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PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 15:00.

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

ANNOUNCEMENTS

The DEPUTY SPEAKER: Order hon members.

Hon members can we please have order so that we can proceed.

Hon members, you will recall that during questions to Ministers in the Governance Cluster, Question 178 to the Minister in the Presidency stood over in terms of Rule 144(1). This question will be taken out of the cluster today in terms of Rule 138(5) consequently, an additional 30 minutes will be added to today's Question Time for this purpose as provided for in terms of Rule 138(5) (b).

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Hon members, this is very important because you will be asking this question if we proceed past six o'clock this evening. That is the reason that is the reason that I have just given. because the question has just been taken out of a cluster and the 30 minutes will be added after we have concluded at six o'clock.

We will now proceed to the questions to the Minister's in Cluster 4: Economics.

The only item on today's Order Paper is questions addressed to the Minister's in Cluster 4. There are four supplementary questions on each question. Parties have given an indication of which question their members wish to pose a supplementary question on. An adequate notice was given to parties for this purpose. This is done to facilitate participation of members who are connecting to the sitting through the virtual platform. The members who will pose supplementary questions will be recognised by the presiding officer.

In allocating opportunity for supplementary questions, the principle of fairness among others has been applied. If a member who is supposed to ask a supplementary question through the virtual platform is unable to do so due to technological

difficulties, the party Whip on duty will be allowed to ask the question on behalf of their member.

When all the supplementary questions have been answered by the executive, we will then proceed to the next question on the Order Paper. The first question has been asked by the hon Makhubela to the Minister of Finance. The question is about measures in place to ensure that the financial sector support South Africa's productive capabilities of the state to drive inclusive economic growth.

I have been informed that Dr Masondo the Deputy Minister of Finance will be answering this question on behalf of the Minister. The hon Deputy Minister.

QUESTIONS - CLUSTER 4: ECONOMICS

Question 213:

The DEPUTY MINISTER OF FINANCE (Dr D Masondo): Good afternoon, hon Deputy Speaker and hon members. The financial sector is a key component of a modern economy.

The DEPUTY SPEAKER: Hon Deputy Minister, could you just please hold for a minute.

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I have a point of order from the floor from the hon Manyi.

Mr M MANYI: Hon Deputy Speaker, my point of order is: I think we agreed last time that there will be some executive summary of the question itself so that people that respond to questions do not just staunch into a response without any base to what are they responding to.

So, we are requesting a quick summary of what was the original question. Thank you.

The DEPUTY SPEAKER: Hon Manyi, I have in fact read that. That is how I started. I said what the question was about.

Hon members, that is why I asked that we please remain quiet so that we do listen to what is being said and that we do not waste unnecessary time.

My apologies hon Deputy Minister. Please proceed.

The DEPUTY MINISTER OF FINANCE (Dr D Masondo): Hon Deputy Speaker, thanks once more and good afternoon hon members.

The financial sector is a key component of a modern economy like South Africa. It plays a key role in economic growth and development. Not only does the financial sector industry on its own directly contribute to our gross domestic product, GDP, but it also plays a pivotal role in economic development by mobilising and pulling funds for investment projects facilitating the exchange of goods and services, helping in allocating skills resources and to diversify risks and facilitating as well as encouraging inflow of foreign capital.

We should view the financial sector as a lubricant required for the smooth functioning of other sectors that is manufacturing, agriculture and mining.

The government itself also needs some financial services to carry out its functions. Therefore, there are positive mutually reinforcing dynamics from financial services to these other sectors. The growth that we see in the financial sector reflects growth in the demand of these services not a reflection of the financial sector crowding out any other sector.

The growth of the South African services sector is reflective of its dynamism, productivity and global competitiveness.

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Services now account for over 60% of the national output and are a major source of employment particularly in finance, retail and telecommunications industries. The sector has strong linkages to the productive sectors of the economy further boosting its direct impact on GDP and tax revenue.

The financial sector directly contributes to around 20% of the total tax collected through corporates and personal taxes in 2022-23. This is a valuable economic asset for an emerging economy like ours.

Notably, the financial sector enables the government to borrow resources to fund government programmes in local currency while many neighbouring countries must borrow in hard currencies like the United States, US, dollar. This means that their stalk of debt and affordability of debt are determined externally with no reference to domestic conditions.

Noting the strong linkages between services and productive sectors, several broad base initiatives are underway to support the economy including tax and on budget incentives.

[Time expired.]

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Ms L S MAKHUBELA: Hon Deputy Speaker and hon Deputy Minister, South Africa's Development Finance Institutions, DFIs relies on the market financing at commercial rates. Hon Deputy Minister that has its own constraints. Can you inform this House on the measures that National Treasury is looking into towards recapitalising these DFIs to enable access to stable, low cost and long-term funding for targeted sectors? Thank you.

The DEPUTY MINISTER OF FINANCE (Dr D Masondo): Hon Deputy Speaker and the hon Makhubela, I think we are indeed diversifying our source of capital because what informs our borrowing is to always find cheap money so that our debt service costs are reduced. Therefore, we however make sure that we borrow in rand dominated currencies basically borrowing in rand so that we hedge against the exchange risk associated with the movement of external currencies. We are also finding liability solutions to some of the DFIs that have had serious challenges in servicing their debt.

Two weeks ago, we have announced liability solution for the Land Bank, which will now enable the Land Bank to lend to farmers to support and boost our agriculture does supporting economic growth. Thank you, Deputy Speaker.

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Mrs W R ALEXANDER: Hon Deputy Minister, the government and financial sectors each play a critical role and have different needs in our economy. They need to work together with government setting rules and the banks often funding government through bonds. This teamwork is key for our growth. However, we struggle to attract investors lately both local and international businesses seem hesitant we are faced with slow growth, high unemployment, frequent recessions, political stability concerns and corruption scandals. Load shedding has scared of our investors too. We are also dealing with skills shortages, credit rating downgrades and a shaky rand.

Hon Deputy Minister, given these challenges how exactly do you plan to make South Africa an attractive place for both local and foreign investment again?

The DEPUTY MINISTER OF FINANCE (Dr D Masondo): Hon Deputy Speaker, thanks once more. One of the key things that we have been doing particularly since 2020 the Sixth Administration which is continuing in this Seventh Administration has been to make South Africa attractive to investors. Part of making South Africa attractive to investors is to reduce the costs of doing business in South Africa. It is for that reason that we have embarked on a number of reforms and a network industry

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which are aimed at reducing the cost of electricity, freight logistics, telecommunications and also enabling our companies to attract critical skills that we cannot find in the South African economy.

These reforms include liberalisation of the energy market in which we have allowed private sector itself to invest in energy generation. However, also from a tax point of view, we have reduced the tax liability from households and businesses that are interested in investing in renewable energy that is solar, etc.

Regarding freight logistics through Operation Vulindlela, we are working hard to make sure that the companies that settle here can transport goods in South Africa and to the rest of the world. Working on the Visa regime that should enable companies that want to attract or employ skills outside South Africa to bring those skills with ease in South Africa. Thank you, hon member, Deputy Speaker and hon members.

Mr W M THRING: Hon Deputy Minister, the ACDP understands that financialisation is a process whereby financial markets and financial institution elites gain greater influence over the economy, economic policy and economic outcomes approving

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profits primarily through the financial channels rather than through trade and commodity prices.

The ACDP supports an open market economy with the social conscience and a focus on the country's competitive advantages including its mining and national resources through beneficiation.

Now with our economy being highly concentrated this negatively impacts on our gini coefficient and to large extent exacerbates poverty, inequality and unemployment in South Africa.

Now hon Deputy Minister would financialisation affecting the gap between gross savings and gross capital formation which has widen since 1994: What are your structural economic interventions to close that gap including the gap between public and private gross capital formation? Thank you.

The DEPUTY MINISTER OF FINANCE (Dr D Masondo): Hon Deputy Speaker, I think the key task facing us in South Africa is how do we set incentives and structures that will enable the financial capital to flow into the real economy. I think that is the key issue that is facing South Africa today because the

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linkages between the financial sector and the productive sector can only be enhanced if we set the right incentives and structures to attract the capital flow into the real economy.

I think we are beginning to have some conversations with asset managers who manage pension funds and other savings in the economy on how we can work together to get funding towards some of the critical programmes some of which include infrastructure which has been identified as part and parcel of the priority for this government.

For instance, there is a programme between the Association of Savings and Investment SA, Asisa, that we are working with them on one programme just as an example on water in which we said get money into municipalities to fix our pipes that are leading to water loses because those pipes are old. We have agreed with them to say that look you can come in a manner that you invest into this infrastructure, and we guarantee that new returns would be realised by ring-fencing the revenue that would be generated to save water. Thank you very much.

[Time expired.]

Mr S S ZIBI: Madam Deputy Speaker and hon Deputy Speaker, every business exists in a municipality. Their disfunction is

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costing the economy and destroying jobs. Currently municipalities owe Eskom more than R75 billion. As you know many are poorly run and can no longer afford to make this obligation without compromising other services. Given the unpopularity of Eskom's revenue applications: Is there a plan to ensure that this debt is settled with Eskom without resorting to the unpopular electricity price increases? Thank you.

The DEPUTY MINISTER OF FINANCE (Dr D Masondo): Hon Deputy Speaker, I think there is an Eskom Municipal Debt Relief Support Programme for municipalities that owe Eskom. For we said as part and parcel of finding a liability solution for Eskom debt we said part of it the sovereign will take the debt owed to Eskom, but Eskom also need to be paid. We also said those municipalities that owe Eskom, need to meet certain conditions for them to have some debt relief. Part of the conditions include the installing prepaid meters for users of this electricity so that these municipalities can generate or recover the costs for providing electricity to households as well as businesses so that they do not repeat and fall into the debt situation they found themselves in. However, the most sustainable way of getting out of debt is for them to grow their local economies. Thank you.

Question 212:

The MINISTER OF EMPLOYMENT AND LABOUR: Hon Deputy Speaker, let me thank hon Salie for the question. Let me make this one critical point first as a point I will keep on repeating hon Deputy Speaker. The unemployment nature in our country is deep seated, systemic, structural and stubborn. So, when we look at the unemployment challenge in the country, it is always important to bear that in mind. Since the advent of democracy, the unemployment challenge has been one of the top priorities of government. As a result, labour laws were formulated, policies were crafted, programmes were implemented, and multiple strategies were employed in the previous administrations. What this Seventh Administration is doing is the continuation of that work. But the focus now is more on collaborations, partnerships, co-operation and networking. We see collaboration, partnership, co-operation and networking starting with the departments of government, different spheres of government, public entities and private sector.

Given the nature of the unemployment challenge that I have already characterized earlier, clearly this is not a matter of a single government department. The best that a line department can do is to co-ordinate the initiatives and interventions widely in the state and with private sector.

That is our strategic direction. Taking it closer to the policy strategies of the department, a draft National Employment Policy is due for public consultation.

Additionally, the department is in advanced stages of processing the National Labor Migration Policy and the Employment Services Amendment Bill that will soon be coming to Parliament.

Subsection 2 of the question, the target to reduce unemployment levels in the next five years is a government wide programme and our interventions, like those of other departments, will contribute to that reduction. The department through its entity, the Unemployment Insurance Fund, UIF, has established in terms of section 5(d) of the Unemployment Insurance Act, Labour Activation Programme, Lap. Labour Activation Programme was established to reskill and reintegrate UIF beneficiaries who had lost their work with relevant skills responsive to the labour market needs.

A key requirement in the implementation of Lap is for partners to confirm the absorption of the participants into jobs subsequent to the completion of the programme. Labour Activation Programme will therefore cover various sectors of the economy, which include agriculture, construction,

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manufacturing, energy, education and training, legal, hospitality, wholesale and retail, security services, insurance, information technology, engineering, transport, cleaning and hygiene, food and beverages. I thank you, honour.

Adv S SALIE: Hon Minister, I duly note that these types of promises have been made very often and the strategies, etcetera. But what I have noted is that too often we do not have set timelines on how we are going to implement. What I also would like to know is which sectors of the industries have been approached to assist in this regard? I thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: Thank you, Deputy Speaker, I think I have mentioned that we are targeting to reduce unemployment in the next five years and I also listed the sectors that will be working with. Thank you, Deputy speaker.

Mrs H DENNER: Hon Minister, you mentioned that your department has plans to collaborate. Excuse me if I missed it, but I did not hear that you have plans to collaborate with other state departments. The reason why I am saying this is that we have seen that state departments have been working in silos for the past, how many years. Now youth unemployment rate for youth

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between the ages of 15 and 24 years is about 60%. Our education system has been producing youth who are unemployable. So, what I would like to know is, does your department's plans include working with the Department of Higher Education to produce employable youth? This is because your department's expanded mandate is that of employment creation and aside from producing employable youth, are you looking into plans with regards to taking hands with the Department of Higher Education to assist youth to create their own employment once they are done with school? Thank you, Deputy Speaker.

The MINISTER OF EMPLOYMENT AND LABOUR: Deputy Speaker I have said we are targeting the government departments, governments spheres and all other sectors or stakeholders in our communities and in our country. But of course, hon member, we are targeting education, basic education, higher education and, we are targeting working with the economic cluster departments in ensuring that we do this work. It is for that reason that even in the programme that we are doing under Lap, we are targeting to even help to employ assistant teachers because we are taking interest in the education system because it is the one that gives us what we want as we go to the labour market. We want skilled people that are educated at the

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foundation phase up to higher education and training. So, we are very interested and we will be working with the Departments of Basic Education and Higher Education.

Mr S N SWART: Deputy Speaker, the ACDP shares the concerns expressed about the skyrocketing unemployment rate, particularly amongst the youth. Now, one of the ways of alleviating the consequences of unemployment is the Unemployment Insurance Fund, UIF referred to, by the Minister in her response. Yet, the fund is in a disastrous state, with broken and dysfunctional online systems, nonpayment of benefits, service provider, court battles and a number of other challenges which have seemingly brought the fund to its knees.

Hon Minister, what steps will you be taking to stabilize the fund and to ensure payments to unemployed beneficiaries are made? And will you consider placing the fund under administration should the problems persist with the fund? Thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: Hon Deputy Speaker, I am not too sure about the knees that the UIF is on, but what I know is that there are challenges, but also there is work that

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you are doing. We continue to pay our contributors. The UIF is hard at work. Yes, there are serious challenges where sometimes those challenges are beyond our control when service providers decide to take us or UIF to court but we defend ourselves.

As we speak now, we are working and we are having challenges but we have a clear a plan or programme to turn around the UIF in terms of being where we want it to be. As we speak, hon Deputy Speaker, we are paying claimants. We also want to repurpose the programmes that we are doing, like the Lap programme to ensure that they benefit the most of primarily the former contributors of the UIF. Thank you, very much.

Mr M A MAIMANE: Hon Minister, Minister, I agree with you that our unemployment levels are both historical and structural. Therefore, my question speaks to the fact that if Hendrick Verwoerd's vision was to ensure that townships become dormitories of unemployment. I think it can remain true today that many of our townships still remain places where too many young people are unemployed. I do not believe that we have done enough to use our procurement spend to stimulate the Township Economy in the, when was it envisioned.

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So, my question to you Minister, is whether or not are you willing to support a view that says, given that there are those townships, can we declare them special economic zones that help with tax incentives, manage regulation and ensure that we can increase the number of people who are working closer to home and ultimately achieving a job in every home? Thank you very much.

The MINISTER OF EMPLOYMENT AND LABOUR: Deputy Speaker, our President has said whatever we do on this Seventh Administration should be evidence based and be very scientific. So, we agree with the hon member of the importance of the Township Economy, Rural Economy and Informal Economy. It is for that reason that we are targeting the small businesses working with the Department of Small Business Development to help them to grow, to make sure that when they are facing serious challenges, we are coming into the space to come up with turnaround rescue plans and all what we do working with our UIF.

At the same time, we want to prioritize and we will be continuing to come to this Parliament, coming with the policy reforms that will prioritize small businesses, ring fence opportunities for Township Economy for your small businesses

or informal sector like your hawkers, so that we do not see our people not having the space to operate. Now our open-door policy has tended to be a disadvantage to the people of South Africa, particularly those that are emerging businesses. So, we cannot agree more. This is the area of focus, but not to say we want all of them to be special economic zones, but to be a target and a priority in terms of support, working with the cluster departments with which we are working. Thank you, Deputy Speaker.

Question 214:

IsiXhosa:

UMPHATHISWA WEZENGQESHO NEZEMISEBENZI: Sekela Somlomo, ...

English:

... the department has a mandate to monitor the progress made to transform the labour market through the Employment Equity Act of 1998. Section 21 of the Employment Equity Act of 1998 requires that designated employers submit annual Employment Equity, EE reports to the department reflecting the EE Progress made at each workplace.

These EE reports are submitted annually from 01 September until 15 January of the following year. Thereafter, as part of

their legal mandate, the Commission for Employment Equity, which is a statutory board established by Section 28 of the Employment Equity Act of 1998, EEA, is required to analyse the EE data submitted through the EE report and produce an annual EE report to the Minister of Employment and Labour in terms of section 33 of the EEA.

The EE annual reports published annually provide the EE status and the transformation pace of the labour market, as reported by designated employers in that particular EE reporting period.

Noteworthy and of relevance is that the latest 2023-24 EE Annual Report was published and released to the public on 24 June 2024, which is available on the department's website. This latest report highlights that over 26 years since the inception of the EEA, economic sectors including the financial sector in the labour market remain racialised and gendered, in particular at the four upper occupational levels. That is top management senior management, middle and junior management.

The hon member has asked about transformation status in the financial sector and the Commission for Employment Equity, CEE report indicates the following breakdown: Whites account for

58,8%, Africans, 18,8% coloureds 5,7%, Indians 12,5%.

Moreover, women only account for 29,4% of all the positions at the management level.

The breakdown for the senior management level shows the following picture: Whites occupy 45,4%, Africans 24,5%, coloureds 8,8% and Indians 16,9%, Once more women are less represented at only 42%. All of these positions are at senior management level.

It is critical to highlight that in order to assess compliance in relation to the equitable representation of the designated groups across each occupational level of the workplace, section 42 of the Employment Equity Act of 1998, EEA requires that one of the factors to be taken into account must be the demographics of the national and regional and provincial, economically active population.

The economically active population, EAP is collected by Statistics SA through Quarterly Labour Force Survey, which defines the EAP as persons between the ages 15 to 64 years who are either employed or unemployed but seeking employment. In this regard, the national EAP from Quarterly Labour Force

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Survey, QLFS Q3:2023 prescribed that Africans account for 80,7%, coloureds 9%, Indians 2,6% and whites 7,7% of the EAP.

Therefore, in relation to the financial sector, whites at 58,8% and Indians at 12,5% are overrepresented at top management levels in relation to their EAP. Again, at the senior management level, whites occupy 45,4% and Indians 16,9% of all positions at this level, which implies that these populations have surpassed their respective EAP.

In light of that, we are saying we want to ensure that in the economic sectors, including financial sector and the labour market, it must be clear that self-regulation by employers has not yielded positive results over the years. Hence, they need to move with speed to implement the current EE amendments contained in the Employment Equity Amendment Act, Act 4 of 2022, aimed at expediting the pace of transformation to create inclusive and diversified workplaces, as envisaged by the EEA. Thank you, Deputy Speaker.

Mr S M MAECO: Minister, what is the anticipated commencement date for Employment Equity Amendment Act of 2022 given its importance in in addressing historical imbalances in the workplace? Are there any identified hindrances or challenges

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that may affect the commencement of this act? Thank you, Madam Deputy Speaker.

The MINISTER OF EMPLOYMENT AND LABOUR: There are no anticipated challenges in the implementation. The department is still busy engaging on ensuring that we develop regulations that will guide us on how best we implement the Employment Equity Amendment Act of 2022. Thank you, Deputy Speaker.

Mr M P MOTUBATSE: Minister having actually given that that picture, it is very clear that there is urgency to move with the necessary speed. I think it will be correct that we start here by actually identifying how many companies in the financial sector have been found to be noncompliant with the Employment Equity Act of 1998 itself. What actions have been taken by the Minister against such companies. If not, why not?

The MINISTER OF EMPLOYMENT AND LABOUR: Deputy Speaker, may I be allowed to give statistics, but for now we are busy with reinforcing the capacity of the inspectorate because in majority of times we depend on the human resource capacity that we have to reach out to all the companies that we need to inspect in terms of their compliance. But we are going to be reinforcing that by appointing more than 20 000 interns to be

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able to access and be able to be available to all those places that we need to get to.

We are also strengthening our information and communications technology, ICT as we cannot only depend on the physical visits that normally can stand by our inspectors. We also need to have an ICT system that is able to help us to detect who are these that are not complying. But in terms of the statistics, if I'm allowed hon Deputy Speaker, may I offer the member with the statistics in terms of that.

Ms C N MKHONTO: Minister, as you are still embarking on the process of appointing the 20 000 interns as labour inspectors. For now, how many public institutions and private companies have complied with the affirmative action of the Employment Equity Act of 1998 since it was introduced? What compliance mechanisms have you put in place to ensure that these companies comply because women, young people and people living with disabilities still feel disadvantaged in the workplace? Thank you, Deputy Speaker.

The MINISTER OF EMPLOYMENT AND LABOUR: Deputy Speaker, in terms of the statistics, I don't have the statistics at hand now in terms of the compliance, in particular of both the

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public and private sector. What I would say in terms of the report that was issued earlier this year by the Commission for Employment Equity, the public sector is trying to comply. It's not that bad. But private sector is the one that is found wanting in terms of affirmative action, in particular when it comes to the issue of women representation both at executive and senior management level.

But again, if I'm allowed Deputy Speaker, I would get the information in terms of the detail of what the statistics are that talk to the compliance with the affirmative action, both in private and public sector.

Mrs D VAN DER WALT: Has the Minister considered using the UN's Sustainable Development Goals as an indicator of redress and development instead of race? If not, why not? If the Minister has investigated the idea of using this index, what did the investigation find?

The MINISTER OF EMPLOYMENT AND LABOUR: I think there are members who are making noise here Deputy Speaker and they are drowning the speakers. So, I missed that question from the hon member, if I may, please ask the member to repeat.

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The DEPUTY SPEAKER: Hon Minister, yes, I will ask the member to repeat it. Hon members, please, we have to allow the Minister to be able to hear the question. Hon members of the EFF, please allow the hon member to repeat the question so that the Minister can hear. Please proceed hon Van Der Walt.

Mrs D VAN DER WALT: Has the Minister considered using the UN's Social Development Goals as an indicator of redress and development instead of race? If not, why not? If the Minister has investigated the idea of using this index, what did the investigation find?

The MINISTER OF EMPLOYMENT AND LABOUR: No, I haven't. I haven't investigated that particular approach of the UN versus using the ratio. So, I will come back to the House and give information when I have that. Thank you, Deputy Speaker.

Question 245:

The DEPUTY MINISTER OF FINANCE (Mr A N Sarupen): Deputy Speaker, in the 2024 budget we have outlined the balanced approach that we are taking to address the significant fiscal challenges facing our country. We have a large debt burden that will exceed 75% of GDP by 2025-26 in the context of poor economic growth and debt service costs that absorb more than

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20% of revenue and are consuming a greater share of the budget than basic education, health and other services. In addition, in the budget you will see that a large portion of the liabilities that this government now has to pay off were incurred in the year since 2009-10 and affording due in the current Medium-Term Expenditure Framework, MTEF.

Nevertheless, this government has taken steps to protect the social wage. There's a standing decision at 60% for consolidated budget goes to the social wage and the spending reductions that were announced in the 2023 Medium Term Budget Policy Statement, MTBPS, were reversed in the 2024 budget in respect of numerous services. Moreover, the carry through costs of the 2023-24 wage increases were estimated by the National Treasury for the critical sectors; learning and culture, peace and security, health and social developments, and were passed through to ensure that there is a minimal impact of these cuts on service delivery programmes. Thank you, Deputy Speaker.

Mr A G BATEMAN: Deputy Speaker, hon Minister, it is on, isn't it? Can you hear me if I stand? I'm worried that I'm too far away from the mic.

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The DEPUTY SPEAKER: Yes, please proceed. Yes, hon Trollip? Hon Bateman, please take your seat.

Mr R A P TROLLIP: Hon Deputy Speaker, on a point of order. Some people come here ... I'm speaking in the mic. Some people come here to work and listen, and other people come here to make a noise. Can you please ask him to just quieten down or speak outside?

The DEPUTY SPEAKER: Thank you, hon Trollip. I have repeatedly asked members to contain the level of their discussions. Hon Paulsen, I'm not going to take your ... It's not going to be a debate now between whether you are loud or not. But hon members, please respect the process. We are in the Chamber. We have the citizens of the country watching and they want to hear what the Ministers are saying and what you as members are asking of the Ministers. So could we please proceed and make sure that the Ministers can in fact hear the question. Hon Bateman, you were more audible when you were sitting. So please proceed. Do you have a hand mark? Yes, please proceed.

Mr A G BATEMAN: Thank you, Deputy Speaker. Deputy Minister, the budget crisis we are facing occurred in part because governments agreed to wage increases which the government knew

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were unaffordable and would lead to pressure on public services and the job losses we now face. This obviously must not happen again. The obvious question then is what concrete steps will the Minister take to ensure that the government does not commit the fiscus to unaffordable wage increases again this year and in the future?

The DEPUTY MINISTER OF FINANCE (Mr A N Sarupen): Deputy Speaker, there is a mandating committee that will determine what we approach the wage negotiations with, and that mandating committee does have representatives from all the provincial treasuries. So it will not be done in the absence of the provincial treasuries, but in tandem with them. However, we further have had several meetings and on Monday there was a budget council as well as a technical meeting with provincial treasuries. And the provincial treasuries did not dispute the fact that we did make sure we pass through costs for the last wage agreements, but that other priorities and approvals took precedent in settling those amounts instead of the cost of employees. We note that there are pressures on the system, and we are engaging with provinces to resolve this. Thank you.

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Rev K R J MESHOE: Hon Deputy Speaker, hon Minister, government's severe budget cuts have not only impacted service delivery on education and health, but also on crime. And because of this crime, it has increased suffering for the vulnerable and the poorest of the poor, who among others live in fear of being targeted by criminals. Police say they cannot effectively address crime due to these budget cuts. And as a result, there are not enough detectives and policemen. Instead of allocating R2 billion runs for VIP protection, the ACDP proposes that half of it should go towards strengthening the police force by hiring more detectives to help in the fight against crime. Would the Minister agree that an increased number of better trained detectives will help see crime levels reduced? Thank you.

The DEPUTY MINISTER OF FINANCE (Mr A N Sarupen): Deputy Speaker, in the 2023 MTBPS announcement, the initial reductions on the peace and security cluster, which includes police, would have been just under a R30 billion reduction over three years. However, in the 2024 budget we reversed that, and the peace and security cluster is getting an additional R40 billion funding over the MTEF. So I agree with the hon Meshoe. We must get more police officers on the streets and if you look at the Chapter 5 of the budget review

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document from 2024, you'll see that Treasury has taken great steps to ensure that we do protect the peace and security budget going forward. Thank you.

Mr N L S KWANKWA: Deputy Minister, according to media reports, the budget cuts have already led to job cuts in the Western Cape Department of Education, with over 2400 jobs set to be cut in that province alone. And in KwaZulu-Natal, the provincial Department of Education cannot afford to pay 11,092 educators due to budget cuts. Recently the Gauteng MEC of Education also announced that more than 3000 educators and jobs are at risk. This. This budget cuts exacerbates the losses incurred by other departments. How is the Minister and the department going to ensure that these do not affect disproportionately poor communities who were already struggling with educational outcomes that are low because of the challenges that have to do with resources allocated to the various departments? Thank you.

The DEPUTY MINISTER OF FINANCE (Mr A N Sarupen): Deputy Speaker, as I said earlier, we have had a budget council as well as a technical level meeting between the provincial Treasury and the provincial MECs to find ways to alleviate this pressure. But Deputy Speaker, we have further

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investigated what is sitting at the root cause of some of these pressures in the provinces. In the Western Cape, the pressure relates to learner increases, which requires the department to recruit additional teachers due to in-migration. In KwaZulu-Natal, the budget cuts are in relation to a wage freeze in the 2021 MTEF. The cuts were higher than what was budgeted for because the department had not sufficiently provided for inflation as per the guidelines they were given. Similarly, we see each of these provinces having different reasons. And in some provinces, we have seen that when we pay over the wage settlement increases, they use it to settle accruals rather than paying salaries.

Now provinces are autonomous spheres of government when it comes to budgeting, and we cannot override their legislature rights to pass their own budgets. We provide technical supports. We are meeting with them. They are part of the mandating committee so that we get to a wage agreement that everyone can live with, but we cannot override another sphere of government in that regard. Thank you very much.

Mr L W MAHLATSI: Deputy Minister, National Treasury has funded the Metros Public Employment Programme which has provided much needed relief to vulnerable people. It looks like the

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programme will not be funded again. My question is, what is the department's future plan on this programme under the GNU?

The DEPUTY MINISTER OF FINANCE (Mr A N Sarupen): The National Treasury continues to fund multiple public employment programmes, including the Presidential Employment Stimulus, as well as various other programmes such as the Expanded Public Works Programme and so on. With regards to this particular Metro Public Employment Programme, the matter is still under consideration in the Treasury, and when we get to the MTBPS and the budget next year, we will have more clarity. Thank you very much.

Question 229:

The DEPUTY MINISTER OF FINANCE (Dr D Masondo): Hon Deputy Speaker, and thanks for the question from hon member van Rooyen, in a letter dated the 02 September 2024, addressed to the Standing Committee on Finance chair, the Finance Minister expressed appreciation for the role of the Standing Committee on Finance, but suggested on account of the sensitivity around the expiry of the Ithala banking license exemption and the need to ensure the safety and security of the officials of the National Treasury and the financial sector regulators that the deliberations should take place virtually rather than at

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Ithala's premises. I am glad to note that the meeting took place the following day at the Moses Mabhida Stadium, where the Reserve Bank presented to the committee. As the hon member will be aware that the Finance Minister and the National Treasury's role as far as the regulation of banks is concerned, is limited only to the formulation of financial regulatory policy. As Ithala operates in a regulated environment, it should comply with all the directives and regulations that apply to all regulated banks. The hon member will be aware that after many years of deliberations and due diligence, Parliament enacted the Financial Sector Regulation Act of 2017, which reaffirmed and is univocally clear on the need for the financial sector regulatory policies and for the Minister not to interfere with regulatory processes in relation to the banking institutions. Given that neither the Minister of Finance nor National Treasury is empowered in terms of the banks Act and other laws that govern the activities of regulated financial institutions to interfere with the work of independent regulatory activities, Ithala in the interests of the protection of the depositors' funds that are held by the institution, continue abiding by the guidance and directives of the independent financial regulators. Any interference by the Finance Minister, or any other person, or body in the regulatory activities of independent regulatory

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institutions will be at variance with the government's objectives for the regulation of the financial sector, which require regulatory authorities to operate independently, autonomously, and without interference. So, as things stand, Ithala has no banking license. We have agreed with the KwaZulu-Natal provincial government on the process of licensing Ithala. In the meantime, the deposits will be housed by a registered bank trading as Ithala. And at this stage, we cannot disclose the name of the bank because we are still negotiating with three banks. Thank you, hon Deputy Speaker.

Mr D D D van ROOYEN: Deputy Speaker, Deputy Minister, does it mean that you are concerned about the security of National Treasury or officials of the regulatory bodies to service our people in KwaZulu-Natal? I think it is important for you to take the nation on board about what are the security details that you are concerned about to say people of KwaZulu-Natal should not be serviced by National Treasury officials because of your security concerns? But again, I hope you are aware that the currently appointed rate payment administrator has imposed severe restrictions on Ithala Bank, resulting in Ithala being unable to procure basic items and receive payment on its rental store, and this negatively affect the depositors and the bank revenue generation efforts. This situation is

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negatively affecting Ithala Bank, resulting in the king of the AmaZulu nation, His Majesty, Misuzulu kaZwelithini, raising concerns with developments surrounding Ithala Bank. Does the Minister support the call to terminate the repayment administrator service and start constructive engagement to save Ithala to the benefit of its rural depositors, mainly in Zululand and all other stakeholders? In this way, I think we will be addressing the concern that has been raised by His Majesty the King, I thank you.

The DEPUTY MINISTER OF FINANCE (Dr D Masondo): Firstly, National Treasury officials serve South Africa. However, it is difficult, and I am also advised that according to our laws, you cannot force employees to work under conditions where they do not feel safe, whether it is in Limpopo, or in Gauteng, or anywhere in South Africa. So, I do think that there is no specific security assessment that I am aware of. But the officials felt that they would not be safe under those circumstances and hence they have requested to have this meeting virtually, or in Parliament. So, like I said, we are very glad that the meeting took place virtually. And as I said, we are trying to find a solution to work together with the provincial government of KwaZulu-Natal towards the process of ensuring that Ithala has a license. So, we are dealing with

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the problem together with Treasury officials. They are serving South Africa, including KwaZulu-Natal. The last question, Deputy Speaker, I did not get it very clearly because it sounded like it is a substantive question. I would appreciate it if the hon member can write, then then we will respond accordingly. [Time expired.]

Mr M S LEKGANYANE: Hon Deputy Speaker, hon Deputy Minister, you have alluded to the challenges that Ithala Bank faces. So, I want to know from yourself, acting within the statutory framework and appreciating the independence of the Prudential Authority and the Financial Sector Conduct Authority, what are the long-term strategies that are being considered by the National Treasury to position Ithala Bank for sustainable growth and competitiveness within the banking sector? Thank you so much.

The DEPUTY MINISTER OF FINANCE (Dr D Masondo): We can only set the conditions for banks to operate competitively within the South African government, and I am sure that once we would have done everything to save the bank, the board of the bank, including the provincial government, where we can, as the national government, we will work with them to make sure that we support such banks as Ithala because the concentration of

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the banking sector in which there is few banking services and few banks dominating the banking market, the financial sector is not desirable, we do think that the banks such as Ithala and others need to operate in South Africa to increase the level of competitiveness within South Africa, because surely our banks are highly competitive globally. We have the financial sector, which is based on the - as you correctly said - Prudential Authority, as well as the Conduct Authority, which deals with how the financial sector treats its customers or its clients and the Prudential Authority, which makes sure that the deposited money under their management is properly managed. So, I think once everything is sorted out, I am sure the board will have a strategy on how best to grow that bank at that time. Thank you, House Chair and hon members.

Mr N M HADEBE: Hon Chairperson, hon Deputy Minister, the suspension of Ithala Bank's license has sparked fear and uncertainty amongst its customers, employees, and civil society. This is because the bank provides critical service to rural communities. Considering this, what interim measures has your department put in place to assist the communities which Ithala Bank has served? Thank you.

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The DEPUTY MINISTER OF FINANCE (Dr D Masondo): As I said, hon Hadebe that the deposits will be housed by a registered bank trading as Ithala. Once the negotiations are finalized, I am certain that we will be in a better position to articulate on what should be the way forward in that regard.

Mr A D BEESLEY: Deputy Minister, for Ithala to survive and for the ongoing protection of depositors, there needs to be a massive injection of capital by the shareholder, namely, the KwaZulu-Natal government. Are you and your department in discussions with the KwaZulu-Natal government regarding this capital injection? If so, what has been their response? If no response, is National Treasury prepared to inject capital? We need to be honest about this. We cannot have another VBS Mutual Bank.

The DEPUTY MINISTER OF FINANCE (Dr D Masondo): House Chair, at this stage, we have not reached that point in so far as determining the capital structure of the bank, its recapitalization. So, to answer your question, at this stage, there is no capital set aside to my knowledge, the provincial government level, and at the national level to recapitalize Ithala.

Question 215:

The MINISTER OF ELECTRICITY AND ENERGY: House Chair, thanks to hon Hassan. On the occasion of the opening of Parliament in the Seventh Administration, President Ramaphosa expanded on three priorities of the Seventh Administration, and the third priority is about fighting poverty and reducing the cost of living.

There is a rich body of evidence that suggest that the poor are disproportionately affected by the rising cost of living, and in fact, the World Bank does highlight amongst others that South Africa's consumer price index reached approximately 5,2% in 2023 up from 4,5% in 2019. This inflation is driven by amongst others, the rising prices of food, transport, housing and utilities which include electricity.

We also know that the configuration of South Africa's energy complex has undergone major structural shifts and this calls for a considered and deliberate approach on how we are going to deal with the exponential rise in the cost of living and electricity in this instance.

There are three interventions. At the level of legislation, the Electricity Regulation Amendment, ERA, Bill envisages a

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situation where tariffs consider the fact that there needs to be some degree of cross subsidisation of particular categories of consumers. At the policy level we are now in the course of reviewing the Electricity Pricing Policy, EPP, to ensure that it improves competitiveness and efficiency of supplying low cost and high-quality electricity to all sectors as well as addressing elements of social equity and the needs of low-income households.

So, hon Hassan, yes, we are considering that in the context that the Electricity Pricing Policy wants to keep the Free Basic Electricity, FBE, and to review the sealing of that Free Basic Electricity. The quantum sealing of 50kWh was introduced in 2003, so it is 21 years later and there has been significant mutations in the electricity complex in the country including from a technology point of view.

Secondly, it is to make sure that the interventions we are making are efficacious. We know that National Treasury is providing support to 10 million houses in this country to receive Free Basic Electricity but only 2 million are receiving it as a result of significant weaknesses at the municipal level. We are working with the South African Local Government Association, Salga, to address that.

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I think that the quantum of 50kWh needs to be revised. Like I said, in the context of the review of the Electricity Pricing Policy supported evidence we will get to a quantum, and I am confident without necessarily pre-empting what that outcome will be, that it will be significantly greater than 50kWh.

The last intervention is to ensure that we repurpose the Integrated National Electrification Programme, INEP, grant to ensure that besides the ambitions of universal access, we are able to use cleaner interventions to benefit rural communities and households that are in distress so that they can benefit from the natural endowments. Thanks, House Chair.

Ms F HASSAN: House Chair, thank you to the Minister for the comprehensive response. Minister, perhaps you can take us through some of the timeframes for the review and how the department intends to work alongside Eskom and municipalities. You mentioned Salga and the 2 million, but effectively to identify and improve access for indigent households for the FBE subsidy. Thank you.

The MINISTER OF ELECTRICITY AND ENERGY: House Chair, yes, the intention is to include all stakeholders. I must say that the Electricity Pricing Policy had gone through a National

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Economic Development and Labour Council, Nedlac process, but we think that it has not accommodated the structural shifts that I referred to earlier on. So, it is important that we accommodate Salga in that conversation because they are a significant stakeholder and also communities because I think they are invested in the resolution of this question. It is important that the conversations are far reaching wide, productive and robust.

In terms of timeframes, the intention is to ensure that before the next cycle of the review of the tariff structures we should be in a position where we are able to, from a policy point of view, direct what should constitute the underlying methodology because the methodological approach of the National Energy Regulator of South Africa, NERSA, is driven by our policy articulation. So, it is a policy orientation that informs the signs that under gets the determinations of tariffs.

We are looking at before the next cycle to have concluded this process. Of course, it is very ultra-aggressive and ambitious but I think that time is against us. Everyone is experiencing significant distress as a result of these exponential

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increases. It is therefore in our collective interest that we resolve the matter as soon as yesterday.

Mr M S MBATHA: Minister, will it not be ideal that you change the terrain of establishing solutions for electricity prices in South Africa? Currently, Eskom is seeking a tariff increase of 40% and South Africa can no longer afford anymore additional increases that could even pass 40%, in particular because they have been coming over a period of six years consistently.

One of the things that you should maybe consider is dealing exactly with the main problem. In South Africa the primary energy cost that drives electricity is coal, and the coal miners receive permits or licenses from government and Eskom currently seem to be the only biggest buyer of coal ...

The HOUSE CHAIRPERSON (Mr W Horn): Hon member, please round up; your time has expired.

Mr M S MBATHA: Would it not be a better option for the government to control coal prices so as to manage the electricity prices, because our problem is coal? We have 50 years of endowment ...

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The HOUSE CHAIRPERSON (Mr W Horn): Thank you. I think the Minister got the question even with a few seconds extra.

The MINISTER OF ELECTRICITY AND ENERGY: Thank you very much, hon Mbatha, you are absolutely correct. I think the review of the dispensation should be far reaching and of course heeded to. I think the pricing methodology was resolving an Eskom problem, but I think we should be resolving an industry problem. As a result of the reforms that have been introduced on the generation side, we have introduced additional players in space, but I do agree with you that coal is a major factor in that.

If you look at the equation on revenue, it is primary energy, the Independent Power Producers, IPPs, and also the weighted average cost of capital. So, I am saying that it is a complex dispensation, but I fully agree with you that those considerations should look into, amongst others, the position of coal and South Africa's attitude towards this natural endowment and how we can exploit it in favour of South Africa's economy to provide significant relief to low-income households, the middle income and the industry.

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I am fully with you, and I guess that in the course of that review we will have much more robust engagements and ensure that we provide relief, and the South African economy can benefit from its endowment.

Mr M N PAULSEN: House Chairperson, to the Minister, the South African Local Government Association argues that 50kWh of Free Basic Electricity is very little and way below the 350kWh required to yield meaningful socioeconomic benefits. In addition, registers of indigent households are out of date. What is being done to ensure that municipalities make the indigent aware that they qualify for Free Basic Electricity and what is being done to ensure that those who are recipients of Free Basic Electricity are indeed indigent and prevent those with means from enjoying Free Basic Electricity? I know you said you are working on it; we would like to know what you are doing. Thank you very much.

The MINISTER OF ELECTRICITY AND ENERGY: Hon Paulsen, your observation is absolutely correct. I made a point earlier on that the allocation of 50kWh is 21 years old and there has been significant reconfiguration of the South African electricity complex, so it requires a substantial review. I said that the number will be is a subject of that science, the

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kind of evidence that will support the new sealing. Remember that it must be supported somewhere else. So, there is going to be fiscal support to the poor. It is a very dynamic equation that requires our collective resolution.

The second point you are making is also right. I think that the challenges on the Free Basic Electricity and its ability to achieve the kind of objective it desires is emblematic of the challenges of local government - the inability to have a transversal platform that allows us to ensure that we account for who is indigent and to ensure that support reaches these households.

I made the point earlier on that National Treasury provides support to 10 million households but only 2 million are receiving it. So, it is important that we are able to have a standardised approach on how we are going to provide that and also use current technology of accounting for this allocation that we are providing to low-income households. That is part of a bigger conversation, and I am sure there are ideas that you would want to share with us. We will work with local government like I said. It is an indispensable feature of the resolution of this question going forward. Thanks, House Chair.

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Mr K J MILEHAM: House Chairperson, to the Minister, the scourge of illegal connections arises because municipalities, Eskom and the department have failed to connect households to the grid quickly enough. Most illegal uses the people connecting through is in your case are likely to qualify for Free Basic Electricity. Two challenges need to be dealt with. Firstly, the matter of generating sufficient electricity to meet increasing demand as households are connected. Secondly, aptly ensuring that these households are registered for Free Basic Electricity.

We have massive under registration of indigent consumers. Will the Minister incorporate registration for Free Basic Electricity into the Integrated National Electrification Programme? If so, what are the plans in this regard, and if not, why not? Thank you, House Chair.

The MINISTER OF ELECTRICITY AND ENERGY: Hon Mileham, there are significant dangers in misdiagnosing a problem because you are going to arrive at a misplaced outcome. The challenges that are confronting us if you come to think of it, are not necessarily izinyoka. Izinyoka or illegal connections contribute towards load reduction - the pressure that is placed on distribution infrastructure.

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In the issue of Free Basic Electricity, one makes an assumption that you are connected, you are known, can be identified and therefore you are deserving of this allocation. So, it talks to the point I made earlier on of the inability of local authorities to be able to identify those households that qualify and put systems in place to ensure that the deserving indeed do get this benefit. You find that those allocations that come in a form of a grant get to be misdirected to other areas of needs and demand by the local authorities.

It is important that we are able to resolve the question of how you identify them, who qualifies how you identify them and ensure that the benefit flows to them. So, as we speak now the 10 million versus the 2 million that are receiving suggest that you are not seating with a money problem now. The fiscus is supporting these deserving households but they are not receiving that benefit. That is not a relationship with izinyoka, it is quite a different conversation that we must have. It is about the ability of municipalities and Eskom, who is not absolved from this problem, to ensure that the poor are able to receive that benefit. I think technology is going to allow us an opportunity to provide that benefit to the poor.

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The second conversation is on how we are going to expand access and ensure that those newcomers into the grid also benefit from this. The issue of izinyoka deals with illegality and the pressure on the system resulting in load reduction.

[Time expired.]

Question 267:

The DEPUTY MINISTER OF FINANCE (Mr A N SARUPEN): Hon House Chair, the National Treasury plays no role in promulgating rates for scholar transport, nor for the National School Nutrition Programme. The Department of Basic Education is best placed to respond to the National Nutrition Programme, and the National Department of Transport is best placed to respond to this regarding scholar transport. Thank you very much.

Ms N V MENTE-NKUNA: House Chair, this is a problem we are facing in South Africa - highest levels of incompetence, because a Minister receives a question, sees that there are sister companies, or rather departments, that must assist him in providing an answer. He doesn't do it. After how many days, he comes here to tell us that it's not his department? That is not acceptable, and he must go and do his work.

He must go and ask the sister departments to provide the answers that are asked from him, because he is the custodian of the budget of the state. Therefore, whatever rates that are determined by provinces are coming from Treasury.

Number two, I am the one that asked the question, so my time is more than that of others. Number two, House Chair, in the Nutritious Programme, we pay less than R3, the Deputy Minister and any other Minister ...

IsiXhosa:

... bathatha abantwana babo babase kooWimpy ...

English:

... and pay more than that ...

IsiXhosa:

... kanti esikolweni silindele ukuba umboneleli wenkonzo (service provider) athenge ikhaphetshu nomgubo wombona ngeR3. Ukutya okunjalo kuza kutyiwa ngumntwana kabani?

English:

Number two, for scholar transport, we pay far less than R10 ...

IsiXhosa:

... ngomntwana. Yeyiphi le bhasi izakukhathalelwa ngeR10 ukuze ingabangi iingozi?

English:

How do we expect service providers to give us ...

IsiXhosa:

... iibhasi ezisemgangathweni ...

English:

... and comfortable for our children, if we pay such a ridiculous amount?

Then number three, in South Africa, we pay more than R500 for ...

IsiXhosa:

... ukutyisa ...

English:

... a prisoner a day. What are our priorities in this country? What are the priorities? Are we prioritising the life and future of our children, or are we prioritising ...

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IsiXhosa:

... ukubhatala imali sibhatalela oongxowankulu abatyisa kwii...

English:

... prisons and everywhere else? Then the Minister must bring the answer in writing in 14 days. Thank you.

The HOUSE CHAIRPERSON (Mr W Horn): Before you take the floor, hon Mente, may I advise that on the first issue - and I understand your sentiment that the specific problem is also addressed through the review of the Rules Subcommittee, because as you indicate, the executive has been given prior notice - let us build something along the lines that they must then tap into the knowledge of their colleagues when answering. Hon Deputy Minister, is there a response?

The DEPUTY MINISTER OF FINANCE (Mr A N SARUPEN): Yes, I just would like to address the part where the hon member said that I take my kids to an expensive school. I don't have any children, so I am not quite sure which school they are going to. I am aware that the hon Malema does, of course, have his children in a private school, and I am sure they are privately transported as well. I am sure that the resources can be

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diverted, and he can donate it to the Treasury, and we will put it into the National Scholar Transport Programme. Thank you.

Ms O M C MAOTWE: House Chair, we are here to serve the people of this country. Let us not come here and be clownish, like this Minister was clownish. When a question has been asked and a statement has been made that you are taking your kids, they don't mean him. Is he the only Minister here in this country? We are giving an example. [Interjections.] At your level, you should know.

The HOUSE CHAIRPERSON (Mr W Horn): Thank you, hon Maotwe.

Ms O M C MAOTWE: If this is how the GNU is going to conduct itself, through clueless Ministers like this one - it is a very important portfolio of finance - honestly, we are not going anywhere.

The HOUSE CHAIRPERSON (Mr W Horn): Hon Maotwe, I think the difficulty came in right from the start when the Deputy Minister indicated that this is not part of his department's responsibilities. As I said, I understand your frustrations. He has responded.

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Mrs E N NTLANGWINI: Hon Chair, we understand that, in the DA, they must apply for a position, and they represent their jackets. But when the hon Mente referred to him, it does not mean him as a person.

The HOUSE CHAIRPERSON (Mr W Horn): I think, we got that explanation.

Mrs E N NTLANGWINI: We have written a letter to you, stating the quality of answers that we are getting from these Ministers.

The HOUSE CHAIRPERSON (Mr W Horn): Thank you.

Mrs E N NTLANGWINI: No, I'm not done. You cannot do that.

The HOUSE CHAIRPERSON (Mr W Horn): But you are unfortunately repeating the same point.

Mrs E N NTLANGWINI: I am not done. How do you know what my next word is?

The HOUSE CHAIRPERSON (Mr W Horn): Is there a point of order in terms of the Rules? Okay, let me hear it.

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Mrs E N NTLANGWINI: Why are you anticipating what I want to say? Are you now a mind reader? Are you now a mind reader?

The HOUSE CHAIRPERSON (Mr W Horn): Please, get to your point of order.

Mrs E N NTLANGWINI: You forever want to abuse us.

The HOUSE CHAIRPERSON (Mr W Horn): Please, get to your point of order.

Mrs E N NTLANGWINI: Chair, he has not answered us. He had the question. We have written to you on numerous times at that Office of the Speaker. Can we demand a proper answer from this guy as the custodian of National Treasury?

The HOUSE CHAIRPERSON (Mr W Horn): Hon member, I think I have already expressed my sentiment on it. Firstly, in terms of the Rules ... [Interjections.] I am still dealing with this point of order. I will come to you.

Mr J S MALEMA: I am talking. It is on the same point of order. I am talking. What is your problem? I am talking.

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The HOUSE CHAIRPERSON (Mr W Horn): No, hon Malema, you have not been recognised.

Mr J S MALEMA: I am ... Point of order.

The HOUSE CHAIRPERSON (Mr W Horn): Hon Malema, please, mute your mic and raise your hand on the virtual platform, if you want to get my attention. I am addressing the hon Mkhaliipi's point of order now. [Interjections.]

Yeah, my apologies. Hon member, I have already, at the onset, said I understand the sentiment and the frustration that a member of the executive comes and says he cannot give a substantive answer to this question, because National Treasury is not responsible for that function. [Interjections.]

No, and I have already indicated that my advice would be that we should deal with that as part of the review of the Rules. The difficulty comes in that you now expect of me to force the Deputy Minister to give a substantive answer in the circumstances where he has already indicated it is not Treasury's area of responsibility. In the circumstances, it would be unfair of me to expect him to give an answer, which he clearly does not have.

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So that is the ruling. You are welcome to once again express your frustration in a letter to the Speaker. I think she is well aware of that frustration. And my plea once again is, if we want to force Ministers, if a matter is strictly not within their portfolio, to tap into the knowledge of their colleagues, let us build that into the Rules.

I have recognised hon Michalakis and then I will come to the virtual platform, if necessary.

Mr J S MALEMA: We must be given ... We must be attended to as well. What necessary? What do you mean? We are all in Parliament here. Virtual or physical, we are all in Parliament.

Mr G MICHALAKIS: House Chair, there are Rules in the House for a very good reason, and that is to ensure that the House does not, in the end, ... [Interjections.]

Ms O M C MAOTWE: I was before this one.

The HOUSE CHAIRPERSON (Mr W Horn): No, I recognise the hon Michalakis before hon Malema unmuted, which is not allowed in terms of the Rules.

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Ms O M C MAOTWE: House Chair, you are unfair.

The HOUSE CHAIRPERSON (Mr W Horn): Hon member, please, take your seat.

Ms O M C MAOTWE: You are unfair.

The HOUSE CHAIRPERSON (Mr W Horn): I have already indicated that I will go to the hon Malema.

Ms O M C MAOTWE: He was before him.

The HOUSE CHAIRPERSON (Mr W Horn): Unfortunately, he was not. He was not. Please, take your seat, so that we can proceed with the business of the day.

Mr G MICHALAKIS: House Chairperson, there are Rules in the House for a very specific reason, and if members expect to be respected, they should show the very same respect. Now, the members have referred to the Ministers and the Deputy Minister on the front bench of the DA as this guy. I have also heard several shut ups.

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Apart from the fact that we should reciprocate the respect, it is also very important that, if that is the way the members are going to address other members, their points of order and their points of debate are going to be taken with the exact same contempt they have shown to the front bench of this side. I would like to ask that you please rule on the comment made by the hon member, referring to the DA Minister as this guy. Thank you.

The HOUSE CHAIRPERSON (Mr W Horn): Hon members, may we, as a general request say that we all know that the Rules say we must trust one another, we must refer to one another in respectful terms. So, in future, please use Minister, Deputy Minister, Mr, whatever.

That is as a general guidance. Thank you. Let me go to the virtual platform. Are there any hands raised there?

Mr J S MALEMA: You cannot say: Are there any hands raised there? Can't you see. Are you blind? Can't you see that there is a hand being raised. You say: Is there a hand raised there? Can't you see?

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So, I am rising on a point of order here, Chair. This guy must not speak about my children; he must speak about me. If he wants to take me on, he must take me on. I went to a public school. I come from a family that had nothing. I am not like him from a privileged family. He must stop being a coward.

The HOUSE CHAIRPERSON (Mr W Horn): Order, hon members! Let us listen to hon Malema.

Mr J S MALEMA: He must stop being a coward and fight children. Don't talk about my children; talk about me. I can attend to you ideologically, theoretically, physically and otherwise, including outside. I am not responsible for your father giving birth to a brainless child. Stupid Minister.

The HOUSE CHAIRPERSON (Mr W Horn): Hon Malema, unfortunately, I don't think that is necessarily a point of order. I understand the sentiment. And once again, members, this is again a comment in respect of the question-and-answer session.

Mr J S MALEMA: I am saying that boy must not talk about my children. That boy must not talk about my children.

The HOUSE CHAIRPERSON (Mr W Horn): Thank you, hon Malema.

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Mr J S MALEMA: He must never go to my children. My children are a no-go area for racists like you and those racists of the DA. I am not scared of all of you.

The HOUSE CHAIRPERSON (Mr W Horn): Thank you, hon Malema.

Mr J S MALEMA: And tell that boy never to speak about my children.

The HOUSE CHAIRPERSON (Mr W Horn): Hon members, hon members, the plea once again is firstly, the members of the executive must try and give us substantive answers. It's quite clear that the moment we can't get substantive answers, temperatures rise.

Secondly, let us also in our follow-up questions, not refer to where, for example, the children or possible children of members of the executive go to school, because it is quite clear from there, we go to a position where hon Malema takes offense.

So, let us proceed with the business of the day. And that is the request to both the members of the executive and the members posing the questions. Let us deal with the substance

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of the matter. Hon members, that is how I have now dealt with this. We are now eating into the time of other members of the executive responding. May I plead with you that we proceed on this basis? Thank you. (5

Ms N V MENTE-NKUNA: House Chair, we need your undertaking that the written reply from the Minister will reach us within 48 hours.

The HOUSE CHAIRPERSON (Mr W Horn): Well, the difficulty is I cannot compel a Minister who has already indicated that it's not his responsibility. What we will do is to engage with the Leader of Government Business to place that specific question for written questions and ask for a response from the responsible Minister. I think that is the best I can do in the circumstances.

Mr M J MASWANGANYI: House Chair, my follow-up question was based on the main question. But there is something I want to raise. The Constitution in section 92(123) stipulates that members of Cabinet are accountable collectively and individually to Parliament to exercise their powers and performance of their functions.

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So, it's not on that the Minister says: I am not responsible for this. We derive the Rules of Parliament ... The Rules of Parliament are derived from section 92 of the Constitution.

So, when you go to the meeting that you are talking about of the Rules, you must consider this. I am not satisfied with the way the Deputy Minister responded to the question.

The HOUSE CHAIRPERSON (Mr W Horn): Yes, that is not really a question. Let me just say this, you actually agree with my sentiment about the review of the rules. It is unfortunately, of course, also so that we cluster departments. And then the idea is to ask Ministers and Deputy Ministers specifically about their areas of responsibility. But once again, I take the point. Hon Deputy Minister, I don't know whether you want to respond. There was no real question. Hon Deputy Minister, do you wish to respond? No, there was a question. Hon Deputy Minister, do you wish to respond? There was no question asked, unless there is a point of order for a breach of parliamentary Rules.

Ms O M C MAOTWE: House Chair, when he attempted to answer the first time, we could not hear because there was a lot of noise in the House. So, now that the issue has been brought to your

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attention, that he specifically spoke about hon Malema's children, I think the honours are on you to ask him if he did. And if indeed he did, he must withdraw. I think that is the right thing to do. We did not hear, otherwise, we would have called order ourselves.

It has now been brought now to your attention that he spoke about the hon member's children. It is unparliamentary. Now, the honours are on you. Please, House Chair, ask him if he did that. And if he did, he must withdraw. Thank you.

The HOUSE CHAIRPERSON (Mr W Horn): Hon member. I have already asked that we proceed after giving a general guidance on the matter. I mean, I can understand the sentiment that we are not here to make remarks about one another's children, whether that impacts on the integrity, and cast aspersions on a specific member. I have not heard that argument being made. So, in that sense, unfortunately, in terms of the Rules, I can't do it. Hon Deputy Minister, do you want to offer an explanation?

The DEPUTY MINISTER OF FINANCE (Mr A N SARUPEN): House Chair, if I may, if I have in any way offended any member of the EFF, I withdraw anything that would have offended them. Thank you.

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Mr M MANYI: Chair, I have two things. One, let us request the IT people to do something with the sound. Hon Malema was making very valuable inputs, but half of what he was saying seemed as if he was speaking from very far. And we know that he has a very powerful voice. So, it must be the IT here. So, can the IT look into things?

Two, clearly, the expectation is that Ministers rise here and respond to questions. Now, if we don't have the person with the right knowledge, I think the request for 48 hours, in fact, I thought it was 24 hours, but I think the hon member here from the EFF is being reasonable. He says 48 hours for something that should have happened today.

And therefore, it is not unreasonable for the person that does not have the answer tonight to phone the right person and get the answer and respond within 48 hours. That is not unreasonable. Therefore, we need your commitment. Otherwise, it means the Parliament is collaborating with incompetence that we are subjected to here.

The HOUSE CHAIRPERSON (Mr W Horn): Hon Manyi, on the first point, yes, let us ask IT to deal with it. On the second point, as the Chief Whip of the Official Opposition, I would

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assume you are now also part of that subcommittee for the Rules review. So unfortunately, I don't have inherent powers in this chair.

I can only do what the Rules allow me. So, please work in that subcommittee so that, when a situation like this arises, if you want an answer from whoever within even a shorter period than 48 hours, that we work to that.

The DEPUTY CHIEF WHP OF THE MAJORITY PARTY: Hon House Chairperson, I want to make a proposal for the sake of progress in this meeting. If the Deputy Minister is unable to respond to the question or any Minister is unable to respond to the question, the question can stand over, so that the Minister can respond to the question like we did with this question that will be added to the question session. I think, this will assist us to move forward. Thank you.

The HOUSE CHAIRPERSON (Mr W Horn): I think that is a sensible proposal, apart from the fact that the Deputy Minister has indicated that ultimately, it is not a question to be asked to the Minister of Finance. So, I think what we must agree is that we will identify the correct Minister and then add it to the next question session.

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Mrs E N NTLANGWINI: Hon House Chair, I hear the question will stand over, but we can't forever let questions be standing over. These are questions from our constituencies. So, the Minister, number one, must be reprimanded, because they will think this is normal and that this is the right behaviour to act like this.

We have written letters and there seems to be no political will from the Government of National Unity to fix these Ministers that are just law unto themselves. So, the only way how we can prove to South Africans that this Parliament has some level of teeth and accountability and holds Ministers to account is that this Minister must be reprimanded, and he must apologise to the public out there.

Kids are dying on the roads. Kids don't have scholar transport. Kids don't have food to eat in schools. For him to just come and bluntly below the belt bring in the President of the EFF's kids, ...

The HOUSE CHAIRPERSON (Mr W Horn): Let us not relitigate that now. He has now apologised, if he offended. Hon member, I think the Deputy Chief Whip of the ANC has made a sensible proposal for us to take this forward. Once again, if the

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subcommittee wishes to give chairs the authority to reprimand Ministers if they don't lean on the shoulders or go and tap into the knowledge of their counterparts, build that into the Rules.

Mr T L MONTANA: No, Chair. I think that I want to deal with the question, but I want, on a lighter note, the House to mandate me to speak to the Deputy Minister on the beauty of being a father. Can we take such a resolution?

The HOUSE CHAIRPERSON (Mr W Horn): No, hon member, let us try and stay relevant.

Mr T L MONTANA: No, I think it is important for a country, Chair.

The HOUSE CHAIRPERSON (Mr W Horn): Yeah.

Mr T L MONTANA: You may not have a child, but you are a father, and I think it's important, Chair. Is the House mandating me?

The HOUSE CHAIRPERSON (Mr W Horn): Hon Montana, no, you are not assisting. Please, take your seat.

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Dr M Q NDLOZI: House, Chair, ...

The HOUSE CHAIRPERSON (Mr W Horn): Hon members, there was a complaint that we can't hear the members on the virtual platform. Let us give them their opportunity.

Dr M Q NDLOZI: Two things are important here, House Chairperson, and I would request that you must read the question for yourself. There are serious grounds that the refusal to answer does not have grounds.

But there is also the question of an office in Parliament. It couldn't have processed a question to a wrong Minister. Even if you changed the Rules, whatever the case might be, the Seventh Parliament administration would also have to be questioned. Could it really send a wrong question to a wrong Minister? I think we must have accountability in that regard.

Finally, I agree. Let the question stand over. The Minister of Finance can answer this question. It is clear. It can be answered by the Minister of Finance. The grounds that it does not belong in their ambit is incorrect. And I would say, pay attention to specifically the last sentence.

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The HOUSE CHAIRPERSON (Mr W Horn): Thank you. Please, just assist by now muting those on the virtual platform. Hon Ndlozi, the difficulty I am having is that I am not obviously in a position to also prescribe to members how to phrase their questions, but the original question simply asked whether National Treasury promulgates. And then the Minister said, no, we don't. It is not our responsibility.

We have now agreed that you can work with the Questions office to redraft it and then ask it to the Ministry whose responsibility it is. So, in that regard, I think we are now done with this matter.

Ms O M C MAOTWE: This one is also very important, Chair. House Chair, one, the Minister did not prepare the answer for this question. Two, he did not read the Constitution and Dr Masonga read it for him then. As a sign of apology to the people of South Africa, can we ask the Minister to donate one month's salary?

The HOUSE CHAIRPERSON (Mr W Horn): Hon Maotwe, you are now on the point of...

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Ms O M C MAOTWE: As a sign of a Minister that says, I sincerely apologise ...

The HOUSE CHAIRPERSON (Mr W Horn): Hon Maotwe, thank you. Please, now take your seat. And we are now done with this question. Let me just remind members that Rule 134(5) (b) makes it very clear that when we place questions on the order paper, they must relate to the matters for which Cabinet members are officially responsible. As I have indicated, if you want to place the additional burdens on Ministers, who, if you ask a question which is not strictly within their responsibility, let's change the Rules.

Dr M Q NDLOZI: Chairperson, I have my hand up.

The HOUSE CHAIRPERSON (Mr W Horn): Hon Ndlozi, is there a new matter?

Dr M Q NDLOZI: It is not a new matter, Chair. I am differing with your interpretation of the question. I am saying to you, read the last sentence of the question. It says, if so, ... If not, what is the position in this case? If so, what is the standard of rate or amount in each case? So, if it's not

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National Treasury that promulgates, what is National Treasury's case? What is National Treasury's view?

The HOUSE CHAIRPERSON (Mr W Horn): I understand ...

Dr M Q NDLOZI: No, no, let me finish. Just your patience. You could have differed, number one, with the fact that the question is posed to a wrong Minister. It is not, because the question asks for National Treasury's view of those rates. If it's not them that promulgates them, what is their view of those rates? A responsible Treasury knows that, in the end, it's responsible ultimately for the entire division of revenue.

I am saying that it is not possible for Parliament's question session to have sent a question to a wrong Minister. But the last sentence, two sentences tell you, if you are not the one that promulgates, can you tell us what you made of those rates as National Treasurer? Are they enough? Are they properly handled? Give a view of people who are busy with state coffers. That is simple. He is wrong not to have answered. He is wrong to have dismissed it. He is wrong to have said it does not belong in his ambit.

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The HOUSE CHAIRPERSON (Mr W Horn): And we get the sentiment. We have already agreed that this question will stand over, that it will be, if necessary, redrafted and directed to the correct Minister. Hon members, I think we must now move on. There are other questions we want to deal with.

Mr M MANYI: Chairperson, I think the whole objective here is to serve the people of South Africa. We do, and we try as much as we can to respect the Rules. There is too much noise here. We try to respect the Rules. Now, for instance, the point that hon Ndlozi is raising here is a very, very important point, that the response that we are processing is a response based on a wrong understanding of the issue. Now that the issue has been properly framed that this is a financial question in the first instance, it is actually quite absurd that National Treasury has no response on a financial question. To promulgate rates is a financial issue. That is the one thing.

The other thing that hon Ndlozi is raising is that not only is it a financial issue to promulgate rates, but the question here is also, whoever would have promulgated the rates, what is the view of National Treasury? Therefore, the issue of standing over the question was based on the wrong premise. This is the issue.

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So, we are asking, now that we have the right premise, can the Minister be given another opportunity to give ...

The HOUSE CHAIRPERSON (Mr W Horn): Hon Manyi, no, we have already agreed that we will move on.

Mr G J SKOSANA: Chair, you have made the ruling on this matter. So, can we please move? Members who are not satisfied have the right to escalate the matter to the Rules Committee, please.

Question 235:

The MINISTER OF AGRICULTURE: Thank you, House Chair. I would like to thank hon Hadebe ... [Interjections.]

Mr M MANYI: On a point of order, Chair. Now that the question is going to ... no, let me leave it. What I wanted to do, Chair ...

The HOUSE CHAIRPERSON (Mr W Horn): Thank you. If you leave it, it will assist.

Mr M MANYI: No, no, no, Chair. What I wanted to do is perhaps what should happen because the issue here is to make sure that

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we get the answers, that the people that have been billed to ask supplementary questions are allowed to do so, so that when the response comes it must address ... [Interjections.]

The HOUSE CHAIRPERSON (Mr W Horn): No, supplementary questions must follow the answer. Thank you.

The MINISTER OF AGRICULTURE: Thank you very much, House Chairperson, and thank you very much hon Hadebe for the question. Obviously, there is a lot more we need to do to ensure the upskilling of women and the greater participation of women in agriculture. As part of the transformation trajectories, the Department of Agriculture has introduced measures to empower and mainstream designated groups including women in the sector. The department remains fundamentally committed to the empowerment of women and thus it continues to implement the following initiatives.

Firstly, the Female Entrepreneur Awards is the department's flagship programme that has been implemented over two decades in conjunction with the provincial departments of agriculture. This has benefitted over 300 women producers and it is designed specifically to promote and encourage women participation in the sector by publicly awarding the efforts

in contribution towards food security, job creation, poverty alleviation and economic growth.

The National Policy on Comprehensive Producer Development Support aims at regulating and guiding the provision of support to various categories of producers thereby contributing to sustainable and competitive agriculture. This policy stipulates and uphold conditions which enable all previously disadvantaged citizens and targeted groups including women, youth and people with disabilities by ensuring at least 50% of women, 40% of youth and 10% of persons with disabilities are supported. The norms and standards in inclusion of designated groups, the NSDG, is a tool used by the department to implement and provide guidelines for setting measurable targets for departmental programmes to prioritise designated groups and to articulate against prescribed targets.

The NSDG advocates for the departmental programmes to benefit at least 50% women, 40% youth and 10% to persons with disabilities. And that is through departmental programme approval committees.

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The training and capacity building, part of the question that you asked is dealt with through interventions and is administered under the Comprehensive Agricultural Support Programme, Casp. Ten percent of the Casp funding is dedicated to training, provision of mentorship and placement of young agricultural graduates in farms for practical exposure. In all of these programmes the department endeavours to maintain a 50% target for women. Is this enough? No, it is not enough, and would I recommend that all members of the House copy for the hon Hadebe today and read the report done by the Commission on Gender Equality and Equality which was released in July 2024, which is a comprehensive look at the role of women in agriculture and make it makes some good recommendations that the department is digesting. The report is called Do women reap what they sow? and the Experiences of women farmworkers and it make some sound suggestions about what we could be doing as the department, but certainly as a country to ensure that women paly a greater role in agriculture. I am happy to provide the hon member with that.

Inkosi R N CEBEKHULU: Thank you, hon House Chairperson. Hon Minister, what you have just responded to sounds very intensive - the question raised by hon Hadebe. Currently, we are having the biggest challenge in the department where even

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the land that has been long redistributed has not been seen taking off the ground for production. My question would be, yourself or your department having committed yourselves to the matter, are these black women going to be farmers? Are they going to be provided with equipment including mechanisation as it has been the stumbling block in getting redistributed land to produce successful products as farmers? Are women going to get the equipment so that they can successfully work? Thank you.

The MINISTER OF AGRICULTURE: Thank you very much, hon Inkosi Cebekhulu for the question. As you would know from the various interactions at portfolio committee levels there is a large focus within the department on making sure that we are able to provide tools necessary to make a success of land and agriculture that has been handed over to beneficiaries. It is not good enough to just simply provide the land and say to people will go on and grow to become successful farmers. That is precisely what Casp, Ilima/Letsema and other programmes we focus on. We provide not only support from an extension officer point of view and agricultural advice, but also to try and provide equipment where necessary. Obviously, I believe there need to be a lot more done to ensure that we are focussing on three key aspects of these projects, that is,

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sustainability, viability and profitability. When we handover these equipment and these assistance to female farmers we need to make sure that they are able to enter the value chain through market linkages, access to the values chain so that they can have a meaningful contribution. This means that the department can move to other beneficiaries. If we are providing the same beneficiaries year after year with the same assistance are we really doing what we should be doing to grow women participation and the sector? I would say, no. Those three aspects and providing equipment and ensuring that we are providing assistance, sustainability, viability and profitability are going to guide the department work in that regard. Thank you.

Ms N A NDALANE: Thank you, hon House Chair. The growth in agriculture is considered to be generally more effective in reducing poverty than an equivalent amount of growth generated outside of agriculture. Considering that the vast majority of the poor who are also food insecure are people located in rural areas with poor investment and infrastructure, what measures will the department be introducing to invest in infrastructure, in communal land in rural farming areas to address the uneven development in the sector? I thank you, House Chairperson.

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The MINISTER OF AGRICULTURE: Thank you for an excellent question from hon Ndalane. What we got to do is to make sure that when we are investing in areas, we invest in infrastructure that is going to be catalytic. Far too many times we go with projects that look very good on paper but are not really making a big impact on the ground. It is something that we are going to focus on.

There is also going to have a lot of signages between the Department of Agriculture and other departments, for instance the Department of Transport, Department of Co-operative Governance and Traditional Affairs because there are linkages. Farmers need to be able to get their products to the markets, whether they are small or large farmers. They need to get place where they can sell them. They cannot do that with impossible roads and other obstacles which currently inhibit them being able to do so. For instance, bad roads in citrus areas mean that your soft fruits get very badly damaged before you can get them to the market.

Yes, we have to invest more in infrastructure but it's going to be the whole government approach that focuses on leveraging the transport committee, the Co-operative Governance, the Traditional Affairs committees so that we have a co-ordinated

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way to ensure that infrastructure projects are rolled out sustainably but also catalytic in nature. The departments are not doing things in isolation when we could be working together in a more joined up government way to be able to ensure that these project, infrastructure in particular, have a catalytic effect on being able to give access to markets for farmers in a far more sustainable way. Thank you, Chair.

Mr C F B SMIT: Thank you, hon House Chair. Minister, in order to upskill and empower young prospective men and women of all races who want to start a career in the agricultural sector, it is essential that South Africa must have sufficient well accessible and well-functioning agricultural learning institutions such as Elsenburg in the Western Cape. We know that there are such institutions in other provinces but many of them are in a dire state. Does the Minister agree that intervention is required to improve these other institutions' level of learning as well as establishing possible new institutions of agricultural learning in as many as the other provinces as well? Thank you.

The MINISTER OF AGRICULTURE: Thank you, House Chair. Thank you very much, hon member for the question. I would say I agree completely with my hon friend in terms of agriculture

colleges. If we want to grow the knowledge base within the agricultural sector in South Africa we got to be serious about investing in education, training and development of those people who wish to enter the sector. Whilst Elsenburg is certainly in a very good state, and it is a good example. Sadly, some of our other agricultural colleges have been left behind in terms of infrastructure maintenance and the grounds have been left in very poor condition.

There is currently a move to bring these in line with our department and we will look at how to play our role in assisting both the physical and also the curriculum that would be required. Of course it is going to have to be, as I said in the previous question, a greater signage as well with departments like the Higher Education and Science and Technology to be able to empower these campuses to produce farmers of the future.

This is important. We also need to address what are shortages and shortfalls within the agricultural sector in South Africa and also encourage school leavers into those particular professions or learnerships.

I used for example the shortage of veterinary surgeons that we have in South Africa. Biosecurity remains one of the biggest impediments for us to extend on current trade agreements with other countries and also to extend our horizons to new markets around the world. If we don't get on top of the biosecurity, it's going to continue to hold us back. To get on top of it we need scientists, plant scientists, we need animal scientists and veterinary surgeons so that they can assist us.

I am very proud sir; we have already announced this as the department - the creation of a new veterinary services campus at another university. We are hoping to make some announcements about others. But we have to focus on creating farmers of the future. [Time expired.]

Xitsonga:

Tat S M GANA: Mutshamaxitulu ...

English:

... Minister, the agricultural sector has broad-based black economic empowerment sector code. How will you as the Minister implement the AgriBEE and blended finance to ensure the inclusion of black women in the agriculture sector value chain?

Xitsonga:

Ndza khensa, Mutshamaxitulu.

The MINISTER OF AGRICULTURE: Thank you very much, House Chair. Thanks to hon Gana for the question. I've already announced some of the programmes that the department has in place to empower women in this sector. One of the biggest impediments to women accessing farming is access to finance. Because of the patriarchal cycle that still dominates South Africa, a lot of women already battle to access finance and it is also endemic in the rural areas where people lack the security of tenure to be able to secure finance from the traditional means.

Working with the Land Bank through the blended finance scheme which is a partnership between the department, the Land Bank and other financial institution, we are looking at ways to make it easier to for people not only to be able to access traditional finance particularly women who are a strong focus of this particular programme to be able to access that finance so that they can overcome that capital impediment to get into the sector.

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Economic farming is science. It is not just a matter of putting seeds in the ground and expecting great yields. There's great deal of capital investment that needs to go into making a successful commercially viable farm and farming operations. To overcome that hurdle particularly for women and historically disadvantaged individuals, the AgriBEE fund, the blended finance scheme focusses on doing that. The agriculture and agro-processing master plan as well, which is a master plan for the agriculture sector, also focusses very strongly on the role of women and the historically disadvantaged individuals and use it as a public-private partnership model to be able to ensure that there is effective transformation within the sector. Thank you very much.

Question 216:

The MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT: House Chairperson, the Department of Forestry, Fisheries and Environment, the DFFE implements various job creation initiatives under the Extended Public Works Programme, the EPWP, as part of its mandate, which includes ecosystem restoration.

In the upcoming Medium Term Expenditure Framework, MTEF, the DFFE will create 93 301 work opportunities resulting in 67 650

full-time equivalents across all nine provinces. These initiatives are undertaken in collaboration with entities and private sector partners to meet the mandate of the DFFE.

A core focus of the Government of National Unity, GNU is economic growth, and we need to move towards sustainable jobs that will endure. This can be generated from building new, greener economies as we progress the just energy transition.

The Department of Forestry, Fisheries and Environment possesses the institutional capacity to manage the implementation of these initiatives across all provinces, through its branches, environmental programmes and forestry management. The two branches work in tandem, utilising a combination of approaches to deliver their programmes effectively as follows:

Environmental programmes in three regions, that is Limpopo, Mpumalanga and the Northwest provinces. The region 2 is Eastern Cape, Western Cape and KwaZulu Natal provinces, as well as working on fire and region 3, which is the Free State, Gauteng and Northern Cape provinces and forestry management, the provincial model reporting to the national office.

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I have a table here that I will submit to you. It represents the implementation plan for the next three years. The total work opportunities in the next three years will be approximately 30 000 in the environmental programmes for the three years. In forestry, approximately 1 100 for each of the three years and then the total full-time equivalents over the next three years will be 22 500 approximately per year. On the environmental programmes, 22 000 per year. Forestry, approximately 550 per year and then the total budget allocation is R2,7 billion, R2,8 billion and R3 billion in the next three years.

The branch environmental programmes allocated through the delivery of the following environmental outputs. Hectares of invasive plants, the species will be cleared 250 000 and 300 000 over the next three years. The number of wetland rehabilitation will be 23 in the first year, followed by 70 in the second year and 70 in the next year and then the percentages of wildfire suppressed 90% over each of the next three years.

These employment targets are primarily aimed at addressing the core environmental programme mandate of restoring ecosystems in terrestrial and conservation areas to conserve biodiversity

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and protect water resources. To a limited extent, given the current budgetary pressures, the DFFE still supports environmental monitors who assist with general environmental monitoring support in conservation areas. The jobs linked to the branch forestry management reflected in the targets indicated above, assist in supporting the management of community areas. Thank you, House Chairperson.

Ms N GANTSHO: Hon Minister, to what extent are current policies and programmes contributing to the shift towards a secular economy? And which specific interventions are currently being implemented to achieve this change and what measures are used to assess the effects of these measures on job creation and environmental sustainability? Thank you.

The MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT: Thank you very much for the question. Our Waste Management Bureau is working on a new way for us to manage waste. As we know, there are major problems in all our municipalities across the country. So, what the idea is, is that we would be able to manage waste right from when it is disposed of through the process so that we can recycle it and reuse it overtime.

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There is a model that is being built and in the near future we will be able to pilot that model. Once we've done that, we'll be able to identify where the areas are for improvement. For example, we know that in municipalities across the country, there are waste sites that catch fire and emit greenhouse gases. So, that's the circular economy that we are seeking to find.

I was very recently in Côte d'Ivoire with other African environment Ministers, where we were discussing the problem of pollution across our continent because obviously there's a lot of pollution, waste pollution that's happening and also, for example, refrigerators that are dumped in Africa, that we need to attend to.

Those are some of the major initiatives that we're looking at. Also, if we look at new green economic activities, the department is focusing on building ecotourism, conservation and our harbour economies, as key areas for economic growth and job creation. South Africa's competitive advantage is our very rich biodiversity, which offers unique opportunities to develop ecotourism ventures and create jobs while protecting our natural environment.

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The department is also looking at leveraging this advantage by driving investment into sectors that promote sustainability and conservation, especially in areas where biodiversity is under threat, which we see across our country, the region and Africa in particular.

If we look more closely at ecotourism and conservation, they are directly linked to job creation and economic activity, particularly in our harbour economies. There are many opportunities for communities there, for small scale fishers and tourism operators also focusing for example on our natural assets such as parks and marine life and then of course we have our fishing for freedom campaign where we want to reconnect communities to the ocean economy that have been disconnected from it. So, in particular ... [Time Expired.]

Mr A D DE BLOCQ VAN SHELTINGA: Thank you, Minister, for your comprehensive responses thus far. In terms of job creation, one of the most imperilled sectors under your purview is the fishing industry. Not only our commercial operations, but also our local coastal communities who have lived off the sea for many, many generations. Minister, some of these communities are very unhappy with the outcome of the latest fishing rights allocation processes and are currently not able to fish

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because of a lack of rights or the provision of rights that are not economically sustainable. In addition, the condition of many of our fishing harbours is dire, and you've already alluded that. What is the Minister going to do to empower our small scale and local fishermen and women? Thank you.

The MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT: The fisheries environment is very contested space, as you mentioned, and the reason for that is because our fish stock is very severely depleted and the root cause here is to ask ourselves what is causing the depletion of our fish? Is it climate change? Is it illegal fishing? What is going on because the numbers are looking quite horrendous.

On the small-scale fishers, yes, indeed, there's a lot of appeals now on the licenses that were issued because as I mentioned before, it's hotly contested space. There's only so many fish that can go around. I have a number of appeals on my desk at the moment that I am looking at.

As I mentioned previously, our fishing for freedom campaign is basically to connect and reconnect communities to the ocean because they've been disconnected from them and what we find is that we have terrible deprivation in communities that are

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close to the ocean because this has happened. For generations people's fishing licenses were not given to the fishers and then they got disconnected and that's been very dire.

So, my commitment into the future is that when we consider license applications, we must take into consideration the fact that what happened in the past was that there were fishers who were unable to navigate the application process, because they were simply unable to read, and we need to make it easier for our fisher communities to be able to access the license. But of course, that process never ends and so there will be opportunities as we move forward.

I just want to also mention that this forms part of a broader programme in our department where we are looking at accelerating economic growth because that is the greatest requirement in our economy at the moment. We need more growth so that we can get jobs, get more money into the fiscal and then we won't have the problem of budget cuts.

We also have, for example, I'd like to mention - we have our KISS Strategy, which is the Kruger, Kirstenbosch-iSimangaliso Icon Status Strategy which basically aims to look at our apex park, the Kruger Park and the apex Botanical Garden,

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Kirstenbosch and our apex Marine Reserve iSimangaliso and make sure that we can make these the best they can possibly be and then get people living nearby to participate in the economy, by being able to access our natural resources and leverage off them for economic growth, just like we want to do with the fishing communities. Thank you.

Mr A T THEMBA: Minister, according to Statistics SA, South Africa's expanded unemployment rate for the second quarter of 2024 is 42,6%. This equates to 11,1 million unemployed people in South Africa. In the second quarter of 2024, the number of unemployed persons decreased by 92 000. In South Africa, unemployment affects different race groups, disproportionately with South Africans carrying the largest burden. What are the reasons that leads the Minister to think that having a target to create 67 650 jobs by March 2027 will contribute to reducing unemployment in South Africa? Thank you.

The MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT: As I mentioned previously, is that what we don't want are jobs that are just going to be there for a very short time and then they're going to disappear as the budget gets smaller and smaller because the economy doesn't grow. What we want to do is to grow the economy and that's the most important thing in

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all the departments in the Government of National Unity. We've already agreed that is the top priority.

So, for example, my department is looking at how do we take our natural resources that we are custodians of and how do we leverage off that for job generating economic growth. That is the thing. The number that we mentioned earlier is a small number, but that's really the only number that we can get because we have a limited budget. But obviously if the economy grows then all ships get lifted and then everybody in the country can be better off.

Of course, the most important people that we need to focus on are people that have been left behind, people that have not been able to enjoy the fruits of our democracy because they have not been able to connect to the economy and that is the most important thing.

Now, if you look at the Kruger Park border of, you have millions of people living along the border of the park that do not actually benefit enough from the natural assets that are there. So, what my department is looking at through our KISS Strategy and our other strategies is basically to say how do you then generate virtuous economies there? How do you get

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more people into conservation? How do you get younger people to love our natural resources and want to protect them rather than to hurt them because we've got some negative industries going on. For example, we've got poaching, etc.

So, if you create a virtuous new cycle of new economies in the green space, you can get people into those jobs and then they would never want to allow anybody to poach anything because it belongs to all of us. Our natural assets belong to everyone.

I have been speaking to the Minister of Basic Education to say that every single child from a very, very young age should learn at school about our amazing biodiversity. All the animals, the wildlife that we have, that other countries do not have. Our African lion, for example, it's a magnificent animal and they must love it. And if they do, they will learn to say, well, I want to go into conservation, I want to get into a green job, I want to go and protect what we have and that's how you create virtuous economic cycles in our country.

And we can do that everywhere because that is our competitive advantage. We have amazing biodiversity, and we can leverage hugely of that. Not only the wildlife, but also the plant life resources. Thank you.

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Ms M DLAMINI: The Minister must be realistic. The department in the past year has failed to create jobs. It has about 754 posts, of which 211 are funded. However, no appointment has been made so far. As the EFF, we agree that there is a need to restore ecosystems, conserve land, protect water resources, fight poaching, and restore indigenous forests and plantations. How can he create about 100 000 jobs in three years? Really, it's a dream. What is the staff establishment of each entity and how much budget is he going to need, considering the austerity measures done by the very same government? Thank you.

The MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT: I can make all that information available to you and I'll get my office to do that for you. I think very crucially, as we said before is that we have budget cuts because our economy is not growing. And the reason why our economy is not growing is because there's not enough economic activity. That is how the cycle works.

So, it is not possible for government to create more jobs when there's not enough tax coming into the fiscus. The only way you can get more tax into the pot is basically to generate activity and then you get the tax and then you have the money

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and then you have enough in your budget and then you can employ people. That's the cycle. But what is happening is that the numbers are going down.

My department's been cut by R3,5 billion over the next three years because there is not enough money to go around and the reason for that is because the economy isn't growing. And as I said before, you say well, is he dreaming, is it hope or whatever?

Well, isn't that what we have? Now we have the opportunity because the opportunity has now come. The people of South Africa have decided we want a different government for the future, and they've got one. And now here we are, we're a Government of National Unity and we are all focused the same way. Yes, we all have great, great plans for the future because we don't have much opportunity because if it carries on going like this, what will happen is that R1 billion per day that is paid for interest will get bigger and bigger and bigger.

What we have to do, and the people of South Africa decided to do that is to break that cycle. They did that. We had a miraculous transformation. Second one in my lifetime and maybe

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who knows more to come. But the fact is we can grow our economy. But what we need to do is we need to make sure that we think clearly on it.

We can take the non-virtuous cycles where there is poaching and make better industries. It is in fact possible, but what it requires is political will, which we have and then we need to implement because we have plans, and they are this big and there's so much paperwork, but nothing gets done. That needs to change. Thank you.

Question 206:

The MINISTER OF EMPLOYMENT AND LABOUR: Thank you, hon House Chair. Thank you to the member. It is fundamental to highlight the provisions of the Preamble of the Constitution which states that, "South Africa belongs to all who live in it united in our diversity. As such, we need to recognise the injustices of our painful past that unfairly treated and discriminated against the majority of our people, in particular black people. Black people include coloureds.

Secondly, section 9 of the Constitution, the equality clause, is explicit that, "Everyone is equal before the law and has a right to equal protection and benefit of the law."

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Furthermore, no person may unfairly discriminate ...

[Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Minister, my apologies. There is hon member Bartlett on the virtual platform. Just switch off the microphone of that member, please. My request to members on the virtual platform is to pay attention to what is happening in the House, because you are disturbing proceedings. Please proceed, hon Minister.

The MINISTER OF EMPLOYMENT AND LABOUR: Furthermore, "No person may unfairly discriminate directly or indirectly against anyone based on one or more grounds, including race, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language and birth."

In order to give effect to the equality clause in the employment sphere, the Employment Equity Act 55 of 1998 was enacted. Consistent with section 9 of the Constitution, section 6(1) in the Employment Equity Act prohibits any unfair discrimination, directly or indirectly against any employee, including applicants for employment. Listed grounds for unfair

discrimination are applicable to all employees, including applicants for employment.

In fact, Section 5 of the Employment Equity Act unequivocally prescribes that all employers must take steps to promote equal opportunity in the workplace by eliminating unfair discrimination in any employment policy or practice.

Thirdly, of importance and relevance is that the Employment Equity Act's objectives are to achieve equality in the workplace by promoting equal opportunity and fair treatment through the elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by the designated groups in order to ensure their equitable representation across ... [Interjections.] ... and levels in the workforce.

Designated groups are defined as black people, namely Africans, coloured and Indian, women of all racial groups and persons with disabilities, irrespective of their race and gender. Therefore, any employee from the minority groups, inclusive of the coloured population, has a right to equal protection of any labour law. As such, the coloured population, like any other black people, should enjoy equal

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benefits of the Employment Equity Act and have equal access to employment opportunities, to be able to equally participate and contribute to the economic growth of our country. Thank you.

Ms C WILSKUT: Thank you, hon Chair. In the light of the proposed amendment of the Employment Equity Act: Can the Minister provide details on how these regulations will be created, implemented and effected, ensuring that there is no underrepresentation of all minority groups, and coloureds in particular? Thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: Thank you ho House Chair. As we said earlier on. we are busy with the regulations. We envisage the regulations to be completed as soonest as we have completed the consultations and, as such, the regulations are trying to make sure that we implement the Employment Equity Amendment Act as it was passed by this House. It is for that reason that we are assuring this House that there will be no discrimination against coloureds, as I indicated earlier on, because they are classified as part of those that are protected as black population and those that are the designated groups that have been discriminated before. In a process of us trying to redress using the Employment

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Equity Act, we will also make sure, through the regulations, that the coloured population is protected.

Mr B M MANELI: Thank you, hon House Chair. Thanks, Minister, for the response. In the light of ongoing efforts to address historical imbalances in the workplace, having spoken to the regulations that you are working on: What specific measures and is the department implementing to monitor and evaluate the representation and advancement of minority groups within the broader context of employment equity; and also, how will these measures ensure a fair and inclusive approach that balances the needs of all designated groups? Thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: Thank you, House Chair. I think the question by the hon member also talks to what was raised earlier on by the hon member on the coloured population. The aims of the regulations that we are about to finalise ensure that the Employment Equity Amendment Act is implemented to the latter, because its sole peoples is to ensure that there is equity in employment and there is nondiscrimination in terms of race.

Hence, we are saying that we are coming with regulations, not to change or to amend the Employment Equity Amendment Act;

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instead, to be specific, to give directives and ensure that employers understand what they are expected to do as they implement the Employment Equity Amendment Act. So, we will do all in our power to ensure that there is no discrimination, particularly looking at those previous disadvantage races, while also ensuring that there is justice for all. Thank you.

Mrs D VAN DER WALT: Thank you, House Chair. Minister, how do you intend to deal with the further exodus of skills from South Africa and the large amount of unnecessary red tape for employers caused by race-based classifications, considering that both are contributing towards further stagnation of our economy?

The MINISTER OF EMPLOYMENT AND LABOUR: Thank you, House Chair. The aims or the objectives of the Employment Equity Act are progressive and positive. They are not to further delay or harm the economy of South Africa. I think the question that is raised, even though it is put the other way around, still suggests that there may be harm that is caused by the same Employment Equity Amendment Act. I want to reiterate, hon House Chair, that the aim of this Act is to ensure that we address injustices of the past.

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Those who have been previously disadvantaged are given an opportunity in a manner that is intended to redress; neither to harm the economy, nor to also try to minimise skills or avoid the participation of those who are skilled in the economy. Nobody will be discriminated. However, we simultaneously have a responsibility as government to ensure that there is equal participation - that there is fair and equitable participation in the labour market.

Mrs H DENNER: Thank you, House Chairperson. Hon Minister, as we sit here currently today, there are more race-based laws on the law books than before 1994, according to recent research. [Interjections.] It is true, you can go and look it up ... [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Please address me.

Mrs H DENNER: Now, we say that we want a society that does not discriminate. We want a nonracial society. You even quoted the Constitution. Yet, we continue to make and strengthen race-based legislation. So, my question to you, hon Minister, is - and we have seen that it does not really work, because one of the previous questions referred to the rate of transformation in the private sector, and it is not very successful. So, my

question to you is: Will your department take the lead in finally doing away with race-based legislation and find other methods that actually work to promote true equality? Thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: Thank you so much, House Chair. It is important to highlight that the democratic government is not clinging to racial classifications, but we must recognise that because of the apartheid, other discriminatory laws and practices based on race, there are still disparities in employment, occupation and income within the national labour market. As such, those disparities create such pronounced disadvantages for certain categories of the people. They cannot be addressed by simple repealing discriminatory laws.

Therefore, we need all labour laws, inclusive of the Employment Equity Act, that were enacted to give effect to the equality and fair labour practices clauses in the Constitution, to promote equity through access to equal opportunities and to eliminate unfair discrimination based on the combination of prohibited grounds, inclusive of race, gender, disability, sexual orientation and so forth.

In this regard, it will be difficult to redress the imbalances of the past merely by ignoring race and other factors which were used as determining factors to exclude the majority of our people, in particular black people, women and persons with disabilities from equally participating in the economy of our country. So, unfortunately, my department is not intending to do away with these laws because we need to redress!

Question 254:

IsiZulu:

UNGQONGQOSHE WEZOKUQASHWA KANYE NEMISEBENZI: Ngiyabonga
Sihlalo weNdlu ...

English:

... labour legislation in South Africa gets processed through the National Economic and Development Labour Council, comprising government, business, labour and community constituencies. Labour laws in this country are benchmarked against the International Labour Organisation conventions that are there to guide all member states on key principles and fundamentals to be observed. These laws were assessed by the International Labour Organisation and were found to be very flexible. Therefore, as a country, we are very fortunate that we have no mammoth task of neither amending legislation nor

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expunging regulations that are counterproductive to job creation. We use National Economic Development and Labour Council, Nedlac, to review any aspect of our laws that may be found to be having unintended consequences in the labour market to make the necessary proposals. Currently, one of the proposals that are being considered at the Nedlac is on the startups. It is a proposal that seeks to exclude startups that have been in existence for two years or less from the extension of collective agreements, to encourage job creation.

Furthermore, the proposals include removing dismissal, protection for new job seekers where employers seek to determine the compatibility of the new employee with the job, and a code of good practice simplifying retrenchments for employers. Once the net leg processes are concluded, the parliamentary process will unfold, and the hon member will also have the opportunity to engage with the Bills.

Mrs D VAN DER WALT: Thank you, Minister, please share the thought processes behind the belief that no current legislation or regulations are counterproductive to job creation.

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The MINISTER OF EMPLOYMENT AND LABOUR: Thank you, the House Chair. We've got a responsibility as government to buffer both the employers and the employees as we are about ensuring that there's decent jobs and retention of such jobs. So, we are taking it as our responsibility to look at those laws that may hinder progress and may cause our employees to have a risk of losing jobs because as we said with the one that we are proposing now. If you just started as a company still trying to a make profit and then you are forced to be in line or comply with the collective bargaining agreements. It may be a problem that can cause harm to the employer and also create an environment where we don't have new jobs that are created. Hence, we support those policies that are like that. They need to be looked at and be addressed as such.

Mr M NONTSELE: Thanks, hon Chair, hon Minister, what are the potential implications of excluding these startups from the extension of collective agreements? And how might this impact job creation and the overall dynamics of the labour market?

The MINISTER OF EMPLOYMENT AND LABOUR: Wages are one of the cost drivers for businesses by excluding startups from collective agreements within the first two years of their existence. This is done to give an opportunity to the startup

to survive and eventually to be in a position to create job opportunities for the economy. Most startups fail within the first two years of their existence in excluding them from collective agreements while in compliance with the national minimum wage can reduce the operational costs and afford them an opportunity for job creation. My department has no doubt that by lowering the initial financial burden for start-ups can focus on growth and stability, ultimately contributing positively to the broader economy, thus contributing to the fight against challenges of employment, unemployment, poverty and inequalities bedevilling our labour market.

Mr H D SELEPE: Thank you very much, Chair. Hon Minister, Right Wing political parties continue with their attack on the arsenal of progressive laws passed by Parliament to protect workers and other vulnerable sectors. These parties refer specifically to such laws as employment equity, minimum wage and sectoral determination, Labour Relation Act and safety laws at workplace, claiming this inhibits economic growth and employment creation. Employers are simply asking for the right to hire and fire workers willy-nilly.

The MK party will resist any attempt to interfere with laws, protecting workers and their vulnerable. Noting the slow pace

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of the implementation of already existing labour laws by the government, what measures are you taking to protect workers and other vulnerable sectors and increase their share of national income, particular workers from the African, coloured and communities not to forget the vulnerable members that about to be retrenched?

The MINISTER OF EMPLOYMENT AND LABOUR: We as the Department of Employment and Labour, we are for the employer and the vulnerable workers, in particular, we prioritise the rights of workers. It is for that reason that, as the custodians of all the labour laws, we are hard at work in doing inspections in ensuring that there's compliance and we apply consequence to those who don't comply with the laws of this country. It can't be that people would make a profit at the expense of the poor workers that are being exploited. Yet, we are a country that has very progressive laws to protect our employees. So, we are doing work, and we will make sure that workers are protected.

Ms N L WEBSTER: Thank you, House Chair, women in this country are the most highly unemployed, 5,5 million women don't have jobs at the moment. Yet, we know that in this country, female headed households are the most prevalent kind of household structure. Yet, women are the ones who bear the brunt of

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poverty. They're the ones who bear the brunt of unemployment. Now, there's legislation that exists that should be aiding and starting to change this picture. Yet, we know that it has not been adequate, if we look at the numbers and the rate of unemployment and poverty as it pertains to women. So, the question to the Minister is: What legislation or what regulations are they advancing as a department in order to be able to deal with this issue of the unemployment of women in this country? Thank you.

The MINISTER OF EMPLOYMENT AND LABOUR: We have launched a programme. We call it Operation Yazini - know your Ministry. We believe may be others that don't comply with the laws of this country because they don't know what laws exist. We still believe Employment Equity Amendment Act is enough if then it is complied with to protect in particular women. We are disheartened to see the report on to receive the report, in particular from the EEC, that show that the private sector in particular is so noncompliant in terms of giving opportunity to women. So, we are hard at work, and we are also thankful that the laws of this country are giving us teeth as a department to enforce where we find people who are not complying with the Employment Equity Act. So, we'll continue

doing that and showing that people know as we are educating them, we enforce at the same time.

Question 217:

The MINISTER OF AGRICULTURE: House Chairperson, in order to accelerate the gains made through land reform, the department, through the Cabinet, approved the National Policy on Comprehensive Producer Support and Development. And that is ensuring that there is an increase in agricultural production and food security through the provision of support to small and medium-scale farmers.

The policy provides for the different categories of farmers and the different types of support that they need in order to succeed.

The Department of Agriculture is implementing a grant-based Agricultural Producer Support Programme, APSD, and these are designed to ensure that funding is provided in the form of infrastructure, production inputs, mechanization, training, extension support and working capital; and furthermore, ensures that market access support is also provided to beneficiaries.

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The funding programmes in the department are: one, the Comprehensive Agricultural Support Programme, CASP; two, Ilima/ Letsema Programme, ILP, which is a schedule 5 conditional grant; three, the LandCare Programme, which is also a scheduled 5 conditional grant, and; lastly, the Agriculture and Agricultural Broad-Based Black Economic Empowerment, AgriBEE, fund.

Furthermore, the blended finance scheme - which I've referred to already in an answer to a previous question - is a financing instrument used to target land reform beneficiaries, amongst others, to broaden access to affordable finance, in particular, and to ensure a critical mass of black commercial producers owning and participating in the agricultural value chain. Blended finance is offered in partnership with the Land Bank, Industrial Development Corporation, IDC, and other private financial institutions.

Another critical programme for land reform beneficiaries is the Land Development Support Programme, which is implemented in partnership with development partners such as commodity organizations and financial institutions. And this approach is within the framework of the agriculture and agro-processing

master plan that advocates for public-private partnerships for inclusive growth in agriculture and agro-processing.

Organizations such as Grain SA, which today hosted the celebration day where they celebrate emerging in small farmers, and the assistance that's been provided there, as well as assistance through the agricultural trusts, where 20% of the trust income has to be redirected towards inclusive assistance and transformation and assistance to historically disadvantaged individuals.

Furthermore, the role of the department is focusing on through the integrated agricultural marketing policy to provide a range of agricultural marketing support services to enhance participation by all role players across the agricultural value chains.

The above-mentioned support programmes include the provision of marketing information, Marketing Skills Development Programme, the Good Agricultural Processes Certification Programme and the Market Linkages Programme. These are aimed at providing assurance to potential buyers that food produced by smallholder producers is safe for human consumption.

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I end, again, by saying it is absolutely essential if we want to see the sustainability that we have to link our small-scale farmers into commercial value chains so that they are able to become sustainable, viable and profitable in ... as quickly as possible. Thank you, House Chair.

Ms S W DAVIDS: Minister, what particular plan does your department have to support small-scale black farmers to circumvent the many challenges they face? Like they don't have water in their farms, they don't have energy, they don't have access to biosecurity, they don't have any business skills and also they are very poor.

One example is the pig farm in Drakenstein. Another example is the farm in Beaufort, where the small-scale farmers that just close the doors now because they don't have access to water, they don't have electricity, the environment is not clean and also they have no business skills. They know how to make pig farming, but they don't know how to run a business. Thank you.

The MINISTER OF AGRICULTURE: Hon Davids, I've already set out in some detail how the department is assisting, particularly with marketing and the like.

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But the hon Davids makes a very good point and that is around access to water. Because in speaking to small-scale farmers and even medium-scale farmers, one of the big obstacles, apart from capital, is access to water.

It is impossible to farm in some sectors without access to water and we really do need to do something and it's something I intend to take up my counterpart, the hon the Minister of Water and Sanitation, to speed up water license applications for our farmers, particularly historically disadvantaged farmers.

I'm busy dealing with matter in the Eastern Cape where there's a project that is an entirely 100% Human Development Index, HDI, project, they've been waiting for over two years for granting of their water license. And this is something that is holding us back in agriculture sector, quite significantly and is going to need a lot more synergy between the Department of Agriculture and the Department of Water and Sanitation. The two go hand in hand and you can't assist on the agricultural side if we can't get access to water licences for our smaller scale farmers. Thank you very much, House Chair.

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Mr N S MATIASE: Minister, there are many agricultural irrigation schemes, most of them are not functional. I'll mention just few: one in Taung by the name of Raitlhoma and Ipeleng, another two in the Eastern Cape in Chris Hani region, Ncora Irrigation Scheme and Qamata.

The fact that these irrigation schemes have been neglected and are lying fallow and not utilized has impacted negatively on the ability of small-scale farmers to turn their farms into productive sites, to ensure that they move from being in small-scale into commercial farming. And this is a direct threat to food security and undermines the sustainable development of small-scale farmers.

What are measures that are in place, now that you went to China and you have seen a new Jerusalem? What experience do you bring to ensure that small-scale farmers are helped and ensure that they farm productive and sustainable? Thank you so much, House Chair.

The MINISTER OF AGRICULTURE: House Chair, I thank my honourable friend for the question and say to him I have seen the new Jerusalem in China, I've never seen such more conspicuous capitalism in Beijing as I witnessed.

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But to say that ... I think the hon member makes the right points about these irrigation schemes. And the tragedy about these schemes is that when you go and sit with the community members there, as I have done, and they take you through the history there and it's heartbreaking when you have older members of the community who remember the hillsides and that scheme teaming with produce and many of them have fallen by the wayside.

Number of these issues relate, again, to the water. But then also we need to find innovative ways to ensure that we are providing assistance to those irrigation schemes to get off the ground. I'm dealing ... one of the ones I referred to was in the in the Eastern Cape, where we are trying to get the water licence accelerated so that they can actually start farming. There's potentially 600 jobs that can be created in the one irrigation scheme alone.

There's also innovations, and I should have probably mentioned it in answering the hon Davids, through the Agro Energy Fund, which looks at how we can reduce the reliance on Eskom and the high energy costs by utilizing alternative energy and it's a very soft financing scheme that's available through the Land Bank and the department in partnership to help those

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irrigation schemes move on to solar and other alternative forms of energy.

But, obviously, the hon Matiase, I know he's a passionate agrarian and perhaps we could go and visit some of those sites together and look what interventions outside of the ones currently being made could he make to accelerate them.

I believe that there is a will from the communities there to see those hillsides and pastures and fields full of produce again to ensure that not only are they providing food security, that we're able to then also ensure that we are creating viable and sustainable and profitable agricultural projects there for communities to benefit from. Thank you, House Chair.

The HOUSE CHAIRPERON (Mr C T Frolick): Hon member, why do you want to be recognised?

Mr T L MONTANA: Chair, can the hon Minister take a question?

The HOUSE CHAIRPERON (Mr C T Frolick): No. It's not your chance to take questions now. Please take your seat.

Familiarize yourself with the rules for questions and follow ups.

Inkosi R N CEBEKHULU: Hon Minister, we are all aware that once food is transported to local retailers or supermarkets it becomes expensive because of the inclusion of the prices of transport by farmers to the shops.

My question, Minister: Why is your department only focusing on these small and medium-scale black farmers, ignoring the subsistence farmers who, I understand, could be somehow contributory to selling to the local people in reasonable prices of all what they would be producing in their fields? Why is your department simply turning a blind eye on subsistence farming support? Thank you, hon House Chair.

The MINISTER OF AGRICULTURE: House Chair, I would not say that the departments is turning a blind eye to subsistence farmers and they absolutely remain an integral part of the programme of the department, particularly when it comes to food security.

Food security is not only access to food, it's around access to ... on a regular basis to good quality food. And the

department has as a great deal of assistance to subsistence farmers to be able to assist them in production.

It's also one of the reasons, I've said very clearly, that we do need to be looking at how we can use urban and peri urban land far more effectively to ensure that instead of having these well-located land wasted, that we can look at doing food gardens and etc, to ensure that we improve food security.

I was with the project on Women's Day this year that not only provides food security for the local community but is able to power a soup kitchen as well as bringing in some income for that operation by the sale of vegetables on the side.

Subsistence producers and subsistence sellers are a backbone of food security, particularly in rural areas where people don't have the luxury of going to a local shopping mall or to a market. And they are a ... remain an important aspect of the department's support.

As I said, the department provides support for farmers across the full range from subsistence all the way up to the mega farmers. The type of support that they want and need is very different in each case, and the department does its best to

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tailor their support packages to ensure that we're meeting the needs of farmers, whether they be small or whether they be large.

Agriculture should be everybody's business, and if we want to ensure that our country continues to flourish and that our food security is protected, that we are supporting across the entire range. Thank you very much, House Chair.

Mr R A TROLLIP: Hon Minister, Naledi Sikhakhane and Tony Carnie wrote an article, recently, entitled: *Failing farms: Billions spent as reformed land lies fallow.*

In the past 30 years the state has spent R58 billion acquiring four million hectares of arable land; that is a quarter of all arable land.

The article highlights the plight of two farms in the Ixopo and Umzimkhulu that were quite as going commercial concerns. Now, there's no benefit to the beneficiaries, farms are being stripped, vandalised and are totally unproductive. There are countless such examples.

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The cycle of wanton spending with negligible returns continues and undermines rural development, land reform, development of new commercial farmers and food security.

Yesterday in the committee we heard that half of the emerging farmers who are assisted to access new markets by the National Agricultural Marketing Council, NAMC, can't sustain market fulfilment.

Minister, how do you plan to end this to ensure commensurate returns and to meet the objectives of your department? Thank you, hon House Chair.

The MINISTER OF AGRICULTURE: Hon Trollip, after you raised the article in the portfolio committee meeting yesterday I tasked my department to go and pull the article and we're busy going through it.

But certainly, the point that he makes speaks to the issue I said earlier: sustainability, viability and profitability.

There's no good the department providing somebody with seeds and ground to plant cabbages every year if, indeed, there is no market for those cabbages to go to. You are producing

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something that's got nowhere to go. And, so, we have to focus on sustainability and viability.

The hon Trollip is absolutely right. I think that there's been a focus of the department, perhaps in the past, around ... just simply saying, well, here we go, here's a farm, here's the equipment, off you go. And then saying, well, we've ticked the box that we've now got a sustainable black commercial farming operation. That's not the case in many instances. And it requires ongoing support.

But also, when conceptualizing the project from the ground up, from the beginning stages, the genesis of the project, is this a sustainable pro ... is this a sustainable investment of public money in this particular project? And I think that many of those projects that the hon Trollip has referred to, and for a variety of reasons, not worked out.

There's one in the Eastern Cape, for instance, that I'm sure you're familiar with, that would never have been a successful dairy. It's the wrong area, and yet it was earmarked for dairy project and money was spent there, but it was no way that it was going to be a sustainable or viable project going forward. And, so, we need to make sure that we look at that going

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forward. No project should be done unless it's sustainable, viable and profitable in the long term. Because this is how we're going to ensure rural development.

On the other issue around ... that the hon Trollip talks about, you know, the viability or not being able to meet the market requirements in terms of volumes, there's a very interesting model which Dr Theo De Jager Diaca from Southern African Agri Initiative, SAAI, has shared with my office around the type of co-operative systems that operate in Uganda and Tanzania, where farmers come together around in a co-operative way to pull resources to be able to improve their buying power, but also then to be able to fulfil the production quotas of certain products going forward.

I think we need to explore those and it's certainly something that I'm looking at very, very carefully and obviously we'll report back to the portfolio committee as well on that. Thank you, hon House Chair.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, the three hours allocated for questions for today has now expired.

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We will now take the question that stood over from Wednesday, 11 September 2024.

I now take Question 178 which has been asked by the hon K A Christie to the Minister in the Presidency.

Question 178:

The DEPUTY MINISTER IN THE PRESIDENCY (Mr I K Morolong): Hon House Chair, I am here today. Let me first apologise for my unavailability last week when I was responding to questions from the virtual platform. Since the fiscal year 2015-16, budgetary constraints have begun to impact on government finances. Throughout the Medium-Term Expenditure Framework process Statistics SA and the Minister have frequently discussed funding limitations with the National Treasury.

In February 2020, the SA Statistics Council publicly expressed concerns regarding Statistics SA funding. Better co-operation and engagement with the National Treasury is in place with multi-bilateral meetings aimed at refining and improving budget management and efficiencies. Despite being conducted in financially constrained environment, the census was successfully completed at a significantly lower per capita cost.

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However, it recognises that financial resources are limited and for the future planning the organisation is exploring new globally benchmarked methods and approaches that will enable the delivery of small area statistics on a more frequent basis. Thank you.

Ms K A CHRISTIE: Thank you to the Deputy Minister for his reply, and his office did admit to knowing about the budget shortfall of 50% needed for census 2022. I am thinking now of the next census and potential budgetary constraints because where I am from, we get things done and as well as possible and that is what I want for the next census and we get it done well.

A 10-year census is the biggest peacetime operation a government undertakes requiring adequate budget with skilled and trained staff and detailed planning to count every household down to the smallest village and rural community. I beg to differ that census 2022 was successful. The inadequate budget of only R3,2 million along with other immense limitations on the census 2022 team resulted in an undercount of 31% of our people, the highest ever recorded. This could distort the national planning and the division of revenue to

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provincial and local governments undermining service delivery in our most vulnerable communities.

How will we plan, train and budget for an effective census which I know is planned for 2031 to guarantee that we count at least 95% of our population not 69%. Ninety-five percent is the accepted international standard for a census. This is vital to ensure the equitable distribution of revenue and resources such as vaccines to local clinics. It is most important that Statistics SA have our support as a government and backing for successful census in 2031. Thank you, Chair.

The DEPUTY MINISTER IN THE PRESIDENCY (Mr I K Morolong): There is absolutely no doubt that census 2022 was fraught with challenges. It was supposed to be a month long census which resulted in, you know, by the end of February 2022, the collection rate was so low that it could not make meaningful statistics. That is why it was extended up to May 2022. We agreed that there were challenges but we also agreed that this was a census of its own kind.

Paperless, there obviously were challenges that were ensued as a result of South Africans refusing to be counted and so on. However, we believe in the ability of a country as ...

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[Inaudible.] ... as ours to summon the difficulties that ensued during that census. We agree that because of inclusive growth, will result in bigger budgets and we also agree that the budget reductions have unintended consequences especially for Statistics SA which is supposed to produce, collect and disseminate statistical data. I thank you.

The HOUSE CHAIRPERSON (Mr C T Frolick): Deputy Minister, the second supplementary question will be asked by the hon Gama. Gama, from the MK Party.

Mr S M GANA: Oh! You said Gana, man.

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

Xitsonga:

Tat S GAMA: Ndza khensa.

English:

Hon Minister, Statistics SA has indicated that there is a high prevalence of enumerators being refused entry into white dwellings in Cape Town where 60% of the population of the Western Cape resides. In particular, it is the Coloureds and African census enumerators who were routinely disallowed entry

prompting Statistics SA to engage the provincial premier to undertake an unprecedented radio campaign. This still did not help much because the Western Cape still reported the highest census undercount in the country at approximately 36% which undermines the objectives and resources availed for a successful census.

Minister, have you considered invoking section 83 of the Statistics Act number 6 of 1999, which makes it an offence and which attracts penalties for anyone obstructing the work of Statistics SA? How do you intend to ensure that there is societal transformation with a cohesive and dynamic national fabric going forward? Thank you.

The DEPUTY MINISTER IN THE PRESIDENCY (Mr I K Morolong): In the Sixth Administration, this Parliament inter alia dealt with the amendment of the Statistics Act number 6 of 1999 and delved into specific issues which mitigated against the work of our field workers. The provisions thereof to strengthen the act would have been encapsulated in the submissions made by Parliament on the Statistics Act number 6 of 1999. The amendments and the draft Bill is before the President for ascension. We hope that it will strengthen the work of Statistics SA and give it more teeth. I thank you.

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Mr S THAMBO: House Chair, I will be asking the question on her behalf. Minister, there has been gradual and consistent cutting of the budget for institutions that enhance accountability, research and aid developmental targets and work in South Africa. Has the Minister engage the Minister of Finance on the adverse impact of budget cuts on institutions such as Statistics SA? If so, what was the response? Thank you very much.

The DEPUTY MINISTER IN THE PRESIDENCY (Mr I K Morolong): These engagements are ensued, as I said earlier on, there are bilateral meetings on a monthly basis between National Treasury and Statistics SA. We have also indicated that towards the census 2022 these engagements ensued between National Treasury and the Minister to the extent that we are also concerned about the challenges that besieged Statistics SA. Challenges that range from the vacancy rate which stands at 21%.

Statistics SA produces 250 reports annually. These are population, social and economic statistics. We are worried about the effectiveness of Statistics SA with respect to these budget cuts and the ability to discharge their constitutional mandate. The Minister is currently discussing with the

Minister of the National Treasury and the results thereof will be communicated to Parliament in an appropriate time. Thank you.

Xitsonga:

Tat S M GANA: Mutshamaxitulu, ndzi yi pfala hi mukhuva lowu,
...

English:

... because it is the last question for the day.

Xitsonga:

Ndza khensa, Mutshamaxitulu.

English:

So, Deputy Minister, do you believe that the Statistics SA as it currently sits has enough budget to continue doing its work in terms of collecting and producing statistics and retaining the specialist skills that it has or that vacancy rate that you just spoke about, is likely to grow?

Xitsonga:

Ndza khensa swinene. Sweswi hi nga yi pfala.

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English:

The DEPUTY MINISTER IN THE PRESIDENCY (Mr K Morolong): We seem perturbed by the continued brain drain that the Statistics SA continues to suffer. We are losing about 100 statisticians every year, some of them are poached by the private sector. This is because of the limitations of the budget. Obviously the private sector pays better salaries than Statistics SA. We are gravely concerned with the budget cuts, as I have said, because they affect the ability of operations of Statistics SA to continuously modernise itself.

So, we are concerned. However, we are proud of the team that we have at Statistics SA. The fact that with the limited budget, they have been able to continue to produce these reports that continue to guide the country with respect to decision-making with respect to planning but also with respect to monitoring our own policies. I thank you.

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, hon Deputy Minister. Hon members, that concludes this question session. I now request you to stand and wait for the Chair and the Mace to leave the Chamber. That concludes the business for the day and the House is adjourned.

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The House adjourned at 18:14.

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