative matters,

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it falls short of covering some of the other critical matters that affect municipalities. Some of these matters require intra- or multiparty interventions. In short, they require political solutions. We have noted that, in some instances, problems continue indefinitely, as municipalities and communities feel that intervention by MECs is biased. That must stop.

Having raised its concerns, the NFP supports the Bill.

[Time expired.]

Mr W W WESSELS: Deputy Speaker, through you to the Chief Whip: The FF Plus does support the Bill. However, the biggest problem is the fact that this Bill will not actually address the collapsing municipalities and the biggest failure of the ANC-led government.

Since 1994, the single biggest failure of the ANC-led government has been at local government level - and you have many failures! The problem, the reason for that failure, is the fact that the ANC does not regard legislation as important. They regard legislation as guidelines, only guidelines. Go and look at what your

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councillors, your mayors, and your speakers do on a daily basis in local council meetings. Illegal meetings take place. They have a complete disregard for the Local Government: Municipal Structures Act. These amendments will mean nothing because they won't be implemented. They won't be adhered to. The code of conduct for councillors is positive, but it won't be adhered to. It won't even be regarded as singly important because the ANC is only interested in a place to redeploy its cadres, a place to make more money, and a place to take more money from the people.

Local government is not the centre of service delivery. The second reason for our failures on local-government level is the ideology of the ANC to centralise everything. We heard the hon President say there should be fewer provinces. That is wrong! We must have more provinces, more local government units of service delivery because we have to take the power of service delivery closer to the people, not further away.

[Interjections.] A lot of these amendments are only needed because the ANC cannot even trust its own appointed municipal managers. Why do you have to have

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MECs declare vacancies and not your municipal managers? It is simply because you cannot trust them, because you appointed people that are not competent to do the job. You appointed people on political grounds, and now there are factions, and the ANC is falling apart, and you have problems. Now you need amendments to legislation.

We do support the Bill, but what we are saying is that the ANC will be ...

*Afrikaans:*

Die ANC gaan gestraf word by die stembus as gevolg van u mislukkinge op munisipale vlak. Dit is waar die mense ly. Dit is waar riool tussen huise instroom. Dit is waar mense ly as gevolg van u swak dienslewering en die feit dat u glad nie belangstel in die mense nie. Ek dank u.

*English:*

Mr W M MADISHA: Deputy Speaker, it is clear that this Amendment Bill seeks to amend the Local Government: Municipal Structures Act to address, of course in part, problems that have been experienced in relation to the

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administration and management of municipal elections. We support these amendments.

Cope welcomes the clarification of the formula to be used to determine the composition and membership of executive committees, the decision to do away with plenary executive-type municipalities, and the creation of a legal imperative for the establishment of municipal public account committees. Broadly speaking, these amendments appear to be inspired by a theoretical desire to foster oversight and good governance. However, the question remains whether they will.

Cope has its doubts. Many would agree that our Constitution and our suite of local government legislation provide a modern and comprehensive framework for the attainment of good, clean, progressive and developmental governance across the country. Instead, areas where the ANC governs our municipalities are crime scenes, epicentres of ANC-inspired corruption, greed, dysfunction and failing service delivery. It is only where the opposition governs, thus far, that we find municipalities that are governed according to the letter

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and spirit of the law, municipalities that are well governed and that are delivering upon its developmental mandate. It is clear that good and progressive governance cannot simply be legislated for. Rather, it starts with the election of ethical leaders.

To my fellow South Africans, I say this: The key to saving South Africa is in your hands. Please save South Africa. At the moment, we are in trouble. Thank you very much.

Ms N F SHABALALA: Hon Deputy Speaker, it is surprising when the progressive move is being done by the ANC that everybody will try to put some holes where there are none at all. The ANC took a decision in 1991 - I do not know where you were, in 1991 in the 48th Conference in Durban to establish the ward to ward local government. As informed in terms of the Constitution of South Africa Chapter 7 of the forming of the local government.

In the Ready to Govern Policy Document, the ANC in 1992 put as a requirement to establish local government. So, today it is to amend the Municipal Structures Amendments

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that we are dealing with today. Therefore, as the ANC-led government we believe that those amendments that are required are some of the minor challenges that have been experienced at a local government level as well as by the Independent Election Commission in terms of setting up the municipal structures in different municipalities. This is the reason we are today saying that we want to amend.

Over and above that we must remember that in terms of the establishment of the Municipal Public Accounts Committee, it has not been catered for in the Act. Therefore, this is assisting us to make sure that there is accountability and monitoring as we are committed to the clean governance as the ANC. We therefore believe that in terms of the participatory democracy we need to make sure that we amend these Acts. This will assist us in terms of where there are municipalities which are refusing to establish the ward committees. This amendment will assist us to establish those ward committees for us to be able to have a proper participatory democracy for our people.

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We applaud the committee for the work that has been done to do this amendment because when the Act is being amended you need to consult and the people have to put their voices in it. This has been so in this Bill. As the South African - I beg your pardon, as the ANC we would like to support the Bill. [Interjections.] Of course the SACP supports the Bill as well. Thank you very much. [Applause.]

Mr M P GALO: Hon Deputy Speaker, the AIC supports this Bill, however there are few issues that we would like to raise. The Local Government Structures Bill will not pass the constitutional master because it has glaring anomalies. Despite our support for its promulgation, the Bill cannot be passed as it is. The formalisation of the Municipal Public Accounts Committees marks an important era in the governance of local government. It will strengthen oversight and safeguard public resources against plunder.

We are concerned, Deputy Speaker, that the Bill empowers the executive head of the Department of Co-operative Governance and Traditional Affairs, that is, MEC of a

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particular province to designate a person to call and chair a meeting of the municipal council where the Speaker, Acting Speaker or Municipal Manager refuses to call the meeting. This will be tantamount to the violation of the separation of powers. It allows an executive functionary in a province to pick and choose the chair of the municipal councils when the Speaker, Acting Speaker or Municipal Manager refuses to call the meeting.

Effectively, the MEC is allowed to continue the chairing of the council. This could have the rippled effect of stifling robust debate, criticism and effective oversight in the council. In our view, when there is a stale mate on the chairing of the council, the mediation committee should elect the chair. Where the mediation committee is nonexistent the Bill should create one. The MEC cannot be the one who delegates the chair of the council if one considers the South African Electoral System with its attendant shortcomings. Thank you very much.

Mr E M MTHETHWA: Deputy Speaker, actually, when you want to discuss this Bill, you need to start by understanding

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the history that the country is coming from; that the apartheid has left its imprint on South Africa's human settlements and municipal institutions.

The transformation requires an understanding of the historical role of local government in creating and perpetuating local separation and inequity, and the impact of apartheid on municipal institutions. Equally important, is the history of resistance to apartheid at the local level, and the struggles against apartheid local government thereof.

In 1994, the advent of democracy in South Africa changed the regulatory framework of local government. South African citizens were freed from the shackles of an oppressive regime and experienced democratic rule. Freedom from apartheid came with promises of a better life for all and the realisation of constitutionally protected human rights.

The preamble to the Constitution lays the foundation for an open and democratic society with a bill of rights, recognising the injustices of the past and aiming to

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improve the quality of life of all citizens. The majority of the electorate supported a constitutional mandate, which set the foundation for democracy and bestowed a positive obligation on all spheres of government to ensure the enforcement of the bill of rights, as well as an obligation to ensure that the majority of people experience a better life for all.

It is against this backdrop that Transition Act, 1993; the new Constitution envisaged a complete transformation of the local government system. In terms of the new Constitution, local government is a sphere of government in its own right and no longer a function of national or provincial government. Local government has also been given a distinctive status and role in building democracy and promoting socio-economic development.

The proposed amendments to the Municipal System Act, promotes certainty on some matters and strengthen oversight and governance in municipalities. In the main, the Bill speaks to two fundamental areas. The first fundamental area is the electoral matters where you allude of the vacancies as the previous speaker spoke

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about; the formulas, the issue of the time frames and the party lists.

The second one that is important is the issue of governance matters. In governance; I want to pull one important part which is the Municipal Property Assessment Corporation, MPAC. The MPAC will assist in getting better audit outcomes amongst other issues like the quorum, decision, and the abolition of plenary type.

However, we have noted the challenges experienced by plenary type municipalities including limiting of executive authority to the full council, and it is unable to delegate its executive responsibilities to any individual council or any of its committees in strengthening oversight and governance in municipalities and ensuring service delivery for all.

The Municipal Structures Amendment Bill seeks to do away with the plenary type as I have said; so that it enables the system to flow smoothly. This will contribute to municipal council to improve oversight over the administration and the executive by implementing critical

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checks and balances to ensure that the municipality implement the constitutional mandate, as accountability is one of the tenets of a democracy.

Therefore, improving oversight in local government to holds the municipal executive and the administration accountable should be the pre-requisite to implement the constitutional mandate of local government.

In conclusion, the ANC is convinced that the proposed amendments provide for solutions and clarity which will restore the confidence of the majority of our people in our municipalities, as the primary delivery machinery of the developmental state at a local government level. It is for this reason that on the 08 May we must go all out in our numbers and vote for the ANC to ensure that all these Bills get implemented as required. I thank you, Chair. [Interjections.] [Applause.]

*IsiZulu:*

USEKELA SOMLOMO: Hhayibo! Kahleni bo.

*English:*

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How do you scream like that? That is out of order. Ao!  
Please man; just lower your voices here.

The MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL  
AFFAIRS RESPONSIBLE FOR PROVINCIAL AND LOCAL GOVERNMENT:  
Deputy Speaker, I just want to take this opportunity to  
thank all the members of this House and the different  
parties for supporting these amendments. I think this is  
a situation where we have collectively looked at the  
problems that we have experienced and provided solutions  
together.

I really appreciate that and I want to say that we have  
learnt over many years on our local government.  
Therefore, we will continue to learn and correct whatever  
remains that might not be ready to be solved with the  
current problems. I think it's obvious that some of the  
members are going to be tempted to try and get into too  
much of the politics around this but I just one to say  
one thing, when we come across problems in the local  
government sphere we admit, we correct and we move on.  
For the others, who I can only say ...

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*IsiZulu:*

... indlu yegagu iyanetha ...

*English:*

... because you had a huge fight in Tshwane. The Auditor-General said there were irregularities in the GladAfrica tender. I have looked into Google and I can't see any single statement from hon Mileham or the DA members other than those who are in Tshwane and they tried to jump off the council. In fact, they had to be thrown out because of this problem.

So, when there are problems we must know that they must be faced but it must not be because we think that it is okay to raise it if it is only about ANC but when it's our party we don't talk about it. This, for me, is an issue of how we mustn't be hypocritical about these matters.

Having said so, I also want to indicate that the issues that relates to the traditional leaders will be attended to so all the concerns that have been raised by the other members will be given attention. We want to send a message to our people that the ANC is here for them; that

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the ANC will raise the issues where we need to solve problems and improve service delivery but where there are mistakes, we will admit and correct and for that reason, we would like them to come in their largest numbers to vote for the ANC. Thank you. [Applause.]

Debate concluded.

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

Question agreed to.

Bill accordingly read a second time.

**DEBATE ON URGENT MATTER OF NATIONAL PUBLIC IMPORTANCE:**

**ESKOM ENERGY CRISIS**

Ms N W A MAZZONE: Deputy Speaker, South Africa is now in an official hostage situation. We have a situation where two belligerent parties, one being Eskom and the other being the ANC are holding the South African Republic, the South African economy and every person within South Africa a security in the hostage drama. We as South

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Africa have a metaphorical knife to our throat and we are being forced to pay a never-ending ransom to Eskom or else the throat will be slit and the results will be a full out black out and the death of South Africa as we know it.

This is not overexaggeration and this is not panic peddling; this is the absolute reality. We are teetering on the very edge, we should be absolutely terrified and exactly what would happen if this crisis worsens. As government, every single effort and every single action should be focused on nothing other than averting this crisis. And to anticipate any possible responses, I would say no because enough has not been done and enough is not being done to safe our country.

The date was 11 December 2014, and the Deputy President and the Leader of Government Business was one Mr Cyril Ramaphosa. The player needed to turn around Eskom. It was said that Mr Ramaphosa will oversee this, but the plans failed dismally. The date was 11 July 2017, and the Deputy President and the leader of government business was one Mr Cyril Ramaphosa. A new plan has been discussed

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to turn around Eskom, increase revenue and reduced spending, but plans failed dismally. The date was 31 January 2018, and the Deputy President and the leader of government was Mr Cyril Ramaphosa, and Fitch downgraded Eskom. Eskom vowed to implement a turnaround strategy, we waited, and Eskom was glowing its way back.

I think we can see that the plan has failed dismally. The date was 2 December 2018, the President was Cyril Ramaphosa, and the leader of government was Mr David Mabuza. Rolling blackouts have rocked the country yet again. A new turnaround strategy was planned for implementation, and I think we can all agree. The plans have failed dismally. I have watched year after year, Eskom board after Eskom board, rolling blackouts after rolling blackouts, Eskom price increase after Eskom price increase. Eskom just gets worse. As a state-owned entity, the company simply cannot function. The ideological battles within the ANC are now not only ripping the party itself apart, it is causing an economic crisis, the likes of which this country has never seen.

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The DA has not just sat back and complained, we have taken proactive steps of providing solutions, providing legislation, requesting countless times to sit around the table and be of service. We have said it so many times. This crisis transcends the bounds of politics; the very future of our country is at stake here. The kind of overhaul needed at Eskom means splitting Eskom into a generation entity, completely independent of the transmission and distribution entity. The generation entity should be privatised over time, where well-functioning power stations can be offloaded to the private sector that would do just that, create cheaper and more sustainable energy.

Our Bill was in fact gazetted just yesterday for public comment. And it is the first real concrete step in changing the Eskom structure. Let's talk a little bit more action. The Minister of Finance, Tito Mboweni announced another set of bailout for struggling state-owned entities yesterday in his Budget Speech. A massive R69 billion lifeline has been promised to Eskom over the next three years.

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Unfortunately that is not nearly enough to keep the sinking boat afloat. The truth is that Eskom has hit an iceberg in the form of a mounting debt of R419 billion and counting - an oversized workforce, low productivity, lack of critical skills, brand-new faulty power stations, scar tissue from years of corruption, maintenance backlogs are just some of the problems that faces the entity. When one adds the municipal debt that is owed to Eskom, the sinking ship had only one way to go - and that is straight down.

The financial lifeline and the split of Eskom into three entities will not be enough to save Eskom. Even with the three units, there will still be only one board calling the shots. What Eskom needs is a complete overhaul, not a mere rejig. Now, we need to face the very harsh realities, state capture hit very zenith during the term of this Parliament. It was devised, executed and almost completed under the watch of the then President, Jacob Zuma and his entire Cabinet.

President Ramaphosa has himself said that this is known as the nine wasted years - nine wasted years indeed; but

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let me tell you what is also wasted, six opportunities to vote against President Jacob Zuma in a motion of no confidence. Six times, the ANC voted in favour of keeping him and they cheered, and sang, and gave him a standing ovation, and every time these motions were defeated.

[Interjections.] Every single member of the ANC in this House is to blame for capture. [Interjections.] That is the politics of the stomach completely winning over the politics of the people.

I have to laugh when I hear statement made in the media such as, "We had no idea it was this bad, or "what, should we have acted sooner?" Yes, you should have acted immediately, but you see what would have happened if you acted immediately with those pesky, "smallanyana" [little] skeletons, we would have no where to go and hide. It simply cannot be that every single member of the executive did not know what was happening under your very noses. You aided and abated this selling of piece by piece of our country, and shame on you all!

[Interjections.]

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The ANC government is taking the people of South Africa for fools one too many times. South Africans are politically astute and we will not fall for this games and lies again. It is not normal and never should it be that rolling blackouts rule our lives. The time has come for South Africans to take back their power. The date is 9 May 2019, where Cyril Ramaphosa will no longer be the President of South Africa. [Interjections.] The people of South Africa have taken back their power. The date is 10 May 2019, where the President will be one, Mr Mmusi Maimane. [Interjections.]

The MINISTER OF HEALTH: Hon Deputy Speaker?

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

The MINISTER OF HEALTH: May I stand on a point of order?

The DEPUTY SPEAKER: Yes, sir.

The MINISTER OF HEALTH: ... on an offering.

[Interjections.]

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The DEPUTY SPEAKER: I am listening.

The MINISTER OF HEALTH: Yes, I think we have enough psychiatrists to offer services to the previous speaker.

[Interjections.] I am just offering; and it is free.

[Interjections.]

The DEPUTY SPEAKER: Please take your seat, rra.

[Interjections.] That is not a point of order.

[Interjections.] Yes, hon member?

The CHIEF WHIP OF THE OPPOSITION: Not only is it not a point of order, but it is casting aspersions on a member of this House. We advise that the hon Minister should withdraw the statement that he has just made.

[Interjections.]

The DEPUTY SPEAKER: Okay, we will come back to you just now. Proceed, hon member.

*IsiZulu:*

Nks L A MNGANGA-GCABASHE: Mhlonishwa Sekela Somlomo namalunga ahloniphekile aleNdlu, nezihambeli zayo, kanye

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nabobonke abantu bakuleli laseMzansi Afrika,  
Siyanibingelela.

Kulesisikhathi esinzima esibhekene naso sezinkinga  
ngokulethwa kukagesi [load shedding] yinkampani  
kahulumeni u-Eskom. Sicela ukuthi sonke njengezakhamuzi  
zalelizwe sibheke ukuthi lesi simo sisilungisa kanjani  
ngokubambisana.

Singamalunga ezinhlango ezahlukeneyezepolitiki,  
ezenkolo zonke, izinhlango zophakathi, ezamabhizinisi,  
noma ngabe sihlala emadolobheni amakhulu noma namancane,  
ezindaweni zasekhaya, emaflethini, emalokishini  
emahostela imbala kanye nasezakhiweni. Ukuphakwa kukagesi  
akukhethi bala lamuntu, ngakhoke sonke siyathinteka futhi  
yingako kufanelekile sazi ukuthi ugesi olethwa emakhaya  
ethu, emabhizinisini, kwizimboni, emasontweni, ezikoleni,  
emahovisini konke lokhu kwenziwa ngemali. Lemali kufanele  
yenze nomsebenzi wokugcina izindawo eziphehla ugesi  
zikhwazi ukusebenza ngendlela eyiyo  
zisimamiswe (Maintenance). Uma ugesu ungakhokhelwa  
ukulethwa kwezidingonqangi zethu ngeke kuqhubeka kahle,

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ngoba phela yonke imisebenzi yokwethulwa kwezidingonqangi idinga imali.

Sicela bonke abantu bakithi abanezikweletu zikagesi basabele kwikhwelo likaMengameIi uRamaphosa likaThuma Mina, ngakho ke sithi thuma mina ngokukhokhela ugesi.. Amakhasimende asindwa ukukhokhela ugesi weMeter siyawakhuthaza ukuthi ashintshele kugesi wekhadi ngoba wona uwusebenzisa ngendlela ekalwe nguwana mthengi, futhi uwuthenga ngokwamandla onawo.

Lolu hlelo ngoluka wonke wonke, alukhethi ngezinga noma ngemiholo yabantu. Ngingasho nje ukuthi ngisho noSotswebhu Omkhulu walendlu umhlonishwa Jackson Mthembu naye washintshela kugesi wekhadi futhi maningi amalunga alendlu nawo asebenzisa wona logesi wekhadi,

Lokhu akuyi ngokuthi uhlalaphi, ngoba ngisho nabahlala ezindaweni ezaziwa ngama suburbs, ngoba nakhona baningi asebashintshele kugesi wekhadi. Lo gesi wekhadi usiza ngoba uwena muntu okwaziyo ukuzikalela imali ofuna ukuyikhokha ngogesi wakho.

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Sithanda ukugqugquzela leyo miphakathi elethelwa ngqo ugesi ngu-Eskomi ezindlini zawo njengezindawo zaseSoweto nezinye izindawe eNingimu Afrika ziyokhokhela ugesi wazo futhi bayoxoxisana no-Eskom ngohlelo olungenziwa lokukhokhelwa kwezikweletu zabo kancane kancane, ngoba thina singuKhongolose siyazwelana nabantu bakithi. Njengoba abanye babantu bengakhokheli ugesi futhi bengayi nokuyocela ukuthi bakhokhele izikweletu zabo kancane bavimbela eminye imiphakathi engakafakelwa ugesi ukuthi iwuthole nayo ngoba ayikho imali engenayo, iyaphuma kuphela ngokuphakwa kukagesi njengoba beqhubeka nokusebenzisa ugesi ongakhokhelwe.

Nalabo abaphakelwa ugesi ngoMasipala futhi okuyibo abaqoqa imali kagesi egameni lika Eskom, okanye bewuthenga ku-Eskom ngqo, sithi oMasipala mabakhokhele izikweletu zabo ngokunjalo kanti nathi esiwusebenzisayo esisezindaweni zoMasipala sikhokhe ukuze oMasipala baqhubeke nokusilethela, futhi kufakelwe nabanye abasalindile.

Osomabhizinisi nabahlali ikakhulukazi abahlala emahostela nabo siyabacela basukumele phezulu bayokhokha, abanye

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babo abenza imisebenzi yokushisela, abanye badayisa iziphuzo ezibandayo, kepha abawukhokheli ugesi abawusebenzisayo. Njengoba benza inzuzo ngamabhizinisi wabo, nenkampani kahulumeni iyadinga ukwenza imali ngogesi abawusebenzisayo.

Lokhu sikusho sikubhekise kuwona wonke amabhizinisi amakhulu namancane. Kukhona abaningi abaxhume ugesi ngokungemthetho, phecelezi izinyoka-nyoka, nakubona ngokunjalo sithi mabakuyeke lokho ngoba kunguntsontsha ugesi futhi kuyicala elifanele ukuboshelwa.

Lokhu kuphinde kube ingozi ezimpilweni zabantu, sibonile abantu abancane nabadala bebulawa ukushokwa izintambo zikagesi ezifakwe ngokungemthetho, futhi zishise imizi yabantu nempahla yabo. Okukhulu kakhulu futhi kuqede namandla okuphehlwa kukagesi kumaTransmissions ngoba asuke esephampa ngokungaphezulu komthamo ayekhelwe kona. Asiphindde sikubalule ukuthi ezokuphepha nokuvikeleka kubalulekile ezimpilweni zethu.

Yikona konke lokhu okwenza ukuthi u-Eskom asicimele ugesi izikhathi ngezikhathi [load shedding], okuyimisebenzi

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yezinyoka-nyoka yokungakhokheli ukuxhunywa kanye nokuphakwa kukagesi ongakhokholwe, ngaleyo ndlela bawisa le nkampani kahulumeni u-Eskom ngokwenza njalo ngoba ukunakekelwa kwa kwama-Transmissions kudinga imali, yona kanye le okufanele ngabe bayayikhokha. Nangaphezu kwalokho futhi ivimbela ukwakhiwa kweziteshi zikagesi ezintsha ezingaphakela ezinye izindawo. Sonke masibike ngezenzo ezimbi zokuntshontshwa kukagesi, futhi sisukume sonke sibabaze sikhuze lo mhlola omubi kangaka.

Siyavuma ukuthi zikhona ezinye izizathu ezibe ngumthelela walesisimo esibhekene naso njenge nkohlakalo kanye nokungenzi kahle ngendlela ekwakhiweni ngayo kweziteshi zikagesi i-Medupi kanye ne-Kusile. Bakhona ozakwethu abasazokhuluma ngalokhu, kepha sithi kubantu bakithi sisazibophezele njenge-ANC njengoba sasenzile kusukela ngo 1994 sifakela abantu bakithi ugesi ababengenawo ngesikhathi sobandlululo.

Sithi phansi ngokuxhunywa kukagesi ngokungemthetho, sithi nje phansi ngezinyoka-nyoka phansi; sithi phambili ngokukhokhela ugesi phambili. Asikhokhele ugesi, siyabonga.

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USekela Somlomo: Sesiphelile isikhathi sakho lunga elihloniphekile, mamela libomvu le liwashi angithi uyalibona sisi, lithi sekumele usuke manje lapho.

Mr N PAULSEN: Deputy Speaker, the Eskom debate has been completely hijacked to mislead our people, and we will quickly unpack and expose the sickness at the core of some of the mad proposals linked with the thievery that knows no bounds.

There is no unbundling that will happen without an intention to privatise Eskom and the process to privatise Eskom has already begun. To privatise state-owned entities, SOEs, especially those that are strategic, you collapse them, make them unworkable and frustrate the masses as is currently happening with load shedding. Then, once everyone is angry with the state, you present private investors as saviours. You will then have a situation where the fox will guard the henhouse and it will immediately become evident as the price of electricity will skyrocket.

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Firstly, it is not a coincidence that the first thing that Minister Jeff Radebe did when he was appointed as Minister of Energy was to sign Bid Window 4 of the purchase power agreements for independent power producers, IPPs, despite all the evidence that it will cripple Eskom's liquidity position.

His brother-in-law, Patrice Motsepe, is heavily invested in renewable energy projects. Mr Motsepe owns some of the major renewable energy projects that have signed purchase power agreements. Just to mention a few, he is a 30% shareholder in the Ngodwana Energy project, an 11% shareholder in SA Mainstream Renewable Power, Kangnas, an 11% shareholder in Perdekraal East power, a 15% shareholder in Zolograph Investments which owns De Wildt power station, a 15% shareholder in Bokamoso Energy, a 15% shareholder in Zeerust, a 15% shareholder in Greefspan PV Power Plant, a 15% shareholder in Droogfontein 2 Solar, and a 15% shareholder in Waterloo Solar power.

These shares are disguised by layers of subsidiaries to create a web of deceit and almost all of them were signed

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in Bid Window 4 for which Minister Radebe was solely responsible.

For Mr Motsepe to hold a press conference to try and give an impression that there is no corruption happening while we suffer load shedding is misleading. These projects are funded by Absa of Maria Ramos, Old Mutual chaired by Trevor Manuel and by Mr Motsepe's companies.

We have not even touched on IPP projects owned by President Ramaphosa through Pembani and a larger network web of companies meant to hide obvious shenanigans.

Secondly, Mr Cassim, the Eskom chief financial officer, CFO, during his delivery of the interim results in November last year, admitted that IPP costs averaged R2,12 per kilowatt, adding that Eskom needs support from government and the National Energy Regulator of SA, Nersa, to address the situation where Eskom buys electricity at higher prices but sells at regulated prices, less than 90%.

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The madness of IPPs is to collapse Eskom's liquidity because if IPPs are cancelled today Eskom will have room to breathe. The ridiculous idea that Eskom's collapse was due to the incompetence of black engineers and managers is not surprising coming from someone who goes around replacing competent black people with white people. Black professionals, not only engineers, must take this as a taste of what is to come if they continue voting for the ANC government of President Ramaphosa and Minister Gordhan.

The battle for the control of energy generation has moved from Eskom to policy but in the immediate the most efficient solutions are the most obvious solutions. Firstly, cancel all IPPs; secondly, Eskom must take all its coal mines from private companies, develop a detailed register of assets and a state-owned coal company must operate all these mines; and thirdly, Eskom must build internal capacity, appoint black engineers, artisans and managers with decent and deserving salaries.

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The EFF will not stand by and watch our strategic assets, built and maintained by our own money, get handed over to private and greedy monopolies. Thank you very much.

Mr N SINGH: Deputy Speaker, flashback 2001, Eskom is named power company of the year at the *Financial Times* Global Energy Awards in New York. All of its 78 production units at the time were considered to be in good working condition. Today, just 18 years later, it is nothing short of a catastrophe. Eskom remains a veritable sword of Damocles hanging precariously over this country. To say that it is only dysfunctional would be a compliment.

When Eskom is not crippling the economy with rolling blackouts, it is extorting money from the citizenry with absurd electricity supply price increases. In short, Eskom holds South Africa hostage.

Now, besides Eskom's legendary maladministration, tender corruption and general lack of any sense of sound business practice, it also remains widely overstaffed – 32 000 in 2007 to 48 000 in 2018 with an associated cost

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growing from 9,5 billion to 29,5 billion. Reportedly, it remunerates its staff at a level four times higher than the global average. It is no wonder they are perennially at Parliament or at Nersa with their begging bowls for additional taxpayer-funded relief. Hon Minister, with regard to that question, is the increase in human resources consistent with an increase in productivity?

Maintenance and plant renovations are a disaster. If our new coal-powered stations, which by the way will be two of the largest greenhouse gas emitters in South Africa, are online by 2025, it will be a miracle. I would request the Minister to inform this House that as of today's date how overbudgeted these two power stations currently are.

On the question of illegal free connections, it's not only the cost but it's also the cost of lives. Last week a three-year-old young child was electrocuted in my area because of illegal connections. What is government doing about it? What are law enforcement agencies doing about it?

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Is there a silver bullet that will miraculously correct the multiple and continuing failures at Eskom? No! We do, however, trust that Eskom itself will now under its own directive of the board take immediate steps, which includes legal action to collect the debts owed to Eskom by looters, including former staff.

Lastly, for the sake of political expediency, let us not sacrifice the country. We need to get Eskom working, even if it means getting rid of staff. We have to get rid of staff that are excess in numbers. Let us all put the country first because without electricity there is no economy in South Africa. Thank you.

Mr A M SHAIK EMAM: Hon Deputy Speaker and colleagues, let's start off by saying that I do not believe – and the NFP is very clear about this – it is Eskom that's the problem. It is the people who manage Eskom that are the problem, and if you don't deal with those that manage Eskom you are not going to deal with the challenges that Eskom faces.

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Many, many years ago we established ... and we knew that we were going to have a serious problem with Eskom, firstly, with regard to maintenance. There was no budget set aside for maintenance and very little attention was given to maintenance. We were forewarned. We did very little or nothing about it.

Now the question is, why? Let me also say what we did. We got rid of many experienced engineers and things that worked at Eskom.

An HON MEMBER: Why?

Mr A M SHAIK EMAM: We brought in new human resources with very little or no experience and that is why we are sitting with the challenge at Eskom today.

Over and above that, in most SOEs, if not all I think, there is one common factor; and that common factor is fraud, corruption, maladministration and a lack of capacity. The question is, what exactly are we going to do about it?

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Let me remind this House of those evergreen contracts, which continue to run as 30 to 40 year contracts, and that we did very little or nothing about.

Now, privatisation has a purpose and that purpose is to act in the interest of investors, not in the interest of the people that we serve. That is proven throughout the world.

Why can't we have a model where 51% is owned by the state and 49% by the private sector, so we are still in control as a country, in the interest of our people?

However, as the NFP we find that some of us are obsessed with this thing of privatisation and the question that arises is ... When somebody wants to buy shares or they want to buy a business or they want to take over an SOE, they can only do that because they know they are going to make profits. So the question is, why can't we make the same profits if it is an SOE? [Interjections.] The only thing we need to do is to make sure that we employ people with the capacity and with the integrity to be able to run these organisations, and we won't have this problem

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ever again. So, I'm hoping that we learn from this and correct it. Thank you very much.

Mr N L S KWANKWA: Indeed, hon Shaik-Emam the profit motive is a problem. Deputy Speaker and hon members, commenting on the Eskom crisis earlier, General Bantu Holomisa asks or makes a very pertinent point where he says:

Eksom's policy of blackmail seems to have paid off. Now that they have received bailout money, load shedding has vanished into thin air. Banana republic he asks or was it a ruse to get money for elections as the ANC did with Bosasa for its ANC Siyanqoba rallies? [Interjections.]

South Africans, you are the judges, we don't know. We are merely asking the questions for you to consider. The United Democratic Movement believes that a drive for investment in the energy infrastructure is critical for our development and poverty reduction in the country. We are all aware that we have serious gaps between energy demand and supply that South Africa was burdened with

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from the colonial regime - apartheid regime. That being said, if the African National Congress had planned this properly, it was not going to take them 25 years to wake up to the reality of energy shortages.

The unbundling of Eskom while one of the most important and viable options is not necessarily a panacea to our energy shortages of challenges. We are of the view that we must move away from the idea that building more of the same will fix our problems. We must look into the development of a new sustainable energy infrastructure that can turn South Africa into a leader in sustainable energy. The focus of energy must move away from traditional sources of energy such as coal and diesel generators towards more renewable and sustainable energy sources so that a modern sustainable energy infrastructure is developed.

Mr Minister one of the views and things that we should be strongly about is an issue that we've been advocating for many years. Policy must be developed to ensure that municipalities have the capacity to generate their own energy using alternative sources of energy. We can even

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start with the metros since they have more resources than other smaller municipalities. We must caution however, that it would not be possible for us to do this without addressing the resource constraints that are faced by municipalities due to the current funding model, which gives them only 9,1% of the total revenue. We make this point, Mr Minister and the House because we are of the view that if the energy sources or needs are located in order to ensure the maximum efficiency and success of the project in communities. In other words, certain areas of this country that are deemed to be windy should use wind energy as a source for energy. Those in the abundance of water can use water to generate electricity to overcome some of the energy shortages that we experience in the country.

*IsiXhosa:*

Ngoko ke, sithi lungisani le nto ngendlela eyiyo.  
Sisafuna ukuthetha ntonje nasinika imizuzu emithathu kuphela, nathi asinakuyithini loo nto. La masela.

Mr W W WESSELS: Hon Deputy Speaker, the hon Mnganga mentioned some valid causes of the prices at Eskom, but

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the true origin of the crisis is the ANC and the ANC policy. It is the ANC government in all spheres that allowed the debt owed to Eskom to skyrocket whilst for more than 15 years taking a little to no action. It is the ANC government who allowed that in the last decade, there were 12 chief executive officers, CEOs, six chairmen, 60 directors, 30 executives who were paid in the last 10 years a total of R514 million.

The hon Minister of Public Enterprises said in this House last week, that one of the reasons for the crisis is the lack of skills and specially engineers. But whilst we are rendered in darkness, a group of former Eskom engineers are currently building a state of the art power plant in the Philippines. Why are they not assisting us? I will tell you why, hon Deputy Speaker, because they are not welcome at Eskom. Why? It is because of their skin colour and of the ANC's archaic policy of affirmative action. [Interjections.] Because of that archaic racial classification, the poor and the vulnerable in South Africa are suffering the most and our economy is collapsing.

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Hon Deputy Speaker, let me also tell the DA that the fact of the matter is that it is not people that are saying that affirmative action causes the problem, that are saying that black people are inferior. It is the policy of the affirmative action that is rendering black people inferior. The policy that you and the ANC are supporting is rendering black people as inferior. [Interjections.] That is the problem, hon Deputy Speaker. We are not appointing the best people for the jobs. We are only interested in redressing rather than restoring the economy, eradicating poverty and creating jobs. On 8 May the voters have the choice, to actually support the party who fights back against this archaic system, against racial classification and against a system that has created the poverty and the economic crisis that we are facing. [Interjections.]

It is time that people take a stance and that we actually want a better future and not a better past. We should appoint the best engineers to actually address the problem. It's a lack of skills that created the problem. It's the ANC that allowed the people to steal the money for salaries to skyrocket and for the debt from

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municipalities and public departments to skyrocket. I thank you.

Mr W M MADISHA: Deputy Speaker, Roger I'll come back to history, but Deputy Speaker, the establishment of Eskom was premised on the need for a reliable and cheap supply of energy. And it was this that resulted in the establishment of Iron and Steel Corporation, Iscor, and other low-cost steel producers, and the expansion of our mining industry amongst other industrial developments.

The ANC cries sabotage, but history will reveal that it was the current governing party that conspired to destroy Eskom on the altar of insatiable greed and corruption, thereby irrevocably sabotaging an economic and developmental prospects. Some of us do speak from history. There is a bitter irony that the illegitimate apartheid regime protected Eskom from sabotage, but what should have been a morally legitimate and trustworthy government in the form of the ANC committed treachery of such treasonous proportions with Eskom.

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Today the generation and supply of electricity is neither reliable, nor adequate, nor cheap. It is the governing party that is responsible for our de-industrialisation. Many would say that Eskom represents our single biggest ongoing risk as a nation. However, as the Cope, we say the biggest risk is not Eskom but the current governing party. It is the ANC that conspired and oversaw the defiling and plunder, and the collapse of Eskom. It is the ANC itself that profiteered immorally through chancellor house. And, it is clear that the ANC and its alliance partners are so compromised, factionalised and split – caught in their own web of greed and corrupt interests – that it is paralysed – unable to put together a coherent and viable plan to save Eskom.

The CHIEF WHIP OF THE MAJORITY PARTY: Is the hon member ready to take a question?

The DEPUTY SPEAKER: Are you ready to take a question?

Mr W M MADISHA: Yes.

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The CHIEF WHIP OF THE MAJORITY PARTY: What should we do when you apply to come back to the ANC? [Laughter.]

Mr W M MADISHA: That is a question that does not need any answer at all. [Laughter.] It is the ANC that betrayed the trust placed in it and broke Eskom, broke our education system, broke our health care system, broke our economy, broke our fiscus, our systems of governance, our cohesion as a nation, our hopes and aspirations and our future.

The DEPUTY SPEAKER: Hon Madisha, I am afraid to give you the bad news as you see the clock is red. Look at the clock, your time has expired, Sir.

Mr K J MILEHAM: Deputy Speaker, even when there isn't load shedding, many of our citizens face dark, cold nights without hot water or cooked food. It's not because they haven't paid their bills or because there are power outages. It's because their local municipality has racked up debt to Eskom that they are unable to service.

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The worst offender is Maluti-a-Phofung Local Municipality, which owes in excess of R2,8 billion to Eskom. The municipality is unlikely to ever be able to settle its bill, as the interest far exceeds the revenue it generates each month. Others, like Emalahleni, Matjhabeng and Thaba Chweu Local Municipalities, are also in dire straits and owe hundreds of millions of rand.

At the end of March 2014, total municipal debt to Eskom was R2,6 billion. By the end of March 2017, it had increased to R13,6 billion, and by September 2018, it had reached a staggering R17 billion. Soweto debt, which is separate from municipal debt, as it is a direct Eskom supply area, also rose to R17 billion during the same period. Combined, this debt is now increasing at a billion rand a month.

This is not something that has crept up on us. The DA has been warning of this financial crisis since 2014. At that time, Minister Gordhan assured us that an interministerial task team would deal with it. This is the same task team that the President and the Finance Minister announced over the past few days, as if it were

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something new. Well, here we are, five years later, and the situation is far, far worse. It is now a crisis - and solutions from that interministerial task team seem to be missing in action.

Minister Radebe's announcement at the Africa Energy Indaba that municipalities need to become more self-sufficient with regard to the production of electricity is to be welcomed. In fact, it is a key platform of our Private Member's Bill on cheaper electricity, which the hon Mazzone tabled earlier this year.

The key issue, however, which Minister Radebe has failed to address, is the ability of municipalities to manage this process. Most South African municipalities don't have the capacity to install, maintain and accurately read their customer's electricity meters, let alone ensure the accurate billing of consumption. In our proposals, municipalities must have the financial and technical capacity before they are permitted to generate or manage their own electricity supply.

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A huge part of Eskom's troubles arise from the money they are owed. So, how can we fix it? The first thing that needs to happen is that there must be an assessment of which municipalities are in a position to, firstly, pay Eskom what they owe, and secondly, manage, finance, and control their own electricity supply.

Then, we need to clean up municipal financial management and, more specifically, municipal billing. We can do this by deploying the right experts - auditors, accountants, and managers with integrity - to help municipalities get their systems sorted out and get accurate bills sent to customers. We need to ensure that they collect all the revenue that they are entitled to and that their budgets are fully funded and cost-effective.

We need to make sure that they have control of all the electricity supply in the areas of their jurisdiction. So, the City of Johannesburg, for example, would take over areas like Soweto and Sandton, both of which are directly supplied and billed by Eskom. Not only will this give the municipality credit control over those areas, but it will also increase revenue to the municipality -

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because municipalities mark up the electricity they purchase.

Lastly, we need to address the cost of electricity.

Twenty-five years ago, this country prided itself on having the cheapest electricity in the world. Now, we are pushing to become the most expensive. It is unconscionable that Eskom has increased electricity tariffs by 356% over the past 10 years. It is reprehensible that we pay significantly more for electricity produced by Medupi and Khusile than we would for solar- or wind-generated electricity purchased during the Round 4 independent power producers, IPP, bidding.

By now, it should be obvious: government is failing to provide basic services for its residents. This electricity crisis can be laid firmly at the feet of a corrupt and incompetent ANC. The various Ministers of the Departments of Co-operative Governance and Traditional Affairs and of Public Enterprises, and our President, Cyril Ramaphosa, from the time when he was Deputy President until now, have failed dismally to address the challenges in Eskom and our municipalities.

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Where the DA governs, we are miles ahead in providing energy security for our citizens. More than eight out of 10 municipalities in the Western Cape already have laws in place to allow for independent electricity generation, and many of them are ready to sell electricity back to the grid.

Where we govern, we govern better. So, on 8 May, vote to keep the lights on. Take back the power! Vote DA!

[Applause.]

Ms D Z RANTHO: Chairperson and the House, at large, good afternoon. While I was listening to *The Home Run* show, anchored by veteran journalist, Ernest Pillay, on SAFM radio yesterday afternoon, a certain gentleman called in and said something simple, yet very profound.

This caller said that, in times of crisis in state institutions, we must allow those vested with executive authority, the President and the Cabinet, to take tough decisions. As citizens, we can then judge them on the correctness, or otherwise, of their decisions.

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*IsiXhosa:*

Kutsho umntu ongumhlali. Nithini nina malungu ale Ndlu?

*English:*

He said he was happy that the Minister of Finance, in his augural Budget Speech, took responsibility for setting out policy measures to lead our country out of the difficult economic state of affairs.

*IsiXhosa:*

Kuyafuneka bantu baseMzantsi Afrika ukuba khe sime okomzuzwana sizikise ukucinga. Kwiinyanga ezintathu ezidlulileyo ndandime kweli qonga...

*English:*

... to be precise on the 29 November 2018...

*IsiXhosa:*

... kulo nyaka uphelelileyo, ndisenza ingxelo yekomiti yethu yophando kwizinto ezingalunga kwa-Eskom. Sasikunye naba bantu ngethuba sisenza loo ngxelo; sivuma sonke kwaye sithetha ngazwinye, kodwa namhlanje bayasijikela. Ngumthetho wabo ke, bantu baseMzantsi Afrika, kuba balala

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bethetha le kuse bethetha leya. Namhlanje bayavumelana nathi kodwa ngomso abasathethi loo nto. Bantu bakuthi, balumkeleni abantu abangaqinisekanga ngezinto abazithethayo. Abaqinisekanga ngale nto bayithethayo kodwa thina siyi-ANC siqinisekile ngento esifuna ukuyenza kwaye siqinisekile ukuba urhwaphilizo lona siza kululwa silusiphule neengcambo zalo apho lukhona. Urhwaphilizo siza kululwa nokuba lwenziwa ngubani na njengokuba sesiqalile. Sesiqalisile ukucoca kwiSebe lezamaShishini kaRhulumente, ngokuba siye ku-Eskom, South African Forestry Company Limited, Safcol nakuDenel. Onke la mashishini aphantsi kweSebe lezamaShishini kaRhulumente sesiqalisile ukuwakhucula, ngoku yintoni kanye kanye eniyifunayo?

*English:*

Mr M WATERS: Chairperson, on a point of order: Is it parliamentary for the hon member to scream?

[Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Take your seat, hon member. Proceed, hon Rantho.

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Ms D Z RANTHO: Today, perhaps motivated by the desire to capture the attention of voters...

*IsiXhosa:*

... bantu beDA, abantu abavotayo ayingobantu abalahlekelwe zingqondo. Abona bantu banengqondo apha eMzantsi Afrika ngabavoti kwaye banijongile. Besime apha kunye kodwa ngoku loo moya wobunye umkile kuni.

*English:*

In our inquiry report, we urged the shareholder and board of directors to take decisive action to clean up Eskom and improve its financial position. We also named a number of individuals who had been involved in the state capture project and asked the Zondo Commission to investigate further. The Zondo Commission is still in progress and they are still investigating the issues of Eskom.

*IsiXhosa:*

Andinazi ngenyaniso emsulwa ukuba nifuna ntoni na.

*English:*

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We are grateful to the Commission. It is doing very well.

Let me also remind South Africans that there is a man called Matshela Koko ... [Interjections.] ... a loyal servant, perhaps, of the Guptas. [Interjections.] Let me remind South Africans that Koko was caught lying, twice, on national television. Firstly, he denied that he signed a document authorising the prepayment agreement of almost R600 million to Gupta-owned Tegeta. Secondly, he claimed that he was unaware that his stepdaughter's company had scored a contract worth R1 billion at Eskom.

Today, the same Koko is very outspoken on Twitter, projecting himself as an expert on Eskom matters. Even worse, Koko, who is possibly a criminal, has been given a platform - even by our radio stations - to rubbish the current leadership of Eskom, which is doing so well to clean up the entity. This would be a very good joke, were circumstances not tragic.

Let me emphasise this point: It is the role and duty of the Minister of Public Enterprises, as the shareholder representative, to oversee the boards and management of

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state-owned companies, SOCs, in the best interests of our country. If the Minister fails to account frankly and honestly to Parliament about the state of Eskom and its recovery plans, the committee will judge him harshly, as we have done with some of his predecessors.

Our role, as Parliament, is to exercise effective oversight over the executive in terms of our constitutional and democratic mandate. As the President and the Finance Minister have said, there is no doubt that drastic measures need to be taken to set Eskom and other state-owned enterprises, SOEs, on a new and sustainable trajectory.

*IsiXhosa:*

Siyayazi into esiyenzayo kwaye siqinisekile ngayo.

*English:*

We therefore call on all our business people, lenders, organised workers, and communities to be part of a constructive, national debate to find lasting solutions to the issue of Eskom. We call on the Minister and government to ensure that our people, particularly the

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working class and the poor, will benefit from the reconfiguration of state-owned companies.

*IsiXhosa:*

Singumbutho weSizwe, sifuna ukukhumbuza uluntu ukuba sithi abantu ababekhokela kuphando lwemiba ka-Eskom kwaye sasisebenzisana noogxa bethu beminye imibutho, siyeke abasiphikayo namhlanje. Sicela imibutho yabasebenzi isondelele kufutshane kwiNdlu yoWiso-mthetho yeSizwe ukuze sikwazi ukushukuxa le miba idla umzi.

Sicela urhulumente naye asondelele kufutshane kubahlali nabasebenzi ukuze kuboniswane side sifumane isisombululo kule ngxubkaxaka. Ukwenza izigrogriso nokuthukana emoyeni akusayi kusinceda ndawo. Urhulumente wethu uxhasa inkqubo yokuvelisa amandla ombane ngobuchule nobuchwephesha bale mihla. Obu buchule busenza sikwazi ukusindleka uluntu ngeenkonzo zombane ococekileyo. Eli nyathelo lenza ukuba ikamva labantwana bethu liqaqambe kwaye sisatsho nanamhlanje ukuba awukho omnye umbutho omawuvotelwe ngaphandle kwe-ANC. Yi-ANC yodwa ephilayo.

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Mr M P GALO: Madam House Chair, this debate should have taken place as early as 2013, when the construction of Medupi and Kusile power stations were virtually cumbersome.

We should have the raised alarm when we were warned by *Finance24* that the preferential tariffs for the two BHP Billiton smelters, at Hillside in Richards Bay and Mozal in Maputo, enabled the two lossmaking smelters to be sustained while the rest of the country's consumers, both households and industries paid higher prices as far as electricity is concerned.

The Standing Committee on Public Accounts, Scopa, should have called Mr Ben Ngubane when Eskom was subsidising Optimum Coal at a loss. Mr Zola Tsotsi, former Eskom Chairman should have raised the alarm when politicians were meddling in Eskom's affairs.

House Chair, Eskom's problems are self-inflicted. Our country's growth is depended on the reliable, clean and efficient energy security. Eskom has to be unbundled. It has a huge responsibility that cannot be left to

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politicians alone. We need to lower the electricity costs and improve the electricity supply.

This is possibly feasible in an environment where competition in the generation and transmission of electricity is allowed.

House Chair, we are also disenchanted by the attitude of the trade unions in shaping the debate about the unbundling of Eskom. They tend to be oppositionists in this regard. This kneejerk reaction is unscientific, ill-informed and merely pedestrian.

We hope that the current board will scale up the process of maintaining the plants at the power utility including the colliers and power stations. Thank you very much, Madam House Chair.

Mr M A PLOUAMMA: Hon Chair, hon members, those who believe that the ANC can save Eskom, they suffer from self-hate. Eskom is like a bribery machine run by the ANC deployees. Eskom crisis is an ANC-made disaster. The

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morally bankrupt ANC is clueless on how to solve Eskom's crisis.

Hon members, hon Rantho came here and said Matsela Koko is a criminal and that he was working for the Guptas. She forgot to say to the Guptas were also working for Mr President Zuma. [Applause.]

Hon members, the question we need to ask ourselves is: Why Brian Molefe is not in jail? Why Matsela Koko is still a free man? The answer is very simple; these people were stealing money on behalf of some ANC leaders or channelling it to the Guptas. Therefore, bailing out Eskom under these circumstances - under the leadership of the ANC is like rewarding criminals for a job well done.

Hon members, what's happening at Eskom is lack of governance and we must take away Eskom from the hands of the ANC. Failure to do so, load shedding will be the new normal. Therefore I want to say to all South Africans that 8th May is our salvation. We must vote out the ANC. We must defeat the enemy of the poor, which is the ANC.

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Hon members, even if you unbundle Eskom, the corrupt ANC will still deploy incapable people, who have no interest of our people at heart.

South Africa is fast becoming a failed state; thank you ANC. Unemployment will continue to rise due to economic stagnation; thank you to ANC. Our young people do not have opportunities; thank you to ANC.

I wish I was able to pray that load shedding can only go to Mr Zuma's house and those people of the ANC, who were part of the looting of Eskom.

Hon members, the ANC is busy writing the obituary of our country. We must stop them before we don't have a country. There is nothing that will get out of the ANC. It is a criminal replacing another. The opposition must prepare to take over after 8th May. [Applause.]

*Xitsonga:*

Nkul M S MALATSI: Ndza khensa Mutshamaxitulu.

*English:*

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The ANC likes to boast about its successes, but when it must own its mistakes, it is found wanting. Hon Ranto, everything that is wrong about Eskom is a result of the ANC. Not only did you appoint Matella Gogo, you protected him when wrongdoing was found out. So, you must disown him, even now.

To the gentleman from the Freedom Front Plus, the difference between the DA and the Freedom Front Plus is that we hit first, while you have to scramble over what to fight back with. Even if you were to fight back, what are you going to use? Some "boeremag-like" language to come and divide the country and Peter Marais.

[Interjections.] They resuscitate political trash from other organisations as their premier candidates. Move on; the country has moved on. [Applause.]

Once again, this House convenes for an urgent debate on the power-cut crisis that is crippling our country. While we gather here with the knowledge that our work will proceed uninterrupted because Parliament's generators might kick in, many South Africans don't enjoy that privilege. Many industries will be shut down, jobs will

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be lost and all of these can be traced back to the people sitting on the right.

While many of the Ministers in this House ignore the true effect of corruption and maladministration that has broken down Eskom, ordinary South Africans feel the pinch every day.

For Sarah Masemola from Winterfield, power cuts are life-threatening and she says: "It is difficult to cope with electricity because I need power to prepare food, because I take diabetes medication. I don't have a paraffin stove to fall back on, like other residents."

A print shop owner in Fordsburg, who can't afford a generator, says: "The power cuts are killing business for my shop. Without power, there are no profits." Even for those who can afford a generator, the impact of the power cuts to their business is still large. Themba Dlamini who owns a butchery in Pietermaritzburg said: "Running a generator during power cuts is expensive and doesn't provide enough energy to keep the lights on, to keep the

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fridges on and keep the meat bands saws working optimally.”

The impact of power cuts is even felt more in the public health sector. The Helen Joseph Hospital in Gauteng has been one of the hospitals hit the hardest by the recent power cuts. A generator supplying power to the emergency ward recently broke down during a power cut. You can imagine what happens when an emergency ward cannot operate.

While a functional generator or alternative energy sources at hospitals and clinics could be the difference between life and death, the sad reality is that many clinics in poor communities don't even have enough fuel reserves to use generators for long periods. These power cuts by the ANC government are killing our public health system.

One of the most devastating announcements during President Ramaphosa's state of the nation address was the announcement that Deputy President Mabuza, who is forever in absentia, will lead the task team that will deal with

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the Eskom crisis. Anyone who has followed the very colourful political career of Deputy President Mabuza knows that he is never one to rely on when you need to fix anything.

The Deputy President has a proven track record in government that shows he is the most incompetent senior public servant in the country.

The CHIEF WHIP OF THE MAJORITY PARTY: House Chair, our Rules say that if you have any matter to raise against a sitting member, you must do so through a substantive motion. Therefore, if this member has a negativity to raise about the Deputy President, he must bring it on, but through a substantive motion, not through all sorts of rubbish. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Malatsi, as we know, Rule 85(2) says that. Please refrain from that.

The CHIEF WHIP OF THE OPPOSITION: House Chairperson, on the same Rule and on the point of consistency, the hon Motsoaledi made allegations against hon Mazonne that she

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needs a psychiatrist and that was allowed to get away with. There was no ruling made, no withdrawal ...

[Interjections.] Now, the hon member is reflecting on the competence of somebody ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, why do you compare that with this one?

The CHIEF WHIP OF THE OPPOSITION: Because it is the same.

The HOUSE CHAIRPERSON (Ms M G Boroto): No, hon member.

The CHIEF WHIP OF THE OPPOSITION: It is a reflection on a member of the House.

The HOUSE CHAIRPERSON (Ms M G Boroto): I think the hon Deputy Speaker answered that.

The CHIEF WHIP OF THE OPPOSITION: No, he did not.

The HOUSE CHAIRPERSON (Ms M G Boroto): He did.

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The CHIEF WHIP OF THE OPPOSITION: He did not make a ruling and ran away from the House, as the Minister. They run away.

The CHIEF WHIP OF THE MAJORITY PARTY: Chair, let us correct it. The hon Motsoaledi never mentioned a name. He has mentioned a name of the Deputy President D D Mabuza.

The CHIEF WHIP OF THE OPPOSITION: House Chairperson, with respect, he said the previous speaker. There is only one previous speaker.

The HOUSE CHAIRPERSON (Ms M G Boroto): I did not allow you to speak. Can you take your seat and allow hon Malatsi to continue? I have made a ruling on this matter.

Mr M S MALATSI: The hon Deputy President is no Mr Fix-it. He is the ultimate Mr Destroyer of the public service. We don't trust him; his own colleagues don't trust him. So, he is not the right man to lead us out of the energy crisis.

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The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Malatsi, I am going to check with my advisors of the Table staff because you have been told that you cannot do that without a substantive motion. Continue. [Interjections.]

The CHIEF WHIP OF THE OPPOSITION: House Chairperson, on a point of order: There was no point of order taken. With respect, what the hon member is saying is fair political comment. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): I have the discretion to do that.

The CHIEF WHIP OF THE OPPOSITION: That is fair political comment.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Steenhuisen, take your seat!

The CHIEF WHIP OF THE OPPOSITION: It is unfair to be harassed ... [Interjections.]

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The HOUSE CHAIRPERSON (Ms M G Boroto): Continue, hon Malatsi. I have the right to do that.

The CHIEF WHIP OF THE OPPOSITION: House Chairperson, on a point of order: You may not switch off a member's microphone without following the procedure that is set, in terms of the Rule. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): You never got permission in the first place.

The CHIEF WHIP OF THE OPPOSITION: House Chairperson, you have a procedure to follow before you turn off microphones in this House.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Steenhuisen, I did not allow you to raise your point.

The CHIEF WHIP OF THE OPPOSITION: You cannot expect us to follow the Rules, if you don't follow the Rules yourself.

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The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Steenhuisen, I never gave you permission to speak. So, I am going to disregard everything you are saying. [Interjections.]

Mr M S MALATSI: House Chairperson, while some parties in this House talk about hypothetical solutions, masquerading as superior logic, we have concrete, workable solutions to ensure Eskom's sustainability. [Interjections.] These include changing Eskom's coal procurement policy immediately to allow Eskom to procure coal from any credible source; introducing independent power producers to reaffirm Eskom's engineering and maintenance employees as an essential service, so that they cannot enter into strike action; introducing a drastic salary restructuring of Eskom's executives; and implore municipalities to embark on a "name and shame" campaign of the main offenders that are not paying their electricity bills.

While talking about this, hon Mnganga-Gcabashe, it is all well and nice to encourage members of the public to pay their electricity bills, but equally, do the same to your ANC colleagues in Midvaal, the City of Cape Town, in the

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City of Tshwane who have outstanding municipal bills and are contributing to the municipal debt that goes unpaid. [Applause.]

So, the South Africans watching at home, every power cut you experience is a reminder that the ANC is killing the lights. Therefore, a vote for the ANC is a vote for more power cuts. We are in this crisis because the ANC has allowed Eskom's debt to grow to unaffordable levels. We are in this crisis because of executive instability at Eskom, evident in the appointment six CEOs over a timeframe of 10 years. Hon Ranto, again, it was the ANC that appointed these CEOs, so you must own up to everything that has happened in there. We are in this crisis because the ANC government has failed to complete both Kusile Power Station and Medupi Power Station on time.

So, South Africans, use your vote to cut the ANC's power and vote for a government that has credible solutions to solve the country's power crisis. Hon Jackson Mthembu, that party is the DA! [Applause.]

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THE MINISTER OF PUBLIC ENTERPRISES: Hon Chairperson, hon members and members of the public that have interest in this debate. This debate is titled *Matters of Public National Importance* and I imagine that the speakers from all the political parties are invited in this debate and we thank the DA for taking the initiative in this regard, because at least we can demonstrate what we are doing as country and as a government at this point in time, but what the public expects here, is for speakers from the political parties to offer concrete solutions to what are concrete problems. Instead what we have is either a repetition of what we already said as government in a public domain and that only by the last speaker Mr M S MALATSI.

Secondly there is magic one called privatisation, which is, if you privatised you will solve all the problems that we actually have. Let's compare that to the real answers that the public wants, which is, firstly can we demonstrate that we realise that electricity supply is central to our country's economy, central to our country's societal welfare and central to development in our country, therefore it should be a matter of national

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interest where we don't end up squabbling in front of the public, but engage in meaningful debate about what the alternative solutions are to the problems that we confronted with.

We are prepared to listen to what the alternative might actually be. So, can we be raise the bar in our debates to one where we put national interest where first and provide answers to the public an even demonstrate to the public that we are capable notwithstanding elections on 8 May, to only use this platform to say vote me and hold a figurative banner in front of South African public.

Let's then come back to what the President said during State of the Nation Address, firstly we acknowledge that we have a challenge and a crisis as far as Eskom is concerned, secondly we have the beginnings of the solution in terms of restructuring Eskom into the three entities, generation, transmission and distribution.

Thirdly the President announced that The Minister of Finance will give further insight into what government can do in respect of finances of Eskom. Yesterday you had answer to that particular point, R33 billion a year, for

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the next ten years and there other mechanisms that are still being considered and once they are ready and prepared we will ensure that those are announced.

Fourthly he also announced a committee of ministers that met this morning, to workout what is it that we do on an urgent basis in addition to what Eskom is doing itself and what we doing as a Department. The first substantial point arising out the State of the Nation Address debate is firstly, nobody mentions here the energy transition that is taking place in the world, how are getting a different mix of energy solutions that are developing, educating the South African public and workers at Eskom, how is this transition going to impact upon us over the next 10-20 years.

Moving some fossil fuel to gas, new bill and to other proposition nuclear and other technologies that might still be developed. Secondly, again in contextual terms, if the energy industries is going through massive structural changes, in fact for the last 20 years or so. Those structural changes are moving away from vertical integrated entity to separation of these entities in

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terms of different business division and that the integrated model is no longer the model of the future.

Thirdly, that increasingly, renewable energy is going to play an important role in the energy mix, but renewable energy is at this point in time cannot provide the best load that is required, which we either get from coal, nuclear or gas to some extent, and hopefully the gas discoveries South Africa has made in the recent past will fruition in the next five to eight years and begin to a difference in terms of the bid energy cost and the energy mix that we will have in our country.

The fourth point is that there is a concept of just transition, not a single speaker, talked about what the just transition mean. It means that you don't cut off coal immediately that you are not saying to coal mining industry that employs hundreds of thousands of people that you have no future. Secondly we don't say to people working in coal power stations, who are waiting hear the answer from this House, what's our future and the future is not one which going to say to them, you have no jobs tomorrow morning.

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The third is that there is this transition from current sources of energy to future source of energy, and how that impacts upon both South Africans, as far as workers are concerned, but others as well. There are many other elements to the just transition that perhaps we ourselves need to educate ourselves and perhaps that might happen in the next administration.

The next point is there is; if you like a turnaround plan as far as Eskom itself is concerned. The first element is what the President has announced and that is the creation of the three entities and in the first instance, which is articulated very clearly in this annexure to the budget review that was published yesterday and that is the creation of the transmission entity, so that we now begin the separation process of the three entities that will constitute Eskom of the future, of course in that process we have to ensure that as we progress we consult labour and we consult as I will point out in the moment, all important stakeholders that have some connection with Eskom in one way or the other.

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As far as finances of Eskom is concerned, the first answer is the R23 billion a year, that Minister of Finance has set aside, the second answer depends upon National Energy Regulator of South Africa, NERSA and the manners in which it manages and responds to the Multi Year Price Determination, MYPD application of Eskom for the 15% increase, so anything between inflation and that number is the number that Eskom will have to live with, work with and take into account.

The third element is cut cost within Eskom, in particular the wastage that might go on and is going on in the organisation, whether it is in relation to coal and I will come back to that point, we had recent meeting last Friday with the coal mining community and Chief Executive Officers, CEOs of various companies that own coal mines, to understanding both of their issues, but also for them to begin to understand the issues that we have.

Second, the cost of maintenance which is on one hand extravagant if you like but on the other hand, doesn't give us the quality of maintenance that is required, as result of which we have the continuous unanticipated

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break downs that we have. The third is the question of capital investment, that is so currently been made in Medupe and Kusile, which is a matter that I will explain in the moment, that we going to be looked at intensely to ensure that we getting not withstanding the delay that has happened, notwithstanding the tripling of the cost that we had, we still want to derive best possible financial benefits from this particular area.

The next area is the interest on General Agreement on Tariffs and Trade, GATT and the R23 billion the Minister of Finance set aside yesterday, begins to make a contribution, as the Chairperson of the Board of Eskom said, to cutting down Eskom's burden as far as payment for the debt is concerned and begins to help them to generate or use some the cash as a result of this assistance they are getting from government, for better purposes within the organisation and its transition through the structural changes that have to take place as well.

The other cost cutting area importantly is the salary Bill, which has increased five times in the last 10 years

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and in particular the bloated management layers, and here again, we have started engagements both as a political organisation, but more importantly as government with the labour constituency and only at the beginning of these processes, the Eskom management must now continue with the process to say how do we best manage this. How do we prepare workers at Eskom, not only for the kind of future they have within the coal mines and coal power station, but what is their future in as far as renewable is concerned. What are the new jobs that they can be retrenched for, what are the new technologies that are developing in the energy industry and how can they best be prepared for that future as well.

If you recall that was the area of cost cutting and in particular the kind of wastage that still goes on, within the Eskom environment because of the monopoly culture that they have within the organisation at this point in time. There will be other majors as this as this annexure suggests to manage the question of R419 billion of debt, there are technical efforts being made at the moment to formulate a range of responses and answers on this particular question, once we are ready and run through

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cabinet processes, we will inform both this House, if still in session and the public about this question.

We have covered the restructuring of Eskom, covered the financial aspect of Eskom and now we come to operational part of Eskom. Many of the outages we have been experiencing, is as a result of inadequate attention, in the operational area. It is in this context that last Friday I met with the Engineering Council of South Africa, which is a statutory body, which has some 40 odd volunteer associations affiliated to it, covering all different disciplines in the engineering profession from several engineering, electrical engineering, marine engineering and variety of others as well.

Some 25 representatives attended this meeting and they all came there on a *Thuma Mina* basis. We would like to help, understand that this is a national emergency and would like to contribute the services of our members on a *Thuma Mina* basis; you should applaud this effort and the offers that they have made.

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We hope in the next 24 hours, the recommendations that they have made including recommendations and offers from academic institutions, to actually constitute an operational review team. This is a group of engineers who will go to some if not all our power stations and independently look at what kind of maintenance has been done, what is the operational discipline within each of the power stations, are the engineering disciplines being followed in the right kind of way, do we have kind of experienced of people in this environment.

The task team that the President set up said that in many of power stations, the average age of engineers is about 35 years. What we now need to do is to merge the enthusiasm and the power of youth if you like with experience, so that we get the right level of engineering skills of each our power stations.

Let then come back to Eskom itself. Eskom over the past few months has developed a comprehensive turnaround plan that will now include many of the elements that I talked about and that will then result in the creation of the turnaround office. The head of the turnaround office will

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be the kind of person that the Minister of Finance referred to earlier on and will be accountable both to the Board and to the shareholders well. This time we want to ensure that there is a discipline approach to achieve the milestones that we set out in the turnaround plan and effective implementation takes place.

As of the problems that we had in December last year, Eskom developed a nine point generation plan. That generation plan unfortunately, didn't meet with the 100% success that we had expected, so we concede to the country that Eskom got that wrong, particularly in relation to the seven units that had difficulties a few years ago. However, for this week it will appear, Eskom has the combination of availability of the coal powered units, water pump storage mechanisms and the diesel power that is available from what they call open cycle gas turbines Open Cycle Gas Tubines, OCGTs. That combination is working ideally at the moment and as result we have no load shedding for the last few days, and hope that will continue into the future, if there are no surprises.

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What the country might not be aware of is that 18 or so power stations that Eskom manages at the moment; there are five or six of them that over 40 years in age. They are old power stations; some of them are even 55 years of age. Hendrina Power Station for example, of the 10 units that were built in Hendrina, three of those units have already been shut down. Old age affects these power stations as well; it begins to affect the performance of these power stations and we have to deal with these challenges in addition.

The restructuring plan will also enable the Eskom professionals to focus their attention on each of those three areas; generation, transmission and distribution in a more energetic and sharper way, then we will be able to do after this point in time. This is one of the motivations for the restructuring, which is explained again in this annexure to the budget review. The Board of Eskom has few vacancies at the moment and within the next month or so we will strengthen the Board with more engineers who are then going to be able to compliment the current skills set that Board has, and perhaps one or two

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people who actually have the experience of turning around big institutions.

Eskom is probably the biggest businesses in this country, and I don't think all of us have a sufficient appreciation of that. Turning that around or even managing that institution is a massive exercise that we have to account of as we go forward and in deciding the kind of combination of management skills that we need to put together as well. The cost cutting exercise is also part of the Eskom plan in the next two or three years, they hope to reach a point where R20 billion a year, will be part of the savings and that contribution towards cutting of cost as well.

I have mentioned the issue of rationalising the management terms in particular, but I think all the parties in this House, should be unanimous in sending a message to honest hard working engineers, other professional and staff of Eskom at all levels, that we have faith in their ability to keep the lights on, notwithstanding the difficulties that they have up to this point in time, that they should not be absorbed in

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the kind of fake news that is being put around by previous managers as hon D Z RANTHO mentioned of Eskom. Keep the heads away from the politics of the country and focus on the business of Eskom, make sure that we follow the engineering and other disciplines that Eskom requires and build up the confidence of South African public, in what is a great institution, whether you are a black engineer or white engineer, young engineer or an old engineer, all of you in particular the new generation of engineers coming up particularly from black communities, have a powerful contribution to make.

In order to make sure that we win over and explain ourselves to, but also get consensus among stakeholder, we had two meetings with labour as I indicated at the beginning of the process and I must concede, on the 5th of March the Minister of Labour is arranging for us to brief The National Economic Development and Labour Council, Nedlac on the Eskom matters, so that all constituency of Nedlac are also having an understanding of what the technical issues are, but also more importantly what our plan are.

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Last Friday as I mentioned we met CEOs of the mining companies and number of recommendations have emerged from there. One of the things that think this House should be very critical of, is some the disruptions that are going on in the Mpumalanga area in respect of delivery of coal to mines. That is part of the sabotage process that I think we should: (a) have state security operators investigating on the one hand but other hand those who are involved in this must actually understand that we disapprove of the kind of disruptive tactics that they have been using.

I also mentioned the meeting with the engineering council and we will keep that engagement going and there are lot of resources in this country that we will utilise in order to ensure that we get the best possible engineers to assist Eskom to get out of some the difficulties that it finds itself in. Lastly Amid a meeting that we still need to schedule, is amongst the original equipment manufacturers. Those are the supply, the boilers, the tubes, the electronic equipment and monitoring instrumentation that Eskom has.

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Many of us including hon N PAULSEN, have bought into for one reason or another on the narrative about who is responsible for the restructuring of Eskom and what are the motivation for its restructuring and it is fascinating how the same narrative appears in different places, but at the same about its intent on privatisation, after the President made it very clear that the intent is to create an Eskom that can supply energy to this country, is not privatise it. Let us absolutely be clear on that, nor is it about creating a deliberate situation where we are to engage in job losses for the sake of job losses.

We all have a responsibility to ensure that the 48 000 people that work Eskom, are assured that their working future is guaranteed in some kind of way, that they will be prepared with the assistance of the state and private sector, to have a future in the energy industry, which itself be changing as go into the future. Let us not delude ourselves as hon D Z RANTHO Chair of the Public Enterprises Portfolio Committee, and Ms L MNGANGA-GXABASHE member of the Public Enterprises Portfolio Committee said that corruption, state capture and its

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after effects are still very much with us. That remains if you like a cancer that still needs to be removed.

Hon N W A MAZZONE was important part of the portfolio committee's investigation into Eskom. All of us as political parties at that time concurred that we need to fight state capture, expose it and its good that our reports now are going to find the way to the Zondo Commission that can put all of the other information together and reinforce what we have already found about who are the guilty parties as far as this is concerned.

Whether it is called coal purchasing or diesel purchasing, the maintenance constructs, all of those things need to be looked at. We also want to support Corruption Watch in its application to the High Court, that some of the Directors of Eskom must be declared as delinquent directors of Eskom. In the case of Transnet, we must also have civil claims against both members of Board and management, who have caused monetary losses as far as Transnet is concerned, and ideally many of them have to land up in jail rather sitting comfortable at home at this point in time.

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Let us warn the country, that there is a deliberate fight back at the moment, orchestrated on quiet a wide scale, fake news and orchestrated campaign in social media, are all part of an effort to make sure that people can blast the South African public about who was guilty about for some of the problems Eskom finds itself in today. The problem is, it is very easy to say the ANC, but really issue is, if all believe that those individuals who are guilty must find themselves in orange uniform and stop just saying ANC, just for election purposes.

We do not want to go to Tshwane, Johannesburg and the deals that have been made there and who should end up in jail as far as those deals are concerned. One day that will come and bite as far as some of the political parties are concerned. In conclusion, it quite clear, the ANC might have had problems in the past but the ANC is going solve those problems, so vote the ANC on 8 May. Thank you.

The House adjourned at 16:39.