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**PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES**

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The House met at 14:02

The Chairperson of the NCOP TOOK THE Chair and requested members to observe a moment of silence for prayer or meditation.

The CHAIRPERSON OF THE NCOP: Order! Hon members, I have been informed by the Whippery that they have agreed that there will be no notices of motions or motion without notice. I would like to take this opportunity not only to welcome the Deputy President but also to ask him to come to the podium and to let us begin with the questions as per our Order Paper. [Applause.]

**QUESTIONS FOR ORAL REPLY**

**DEPUTY PRESIDENT**

Question 7:

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The DEPUTY PRESIDENT: Chairperson, hon members, I have been assured by the SA National Aids Trust that the organisation has a fraud prevention policy as well as a code of conduct. These instruments regulate and they also prevent fraud and malpractice. The SA National Aids Council, Sanac, trust also has an audit and risk committee which was set up to deal with all these matters that have to do with compliance.

The Committee has an obligation to report any form of malpractice and fraud allegations to the entire trust or they can escalate matters and report these to another structure, which is more of a state structure, the Master of the Supreme Court. The trust did, support by the trust property control Act, hold the trustees and all of them responsible for acts of fraud or dishonesty.

Recently the trust introduced a system which requires members to sign a declaration of interest. This will further reduce the likelihood of conflict of interest; and we trust and hope that this will also prevent fraud.

In addition, all suppliers and contractors are managed through the supply chain management system that they have which requires additional disclosures from all Sanac employees involving the

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procurement of goods and services. Suppliers are also required to disclose relationships - if any - with Sanac and other government entities. We welcome the appointment of Dr Sandile Buthelezi as a Chief Executive Officer of the trust.

Dr Sandile Buthelezi is a seasoned public health practitioner with more than 15 years experience in programme development and management and nonprofit sectors. He was the one person who was involved with others in the establishment of the first-ever Provincial Aids Council in KwaZulu-Natal, where he also played the leading role in the conceptualisation of the now renowned OSS Programme which is Operation Sukuma Sakhe.

This operation OSS has become a best practice model now which is being replicated by a number of other provinces after they saw its efficacy. With this broad and diverse local and continental experience in HIV and TB management, Dr Buthelezi, the new CEO is expected to drive the implementation of the National Strategic Plan which was adopted in March this year.

With his appreciation for the strength of the multisectoral response, Dr Buthelezi is expected to work closely with the civil society and development partners to deepen collaboration whilst

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continuous the building capacity of the civil service organisation I hope that hon members will share our confidence that Sanac is well-governed and well-placed to successfully drive our national Aids response in a collaborative way as it always sought to do. Thank you, Chairperson.

Ms L C DLAMINI: Thank you very much, hon Chair.

*Siswati:*

Nginyabonga nakuSekela Mengameli welive ngobe uphendvule nalemibuto lebengitawulandzelisa ngayo. Nginyabonga sihlalo.

The DEPUTY PRESIDENT: Chairperson, I thought she said ...

[Interjections.]

Ms L C DLAMINI: Sorry Chair, through you ...

*Siswati:*

... ngitsi ngenelisekile timphendvulo takhe, uphendvule nalena bengitawulandzelisa ngayo njengembuto lolandzelako.

The CHAIRPERSON OF THE NCOP: Thank you, Deputy President. It seems you are not required to respond to anything.

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Mr L V MAGWEBU: Thank you hon Chairperson. Deputy President, I am sure you will agree that replacing a competent and effective official with a controversial one who has a dark cloud hanging over his head is a negligent approach to corruption. I am saying this because the former Sanac CEO, Dr Fareed Abdullah's contract has not been extended despite the fact that he is the one who built Sanac from scratch to an effective enterprise. And this has made him to be targeted by the colleagues at Sanac for refusing to let them abuse the organisation for private gains.

Deputy President, you are telling us now that you have replaced him and appointed Dr Sandile Buthelezi. Let me tell you another side of Sandile Buthelezi that you have not told us. He has a controversial and the questionable past as the new CEO. And I am saying this because in 2008 when he was the head of the HIV/Aids in KwaZulu-Natal, various allegations of corruption were levelled against him by stakeholders and NGOs at the time while he was presiding as the head of HIV/Aids in KwaZulu-Natal.

He was also involved in the rollout and the use of unsafe plastic circumcision device called the TaraKlamp which caused fatalities.

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The CHAIRPERSON OF THE NCOP: Hon Magwebu, would you please take a seat. Hon Khawula, why are you standing?

Mr M S KHAWULA: I am standing on a point of order, hon Chairperson. I wish you could attach a name to this Dr Buthelezi. [Laughter.]

The CHAIRPERSON OF THE NCOP: Hon Magwebu, please I think hon Julius has done the honours, he has attached the name.

Mr L V MAGWEBU: Chairperson, my apologies to Mr Khawula. Dr Sandile Buthelezi has a controversial and a questionable past. Various allegations of corruption have been levelled against him by stakeholders and NGOs while he was the head of HIV/Aids in KwaZulu-Natal.

Dr Sandile Buthelezi was also involved in the rollout and the use of unsafe plastic circumcision device called the TaraKlamp which caused fatalities, Deputy President. Now, if you are serious, Deputy President, rooting out corruption truly as you say that you believe in good governance - as you have always claimed - how can a man with this questionable and controversial past be appointed to this position of the CEO?

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And if these allegations that were levelled by credible organisations like the Treatment Action Campaign and other NGOs were never followed, now that I am raising them; will you follow these allegations and give us a report with the finding thereof to ensure that these matters are investigated and properly resolved?

The DEPUTY PRESIDENT: Thank you, hon Chairperson. Thank you very much for raising these issues; clearly these are sharp and pointed issues. Let me just outline the processes that have been followed. The contract that Dr Fareed had as CEO of Sanac Trust came to an end. And the trust had to deal with whether they should renew the contract or not. And of their own volition in discussing this matter they decided that they would like to open the opportunity up to a number of other applicants, and indeed there were a number of applicants, Dr Fareed was interviewed as well Dr Buthelezi and others. In the end the trustees, themselves, felt that that they should appoint Dr Buthelezi.

Now, what you are outlining is something that is no known to me because I am not a trustee of the Trust. They would have dealt with these matters themselves as a Trust. What they then do is to report to me as a Chairperson of Sanac what you have outlined and disclosed

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was never brought to my attention, in fact, it is the first time that I am hearing of all this.

The profile that we had of Dr Buthelezi is what I outlined in my initial answer. So, what you have put forward is something that I would certainly like to look at. We will examine all the details that you have put forward and I will discuss it with the trustees of the Sanac Trust and we will then take the matter forward. Thank you.

Mr M J MOHAPI: Chairperson, hon members, with regard to the same matter of the CEO, Deputy President the new CEO there has been allegations from various organisations civil organisation who are intending to withdraw from Sanac; what is it that the Deputy President is going to do to ensure that all stakeholders that are participating fully within the Sanac are really contained for the betterment of addressing issues of HIV out there which remains a challenge in our country? Thank you.

The DEPUTY PRESIDENT: Thank you, Chairperson. As we all know, Sanac is a collaborative undertaking or institution in which is involved a whole range of organisations from government through to nongovernmental organisations, trade unions, sport organisations, you name them; they are all there. So, it is a very wonderful

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example of true collaboration in our country which deals with very vexing matter which is very high on the agenda of our country. So, what we will be doing is to discuss this matter within the Sanac family.

Now that it has been raised we will take time to discuss it. The Treatment campaign colleagues as far as to me never raised it in the details that it has now been disclosed. And indeed, we will be able to sit down with them and whoever else has information in this regard - but we will - for all intense and purposes always seek to see Sanac united even as we will be dealing with a very complex matter that has to deal with the issue that has now been raised. So, my job as the Chairperson of Sanac is to keep the integrity of unity Sanac intact, and make sure that as we address difficult matters we always focus on the task that we have at hand; we will do so.

Ms T J MOKWELE: Chairperson, thank you very much Deputy President for your response; but I would like to check with you that, yes we acknowledge as the EFF that there is this conspiracy that is running about your private life and you being a public person we know that this conspiracy that is running is obviously because of the contestation or the conference of the ANC that is coming on our way; now my question to you, hon Deputy President is, what do you think

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will be the impact on your personal controversies on your effective leadership of Sanac - what will this personal controversy that is running about your name - will it affect your performance as Chairperson and the leader of Sanac? Thank you.

The CHAIRPERSON OF THE NCOP: Deputy President the principal question is around the issues of corruption and measures that are in place to deal with Sanac; you are within your rights if you wish to take this personal question but that supplement is not a supplement that arises from the response that you gave to the primary question. I am going to leave it up to you, sir but you are not forced to respond because it's a completely different question.

The DEPUTY PRESIDENT: Chairperson, I am happy to respond to the question - I did say in the National Assembly that I would be dealing with this matter in a day or too. Having said that, I was then counselled by quite a number of leaders within our movement, including structures at a lower level, at provincial level and at regional level; they said to me: Deputy President, when you address this matter in the West Rand you said that you take responsibility for your action and you are taking accountability; they said: you even said that you have discussed it with your family, your wife and

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then they said; as far as we are concerned that matter should rest there.

We do not believe you should take it any further, and indeed, when I raised the matter in the National Assembly there quite a lot of noises that were raised where members in the National Assembly said not here! We don't want this matter discussed here! So, basically the type of response I have received having said that I take responsibility and I have discussed this with my family, my wife; and we have discussed it to a point where we have reached a level where there is understanding and I took full responsibility for that.

Now, having done that, I also have to listen to my organisation - to the structures within my organisation and to the membership of my organisation. What I have gained quite clearly is that this matter is a private matter and you have to continue doing what we would like you to do in relation to our organisation. So, in relation to the work that I am doing for Sanac, I don't see this as affecting the work that I am doing. I have been given a responsibility which I am executing to the best of my ability. Thank you. [Applause.]

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The DEPUTY PRESIDENT: Hon Chairperson, the SA Airways debt of approximately R6,8 billion which matures on 30 September 2017, will be resolved through a two-pronged approach. Firstly, any funds being considered will have to be appropriated through the special Appropriations Bill which will in part assist the airline's working capital and repay some of the maturing debt. The SA Airways, SAA, is also negotiating with its lenders to extend maturing debt beyond 30 September 2017. The precise makeup of the quantum of extension of debt and repayment of part of SAA's maturing debt will be announced by the Minister of Finance and the SA Airways board at an appropriate time.

At this stage therefore, there is no need to invoke section 16 of the Public Finance Management Act, PFMA, to support SAA. On the matter of monies owed to SAA by the Angolan government, the position is that the new government in Angola has indicated that it will settle this debt. I thank you, hon Chairperson.

Ms C LABUSCHAGNE: Thank you Chairperson and thank you Deputy President for the feedback. As you said that there should be a special Appropriations Bill, unfortunately Deputy President, you and I and all of us know that up to 30 September it is absolutely not possible to pass a Bill like that. Apart from that, there are

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reports that Nedbank, SA Standard Chartered Bank as well as Citibank refused to rollover the debt because of the involvement of Dudu Myeni. Minister Malusi Gigaba has previously indicated that she will stay in her position until the annual general meeting, AGM. We all know that according to the regulations, the AGM must be held before the end of this year.

Deputy President, in your capacity as the chairperson of the interministerial committee on the state-owned enterprise, SOE, reform, will you step in and remove Dudu Myeni as her continued employment proof to be a massive liability to SAA because of all these loans that have to be paid as well as penalties most probably. If not, why are you yet again unwilling to act in the best interest of this country rather choosing to once more protect the ANC's political elite in this case?

The DEPUTY PRESIDENT: Deputy Chairperson, rather Chairperson [Laughter.] I'm accustomed to deputies because I am a deputy [Laughter.] The matter of appointment of chairpersons of SOEs is a matter that is dealt with by the Cabinet. As it turned out when the board was reconstructed, it was Cabinet that dealt with this matter. I would say that we should leave this matter to Cabinet to deal with. The interministerial committee, IMC, deals with broad policy

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matters - the IMC that I chair as Deputy President. It deals with broad policy matters that have to do with appointment of the boards and we do not deal with the specific names of people who should be appointed. That is left to the Cabinet to deal with. So, I would say that much as the matter has been raised in the way that it has, it should then be left to Cabinet to finalise. Thank you.

Mr M KHAWULA: Chairperson and hon President [Laughter.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Deputy President! Thank you.

Mr M KHAWULA: Hon Deputy President, the SAA has been a continuing problem for South Africa for as long as one can remember. Every year for the passed whatever years, these bailouts keep on coming back time and again. Now, it means that as a country we keep on falling on the same spot every year. As South Africans we would like to know, what other progressive strategy can the government have to ensure that SAA does not become a liability even to the future generations of this country? This thing of having the same problem coming back talks to the kind of leadership we have at SAA, it talks to the kind of leadership we have in the country and it talks to the leadership we have in the IMC, the chairperson himself. What other

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strategies does the government have to be able to take us out of this dilemma, hon President? [Laughter.]

The DEPUTY PRESIDENT: Chairperson and hon Khawula, the issue of SAA is a very complex one. The SA Airways is a 100% state-owned company and it is operating in a very difficult market. Airlines around the world are not your most profitable type of entities. The sector is a very competitive one and many have faced headwinds and difficulties in terms of becoming profitable and getting out of the difficult situations that they are in. At the moment SAA is right there and is facing headwinds and great difficulties from an operational and profitability point of view. In the past it operated well and made profits, and now it is facing great difficulties and needs the bailouts that only the government can give.

From the IMC point of view, we have been looking at processes and policies that can enable our state-owned enterprise to operate better. The first thing that we looked at which I think is covered by another question which I can address now, it's how best the boards can operate, how best management can operate and how the financial stability of those entities can be upheld.

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I believe strongly that once you can position the board and empower it and get good management to run the company, you are going to be in a much better position. This is precisely what we are doing right across the various state-owned enterprises. Having set out the policy, we are also looking at how the balance sheets of these companies can be better managed and how the financing can be better structured so that they are not driven into bankruptcy. That is what we are looking at and we need time to be able to do that.

Let us remember that these entities have two mandates to fulfil. The first mandate is developmental. In SAA side it is to make sure that it boosts the tourism prospects of our country, and tourism is a big sector of our economy that is creating a lot of jobs. From the tourism point of view, South Africa keeps on seeing more and more tourists coming here. We need to leverage the position of SAA to boost our tourism sector. It may look like a difficult task but that's exactly what we are involved in.

The other one, which is an important mandate, is that they must become profitable. So, you have a clash of these two mandate requirements - developmental as well as profitability. It is a very tricky task to balance the two. But because they are state-owned, we expect them to balance them - to be both developmental and also to

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be profitable. I can assure you that the efforts that we are putting in place are meant to achieve both and we are sure that we will get SAA into profitability going forward if we do all the things that IMC is focusing on. Thank you.

Mr W F FABER: Hon Chairperson, it is good to see you in the House, Mr Deputy President. I just want to know if there are any penalties and fees to be expected from the loans maturing on 30 September 2017.

The DEPUTY PRESIDENT: As the loan industry works, there are always things like interests as well as penalties that one needs to face and negotiate. You have to negotiate your way around that. Once the covenance have not been properly met, you can expect that there could well be. In this case, I do not have the specific details of the type of penalties that could be part of this whole process. That obviously is dealt with by the financial people as they crunch the numbers and look closely at the impact of the loans because some of the loans have different maturity dates and you have mentioned one, there could have been subloans or subordinated loans that could have a slightly different maturity dates as well. Thank you.

Mr M M CHABANGU: Chair and Deputy President, under no circumstances must government's stake at Telkom be sold. Telkom is an example of

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what can be achieved with SOEs if people appointed are not corrupt and incompetent. Telkom is profitable. . .[Interjections.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Chabangu, are you on SAA or on Telkom?

Mr M M CHABANGU: Yes! [Laughter.] I am on SOEs. It is what we expect from SOEs. When the Cabinet reappointed Ms Dudu Myeni as a chairperson of SAA board in August last year, it was for a year. The fact that she is still the chair of SAA has proven to be illegal given that Cabinet was not consulted. Who appointed her, what will be the repercussions for illegal appointment, what measures will you take and what measures should be taken to ensure that her appointment is immediately terminated? Thank you.

The DEPUTY PRESIDENT: Chairperson, I did address this matter earlier and said that in the end Cabinet deals with these matters and it will address this matter as it always addresses matters of appointments of board members to state-owned enterprises. This is one of those that Cabinet will have to apply its mind to. Thank you.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Before we proceed, I just want to tell you that we are very honoured today as

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we have three schools from around Cape Town, the Dominican School for the Deaf from Wynberg, De la Bat School for the Deaf from Worcester and Noluthando School for the Deaf from Khayelitsha. You are welcome my children. [Applause.] We must also say that we are very happy, Deputy President, Dr Vawda is back and he is looking very well. [Applause. Deputy President, we proceed to our third question posed by hon Rayi.

Question 9:

The DEPUTY PRESIDENT: Hon members, in February of this year, the National Economic Development and Labour Council, Nedlac, social partners reached an agreement on the introduction of the National Minimum Wage which was set and agreed to by the partners at R20 an hour and this should commence on 01 May 2018.

Yesterday, the partners at Nedlac met and finalised the outstanding issues which will be paving the way for the Bill to be brought to Parliament for processing so that workers of our country are then able to benefit and partake in the commencement of the National Minimum Wage on 01 May.

A code under area of agreement was a code of good practice and an accord on collective bargaining and industrial action in which all

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social partners in Nedlac committed to take all steps necessary to prevent violence, intimidation and damage to property during industrial action.

The accord also seeks to improve the capacity of the social partners and other agencies to enable them to resolve disputes peacefully and quickly. They also agreed on amendments to the Labour Relations Act - which will be tabled before Parliament - that aim to further strengthen collective bargaining and dispute resolution. These agreements have paved the way for the tabling to Parliament of the Labour Relations Act, so it will be coming.

The introduction of the National Minimum Wage is intended to significantly improve the lives of the lowest paid workers in our country. This is an important intervention aimed at reducing wage poverty in our country - having received the latest poverty statistics which were worrying two weeks ago. This intervention is going to definitely help many people a great deal. Over six million workers will see their wages increase to a minimum of R20 an hour, hopefully en route to a living wage which is still the objective that all partners have set themselves.

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Combined with strong collective bargaining and agreement on annual adjustments, we are confident that workers in our country will have their dignity restored. On the broader question of unemployment and poverty, government is intensifying the implementation of a number of interventions and we have put out a number of plans, one of which is the Nine-Point Plan which is a major intervention by government that seeks to unlock the job creation potential of co-operatives, small and medium enterprises, revitalise rural and township enterprises and to re-energise long standing and green fields' sectors like the oceans economy.

Our interventions in the oceans economy have unlocked significant investments that will create jobs. This initiative has attracted a lot of investment from the private sector. The Department of Trade and Industry is currently providing incentive support to the tune of almost R500 000 for investment in ports marine manufacturing and aquaculture.

Working together with the private sector, we are finalising plans for the employment in internships as well as in learnerships of up to one million young people which should commence on a test pilot basis later this year. All these actions constitute a basket of interventions to reduce unemployment, poverty and inequality.

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We are hoping that we should be able - as now we have come out of technical recession - to see further growth in our economy. This will be greatly enhanced by the deepening of social dialogue amongst all the partners, business, labour community and government. We believe that we are well on our way to move South Africa forward. Thank you Madam Chairperson.

Mr M RAYI: Chairperson, thank you to the Deputy President for the comprehensive response. Recent figures by Statistics SA indicate that many female headed households, particularly in rural areas, are living under poverty. Government has announced many tools to accelerate growth, create jobs and to eliminate poverty and inequality. Recently, the Minister of Finance announced another package of the 14-Point Plan to jumpstart our economy with the aim to attract domestic and foreign investment, create employment, reduce poverty and eliminate inequality.

Can the hon Deputy President give assurance that the government will be able to accelerate implementation of all policy tools and shift the economy to a higher gear?

The DEPUTY PRESIDENT: Madam Chairperson, yes I can confirm that the government is now more directly focused on implementation. We have

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put out a number of plans; the 14-Point Plan, the Nine-Point Plan and also the Ten-Point Plan in mining. One could ask: Isn't there a weakness in all that? There is no weakness in that; each of the points of plans that we have focus on specific areas. For instance, one of the areas the Nine-Point Plan focused on was to stabilise the energy supply and generation in our country. That has been done and therefore we can tick it off.

We also focus on agro processing because agriculture is an important sector in our economy and we saw the significant contribution and delivery of agriculture in the 2,5% growth that we just had in the last quarter. It shows that our focus on agriculture and agro processing is beginning to bear fruit.

We also focus on beneficiation which is part of mining and we saw how mining also increased productivity even under difficult circumstances and that productivity had contribution also from what the Nine-Point Plan seeks to focus on.

The other important thing in our Nine-Point Plan is that we had said that we would want to boost investment in our country. Having focused on that, we have seen more and more investments coming through. This is an illustration to say that as we announce these

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various plans, they should never be seen as "just talk" from government because these are meaningful initiatives that are meant to focus on specific areas that are able to move the needle and move our economy forward.

What is pleasing with what government is focusing on is that it identifies a problem and comes up with a response. The response is quite often an initiative or an intervention which is aimed at making sure that we get results. Are we getting results from all these interventions? My answer is yes, and in some cases it will be slow. In the oceans economy, for instance, we are already beginning to see investment coming in having identified the oceans economy as an area that we need to focus on to unlock new economic opportunities. That is a sector where there is growth.

We also decided that we are going to focus on promoting radical economic transformation by creating black industrialists. Are we creating black industrialists? Thus far we have identified 46 and that has brought in billions of investments from the private sector with initial contribution from the state. We are also doing a lot in small and medium enterprises.

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So, the plethora of plans should never be seen as a weakness but as strength and process through which the South African government is responding to the current economic slump. We are trying to do everything to move our economy forward. Thank you very much.

Ms N P KONI: Chairperson, today you are wearing a very progressive colour - red. Deputy President, if my memory serves me well, you would agree with me that it has been a year since the National Minimum Wage Panel reported its recommendations to you. So, ...

*Setswana:*

...babereki ba ntse ba letile, ba tlhomme matlho.

*English:*

You announced the recommendations of the advisory panel and advised that the National Minimum Wage would be R3 500 and the EFF rejected that. Since a year has passed, I want to ask you if the amount remains the same or not because it has been a long time. Is it at least going to be R4 500 or more as the EFF would prefer?

The DEPUTY PRESIDENT: Hon Koni, you would be pleased to know that once we had crafted this agreement - and crafting it as R20 per hour was quite an inspired move in that if you calculate the R20 an hour

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- which is what workers do, workers focus on what they are paid an hour and as they work, some work eight hours and some work nine hours. As a number of them work, they do their own calculations - we found that in the main, the bulk of the workers would be getting around R3 900. Obviously with over time and so on that will be slightly more.

The one other important thing that the social partners agreed on is that there should be no erosion of the value of the minimum wage that they are going to earn when it is implemented. When it is implemented - yes you are right - it is going to be that R20 an hour but imbedded in our agreement is the ability to have a commission which is going to be set up to look at the efficacy of that amount, when and how it should be increased taking into account a range of factors.

The good thing about this is that it is the social partners themselves who reached this agreement - it is not an imposed one - business, labour, communities and government bought into this. This arrangement has now settled in the minds of many people in our country and is now being seen as a great opportunity. In some cases working people see it as a historic moment in the life of our

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country that we now have a chance to lift some six million people - many of whom are earning way below that R3 500.

There are some people who are still earning less than R1000 a month and some people who are still earning R500 a month in our country. So, this momentous agreement is now going to lift six million people as the panel calculated. A number of 6,6 million people who are earning less than R3 500 will be lifted to the level of R20 an hour and this is going to be great boost, we believe, to their own lives and for South Africa to begin acceding towards a living wage.

Many unions say this is a good beginning and I think we should embrace it and applaud it as such that it is a start and not the end. We now have a baseline from which we can give our people a decent living. Thank you, madam Chair.

Mr E MAKUE: Chairperson, to the Deputy President, we appreciate the answer that you gave before which relates to the minimum wage and also what is in the original question called low wages. Our responsibility as legislatures is to pass the law, but what we find is that in this instance we may have many of the employers that find very creative ways of ensuring that they do not adhere to the legislation.

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My question is particularly related to two sectors in the productive economy which is domestic workers and farm workers. Can you tell us, what practical suggestions or steps are considered to ensure that domestic and farm workers will benefit from this legislation?

The DEPUTY PRESIDENT: Hon Chairperson, as we crafted this agreement, we realised that there were going to be two sectors that are going to face great difficulties; domestic work and farm work.

We have known historically that domestic workers in our country are paid the lowest wages and that continues and persists. Domestic workers are also very difficult to organise because they work in our homes as individuals hidden in our kitchens and in our homes with no one ever knowing what they earn.

Domestic workers in our country will now know ... and let me say that there has been a wage determination which has helped them a great deal but not withstanding that we also found that a number of employers have not been living up to the wage determination. Right now with the minimum wage gaining traction and popularity we are hoping that individuals who employ domestic workers will be able to bring their level of wages up and the same applies to farm workers.

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We have established tiers and given people who employ domestic workers time to live up to the final minimum wage and we have said, as I recall, domestic workers would be paid at a level of 70% of the minimum wage for a set period of two years and thereafter they should accede to the higher level.

Employers in domestic work are given an opportunity and enough time to prepare themselves to start paying the National Minimum Wage and the same would happen with farm employers, which is at a higher level. Farm employers will have to pay slightly lower than the minimum wage for a set period and thereafter they have to pay the National Minimum Wage.

One of the things that we have also agreed on is that those employers who are not able to pay the National Minimum Wage can come and apply for an exemption and this addresses itself to why didn't we set the minimum wage at a higher level. We could have set the minimum wage at R10 000 and if we had, many people would have lost their jobs - that's for sure.

At R20 an hour, some employers are saying it is going to be difficult for them and we have said that every employer who will find it difficult must come forward and apply for an exemption. The

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exemption process will go into examining the difficulties that they have and it will be set for a specific period and thereafter they will have to come back again. This is to ensure that there is no mass loss process in our country; that many of our people don't lose jobs and that the Department of Labour will get involved in the process of giving exemptions. This means that the Department of Labour should sharpen its inspectorate to ensure that there is full implementation of the National Minimum Wage.

The department is in the process right now of getting inspectors employed and trained so that by the time the National Minimum Wage is put in place, we have an inspectorate that will be able to monitor it and make sure that is applied and properly implemented. Thank you Chairperson.

*Sesotho:*

Mong M J MOHAPI: Motlatsi wa Mopresidente, le hoja mmuso wa rona o eme ka maoto ho leka ho lwantsha bofuma, tlhokeho ya mosebetsi le ho se lekalekane, re hlokometse ho e nngwe ya mapolasi mane Wesselsbron hore batho ba rona ba a tlatlapuwa; ba hirwa ba le tlase dilemong; ha ba lefuwe; mme ba fetjwa dijo tse bodileng. Ke molaetsa ofe o matla oo o ka o romelang ho ba ntseng ba etsa diketso tsa mofuta ona tse soto hore di se hlote di etsahala hobane ke baahi ba rona ba

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batho ba batsho ba ntseng ba phela bofumeng le hoja mmuso o eme ka maoto? Ke a leboha Modulasetulo.

MOTLATSI WA MOPRESIDENTE: Modulasetulo, re ile ra e utlwa tlaleho eo ya hore ho na le sebaka moo batho beso ba sa tshwarwang ka tsela e nepahetseng. Re ile ra kopa Lefapha la Mesebetsi hore le ke le shebisisa taba ena. Ke a kgolwa hore ba ntse ba e shebisisa. Ha se bona feela ba tshwerweng ka tsela eo. Ha re ntse re mametse re fumana hore ho na le basebetsi ba bangata Afrika Borwa ba ntseng ba tshwerwe hampe mme ba phela ka thata moo ba sebetsang teng.

Jwale, re re ha ho kena mopotso ona o motjha wa bonyane wa naha [National Minimum Wage] ho hlokeha hore basebetsi bohle ba tsebe hore mmuso o beile molao o motjha. Ehlile, mmuso o batla hore batho sebetsang ba dule ba tseba ditokelo tsa bona. Ho bohlokwa hore batho ba rona, haholoholo ba sebetsang, ba dule ba tseba hore mmuso o ntse o tsamaya le bona; mme o ikemiseditse hore o ba tshehetse le ho ba sireletsa dinthong tsohle tse mpe tseo bahiri ba ka ba etsang tsona.

Jwale, ho ho bona hore ha ba tseba ditokelo tsa bona, ba itlhaise ho balekodi ba mmuso hore mmuso o tsebe hantle hore ho etsahalang moo ba sebetsang teng. Ehlile, ntho e nngwe ya bohlokwa ke hore ba leke ho fumana mekgatlo e tla ba emela hobane mekgatlo e mangata kannete

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e emelang basebetsi, e ka ba ofe kapa ofe. Basebetsi ba lokela ho tseba hore ntho e ka ba sireletsang le ho feta ke hore ba be ditho tsa mekgatlo e shebaneng le mefuta e fapaneng ya mesebetsi, e ka ba mapolasing, mahaeng kapa sebakeng sefe kapa sefe. Ke yona tshepo eo re ka ba fang yona le molaetsa oo re tshwanelang ho o fetisetsa ho bona hore ba dule ba tseba hore mmuso o tsamaya le bona. Ehlile, mmuso o batla hore ba tsebe ditokelo tsa bona kaofela ha tsona. Ke a leboha.

*English:*

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon members, we have been joined in the gallery by two important guests; the Deputy Speaker from Cameroon, Ms Lifaka, [Applause.] she is also Africa's candidate for the Commonwealth Parliamentary Association, CPA, chairpersonship. [Applause.] We also have the hon Okupa from Uganda who is a Treasurer of CPA Africa. [Applause.] You are welcome, with your escorts.

Question 10:

The DEPUTY PRESIDENT: Hon Chairperson, hon members, government is currently involved in the process of reforming our state-owned enterprises. This process is led by the Inter-Ministerial Committee, IMC, which is chaired by the Deputy President. The work of the IMC

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is informed by the recommendations that were issued by the Presidential Review Commission and were accepted by government. Some of the recommendations that have been adopted include the finalisation of the private sector participation framework for infrastructure delivery, the framework for the costing of the developmental mandate, the remuneration framework as well as the guide for the appointment of persons to both of these state-owned enterprises as well as the chief executives thereof. Once these are fully implemented I believe that our state-owned enterprises will be able to reclaim their role as drivers of growth and development in our country.

This is a key objective that we have because we have got almost 720 state-owned enterprises in our economy and a number of them are in the big category and they should be playing a key role in the growth of our economy. That is where we want to position them and reposition those who may not be doing that. According to the National Development Plan, NDP, South Africa can double its GDP by 2030 if state-owned enterprises, SOEs, work to their full potential. This is a promise that is set out in our NDP. This cannot be achieved unless we strengthen the governance of our SOEs and to this end the IMC will be submitting to the Cabinet the second draft of

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the government shareholder oversight policy to clarify mandates and to regulate lines of accountability.

The draft policy outlines the rationale for continued state ownership in the key sectors of the economy and makes proposals for alternative ownership models. This is clearly in line with economic trajectory that we have chosen as a country to have a mixed economy in which the private sector plays a key role and in which the public sector also plays a role. As it is now, 70% of our economy is owned and driven by the private sector and 30% by the public sector.

What we need to do is to make sure that the public sector, as in our SOEs, functions so well as we transform our economy as a whole, as we transform and change the patterns of ownership, the patterns of control and make sure that radical economic transformation becomes the order of the day.

Implementing a new shareholder oversight model will be a radical change in governance and operation of our SOEs in order to be competitive but more importantly to regain investors and public confidence. We know that the public has lost a lot of confidence in many of our SOEs because of the many things that have been happening therein. Our objective as an IMC is to make sure that our people

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regain that confidence and we want our SOEs to have qualified and ethical boards and also have competent staff. The appointments of boards must follow a well planned formal and transparent procedure that will be applied across the different SOEs. Our target here is to promote transparency in the appointments of boards and to increase accountability, sound administration and good governance practises. More importantly, we want our SOEs to be well functioning companies that are profitable and that will be delivering on their dual mandate, i.e., a developmental mandate as well as profitability mandate. Thank you very much.

Ms D B NGWENYA: Hon Chair, Deputy President, I agree with you when you say that the public has lost confidence in our SOEs because it is very clear what has happened with Eskom when a R7 billion contract was awarded to the Guptas without a tender. The same thing happened with Transnet when the Guptas and Duduzane Zuma earned R5 billion from a locomotive deal. I hope that these guides for appointments of boards will help us to get rid of people like Dudu Myeni who are killing the economy of this country.

Governance has collapsed and looters are continuing to loot our money yet we have known this for well over five years. This morning the Treasury has drafted a special and urgent Appropriation Bill to

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recapitalise SAA with a R10 billion bail-out. How did this lawlessness, corruption and collapse of government happen under your leadership, as the second highest leader in this government?

The DEPUTY PRESIDENT: Madam Chairperson, [Laughter.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: You are protected Sir, order members, order.

The DEPUTY PRESIDENT: ... as I was saying, we have identified the challenges that our SOEs face. We have done a full diagnosis, we know what the problems are and we are now addressing those problems. Some of those problems were clearly identified by the Presidential Review Commission and as the Inter-Ministerial Committee have now pointed them out more sharply. We have now taken remedial action to come up with all these policies that I was talking about. These policies and processes that we are proposing will be able to reposition our SOEs.

Let me tell you that there are 720 or so SOEs and many of them are functioning well, according to the book and they have got good governance, good CEOs and good boards. It is just a few and it so happens that the few are the big ones and are the ones that have a

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greater impact on our economy and some of them are operating in really difficult sectors of our economy. Notwithstanding that we are saying that we are addressing all those problems to a point where, as we appoint board members, to have full transparency so that it is clearly transparent. We should know who is being appointed, what their capabilities are, their level of integrity and their ability to add value to our SOEs. That is the architecture that we are putting in place and it is architecture and processes that we are confident that we will be able reposition all these SOEs.

All I can say to all of us is that, let us not lose hope. These SOEs are big and are important in the lives of our country and are able to move the economic activity in one way or another. Look at Transnet with its massive multi-billion rand company which moves goods in our country right across the length and breathe of the country. It is important now that it functions well. Look also at the capability Eskom when you travel at night flying from north to south of South Africa and see the lights on. It is actually a great wonder to see how, as you fly, a SOE is able to keep the lights on from Cape Town right up to Limpopo. [Laughter.] [Interjections.] I have always been blown by this. Knowing also that this one SOE in executing its developmental mandate has been able...

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Ms T J MOKWELE: Hon Chairperson, on a point of order: You know hon Deputy President has been on point from the beginning and that is why we did not say anything but to say Eskom is doing well is not the truth. The lights are not on in all the provinces of South Africa. It is not true.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Mokwele, that is a point of debate and not a point of order.

Ms T J MOKWELE: No, he is answering questions.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Take your seat.

The DEPUTY PRESIDENT: I may well be at fault hon Mokwele by own personal silly tendencies of being impressed by how one company is able to light up the whole country and to have succeeded in giving 85% of our people electricity. [Applause.] I can promise you that you do not get that on our African continent. This is a company that we need to uphold and encourage to do the best that it can. This is what we should do. All I ask for is that let us not by what we say, what we do drive Eskom into the ground. Thank you.

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*IsiXhosa:*

Mnu L B GAEHLER: Mongameli ngekuba ndiyafuna ukuba ndikuqhwabele qha into ebangela ukuba ndingakuqhwabeli yinto yokuba kweza lali zam awukho umbane. Nditshilo nakwincwadi ebendikubhalele yona. Ngoko ke andikwazi tu ukuba ndikuqhwabele. [Kwahlekwa.]

*English:*

However, Deputy President,, does the government have a practical plan that is currently being implemented with intentions to strategically replace state-owned enterprises as anchors of fundamental economic transformation that benefit the largest section of our historically and currently marginalised people of South Africa, in particular those in the rural areas, a plan that ensures that the rural poor is benefiting from programmes driven through the entities as some of these entities are currently finding expression in metropolis and urban areas if so, what are the relevant details and if not so, why not?

The DEPUTY PRESIDENT: Hon Chairperson, yes, we have plans that we are seeking to execute through our SOEs and it is precisely why I was talking about two of those SOEs. The mandate that they have been given is the dual mandate, as I was saying, a developmental mandate as well as a commercial profitability one. What we want to see them

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doing is to balance both but also we are seeking to focus on how they can be assisted to execute their developmental one. You correctly say that with the electricity generation one it has not covered the whole country. That is true. We, as we interact with them keep on saying that there is a 15% or so of the South African landscape that is not yet covered where there is still no electricity and we want you to go there. We want you to execute that developmental mandate so that in the end we have 100% coverage.

Now, they seek support from the government which we give them and that is why the support that we are extending to them is to strengthen them. At times it means strengthening their balance sheet and at times when they are in difficulties we look at how we can assist because in our view they are just too big to fail and too important to our developmental agenda to fail also. That is why we do not want them to fail and we seek ways of giving them as much support as we can.

Are they executing their developmental mandate in our rural areas and in the urban areas where our people live? We would say yes, but they can do more and it is this more that you are talking about that we want them to do. We want them to inject more energy and more enthusiasm in everything that they do to give our people a better

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life. Remember that our overall objective is to make sure that we improve the lives of our people in South Africa and through these entities that the government owns and controls we want to be able to do precisely that. Thank you Madam Chair.

Mr J P PARKIES: Deputy President, on the basis of what you said in response to the question and given the amount of material resources and in the context of government priority of job creation and the trajectory of the economic development and growth using our SOEs as powerful devise, in your view, are we succeeding to create and build what I call pantisocracy in our society given the hostile global environment dominated by capitalism? Thank you.

The DEPUTY PRESIDENT: Madam Chair, we have always been mindful that South Africa is not an island. We operate in a globalised environment and where we have got to live side by side with a number of other big players dominated by capital which is always on the look out for the big bucks and profit. We have chosen to chart a developmental path which is in many ways slightly different from what a number of those entities would want to see us charting. In all that we have always believed that we have got to be smart. We have got to be innovative, forward looking and a clear vision of where we want to take our country.

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As we execute our mixed economy trajectory, we have always known that there will be times when we rely on capital to achieve our objectives but we must do it on terms that are more favourable to our country and our people. There will be times when they will seek to get much more from us than they will want us to get from them and that is something that we have got to be wise about and be able to navigate our way around. This is because we live in a world where capital dominates quite a lot. This is a capitalist control type of world and we must find a way of making headway within that milieu that has been existed. So far, I think we have done relatively well and we focused on advancing the interests of our people. Clearly we can do much more than. We can do it much more vigorously and focus on improving the lives of our people but I think that we have not done too badly as we have navigated our way through the maze, for instance, if you look at the availability of capital. Who has capital? It is the capitalists of this world. We must seek ways of using that capital to advance the interests of our people. Yes, in our country who has capital? It is largely a minority and the wisdom is to be able to use our leverage which is based on what we are able to control and what we are able to gain from the control we have of the state apparatus to make headway.

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If we focus on advancing the interests of our people and making sure that we get our people into ownership and control processes or seeds that in its self would be a great achievement. We had a lot of countries that we can learn from. China is a very good country where we can learn because they have utilised the size and the resources that they have but they have been able to navigate their way within a capitalist control world and they have been able to build strong and very effective state-owned enterprises which is what we seek to do. Thank you very much.

Mr W F FABER: Hon Chair, Deputy President during your address in Kimberley the past weekend you highlighted that the state of South Africa's economy and the said that the ANC and the country are in the need of new leadership. Now, I can't agree with you more Deputy President but definitely not the ANC leadership. It is clear that as yourself said:

We should not be spending time in factional politics and backstabbing each other as we currently do as we have more than 9 million people without jobs in South Africa.

This is all what you said. But now, you then went further to say:

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The ANC exists to improve the lives of all people and not just certain people.

I could not agree more again but then came the best part when you admitted by saying:

Currently we put friends and family in certain positions and when they mess up and steal money there is nothing we can do.

Now Mr Deputy President, if you, yourself as deputy president of our beloved country admit this at the Northern Cape ANC gathering, will you today, in this House, in your official capacity condemn the state capture of SOEs and blatant corruption by the Guptas and stand against premiers and Ministers in Cabinet connected to the Gupta family who are looting the public coffers of SOEs and also influencing appointments?

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Fabber, you do know that you are taking chances because you are introducing a completely new question. It does not arise from the list except that in the very last part of your question you inserted the words SOEs. [Interjections.] Yes, I have been listening very carefully and

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you do know that. Deputy President, you at liberty to ignore that whole question. [Interjections.] Yes, it is his choice.

The DEPUTY PRESIDENT: Madam Chair, the position I have taken publicly on issues of state capture is known and I remain firm on that that the resources of our country and indeed institutions of our country should be used to the benefit of the people of our country because they belong to them. That also applies to SOEs that they exist for no other reason but to advance the interests of our people. That is what they were set up for and that is a clear message that I will stand by at all times because that is what we should all, as South Africans be focussing on. Thank you Madam Chair.

Question 11:

The DEPUTY PRESIDENT: Hon Chairperson, hon members, in 2010, the Human Resource Development Council, HRDC, adopted a Five-Point Implementation Plan. This plan identified key areas of focus to improve South Africa's poor skills by identifying areas such as how we can strengthen access so that we can have quality education at our technical and vocational education and training, TVET, colleges, also looked at how we can produce more artisans in our country who will be skilled as to be able to make a contribution to our economy

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and how to produce a new generation of academics thus creating and strengthening industry partnerships. But also how we can strengthen and address the challenges that we continue to face when it comes to foundational learning like your early childhood development and also how we can look at this whole issue of worker education and how the state can play a role in the revitalisation and focus on worker education. Now notable progress has been made towards achieving these objectives. On access to colleges, we have seen a substantial increase in enrolments. This has doubled between 2010 and 2014. There has also been an increased focus on improving quality through addressing issues such as curriculum relevance, staffing as well as student access. The role of our sector education and training authorities, Setas, in supporting workplace linkages has also been substantial. The number of TVET National Student Financial Aid Scheme, NSFAS, beneficiaries has increased dramatically since 2012 thus enabling access for thousands young people.

Government has been hard at work to support the training of artisans, for example, the target for the period 2014-2015 was 65 000 artisans and this target was exceeded by 5 000 when we trained almost 70 000. In an independent study conducted in 2016 it was found that 79% of newly qualified artisans do find employment. The study further indicated that 58% of them find permanent

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employment with 23% in less stable contracts. Now production of academics and creating stronger industry partnerships, the HRDC promotes the development of strong partnerships and these partnerships themselves directly contribute towards a skilled, capable workforce to support more inclusive growth. In the initial period, a total of 125 lecturing posts were allocated to universities for mentoring, teaching and research development and we have seen, through this, we are resolving the low number of emerging African researchers due to financial challenges. Now we as the HRDC earlier this year visited the Council for Scientific and Industrial Research, CSIR, and we saw the fruits of the collaboration that can exist between industry and our colleges. There we met young, dynamic scientists who are doing groundbreaking research that will put our good country in good stead to participate in the Fourth Industrial Revolution. And on foundational learning, we are also doing a great deal. The worker education aspect is also being properly covered and our skills revolution is well advanced and we are confident that more will be achieved in coming years. And what the HRDC has sought to do is to identify gaps, challenges and problems and come up with very clear and clever ideas of how we can address this and we often use academics who we ask to look more introspectively at any aspect of difficulties that we face and we believe that we are on the way

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to addressing the skills challenge in our country. Thank you, madam Chairperson.

Adv D M MONAKEDI: Thank you Deputy President for that comprehensive response which indeed goes to the heart of the challenges that we have to deal with as a country, the triple challenges of poverty, unemployment and inequality and congratulate our government for indeed making sure that strategy is implemented to its fullest. My follow up question is how many TVET colleges have entered into partnerships with business institutions or organisations in order to develop or produce skills out there? And those partnerships are they already yielding the desired results? Thank you very much.

The DEPUTY PRESIDENT: Madam Chairperson, we have been seeking to get as many of our TVET colleges as possible to get into these partnerships with various companies, in fact, I have been encouraging the Adopt-a-TVET type of intervention a great deal and encouraging companies, not only those that exist near our colleges but even those that might exist from far afield to adopt our colleges and to work well with our colleges. And this, and we are setting up the system much more clearly and this is being done through encouraging collaboration and partnership between TVET colleges as well as the companies that operate in the area.

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I saw how this works so much better with Sasol in the Vaal area where we encouraged Sasol to be in close collaboration with our TVET college there and we found that they get involved in the development of the curriculum, teaching and they also get involved in the practical side of helping the young people in our TVET college in the various processes that are utilised in Sasol and they also draw them into the Sasol operations to go and be in the world of work and this is where we have the happy medium of theoretical learning as well as practical learning that takes place almost simultaneously at the same time. Now this is the execution of what I have always admired which is the German model where people are given time to go and learn the theory and thereafter then get seconded to companies to go and do the practical and then go back to do the theory and do it over a set time and in many ways that in many ways is how Germany has been a real industrial giant in the world because of that way of being able to execute the delivery of skills in a very focused and practical way. I do not believe that it has a lot to do with Federalism; it has a lot more to do with how they focus on delivery of education and skills. Now, you asked about the number of TVET colleges, I do not have the number on my fingertips right now however all I can say is that we are continuing to encourage companies to adopt these TVET colleges. I have taken this up together with the Minister of Higher Education and Training as our

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pet projects as we go around the country to get our TVET colleges to be adopted and to encourage that close relationship.

And may I say as I conclude, where it is happening we find that the young people who qualify from our TVET colleges automatically get jobs without any fail and wherever I go I ask the principals or the chancellors of those colleges, they say they are able to place up to 89-90% of the young people who qualify and this happens because of the symbiotic relationship between industry and our TVET colleges and it is for that reason that we are encouraging this adoption process to spread right throughout the country. Thank you, madam Chairperson.

Dr Y C VAWDA: Chairperson, I greet you all with As-Salaam-Alaikum. [Peace be unto you] Chairperson, thank you very much also for your kind sentiments expressed earlier. Allow me also to thank all the hon members as well as the parliamentary employees for the kind sentiments expressed my indisposition, I appreciate it very much and it means a lot, thank you. Hon Deputy President, we sometimes seem to have too many point plans in place, there is a plan for this, there is a plan for that and sometimes it reminds me of the past, I will not go there but the question I would like to ask is especially with regard and all of us appreciate that human resource

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development, two issues are fundamental, the issue of illiteracy and the issue of childhood development. The question we wish to ask then is what progress has been made since 2010 in ending illiteracy and achieving universal access to early childhood development both of these being part of the Human Resources Development Strategy of South Africa. Thank you, Chair.

The DEPUTY PRESIDENT: The universal access on early childhood development has been growing by leaps and bounds in quite an admirable way and in fact I have actually been surprised at the level at which there has been uptake and these early childhood development centres, ECDs, some have been growing at an organic level where entrepreneurially driven individual South Africans have been setting these up and government having realised that these are growing by leaps and bounds has moved into the breach to make sure that those who run these centres are brought into the system that we are setting up, properly trained, so that they can continue delivering that service and we have also set out what we would call your standards and norms that if you want to run an early childhood development centre, these are the standards and norms that you need to comply with and thereafter we have also been deploying quite a number of social workers and people who go out and look at the facilities that have been set up and no doubt, as you might have

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read the press the other day, some have been operating without proper permits but they are becoming fewer and fewer because having set up the standards and norms we are then able to put them out there so that whoever gets into this sector now knows there is a proper government approved system that they have to comply with. Now, we have had almost 800 000 young people who are now in this system and that is a lot of young people whereas in the past we had some 200 000. Now we have seen enormous growth and that has put a lot of stress on the sort of social development system and we are focusing more attention on improving that.

I have no doubt that we will see great improvement in the ECD sector as we focus more attention and train those who are involved in this sector and develop a curriculum now a curriculum has been developed to give training to people who want to get into this. And as I said, a number of them are entrepreneurs, they are the women in our society who are seeing an opportunity to look after young people in our country and all this is aimed at eliminating illiteracy at a young level and hence the standards and norms that we have set up. On the illiteracy elimination issue more broadly, I think our illiteracy levels, illiteracy levels have really gone down. Our literacy levels have gone up a great deal and I think we are in the 80% percentages whereas before we were much, much, lower. So we are

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seeing great improvement and the programmes that government implemented Currigude type of programme was very good and indeed it ran into some headwinds but it has contributed a great deal and our Adult Basic Education and Training, Abet, processes have also contributed a great deal in eliminating illiteracy. Now, we are living in a country where in the main, education has become something that many of our people want to get and you just see it in the number of young people who have gone into schools, the universal access that we now have in schools is well over 100% and you now look at higher education, the number of young people who are in our college and university system has grown by leaps and bounds, way beyond what we ever anticipated and in a way, we have now become a victim of our own success and in that regard I am sure that hon ... [Inaudible.] will agree. [Time expired.] So ... [Interjections.] [Laughter.] Thank you.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Order!

Mr J M MTHETHWA: Thank you Sekela Mongameli [Deputy President] for the excellent work that you are doing in our government.

[Interjections.] My question is what is the contribution of the Transnet Maritime School of Excellence Training programme in the production of graduates in the maritime industry? Thank you.

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The DEPUTY PRESIDENT: The Transnet maritime college is a college that I have focused some attention on because I once read a story about that college which made me pay more attention, I therefore had an introspective look at what they are doing and what they have sought to do is to train as many as possible in maritime studies and you will be pleased to hear that a number of the young people were also sent overseas to go and learn overseas and a number of them are being trained here in the country and they encountered a few difficulties which they have now sorted out and that maritime school or college is now going to be functioning extremely well. The good think is that many of our young people have seen the oceans, maritime, as a great area to get involved in and this is in tandem with the focus that our government has placed on the oceans economy because through that there are able to learn a number of disciplines in the oceans economy where they be in boat building, transportation, aquaculture and in everything related to the oceans economy.

So we see a great deal of potential even for young people in the maritime world and being a country that is surrounded 3 000 kilometres by the sea, we should take up this opportunity. In the past, black people were by law, culture, everything tradition prevented from gaining an interest in the ocean that surrounds our

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country, now the opportunities are opening up and I have reported in the past that as I have travelled on behalf of our country to various countries I have often met young people who are involved in maritime studies. I went to Sweden; I met a cohort of young people who are doing their Master's degrees. I went to Japan and met a group of young people who are raring to come back who are also doing their Master's degrees. The same thing happened when I went to Vietnam. So we are spreading our young people throughout the world and clearly our Transnet maritime college plays a critical role also in ensuring that we increase the number of young people who should get involved in this. So the future is bright for our oceans economy and it is beginning to offer a lot of opportunities for young people and when you meet them, I mean, you just see that you are meeting young people who are full of confidence, hope for the future, who want to come back and participate in the future growth of our economy. Thank you very much.

*IsiZulu:*

Mnu M KHAWULA: Sihlalo ohloniphekile,

*English:*

Hon ... President.

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ISEKELA MONGAMELI: Sekela Mongameli. [Uhleko.]

Mr M KHAWULA: Amongst the objectives of HRDC is to remove bottlenecks in the skills pipeline through the strengthening and support of TVET colleges. Now, on the 3rd of May this year, the TVET Colleges Governors' Council made a presentation to the Education Select Committee of the NCOP, amongst other things they are complaining about the following; colleges are highly underfunded and it is a miracle that none have closed doors so far ...

*IsiZulu:*

... kusho bona, akusho mina.

*English:*

Funding is not commensurate with government policy. Since being handed over from provinces to national, colleges have been running on deficits. Funding made to colleges by government covers only 62% of students. The last time the colleges were provided infrastructure grants was in 2006, as a result, infrastructure is collapsing. Learners pass their trades but they do not get certificated or they do not graduate years after completion. Lastly, less than 20% of the total National Student Financial Aid Scheme, NSFAS, allocation goes to the TVET colleges, the 80% plus goes to universities. Now the

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question hon Deputy President, how do we hope to achieve these objectives when TVET colleges are in this state of affairs? Thank you.

The DEPUTY PRESIDENT: Hon Chairperson, we are aware of all these problems and more. These are problems that we are addressing. The underfunding for TVET colleges is quite acute and the problems that you have alluded to, including certification, assistance for studies are all known problems. We are addressing them within a system that is overburdened with the need for more funding. As it is now, the issues of fees for young people not only in our TVET colleges but also in our universities has had an overbearing type of burden on the whole higher education system. So these problems including infrastructure but also including accommodation, hostels for these young people, are issues that are front of mind, they are right on our radar screen and with the limited resources that we have, we are seeking to find ways to address them. The system is under a great deal of stress. The intention is to resolve all of them and to ensure that our young people who are in these TVET colleges get the best education but this is happening when the economy is not growing as much as we want it to, when the revenue is also shrinking and when the demands for more funding to meet other needs and requirements is also at a high. So we are juggling quite a lot of

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balls in the air trying to resolve here and there and remember all this is happening as we have decided to build a few more colleges but also to build three universities at the same time.

And as you correctly say, it is in a way a miracle that many, in fact all our colleges remain open and I have been to some of them, I have walked around, spoken not only to the learners or the students themselves but to the teachers, the lecturers and I have seen the stress and this is being addressed. I know that the Minister of Higher Education and Training spares no time but address all these problems because they are key on top of his mind. These are top of mind issues and the real challenge is the resource base. The resource base is limited and he has had to try and juggle a lot of balls in the air to address all these challenges but they are being addressed. Thank you, madam Chair.

Question 12:

The DEPUTY PRESIDENT: Madam Chair, as I mentioned earlier, there are 31 recommendations in the report of the Presidential Review Committee, PRC, on State-Owned Enterprises, SOEs. These recommendations are being implemented by the Independent Media Commission, IMC, through a phased approach to as guided by February 2015, Cabinet Lekgotla when we addressed all these matters.

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Recommendation 15 of the PRC report calls for the sanctioning of corrupt activities, including fronting by amongst others, developing a register of delinquent individuals and companies that are involved in corrupt practises.

It further calls for the sharing of this register across SOEs. Even though the IMC is yet to implement this recommendation, yet to implement it along others as part of the next phase of reforms, there are ongoing anticorruption efforts in our SOEs. In many instances these are bearing fruits, hence the public reports, and outraged at all allegations of corruption. Our view is, whoever is suspected of wrongdoing should be brought to book without any fear, favour or consideration. That is a firm position as far we are concerned. I thank hon Chairperson.

Mr J W W JULIUS: Chairperson, Deputy President, there are numerous examples of corrupt companies repeatedly doing business with the state-owned enterprises, SOEs in our country. Eskom and Transnet defect numerous deals with both Trillian and Regiments Fund Managers both of whom have been linked to the Guptas and Arnold Sing and the list can go on and on and on. Had this register been implemented in time, it is arguable that these companies would not have been able to get that tentacle so deep into our SOEs where they have

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systematically pillaged ever since. Even the commercial banks saw this and they said they are going to freeze these accounts after being confronted with overwhelming *prima facie* evidence on these SOEs and these companies that are linked with the Guptas in South Africa.

Now, Deputy President, you yourself said that believe that the Gupta leaked e-mail are authentic, can you go on record today that it is indeed authentic and why didn't you - if you have *prima facie* evidence - act on it? Why do you have to wait? We have lost in this country, why didn't you act on it? You, yourself said it is authentic. Why are these individuals still walking around? Please, start with the Guptas, the President and his son because you said you have *prima facie* evidence. I thank you Chair.

The DEPUTY PRESIDENT: Hon Chairperson, I have been very clear on this matter and I have said those institutions, whose job it is to investigate these matters and take them forward, should act. We expect that they will act on whatever information they have, be it e-mails or other forms of evidence and many of these things have been spilling out into the open. Those are the state institutions that have been put in place to deal with these matters. We expect, as South African, that they will as I said without any fear or

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favour. Let us give them an opportunity and the chance to do their work because after all they are accountable to us as the people of South Africa to do their work and to execute the mandate and the programmes that they have. Thank you Madam Chairperson.

*IsiXhosa:*

Mnu L B GAEHLER: Sekela Mongameli, kulonyaka uphelileyo ndakubuza lo mbuzo kodwa ndiyabona ke ukuba wawungazinzanga apha Endlini. Wathi ...

*English:*

... you are waiting for the Presidential Review Committee on State-owned Entities. My question was then, as it is now, some of them have duplication of duties, for instance, if you look at SA Airways, SAA, Mango and SA Express, whereby the taxpayers of this country have to pay for three boards for failing entities. There are many more like the Land and Development Bank of SA and you get ntoni, ntoni that ... [everything] and you agreed with me. However, you said you are waiting ...

*IsiXhosa:*

Yekani ukundimosha nina apha.

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*English:*

The question would then be: What are the recommendations of the Presidential Review on State-owned Entities? When will these recommendations be implemented because it will save the South African taxpayers lot of money? When are they likely to be implemented? It is over a year now. We would not have the problem with the Guptas if this was done. Can you please -I know you are a sincere person and you are going to be the President of this South Africa [Laughter.] - give us a proper answer, when will this be implemented for the sake of taxpayers.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Geahler when did you become a prophet? [Laughter.]

The DEPUTY PRESIDENT: Madam Chairperson ...

*IsiXhosa:*

... uthi bendingazinzanga apha eNdlini. [Kwahlekwa.] Awu, ndihlala ndizinzile nje, kanti undijonga njani na? [Kwahlekwa.]

*English:*

Madam Chairperson, it is absolutely correct that I did say that we would want the implementation of these recommendations. The issue

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that has been raised focuses on for instance, the airline business; government owns are all those that have been identified. As you look at all these you then have three boards a number of other expenses that accompanied that. Now, the Minister of Public Enterprises has been very vocal in saying that we are looking at how best we can rationalise the aviation assets that the government owns. In this regard, she is taking advice on a number of proposals that have been put before her. Those are being examined because if there is a way of rationalising and merging our aviation assets in one way or another, we should be able to see whether we can gain more benefit and more advantage and reduce wastage from that. Therefore, that is being done. Obviously, all us would want everything to be done yesterday. I remember standing in this House when we were talking about the national minimum wage. There were hon members who were saying that they want that minimum wage to be implemented five years ago as we were talking about it. Now that it is going to be implemented they are no longer as unhappy as they were. Similarly, on this issue of rationalisation of assets we have been saying that where there is a need and a great benefit to be achieved in rationalising some of the state-owned enterprises, we will. Where there is also a need to look at the state-owned enterprises in a way where there is duplication, where there is for instance no need for

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some of them to continue being owned by the state, we will also look at those and come up with recommendations.

What we are seeking to do through this is to be smart in order to be able to handle all this in a way that is going to increase the fortunes of South Africa Inc. If we are going to do that we need to be dexterous and look at a number of initiatives that can lead us to that good end. Thank you Madam Chairperson.

*Setswana:*

Moh N P KONI: Modulasetilo, ke rata go raya Motlatsa legodu le le tona gore, a se ka a tsaya matla a loleme bothhofu gonne, mafoko a a buiwang ke motl Khawula ebile a boelediwa, a ka tswa e le nnete mo nakong e e sa fediseng pelo.

*English:*

Recommendation 15 of the report states very clearly on the need to sanction corrupt individuals and develop a register for these people so that they are never again entrusted with the responsibility of leading state institutions. However, Deputy President, your own organisation has been very hypocritical in dealing with Gupta inspired corruption in our state enterprises, like Brian Molefe was appointed despite the Public Protector's serious findings against

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him. What are you, as the Deputy President, doing to ensure that our state-owned enterprises are freed from the greed and influence of Duduzane's father and Duduzane's uncles being there - the Guptas. Thank you.

The DEPUTY PRESIDENT: Madam Chairperson, the recommendation by the Presidential Review Committee - 15 to be more specific - is very clear in what it seeks to achieve. Its implementation in the end is going to result in - [Interjection.] yes - these types of people ... [Interjections.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Order, hon Mokwele. Hon Deputy President, please continue.

The DEPUTY PRESIDENT: Thank you for your protection, Madam Chairperson. It is going to result in a greater focus on wrongdoers. Those companies, individuals and entities that will be doing wrong things in our state-owned enterprises will need - yes - to be placed on a register so that it is known by all and sundry within the state sector that the state should not be dealing with certain people who have done wrong. That is going to be a fairly simple and straight forward process once that recommendation is implemented. We are in the process of implementing these recommendations. I am sure that

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when it is finally implemented, the type of talk that we are having here will be a thing of the past. Let us look forward to that day when all of us as South Africans will really come to grips with the scourge of corruption within state-owned enterprises and we have a more effective way of dealing with corruption. Thank you Madam Chairperson.

Ms C LABUSCHAGNE: Chairperson, Deputy President, as you said that these implementations have to be phased in that seven years later and the register, which is one of the main things to prevent corruption, has not been phased in yet. Again, you are referring to the institutions that should investigate this. Now, I want to put it to you, Deputy President, the slowness of which the government is handling corruption cases and the state capture is shocking. That creates an impression that government is more interested in and committed to self-enrichment than to help the people. For instance, we reported the Bell Pottinger case to the Public Relations and Communications Association, PRCA, on 2 July. By 5 September, the decision was made and they were expelled. In June, this Parliament directed four committees to urgently probe allegations of state capturing involving Cabinet Ministers. Up till now, nothing has been done. My question to you, Deputy President, is: In your role as the Deputy President and as leader of the local government business,

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don't you have a role and what do you plan to ask these institutions, Why didn't you start the investigation? When are you starting to investigate and what are you going to do to speed this up and make sure that we address this? Because while we are sitting in committees and having talk shops, these people are still looting and stealing the money and get away with it.

The DEPUTY PRESIDENT: Madam Chairperson, the state institutions that are alluded to as far as I am concerned - and they have said so publicly - are in the process of investigating all these matters. Therefore, the investigations are underway. I think we need to allow that time to happen because they work in their own way and they do not work like a committee; they have to ascertain evidence and get all the things that will support the allegation or the position that has been done incorrectly. Therefore, let us allow them the time and the space to be able to do that. Let us remember these are public institutions themselves and in the end they are accountable to the people of our country. They know that the work that they are doing is being looked at quite introspectively by the South African public. Therefore, the level consciousness in terms of accountability is something that will guide them in doing their work. Therefore, I have confidence that they will be able - as they

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have said so publicly- to investigate these matters and give us an outcome. Thank you very much, Madam Chairperson.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Thank you very much Deputy President. That was the last supplementary of the last question for the day.

The DEPUTY PRESIDENT: Thank you Madam, Chairperson. [Applause.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Order, hon members. Hon members we have had the privilege to have a young group of learners from Tsakane Secondary School who called themselves Abatsha Force of Change. You are welcomed my children. [Applause.] I also wish to express our gratitude to the special delegates from the Eastern Cape, Free State, KwaZulu-Natal and Limpopo. We want to thank you very much for being with us today. Are you raising a point of order?

Mr C HATTINGH: Hon Chairperson, I should have said this when you welcomed hon Vawda back, because I really appreciate the way that you did it. However, hon Chair, I would also like to welcome you back because - and I would urge you to look at the recording - I regard yesterday's sitting as my worst experience in a legislative

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assembly since 1999. I have never experienced such a gathering and I really felt I could not be part of what happened here yesterday. I urge you to speak to the presiding officers so that what happened here yesterday never happens in this House again. It was broadcast alive and surely was a blot on traditions and the decorum of this House. Thank you.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: I will do so thank you, sir. Hon Koni, are you echo in the point?

Ms N P KONI: I don't want to put it that way, just allow me the turns but is a point of order. It is not ...

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: It is a point of order; hon Mokwele, is it the same point of order? One of you will suffice because I am going to recognise one.

Ms N P KONI: Let me allow my Whip then if I am not covered I will ask for an opportunity, Chair.

Ms T J MOKWELE: Chairperson, actually what hon Hattingh has alluded to you about the manner in which the Presiding Officers are running this House and making it to degenerate to a level where members are

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treated unequally. It is a concern for the EFF and we have been writing you letters. I think we are going again to write you the third letter to raise this matter because generally this issue affects the EFF members 100% because ...

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Order, members. You are protected.

Ms T J MOKWELE: Hon Chair, that is what they were doing even yesterday when I was afforded an opportunity to address the Presiding Officer. They were making noise and I ask for protection from the Presiding Officer. For her to offer me that protection she chased me out of the House. Therefore, I am appealing to you, Chair, and I am humbly requesting, we have been missing the Deputy Chairperson of the House. It has been long. The last time we saw him, it was when we were on Taking Parliament to the People. We would gladly be informed by your kind office to locate the Deputy Chairperson Of this House. Thank you. [Interjections.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: That is no longer a point of order, hon Mokwele. Hon members the point of order which hon Hattingh is bringing to my attention is being emphasised on by the hon Mokwele. I will look into the matter and at the

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footage and I will also come back to this House and give a ruling on it. Hon members, it is really necessary - hon Parkies, you are afforded a chance. [Interjections.] No, you have asked us to treat you all equally, hon members. It is very amazing that at the end of the day we have points of order, but please continue. [Laughter]

Mr J P PARKIES: Chair, I am not somebody who likes or relishes points of orders. However, I want us to put what happened yesterday in context. We are not sure what is the context and the content of the hon Hattingh from the DA. What I want to raise is, what happened yesterday was inhuman to the Minister of Public Service. Look Chair, we must always be rigorous, engage critically, contest and challenge each other's capacity whether it is intellectual capacity to content wise. However, for members of this House to demean, undermine to be specific. What happened from the side of EFF, to be specific, was bad. I'm standing here to say it was bad and nobody can accept. We can be ugly and others can be so beautiful in this House, but if you engage me on the basis my appearance, nobody can accept that. It is inhuman. That is the point that I wanted to say and I am not sure of the content or the context. However, what I am saying here I want to support him it should never happened again.

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The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon members, I think we are agreed that I will look at it and come back to the House. Now I don't want to take another point.

Ms T J MOKWELE: Can I with due respect.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Please take your seat, hon Mokwele.

Ms T J MOKWELE: I will address it on the letter that I will submit into your office. Thank you very much.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Please do so. Hon members, I just to put it bluntly I will come back to the House I will be as honest as possible. I will deal with all of you if all of you are out of order. I will deal with it because it is in the interest of the dignity of this House. In having said that I do wish to thank you all for your generally better behaviour if deduce from what the hon members are saying today. [Applause.]

The Council adjourned at 16:11.