

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 1

TUESDAY, 4 DECEMBER 2018

PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES

The Council met at 09:05.

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

The CHAIRPERSON OF THE NCOP: Order, members! I have been informed that the Whippery has agreed that there will be no notices of motions or motions without notice today. The Secretary will read the First Order of the day.

CONSIDERATION OF MARINE SPATIAL PLANNING BILL AND REPORT OF SELECT COMMITTEE ON LAND AND MINERAL RESOURCES THEREON

Mr O J SEFAKO: Hon Chair and hon members, the opportunity to table before this House the report of the Select Committee on Land and Mineral Resources ... [Interjections.]

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 2

The CHAIRPERSON OF THE NCOP: Ntate Sefako just a minute. Can I have some order, please? It is too early in the morning. Please continue, hon Sefako.

Mr O J SEFAKO: Thank you, hon Chair. The report of the Select Committee on Land and Mineral Resources on the Marine Spatial Planning Bill, B 9D-2017, National Assembly section 76 dated 20 November 2018. The Department of Environmental Affairs briefed the committee on 26 June 2018 on the Marine Spatial Planning Bill, B 9D-2017. The Bill was referred to the committee on 24 April 2018. The Select Committee on Land and Mineral Resources having deliberated on and considered the subject of the Marine Spatial Planning Bill, B 9D-2017, National Assembly section 76 referred to and classified by the joint taking mechanism as section 76(b) agreed to the Bill. I'm presenting this Bill before the Council for consideration. Thank you.

Debate concluded.

Question put: That the Bill be agreed to.

In favour: Free State, Gauteng, KwaZulu-Natal, Mpumalanga, North West.

Against: Western Cape.

Bill accordingly agreed to in accordance with section 65 of the Constitution.

The CHAIRPERSON OF THE NCOP: Thank you very much. Hon members, I'm advised that even though in the House we have eight provinces agreeing, three of the agreeing provinces did submit provincial mandates. We, however, do have five provinces which are in agreement for the Western Cape is agreeing. Therefore, in terms of the section 65 of the Constitution this Bill has been agreed to. The Secretary will read the Second Order of the day.

**CONSIDERATION OF PROTECTION, PROMOTION, DEVELOPMENT AND MANAGEMENT
OF INDIGENOUS KNOWLEDGE BILL AND REPORT OF SELECT COMMITTEE ON
COMMUNICATIONS AND PUBLIC ENTERPRISES THEREON**

Ms E PRINS: Hon Chairperson and members, the Select Committee on Communications and Public Enterprises considered the Protection, Promotion, Development and Management of Indigenous Knowledge Bill, [B6B-2016] that was referred to it by the National Assembly in November 2017. The committee wish to report as follows: The Indigenous Knowledge Systems Bill's main objective is to provide for

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 4

the protection, promotion, development, management and commercialisation of South Africa's indigenous knowledge systems. It brings to a halt many years of exploitation of our indigenous communities by people both within and outside the borders of this country, whose enterprises have thrived on the ignorance and vulnerability of our people, where one partner receives a pittance whilst the other smiles a fortune.

Furthermore, the Bill took into consideration the guiding principles and substantive provisions for the protection of traditional cultural expressions and traditional knowledge agreed to by the World Intellectual Property Rights Organisation, Wipro.

Collectively, these international obligations proposed the establishment of legislation that is unique and is specific to the conditions of the country in question for the protection of indigenous knowledge. It is a ground-breaking legislation and truly intended for the sole benefit of our people as it departs from the western concept of intellectual property rights which put emphasis on the individual rather than the community.

This Bill makes it clear that the community through a trust fund will be the sole benefactor of all proceeds related to indigenous knowledge systems. As an example the Bill in section 25(1) (a) to (b)

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 5

states that any person who intends to use indigenous knowledge for commercial purposes must apply in the prescribed manner for a licence authorising the use of that indigenous knowledge and enter into a licence agreement with the trustee of the relevant indigenous community for its use. Indigenous knowledge systems are not limited to plants and herbs as the Bill itself explains that indigenous knowledge means knowledge that has been developed within an indigenous community and has been assimilated into the cultural makeup or essential character of that community, and includes examples such as knowledge of a scientific or technical nature, phonetic or verbal expressions, musical or sound expression as well as tangible expressions.

With the introduction of this Bill no more people from both inside and outside the borders of this country will make use of our indigenous knowledge systems processing and packaging them without the active involvement and active economic participation of the community from which such indigenous knowledge come from. In agreement with the Department of Science and Technology we have made it clear that the National Indigenous Knowledge Systems Office, Nikso's, must be present in all nine provinces and must be easily accessible to our people if this Bill has to be indeed of benefit to the people. All the nine provinces showed their full support of the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 6

Bill and as the NCOP we approved the Bill whilst also committing ourselves that we will monitor closely its implementation, so as to ensure that our people's lives do change for the better. I so move the report. Thank you. [Applause.]

Debate concluded.

Question put: That the Bill be agreed to.

In favour: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Western Cape.

Bill accordingly agreed to in accordance with section 65 of the Constitution.

The CHAIRPERSON OF THE NCOP: In the House you are all agreeing. We, however, have seven provincial mandates. All of them in favour and two provinces did not submit, the Northern Cape and the North West. In terms of section 65 the Bill has however been agreed to. The Secretary will read the Third Order of the day.

COMMUNAL PROPERTY ASSOCIATION AMENDMENT BILL

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 7

(Consideration of Bill and Report)

Mr O J SEFAKO: Hon Chairperson and hon members, thank you for the opportunity to present before the House the Report of the Select Committee on Land and Mineral Resources. This is a very, very important Bill. The Report of the Select Committee on Land and Mineral Resources on the Communal Property Association Amendment Bill, B-12B of 2017, section 76 Bill dated 27 November 2018. The Department of Rural Development and Land Reform did brief the committee on 27 August 2018 on the Communal Property Association Amendment Bill, B-12B of 2017. The Bill was referred to the committee on 30 May 2018. The Select Committee on Land and Mineral Resources having deliberated and considered the subject of the Communal Property Association Amendment Bill, B-12B of 2017 section 76 Bill, referred to it and classified by the Joint Tagging Mechanism as section 76 Bill, agreed to it. Therefore, we send the Bill for consideration by the House. Thank you.

Debate concluded.

Question put: That the Bill be agreed to.

Declaration of vote:

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 8

Ms C LABUSCHAGNE: Hon chairperson, hon members and fellow South Africans, this Bill is the last opportunity by this government to meaningfully extend tenure security and ownership of tribal and communal communities in terms of section 25(6) of the Constitution of the Republic of South Africa.

How is it possible that we still have two different South Africas today with two opposite set of rules? Why should communities who stay in tribal areas have less right than the rest of us. Everyone should have their individual freedoms protected and the right to economic freedom and choices. This is indeed an injustice. Everyone should be able to have at least a title deed and full ownership of their residential property. All this Bill does is to extend the power and control of government over land at the expense of tribal communities.

There are many irrational clauses within this Bill. For example, that 60% of the beneficiaries of the Communal Property Associations, CPA, must agree on a Constitution and amendment of it. While the department has no clear and definite database of all the actual beneficiaries - how will they then determine 60% and know who the beneficiaries are and who are not? Then a process followed with this Bill and the select committee was fundamentally flawed and we

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 9

believe illegal. The committee ignored some provinces pleading for extensions to do proper public participation and the Bill was bulldozed through a committee meeting in the middle of the night during taking Parliament to the people somewhere in the Southern Sun Oliver Tambo Hotel without even being on the z-list or proper notice provided that met minimum requirements. Therefore, the Western Cape does not support this Bill.

In Favour: Free State, Gauteng, Limpopo, Mpumalanga, North West.

Bill accordingly agreed to in accordance with section 65 of the Constitution.

CONSIDERATION OF TRADITIONAL LEADERSHIP AND GOVERNANCE FRAMEWORK

AMENDMENT BILL

Mr J M MTHETHWA: Chairperson, the Traditional leadership and Governance Framework Amendment Bill was passed by the National Assembly and transmitted to the NCOP for concurrence. Subsequently the Bill was referred to the Select Committee on Co-operative Governance and Traditional Affairs for Consideration and report. The Bill seeks to amend section 28 of the Traditional Leadership and Governance Framework Act, to extend the timeframe within which

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 10

traditional structures are to transform. The Bill does not only seek to extend the timeframe, but also to determine what is to be done in any instances where the extended timeframe cannot be met.

Its other purpose is to align the term of office of the national house of traditional leaders which expired in August 2017 with that of the reconstituted traditional councils. The reconstitution of these tribal authorities is intended to bring uniformity standard and to provide legal certainty. The Bill seeks to extend the transformation timeframe for tribal authorities that were created in terms of the Bantu Authorities Act by the apartheid government. The Bill is essential for its transformative mechanism to mitigate risk of entrenching past distortion. For this reason, section 3 subsection 2 of the Bill includes certain composition requirements for traditional council which tribal authorities had to meet within a specific timeframe in order to transform.

In terms of these provision, that the size of traditional council should be limited to 30 members. A third of members should be women. The council must consist of 60% elected and 40% selected members. In brief, the Bill seeks to make provision of extended timeframe within which kingship or queenship council have to be established. Also, to make provision for extended timeframe within which tribal

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 11

authorities have to be constituted as traditional council and within which traditional council have to be reconstituted, provide for extended timeframes within which communities authorities have to be disestablished and align the term of office of the above mentioned council with the term of office of the national house of traditional leaders.

Consideration of the Bill by the select committee, although there is an admission that 14 years later after the Traditional and Government Framework Act was propagated many traditional leaders and their council have not complied with the transitional requirement according to section 28 of the Act. The select committee believes that the extension granted of two years in order to reconstitute the traditional council will ensure that the province comply with the reconstitution process for traditional councils. Further, the extension would not only ensure the reconstitution of traditional council but would in turn ensure uniformity and standard system among all nine provinces. In addition, the extension would also ensure the establishment of kingship or queenship council which had never existed before. Hence, it is recommended that the NCOP supports the amendment to the Bill. I therefore table this to party.

Debate concluded.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 12

Question put: That the Bill be agreed to.

Declaration of vote:

Ms C LABUSCHAGNE: Hon Chairperson, hon members and fellow South Africans, the proposed amendments are stop gap measures to address the persistent failures to comply with the timeframes for the tribal authority transformation. The Bill will provide legality to entities that have no legal standing

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: The microphones are off. Are they back? Hon Labuschagne, can you start.

Ms C LABUSCHAGNE: Hon Chairperson, hon members and fellow South Africans, the proposed amendments are stop gap measures to address the persistent failures to comply with the timeframes for the tribal authority transformation. The Bill will provide legality to entities that have no legal standing, condone noncompliance with legislation with further extension, perpetuate actions and values that are insoluble with the Constitution and enable the exploitation of traditional communities for the benefit of a selected few.

Therefore, the Western Cape oppose this traditional leadership and governance framework Amendment Bill, claiming that it removes rights the election of traditional leaders to serve on the kingship and

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 13

queenship principle to the traditional council from the traditional communities and vested them in the traditional councils. Thank you.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West.

AGAINST: Western Cape.

Bill accordingly agreed to in accordance with section 65 of the Constitution.

**CONSIDERATION OF REPORT OF SELECT COMMITTEE ON SECURITY AND JUSTICE
- EXTRADITION TREATY BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SOUTH
AFRICA AND THE GOVERNMENT OF THE UNITED ARAB EMIRATES, REFERRED TO
IT IN TERMS OF SECTION 231(2) OF THE CONSTITUTION, DATED 27 NOVEMBER
2018 WITH EXPLANATORY MEMORANDUM**

Mr S G MTHIMUNYE: Madam Chair, the Select Committee on Security and Justice has considered the treaty on extradition of persons charged with or convicted of an extraditable offence. President Ramaphosa authorised the Minister of Justice and Correctional Services to sign the treaties on behalf of the Government of the Republic South

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 14

Africa. The Minister therefore, signed both the treaties on extradition and mutual assistance on 25 September 2018 in Abu Dhabi.

Extradition is the delivery of an accused or convicted individual to the state where he or she is accused or convicted of a crime by the state in whose territory he or she happens to be. Therefore, the fundamental purpose of extradition is to bring criminals to justice. However, without an extradition treaty in place, a requesting state can only rely on the requested state's good will.

Extradition treaties in contrast rely instead on reciprocity. In other words, the request for surrender is accompanied by reassurances of reciprocal extradition in comparable circumstances. With the increase in criminals fleeing from South Africa to avoid prosecution, the treaty is of utmost importance in ensuring that we are able to extradite these criminals and to prosecute them accordingly.

Summary on the key areas covered by the treaty, amongst others, include the recalls on the friendly relations that exist between the two countries; the desire to strengthening and reinforcing co-operation between the two countries in combating crime; the deep

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 15

concern about the magnitude of arising trend in acts of international terrorism and organised crime.

Amongst others, the treaty in Article 1 creates a reciprocal obligation on the parties to extradite to each other pursuant to the provisions of the treaty and subject to their respective domestic laws relating to the extradition of persons who have been charged with or convicted of an extraditable offence.

Article 3 lists the extraditable offences as including some of the following: This include, amongst others, conspiring to commit or aiding, inducing or procuring the commission and or being an accessory before or after the fact. Article 4 deals with the mandatory refusal of extradition, for example, offences of a political nature.

Article 5 deals with the discretionary refusal of extradition, for example, if the courts of the requesting party have jurisdiction to try the offence; or it is an offence punishable by death under the law of the requesting party unless certain reassurances are given. The reassurances in this regard include in Article 5(2): Extradition may be refused unless the requesting party undertakes or gives such assurances as considered sufficient by the requested party that the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 16

person sought will not be detained without trial; tortured in any way; treated or punished in a cruel, inhuman and degrading way.

Article 6 deals with the nationality and states that no party shall extradite its nationals to the other party unless it is permitted by its national laws.

Article 8 deals with the rules of specialty which states that a person who has been extradited shall not be prosecuted, sentenced, detained or re-extradited to a third state for any offence committed prior to the surrender other than that for which that person was extradited, nor shall a person's liberty be restricted for any other reason except in the following cases: Where the requesting party consents; or where the person having had an opportunity to leave the requesting party has not done so within 30 days of final discharge, or has voluntarily returned to that party after having left it.

A large portion of the treaty deals with the manner in which the two states parties will work together in ensuring that persons are extradited appropriately. Article 9 deals with the content of the request and supporting documents and Article 10 deals with the supplementary information in order to ensure that all the necessary

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 17

documentation is exchanged between the parties to ensure the successful extradition of the person.

Article 12 covers the arrest and detention of the person who shall be arrested and detained in accordance with the requested party's national laws. Article 13 deals with concurrent requests and states as follows: If an extradition of the same person is requested concurrently by one or the parties and a third state or more for the same offence or for different offences, the requested party shall determine in which state it will extradite the person, having regard to all the circumstances, especially the seriousness and the place of the commission of the offences, the respective dates of the requests, the nationality of the person sought and the possibility of subsequent extradition to other state. Article 14 deals with provisional arrest and states: In case of urgency, the requesting party may apply for provisional arrest of the person sought pending the presentation of formal request for extradition and supporting documents.

Article 15 also allows for the requested party to seize and surrender to the requesting party all property, articles and documents that may be found in the territory of the requested party that is connected with the offence and which extradition is sought.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 18

It is therefore evident that the treaty covers all aspects relating to extradition and the manner in which the parties will work together to ensure that criminals are extradited successfully.

Article 16 deals with the authorisation of transit through its territory of a person surrendered to other parties by third parties.

Having considered the treaty, the Select Committee on Security and Justice request Parliament to approve the ratification of extradition treaty between the Government of the Republic of South Africa and the Government of the United Arab Emirates signed on 25 September 2018 recommends that the House approve the ratification of the treaty in terms of section 231 (1) of the Constitution of the Republic of South Africa of 1996.

On behalf of the Select Committee on Security and Justice, I table the treaty and the accompanying report to the House for consideration and approval. I thank you. [Applause.]

Debate concluded.

Question put: That the Report be adopted.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 19

In favour: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West, Western Cape.

Report accordingly adopted in accordance of section 65 of the Constitution.

**CONSIDERATION OF REPORT OF SELECT COMMITTEE ON SECURITY AND JUSTICE
- MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS BETWEEN THE GOVERNMENT
OF THE REPUBLIC OF SOUTH AFRICA AND THE GOVERNMENT OF THE UNITED
ARAB EMIRATES, REFERRED TO IT IN TERMS OF SECTION 231(2) OF THE
CONSTITUTION, DATED 27 NOVEMBER 2018 WITH EXPLANATORY MEMORANDUM.**

Mr S G MTHIMUNYE: Madam Chair, we stand before you to table the Treaty between the Republic of South Africa and the United Arab Emirates on Mutual Legal Assistance in Criminal Matters.

Guided by the friendly relations between the two countries, and recognizes the need to facilitate the widest measures of mutual legal assistance in criminal matters.

Article 1 of the Treaty provides for the agreement between the parties to grant each other the widest measures of mutual legal assistance in criminal matters. Article 3 sets out the scope of the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 20

mutual legal assistance to include investigation, prosecutions and proceedings related to criminal matters.

Assistance shall include, amongst others the following: Taking the testimony or statements of persons; providing documents, records and articles of evidence; locating and identifying persons or items; serving of documents, transferring persons in custody for testimony or to assist in the investigations.

Article 3 (4) states that the Treaty shall apply to requests made pursuant to it, whether or not the offence in question was committed prior to this Treaty enters into force.

Article 4 provides for the refusal of assistance if the execution of the request would impair its sovereignty, national security or public order or other essential public interests; the request relates to an offence under military law, which is not an offence under ordinary criminal law; the request relates to an offence of a political nature.

Article 5 provides for the form and content of requests and lists all the information which should be included in the request, including for example the description of the subject matter and the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 21

nature of the investigation, prosecution or proceedings, including the specific offences that relate to the matter.

Article 11 provides that a person in the requested party from whom evidence is requested pursuant to the provisions of this Treaty shall be compelled, if necessary and subject to the national laws of that party to appear and testify or produce items, including documents and records.

Article 13 provides for the requesting party to request that a person in the Requested Party appears in the territory of the requesting party to give evidence or to assist in the investigation in relation to the criminal matter if he or she consents thereto.

Article 14 provides that a person in the custody of the Requested Party may, upon request, be provisionally transferred to the custody of the requesting party for the purpose of giving evidence or assisting in investigations in relation to a criminal matter under this Treaty, if the Requested Party and the person seeking consent.

Article 15 allows for the transit of persons in custody. Article 18 provides for search and seizure, and; also provides that the Requested Party shall, in accordance with its national laws execute

a request for search, seizure and transfer of any article related to the offence which is subject to investigation in the requesting party.

Article 20 provides for the assistance in forfeiture proceedings as follows: If one of the parties is aware of proceeds or instrumentalities of offences that are located in the territory of the other party, which may be forfeitable or otherwise subject to seizure under the national laws of that party, it may so inform the other party.

It also provides that each party should assist the other in initiating proceedings relating to the forfeiture of the assets and instrumentalities of offences, restitution and compensation to the victims of the offence.

The other important Articles in the Treaty include Article 21: Compatibility with other agreements which states: Assistance and procedures set forth in this Treaty shall not exempt either party from its obligations arising from other international agreements or its national laws.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 23

Article 22 deals with consultations between the parties and states: Any dispute arising from the interpretation and implementation of this Treaty shall be resolved by consultation between the parties through diplomatic channels.

Article 23 deals with the matter of ratification, entry into force, amendment and termination and states that the Treaty shall enter into force within thirty days after the date of the exchange of the instruments of ratification, and; that the Treaty may be amended through the mutual written consent of the parties in accordance with the same requirements of the ratification of this Treaty. Further that either party may terminate this Treaty at any time upon a written notice to the other party.

Madam Chair, the Select Committee on Security and Justice, having considered the request that Parliament approves the ratification of the Mutual Legal Assistance in Criminal Matters Treaty between the government of the Republic of South Africa and the government of the United Arab Emirates, recommends that the House approves the ratification of the Treaty in terms of section 231(2) of the Constitution of the Republic of South Africa.

Madam Chair, I therefore, table on behalf of the Select Committee on Security and Justice, the Treaty and the accompanying report for consideration and approval.

Debate concluded.

Question put: That the Report be adopted.

[TAKEN FROM MINUTES.]

Report accordingly adopted in accordance of section 65 of the Constitution.

CONSIDERATION OF REPORT OF SELECT COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS - INSPECTION IN LOCO ON NOTICE OF INTERVENTION ISSUED IN TERMS OF SECTION 139(1)(B) AND (5) OF THE CONSTITUTION, 1996, IN EMFULENI LOCAL MUNICIPALITY

Mr J M MTHETHWA: Chairperson, since November 2015, the Provincial Treasurer and the Department of Cooperative Governance and Traditional Affairs have been working with Emfuleni Local Municipality to provide institutional support in line with section 164 of the Constitution. At the end of March 2018, the municipality

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 25

owe the bulk supply creditors R932 million and other creditors are owed R130 million.

Basic services in the municipality have been negatively impacted, creating backlog in areas like waste management, water and electricity interruptions. The financial position of the municipality was continuing to deteriorate to a point where it was not able to guarantee the provision of minimum standard of services to communities.

Without an intervention from the national or provincial government, the municipality was experiencing financial governance service delivery challenges and periodic failures that require dedicated support and assistance from the provincial government. Despite these efforts, the financial position of the municipality continues to deteriorate.

Simple stated, what started as the financial problem has now become a problem of service delivery. This is a serious situation that warrants a more comprehensive intervention. In order to holistically address the multiple challenges in the municipality, it was resolved by the Provincial Executive Committee, PEC, to place the municipality under administration in order to allow for the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 26

implementation of financial recovery and service delivery plans in the municipality.

On 13 June 2018, the PEC resolved to evoke section 139(b) and section 139(5) of the Constitution in Emfuleni Local Municipality. The intervention was made to ensure that the municipality complies with its obligation to render basic services and to meet its financial obligations. The intervention is structured into five work streams that will focus on the following priorities:

On service delivery the focus will be on water and storm water infrastructure; sanitation; energy and electricity; cleaning and waste management; road maintenance; resurfacing and fleet management; infrastructure and human settlement; enhancing revenue collection and engaging with Rand Water and Eskom to agree on debt repayment terms, so that there is no destruction of supply of water and electricity to the community.

In this regard, the Premier will convene monthly meetings with the Mayor, MEC and Members of the Mayoral Committee, to review progress on the intervention. With regard to service delivery improvement and financial recovery interventions, once a week, the Premier and the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 27

Mayor will join the teams that are working in the community to fix potholes and participate in the cleanup campaigns.

Concerning the deliberations and review of the select committee, currently, there is no administrator at Emfuleni Local Municipality. The select committee wishes to stress that in terms of the implementation protocols, the provincial section 139 intervention dated during 2015 of the national Department of Cooperative Governance and Traditional Affairs, when the PEC assumes responsibility for the fulfilment of an executive obligation in terms of the Constitution or legislation, it entails the performance of the identified obligation by the appointed provincial official or any competent person or persons conveniently called an administrator.

Importantly, the Vaal River is facing a catastrophe, as the sewerage from the Emfuleni wastewater treatment works continues to spill into the river. Concerning the areas of co-agricultural and tourism industries, they are facing eminent destruction. However, the select committee took comfort of the Finance Minister's announcement during the Medium-Term Budget Policy Statement.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 28

The Minister announced that there will be deployment of the army engineers to the municipality to help restore capacity to the failing water treatment works and stop the flow of raw sewerage into the Vaal River. The deployment of SA National Defence Force, SANDF, complies with the provision in the Constitution of cooperative governance, to facilitate coordination in the implementation of effective provision of services.

It further demonstrates that no sphere of government can function effectively without cooperating with the other, because of the interdependency and interrelatedness of some governmental functions. Henceforth, cooperative government is thus about partnership government as well as the value associated with it. In this case, the intergovernmental approach about intervention into the municipality is an issue that is worth noting.

A higher number of potholes, sewer spillages, neglect of refuse collection and ageing road infrastructure in the municipality, is the reflection of poorly managed budget as well as staff and skill shortages, and it clearly negatively impacts on infrastructure conditions. The long-term consequences include assets stripping and lower service level that in all likelihood also negatively affects

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 29

sustainability and economic investment and raise the likelihood of service delivery protest.

Therefore, the municipalities should make adequate provision for the long-term preventative maintenance, refurbishment and eventually, replacement of its infrastructure. It is clear that, if the municipality infrastructure maintenance is to be adequate at Emfuleni Local Municipality, a great deal needs to be done. The following recommendations should be implemented:

Having conducted an oversight visit to Emfuleni Local Municipality with internal and external stakeholders, the following recommendations were made by the committee: The NCOP needs to approve interventions in Emfuleni Local Municipality in terms of section 139(1)(b) and (5) of the Constitution.

The Gauteng Provincial Executive Council or the MEC for Cooperative Governance, Human Settlements and Traditional Affairs, should fast track the process of appointing an administrator, to implement the interventions in accordance with terms of reference provided by the provincial executive or the MEC. The municipality should prioritise and accelerate the technical infrastructure support team, SANDF, engineers and other professionals.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 30

In order to urgently address sewer spillage, particularly in the Vaal River, and fix non-functional water and waste water treatment plants in Emfuleni Local Municipality, quarterly progress reports should be tabled in the NCOP by the Gauteng office of the Premier on the status of the intervention in the municipality, and the financial recovery plan, including challenges encountered by the municipality.

The quarterly reports will play an important role in assisting the NCOP review processes in deciding whether or not the contribution of the intervention is necessary. The Select Committee on Cooperative Governance and Traditional Affairs in cooperation with relevant the portfolio committee in Gauteng provincial legislature should in future conduct a follow-up oversight visit to the municipality, in order to evaluate progress made in respect of the intervention in the municipality. Chairperson, I therefore table this report for consideration.

Debate concluded.

Question put: That the Report be adopted.

[Take in from Minutes.]

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 31

Report accordingly adopted in accordance of section 65 of the Constitution.

CONSIDERATION OF REPORT OF AD HOC JOINT COMMITTEE ON PARMED

Mr J P PARKIES: Hon Chair, hon members, special delegates, allow me to adumbrate on the report because the report is a 31-page report. Now, I am not going to read the whole text of the report. The mandate of the ad hoc committee was to note that parliamentary and provincial Medical Aid Scheme Act 28 of 1975, Parmed, is a compulsory medical aid for retired and current Members of Parliament and judges.

Further notes that members of Parmed are paying high tariffs. Acknowledge the need to inquire into the statutory requirement regarding compulsory membership for the Parmed Members of Parliament. Subject to the concurrence of the NCOP, it established an ad hoc committee to inquire into and make recommendations on the impact of Parmed. The NCOP subsequently concurred with the above motion.

The terms of reference are: the committee was established and tasked to inquire into and make recommendations on the tariff of members of

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 32

Parmed Medical Aid Scheme; the need for and the possible option with regard to Parmed and other competitive medical aid for Members of Parliament; and the necessity to introduce amending legislation and impact of retired Members of Parliament.

We consulted various groups, parliamentary and provincial medical schemes, Council for Medical Scheme, judges, National House of Traditional Leaders, South African Local Government Association, Salga, and Magistrate Commission. As part of the outcome of this process, there are options that were identified by the ad hoc committee. For me to make sense of the report, I am going to highlight those options before I go to the recommendations.

Option one, is the structural adjustment - the unreasonable discrepancy between salary adjustment and medical aid subsidy has been an adverse impact on Parmed contributions payable by members of the scheme. This is due to the fact that two-thirds state as subsidised contributions that was calculated into the total cost remuneration package in 2008 has not been sufficiently adjusted over time. The committee highlighted the urgent need for Parliament to submit formal request to the independent commission for the remuneration of public office bearers to re-evaluate the status core and consider reinstating the pre-2008 position of the cost plus

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 33

benefits remuneration structure instead of the current total cost remuneration. This formal request to the commission should highlight the need for discussions between the commission and the National Treasury with regard to the impact of any change in the remuneration structure to the fiscus including the tax implications.

Option two, if membership to Parmed is made voluntary in that section 1 of Parmed Act, which compels members to belong to that medical aid, membership obligations is amended to a discretionally may option without membership pool expanding. The viability of the scheme could be negatively affected. This impact of this amendment option could be linked to scenario two with adjustments in forecasting on outline as outlined in this report.

To address this risk, transitional provision will need to put in place with consultation with the leader of government business, National Treasury, Department of Health. Such transitional provisions will have to look at safeguarding the interest of members who choose to remain with Parmed. This interest will not only be financial in nature but also in maintenance of the common benefit advantage they currently get from the scheme.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 34

Furthermore, any collapse of Parmed will not only prejudice the remaining and retired office bearers but disintegration of the Parmed will be an unfavourable outcome and have an effect on public interest consideration as public funds are involved.

Expanding the membership through such an amendment will have an impact on the fiscus and will require policy discussion with the Leader of Government Business, treasury and the Department of Health. In the event that the membership pool is expanded, Parmed could introduce additional benefit options, which are a new insertion to the scheme making provision for compulsory members to have the option to structure their medical aid benefits in line with their personal needs. This option should be designed to accommodate younger members. This will allow for scenario 4 read along scenario 5 as discussed in the report with added benefit of membership pool expanding.

On voluntary and expanded membership, in scenario 4 ... let me leave that Chair and go straight to the recommendations. Option 3 repeal Parmed Act, if it is the will of the legislature to dissolve Parmed completely and repeal the Act, the impact of such a step will have reaching consequences for continuation of members and staff employed by the Parmed. Extensive transitional safeguard will have to be put

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 35

in place in consultation with the Leader of Government Business, National Treasury and the Department of Health; such a step will also trigger labour relations considerations relating to retrenchment as Parmed is an employer.

Observations of the committee that the change of the salary structure into 2008 from Cost Plus Benefit to Total Cost Remuneration by independent commission for remuneration of public office bearers had a negative impact on scenario 1, Parmed Act, listed political office bearers.

Consequently, the increase in Parmed cost has been more than the increase in salary of affected political office bearers. Further, the adverse impact that befalls the members of the scheme is as a result that a limited membership scheme is that it is legislatively prescribed which office bearers must belong to it. And that's impossible for other members to join to bring down the cost and make the scheme more viable as small scheme can only offer a single coverage option given its compulsory members have no control over the medical aid coverage by requiring in accordance to their needs, finance and age.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 36

Option 1, to the NA and NCOP as a recommendation to address immediate unaffordability problem that this salary structure change has cost as it relates to Parmed membership including consideration of Treasury of the once off alignment to address the imbalance. Further recommends option 2 to the NCOP that Sixth Parliament must be tasked to further investigate the implementations of this option with the aim of making Parmed voluntary and extending its membership base to include amongst others but not limited to the municipal councillors, magistrates, and traditional leaders. I submit the report to the House for adoption.

Debate concluded.

Question put: That the Report be adopted.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West, Western Cape.

Report accordingly adopted in accordance of section 65 of the Constitution.

**CONSIDERATION OF REPORT OF SELECT COMMITTEE ON APPROPRIATIONS-
PROPOSED DIVISION OF REVENUE AND CONDITIONAL GRANT ALLOCATIONS TO**

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 37

PROVINCIAL AND LOCAL SPHERES OF GOVERNMENT AS CONTAINED IN THE 2018

MEDIUM TERM BUDGET POLICY STATEMENT, DATED 29 NOVEMBER 2018

Mr C J DE BEER: Hon Chairperson and hon members, the Select Committee on Appropriations, having considered the 2018 Medium Term Budget Policy Statement and having heard comments from stakeholders, reports as follows:

The Minister of Finance tabled the Medium Term Budget Policy Statement, MTBPS, on 24 October 2018, outlining the Budget priorities of the government for the medium term estimates. In terms of the Money Bills Amendment Procedure and Related Matters Act 9 of 2009, the committees on appropriations are required to consider and report on the proposed division of Revenue and Conditional Grant Allocations to provincial and local government as contained in the MTBPS.

The Report must contain the following: the spending priorities of the national government for the next three years; the proposed division of revenue between the different spheres of government and the proposed substantial adjustments to conditional grants to provinces and local government.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 38

The committee received presentations from the Minister of Finance and National Treasury on the proposed division of revenue and condition allocation to provincial and local spheres of government. That was on 25 October 2018 and public hearings were held on 23 November 2018 where submissions were received from the Budget Justice Coalition; Congress of South African Trade Unions, COSATU; United Nations International Children's Emergency Fund, UNICEF; the Rural Health Advocacy Project and the FairPlay Movement, as well as Dr Muller.

In compliance with section 214(2) of the Constitution, the committee invited Financial and Fiscal Commission, FFC and the South African Local Government Association, Salga, to comment on the MTBPS. Those meetings were held on 30 October and 9 November 2018 respectively.

If we look at the observations of the committee, we would say the following: notwithstanding the current difficult economic climate, the committee welcomes the growth in the MTEF allocation by 7% for national, 7,2% for provincial and 7,2% for local government. The committee also welcomes the R2 trillion which will be transferred to the provincial sphere of government over the MTEF, of which R348,4 billion will be in the form of conditional grants.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 39

The committee made the following recommendations: after the submission made by COSATU and FairPlay around the impact of the value added tax, VAT, increase on poor communities, the committee recommends that National Treasury look into the expansion of the VAT concessions and add more basic food items into the zero rated list in the 2019 Budget and we are also addressing this in a Tax Administration Laws Amendment Bill that the House will be dealing with later today.

The committee recommends that the National Treasury together with the Department of Planning, Monitoring and Evaluation to engage with the following departments: Water and Sanitation; Basic Education; Energy; Rural Development and Land Reform; Higher Education and Training; Social Development; Agriculture, Forestry and Fisheries; Small Business Development; Transport; Public Works; Human Settlements; Tourism; Sport and Recreation to prevent fiscal dumping, given the current constrained fiscal environment.

Given the state of some state-owned entities, SOEs, the committee recommends that both the National Treasury and the Department of Public Enterprises enhance their oversight role over entities and further implement the Presidential Review Recommendations Report on SOEs

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 40

While the committee welcomes the increase in the 2018 MTEF allocations for all spheres of government, the committee calls upon the National Treasury and the Department of Cooperative Governance and Traditional Affairs to strengthen monitoring mechanisms both in the provincial and local government sphere to improve wee delivery and the attainment of specific priorities.

The committee also recommends that National Treasury, the Department of Cooperative Governance and Traditional Affairs and Salga look into the viability of some district municipalities, their mandate and their revenue raising capacity.

The committee is of the view that any financial management reform should result in an effective and efficient municipality environment. The committee recommends that, through section 34 of the Municipal Finance Management Act 56 of 2003, MFMA, National Treasury and provincial treasuries together with Salga provide support and ensure that there is necessary capacity to better implement financial management reforms in the local government.

The committee condemns the culture of noncompliance with the Public Finance Management Act 1 of 1999, PFMA and the MFMA that has emerged in all three spheres of government and the impact it has had on the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 41

national fiscus. The committee recommends that, within the framework of its prescribed role, the National Treasury conduct better fiscal oversight over other government departments and entities and advocate robust fiscal oversight and monitoring and evaluation of monies transferred to implementing agents and entities at the provincial and local spheres of government.

The implementation of the Public Audit Amendment Act 5 of 2018 will allow the Auditor-General of SA to take remedial action to ensure that losses suffered by the state are recovered and refer suspected material irregularities for investigation. The accounting officers who contravene the PFMA and the MFMA should be held responsible. The majority in the committee support and voted in favour of this Report. The DA objected to the Report. I so move. Thank you, Chairperson.

Debate concluded.

Declaration of vote made on behalf of the Western Cape.

Declaration of Vote:

Ms C LABUSCHAGNE: Hon Chairperson, the government is out of touch with the plight of ordinary South Africans. We have become immune as

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 42

a nation to figures that are thrown around when it comes to corruption, wasteful expenditure and grand theft. The R800 million, R2 billion, R100 billion all start to sound the same.

Every cent is a new opportunity to deliver to the people of South Africa. The cost of living for all South Africans is becoming much more expensive. The government contractors face a crisis of not being paid. In the Eastern Cape recently, 27 contractors downed tools due to government debt to them to the tune of R104 million. The issue of invoices not being paid within 30 days affects numerous government departments. The allocation of spending is truly out the window.

While government may sit on an SA Express plane looking out through the window of luxury, over 30 million South Africans are living in poverty and many who try to make an honest living find their invoices unpaid by the government. The R820 million cut to the Health Facility Revitalisation Grant in the February 2018 Budget has had a disastrous effect on provincial plans for hospital maintenance and development.

How can one expect a doctor, who has been working for 15 hours a day without overtime pay to provide consistent performance to patients?

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 43

Until this is addressed, we will continue to pay billions in medico-legal claims every year.

The DA remains concerned that the Child Support Grant of R410 remains below the value of the food poverty line of R547 per person per month. It is only a change in government that will bring about the true sense of need in caring for our people.

The ANC celebrated its 106 anniversary this year. It is old and decrepit, indeed, it is on life support. It is time the nation put it out of its misery and irreversibly pulled the plug. It's time for a Democratic Alliance government in South Africa. The Western Cape does not support this Report.

Question put: That the Report be adopted.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West.

AGAINST: Western Cape.

Report accordingly adopted in accordance of section 65 of the Constitution.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 44

CONSIDERATION OF COMPETITION AMENDMENT BILL [B23B - 2018] AND
REPORT OF SELECT COMMITTEE ON ECONOMIC AND BUSINESS DEVELOPMENT
THEREON

Mr M RAYI: Hon Chairperson, through you I'd like to invite small, medium and micro-enterprises, SMMEs, to watch the tabling of this Bill because it talks to them.

The Select Committee on Economic and Business Development, having considered the Competition Amendment Bill referred to it, reports that it has agreed to the Bill without amendments.

The objectives of the Bill are to address two persistent structural constraints on the South African economy, namely, the high levels of economic concentration in the economy and the skewed ownership profile of the economy. This is done through:

Firstly, strengthening or clarifying the provisions of the Act relating to prohibited practices, restricted horizontal and vertical practices, abuse of dominance and price discrimination and mergers;

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 45

Secondly, requiring special attention to be given to the impact of anticompetitive conduct on small and medium businesses and firms owned or controlled by historically disadvantaged persons;

Thirdly, strengthening the provisions relating to market inquiries so that the outcomes of these inquiries result in action that promotes competition; there is guidance on how to evaluate the adverse features of a market; and requiring special attention on small and medium businesses and firms owned by historically disadvantaged persons;

Fourthly, providing the national executive with an effective means of participating in competition related proceedings and the power to initiate market inquiries into a sector and to intervene in mergers that affect the national security interests of the Republic; and

Finally, promoting the administrative efficacy of the Competition Commission, market inquiries and the Competition Tribunal.

The process that was followed by the committee is that the Bill was referred to the Select Committee on Economic and Business Development on 26 October 2018. The Economic Development Department was invited to brief the committee on 09 October 2018.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 46

The committee advertised the Bill for two weeks, inviting all interested stakeholders to submit written submissions. Furthermore, the advert indicated whether stakeholders would like to make oral submission.

The committee facilitated public participation and received 18 submissions prior to the closing date, and only one submission was received after the closing date. All of the submissions were considered and all submitters were invited to make oral submissions. Only eight submitters availed themselves to make oral presentations and 11 submitters declined.

On 19 November 2018 the Economic Development Department responded to the submissions received. On 21 November 2018 the committee deliberated on the content of the Bill and considered the issues raised in the public participation period and the department's response thereto. Having considered the matter, the committee agreed to adopt the Bill without amendments.

The Competition Amendment ... is a timely and effective response to the cry of small businesses, of spaza shops or young entrepreneurs and of township businesses. It has been 20 years since the Competition Act was signed into law by President Nelson Mandela and

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 47

it is fitting that as the centenary year of his birth draws to a close, we are strengthening and updating this law. In the preamble to this very important piece of legislation, it reads:

The people of South Africa recognise:

that apartheid and other discriminatory laws and practices of the past resulted in excessive concentrations of ownership and control within the national economy, inadequate restraints against anticompetitive trade practices and unjust restrictions on full and free participation in the economy by all South Africans;

that the economy must be open to greater ownership by a greater number of South Africans;

that credible competition law, and effective structures to administer that law are necessary for an efficient functioning economy;

that an efficient, competitive economic environment, balancing the interests of workers, owners and consumers and focused on development, will benefit all South Africans.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 48

There have been many successes during these 20 years, including the breaking up of cartels in key sectors of the economy; the establishment of jurisprudence which protects employment during mergers and acquisitions; and placed development conditions on companies during competition proceedings. Indeed, one of the great successes of setting up an Economic Development Ministry is precisely that it has made competition policy a top priority, created a world-class organisation, extended protection to more than 100 000 jobs and raised billions of rand in binding commitments by companies during merger and other competition proceedings to support small businesses and new entrants.

However, although we made much progress, we need only to walk in the townships to see how small businesses and black-owned enterprises are still excluded from the mainstream economy by dominant firms. It is therefore appropriate at this stage of our democracy to more fully align the operations of our law with the objectives of an inclusive economy.

The Competition Amendment Bill before us today introduces practical steps to address the structural constraints which impede growth, employment, investment and the participation by young South Africans in our economy.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 49

We heard from small businesses in the NCOP ... in the committee, how the new tools in the Bill will enable government to tackle prohibited practices and the abuses of market power which remain in our economy. The Bill will address the structure of markets, including economic concentration and the spread of ownership in the economy. Trade unions, researchers and SMMEs told us how the Bill will improve the focus of the authorities when determining if mergers and acquisitions are in the best interest of the public and national security. And it will provide key and necessary institutional improvements to strengthen the competition ecosystem.

There are those who will complain about excessive prices by monopolies but the minute we have a Bill that truly tackles the monopolies that empowers the authorities to look at the profits firms are earning, they shy away from supporting these practical steps. Others will speak about the need to support SMMEs but when we have a Bill that deals with abuses by large firms or their buyer power, and when we introduce into law the concept of unfair pricing and other trading conditions when dealing with suppliers, they shy away from supporting these steps.

Yet, the introduction of these provisions responds directly to the concerns raised during public consultation by small businesses,

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 50

firms owned by black South Africans and organised labour. The Minister put a well-argued and persuasive argument during the engagement with the select committee.

Here is a Bill that introduces a new test for price discrimination against SMMEs and black-owned firms, and limits the defences which dominant firms have when price discriminating against these businesses. All parties should celebrate with us and not oppose these necessary changes to the law.

As the committee we are happy that the Bill is balanced. It also helps large firms through new exemption provisions that allow them to work with each other if it is in the public interest.

Finally, under prohibited practices, the Bill has provided for increased penalties for firms contravening the law, by removing the so-called yellow card for certain offences, increasing the penalty for repeat offenders and extending the penalty to controlling firms where they knew or should have known about the contravention. These provisions are necessary to send a clear message to large firms that abuses of market dominance will not be tolerated, and give expression to the resolutions adopted at the ruling party's 54th national conference at Nasrec a year ago.

Under the structure of markets, the Bill has expanded the market inquiry provisions to provide explicit powers to the commission to investigate markets where market structures like economic concentration leads to negative economic outcomes and to order remedies to be put in place by the firms concerned.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Please conclude hon Rayi.

Mr M RAYI: The committee agrees on the Bill and recommends that the Bill be adopted by the House, but also to indicate that the DA did not support the Bill. Thank you. [Applause.]

Debate concluded.

Question put: That the Bill be agreed to.

Declaration(s) of vote:

Mr L V MAGWEBU: Hon Chairperson and hon members, the Competition Amendment Bill gives both the Competition Commission and the Minister of Economic Development considerable scope to try and reshape the economy by intervening in the market structures. Ostensibly, the Bill's aim is to tackle two major structural challenges facing the South African economy today, namely high

levels of market concentration and racially-skewed patterns of ownership.

These are laudable objectives, but competition legislation is not the right tool for tackling economic exclusion. Making the economy more exclusive doesn't revolve around breaking up large firms or using a regulator to create a new market structure. There is no guarantee that smaller players will enter the market.

Economic inclusion should be about radically transforming our labour laws to create jobs. We should focus on improving access to capital and credit for unbanked entrepreneurs and cutting red tape for small business people. None of this can be achieved by the competition regulators.

The Competition Amendment Bill puts too much burden on the competition authorities to solve South Africa's economic problems and it gives them far ... much power to do so.

The Bill gives the competition authority ... to make binding orders rather than just recommendations as has been the case until now, after it has conducted market inquiries of course.

The commission will be empowered to remedy structural features believed to adversely affect competition in the market in terms of the current Act.

Market inquiries are informal and co-operative processes, and this encourages a degree of transparency and collaboration. The commission's new powers to impose potentially drastic remedies will create a more hostile process.

In the sum, the Competition Amendment Bill will have negative economic consequences. It will introduce regulatory uncertainty, increase the cost of doing business and deter foreign investment. Therefore, as the DA we do not support this Bill.

Mr J M MTHETHWA: Hon Chairperson and hon members, economic concentration is one of the greatest challenges facing the South African economy today. When only a few monopolise the economy we all suffer. Basic goods and services cost more; small and medium businesses struggle to compete; investors don't invest; and productivity and growth suffers. A society which cannot provide opportunities for its people is not a society which can sustain itself.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 54

The ANC has shown that it has the will to put legislation in place that goes to the heart of the economy and that addresses the needs of the people.

At the 54th conference in December 2017, the ANC called for effective measures that expands the mandate of the competition authorities, to identify high levels of concentration and to have the powers to act ... to deconcentrate the levels of ownership in order to open the market to new black-owned companies. In less than 12 months, a resolution of the governing party sits before us as a Bill that we as legislators have the privilege to pass into law.

The DA rejects this Bill because this Bill is about transforming the economy. The DA rejects this Bill because this Bill is about making more space for SMMEs and black-owned businesses. The DA rejects this Bill because this Bill is about making large companies pay when they break the law. Clearly, they are stuck in an old South Africa.

The Competition Amendment Bill is the most important piece of economic legislation as we near the end of this administration and an example of the very active steps this government is taking to drive economic transformation and inclusion in our country. South

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 55

Africa is entering a new chapter in its economic history in which all of its people have an opportunity to participate in the economy.

The Competition Amendment Bill of 2018 is a pillar of our new economy. The ANC fully supports this Bill.

VOTING:

IN FAVOUR: 33

AGAINST: 0

ABSTAIN: 2

Bill accordingly agreed to in accordance with section 75 of the Constitution.

**CONSIDERATION OF NATIONAL RESEARCH FOUNDATION AMENDMENT BILL
[B 23B - 2017] AND REPORT OF SELECT COMMITTEE ON COMMUNICATIONS AND
PUBLIC ENTERPRISES THEREON**

Declaration of vote:

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 56

Ms E PRINS: Hon Chairperson, hon members, hon special delegates, the select committee on communication in Public Enterprises considered the National Research Foundation Amendment Bill B37B/2015 on 20 November 2018 and the committee wish to report as follows:

The National Research Amendment Bill's main objective amongst others is to provide for the powers of the Minister to determine National Policies and the duties of foundation in so far as they relate to its research activities collaboration in partnerships. Furthermore, the Bill also empowers the Minister to declare a research institution legibility to receive funding. The area of research is a vast terrain of activities driven by both public and private players struggling across government in private institutions with a global reach.

All in pursuit of scientific knowledge and progress, activities of such a nature cannot be conducted without taking into consideration the impact they may have on the country's development agenda. Research and development plays a key role in any country's development agenda as it gives impeters to innovation progress.

It is standard practice across the globe or nations to determine the development agenda of their people through research and development.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 57

The introduction of this Bill will thus give the Minister the powers to determine whether the National Research Foundation (NRF) can work hand in hand with any other institutions outside the borders of this country. The nature and purpose of the research itself and extend to which extend to which it can be useful to the country and its people. This of course is done without compromising the scientific nature of research but rather to ensure that such research activities comply with national laws and regulations.

There was unanimous support from the public in processing the Bill and there were no requests for oral presentations, no issues or concerns were raised as to the powers the Bill exhorts to the Minister. The clearing research institutions and its eligibility for funding as well as in determining a collaboration of partnership across borders of the country.

Our deliberations in the committee showed the deeper understanding of the important role played by research in development in driving any country's developmental agenda as well as the need for us as a country to invest more in research and development so as to be on par with the rest of the developing nations.

The approval of this Bill by the committee is a show of support not only to the amendments proposed but to research and development in general as a basis for national progress. I table the report for consideration. I thank you.

Question put: That the Bill be agreed to.

Bill accordingly agreed to, in accordance with section 75 of the Constitution.

RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL

(Consideration of Bill and of Report thereon)

TAXATION OF LAWS AMENDMENT BILL

(Consideration of Bill and of Report thereon)

TAX ADMINISTRATION LAWS AMENDMENT BILL

(Consideration of Bill and of Report thereon)

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 59

Mr C J DE BEER: Hon Chairperson and hon members, I table a report of the Select Committee on Finance on the Rates and Monetary Amounts and the Amendment of Revenue Laws Bill, the Taxation of Laws Amendment Bill and the Tax Administration Laws Amendment Bill.

Hon Chairperson, it has taken many years to build the foundation of trust that underpins South Africa's tax morality. We welcome the appointment of the Nugent Commission as appointed by His Excellency the President of inquiring into the functioning and governance of the SA Revenue Service, Sars.

It is crucial to improve the governance and accountability of Sars and to strengthen the operational independence of the Tax Ombud. We welcome the R1,4 billion allocated to rebuild Sars over the medium-term.

Chairperson, the Rates and Monetary Amounts and Amendment of Revenue Laws Bill gives effect to the tax proposals dealing with the tax, rates and monetary threshold announced in the 2018 Budget Review. These proposals relate to income tax, the increasing rebates and medical tax credits. Transfer duties, that refers to introducing a higher duty rate of 25% for estates above R30 million. The VAT increase in the rate by 1%. The customs duties and excise duties

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 60

which include the Schedule that increases alcohol and tobacco duties. The tax proposals aim to raise additional revenue to cover the shortfalls expected in the current financial year and over the medium-term.

The main tax proposals in the Taxation Laws Amendment Bill are providing more flexibility for the treatment of retirement fund transfers and withdrawals, introducing a fringe benefit exemption for lower income employees, who receive a loan from their employer for the low-cost housing; also reviewing the international shipping exemption for the purpose of accommodating the use of replacement ships; further to review of Venture Capital Company Rules; refinements and clarification for the conversion of debt to equity; the refinement and interaction between anti-avoidance rules for dividend stripping with corporate reorganisation rules; also clarification of doubtful debts; tax treatment of amounts received by or accrued to portfolios of Collective Investment Schemes; further inserting rules addressing the use of trusts to defer tax or recharacterise the nature of income and amendments to the Mineral and Petroleum Resources Royalty Act of 2008.

Hon Chairperson, the Tax Administration Laws Amendment Bill proposes to amend the Income Tax Act; the Customs and Excise Act; the Value-

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 61

Added Tax Act; the Securities Transfer Tax Act; the Tax Administration Act; and the Customs Control Act.

The main tax proposals in the Tax Administration Laws Amendment Bill relate to a removal of the requirement to submit tax returns for individuals receiving a tax exempt dividend, antiforestalling amendments for excise duties, clarification on handling incorrect invoices for value-added tax refunds and allowing the collection of value-added tax payments to apply across branches and divisions.

Hon Chairperson, section 28 of the Bill needs a special mentioning and I quote:

The Minister shall review to the rate in section 9 of the Rates and Monitoring Amounts and Amendments of Revenue Laws Act of 2018 effective from 1 April 2018, three years from that date, following an evaluation of its impact on revenue collection and the poor, and shall table a report in Parliament by no later than 30 June 2021.

The three Bills that I have just dealt with were tabled by the Minister of Finance in Parliament on 24 October 2018 during the tabling of the Medium-Term Budget Policy Statement, MTBPS. The NCOP

referred the Bills to the Select Committee on Finance on 20 November 2018. The committee received a briefing from the National Treasury and Sars on 27 November 2018. Public hearings were conducted on 28 November, although no submissions were received. The Standing Committee on Finance held three sessions of public hearings during the year and that was covered in those public hearings.

Hon Chairperson, the committee agrees to the Rates and Monetary Amounts and Amendment of Revenue Laws Bill section 77, the Taxation Laws Amendment Bill section 77 and the Tax Administration Laws Amendment Bill without amendments. Thank you, Chair. [Applause.]

Debate concluded.

Declaration of vote on Twelfth Order:

Mr F ESSACK: Hon Chairperson, thank you for the opportunity and I would like to pronounce and declare on B37. Therefore a yes Vote to increase VAT is a yes Vote to tax the poor.

The South African economy is in such a mess because of a decade of ANC mismanagement that the ANC are now taxing the poor to fund their disastrous dark fiscal hole. By increasing VAT to 15%, the ANC are

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 63

using poor South Africans to bailout the ANC economic mismanagement and disastrous state of the economy.

It has been clear from the torrent of complains from taxpayers that the economy was being negatively affected by the nonpayment of VAT refunds to businesses, especially small businesses. Of course, Jacob Zuma's lieutenant Tom Moyane was instrumental in manipulating revenue figures to withhold VAT refunds. This of course led to some businesses shutting down with people losing jobs. The increase in VAT to 15% was budgeted to raise additional revenue of some R23 billion in the 2018-19 financial year. However, in practice, it will raise no additional revenue as R20 billion will be used to clear the backlog in VAT refunds and R2,7 billion will now go towards the extra zero rating and free sanitary pads.

[Interjections.]

Anyway Chairperson, this is the individuals we have to deal with here.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Continue, hon Essack.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 64

Mr F ESSACK: However as time passed the bluster subsided and eventually the ANC's spoon took over. Therefore, firstly, a commission of inquiry that came up with weak recommendations that were either not implementable such as the zero rating school uniforms or with minimal benefit to the poor. There can be no question that the VAT refund delays must never be allowed to happen again and if needed the tax laws must be amended than to prevent it.

Finally, a vague decision that free sanitary pads will be provided at no-fee schools. Who knows when these free sanitary pads will be provided given the ANC history of even failing to provide textbooks to poor learners?

In conclusion Chairperson, what this means is that in the end the VAT increase hardship already inflicted on poor South Africans since March 2018 cannot be reversed. There was no need to implement such a dramatic tax increase without a proper consultation programme. The DA therefore does not support Bill 37 on the Taxation Laws Amendment Bill. Thank you, Chairperson.

Question put: That the Bill on Twelfth Order be agreed to.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 65

The HOUSE CHAIRPERSON (Ms M C Dikgale): What is the point of order hon Essack?

Mr F ESSACK: There we go. Chairperson, my point of order is: I just want to check and confirm: Are we voting on all these three Tax Bills together or are we voting individually?

The HOUSE CHAIRPERSON (Ms M C Dikgale): We are voting for the one you were making a declaration on.

Mr F ESSACK: B37 is what we are voting on now.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Yes.

Mr F ESSACK: That is the one I have pronounced that we do not support it. Alright.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Essack that is not a point of order. It is just that you did not listen. Alright, hon members, 36 members voted in favour and we have nine members who voted against and we do not have any numbers who abstained.

VOTING: On Twelfth Order, according to party affiliation.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 66

Bill accordingly agreed to, in accordance with section 75 of the Constitution.

Question put: That the Bill on Thirteenth Order be agreed to.

VOTING: On Thirteenth Order, according to party affiliation.

Bill accordingly agreed to, in accordance with section 75 of the Constitution.

Question put: That the Bill on Fourteenth Order be agreed to.

VOTING: On Fourteenth Order, according to party affiliation.

Bill accordingly agreed to, in accordance with section 75 of the Constitution.

The HOUSE CHAIRPERSON (Ms M C Dikgale): The hon member Essack, why are you standing?

Mr F ESSACK: Chairperson, my comments are directed to you as Chairperson and I would just like to ask with due respect that you exercise your rights correctly as the Chairperson that in future

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 67

when a member walks past a member addressing the House, will you please reprimand the member and point out to the member that that is not in keeping with the rules of this House.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Alright. That point of order is sustained, though you are very late. You should have raised that when it was happening. I saw the hon member Mathevula and I am sure she will not repeat that.

[Interjections.]

Hon member, you did not raise it. Alright. We continue. The secretary will read the Fifteenth Order of the day.

Mr F ESSACK: Chairperson, my comments are directed to you, as Chairperson, and I would just like to ask the following: Would you respect that you exercise your rights correctly as the Chairperson and, in future, when a member walks past a member addressing the House, please reprimand the member and point out to the member that it is not in keeping with the Rules of this House?

The HOUSE CHAIRPERSON (Ms M C Dikgale): Alright, that point of order is sustained, although you are very late. You should have raised

that when it was happening. I saw the hon member Mathevula, and I am sure she won't repeat that. [Interjections.] You did not raise it, hon member. We continue.

CRITICAL INFRASTRUCTURE PROTECTION BILL

(Consideration of Bill and of Report thereon)

Mr S G MTHIMUNYE: House Chair, the Select Committee on Security and Justice, having deliberated and considered the Critical Infrastructure Bill referred to it and classified by the Joint Tagging Mechanism as a section 75 Bill, reports on the Bill with the proposed amendments contained in the Announcements, Tablings and Committee Reports, ATC, dated 27 November 2018.

The Minister of Police introduced the Critical Infrastructure Protection Bill in 2017 to repeal the outdated National Key Points Act, Act 102 of 1980, and corresponding laws of the former TBVC states - the Transkei, Bophuthatswana, Venda, and the Ciskei - and to replace it with constitutionally compliant legislation. The preamble to the Bill sets out quite clearly that the Bill seeks to achieve, most importantly, to protect the critical infrastructure

that is essential for public safety, national security and the continuous provision of basic public services.

The Bill seeks to put in place adequate measures to identify and protect critical infrastructure and implement those measures in order to secure critical infrastructure. The Bill therefore seeks to provide for the following: to identify and declare infrastructure as critical infrastructure; to provide for guidelines and factors to be taken into account to ensure transparent identification and declaration of critical infrastructure; to provide for measures to be put in place for the protection, safeguarding and resilience of critical infrastructure; to provide for the establishment of the critical infrastructure council and its functions; to provide for the administration of the Act under the control of the National Police Commissioner; to provide for the establishment of committees and functions; to provide for the designations and functions of the inspectors; to provide for powers and duties of persons in control of critical infrastructure; to provide for reporting obligations; and to provide for the repeal of the National Key Points Act, Act 102 of 1980, and the related laws.

The Bill makes the Minister of Police politically responsible for the administration of the Act that will apply to all critical

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 70

infrastructure, except for that under the control of the Department of Defence and Military Veterans. "Critical infrastructure" means any structure that is declared as such in terms of section 20(1) and includes a critical infrastructure complex where required in context. "Infrastructure" means any building, centre, establishment, facility, installation, pipeline, premises, or system needed for the functioning of society, government or enterprises of the Republic, and includes any transport network or infrastructure as contemplated in any legislation or cyberlaws Act.

The following key responsibilities emanate from the Bill. The Minister of Police has overall responsibility for the administration of the Act and reports to Parliament on the work of the critical infrastructure council and matters pertaining to the implementation of the Act. The National Police Commissioner administers the Act and advises the critical infrastructure council, in consultation with key role players such as the State Security Agency, SA National Defence Force and other affected stakeholders in the private sector.

The critical infrastructure council comprises of 16 members representing various government departments and five private persons with relevant expertise. The council advises the Minister on guidelines and standards, receives and considers applications,

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 71

reports and assesses security risks, makes recommendations on applications, evaluates, monitors, and reviews the implementation of policy, legislation and reports, and establishes procedures regarding critical infrastructure. The Civilian Secretariat for Police chairs and provides for secretarial services to the critical infrastructure council.

The Select Committee on Security and Justice advertised the Bill in various newspapers and received submissions from various organisations. These include an organisation known as AmaBhungane, the SA National Editors' Forum, the Support Public Broadcasting Coalition, Media Monitoring Africa, and the Banking Association of South Africa. On 7 November 2018, the committee held a public hearing, and all the organisations listed above came to present to the committee.

In its deliberation, the committee agreed to a number of amendments to the current Bill and particularly deliberated on the proposed public interest defence clause. In this regard, the select committee considered the legal opinion commissioned by the Portfolio Committee on Police and expressed by Adv Wim Trengrove SC. The select committee was satisfied that amendments that had been made by the Portfolio Committee on Police, in line with the Trengrove legal

opinion, were sufficient and that a public interest defence clause was not necessary in the Bill in its current form. On 27 November 2018, the Select Committee on Security and Justice unanimously adopted the Critical Infrastructure Protection Bill with amendments. The Select Committee on Security and Justice would like to thank all civil society organisations that made inputs and comments on the Bill.

The Select Committee on Security and Justice, having considered the Critical Infrastructure Protection Bill, recommends that the House approves the Bill with proposed amendments. I therefore table the report on behalf of the committee. A detailed version of the Bill is available in the ATC. I thank you. [Applause.]

Debate concluded.

Question put: That the Bill, subject to proposed amendments, be agreed to.

Bill, subject to proposed amendments, accordingly agreed to in accordance with section 75 of the Constitution.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 73

(Consideration of Bill and of Report thereon)

Ms E PRINS: Hon House Chair, hon members and special delegates, the Select Committee on Communications and Public Enterprises considered the Films and Publications Amendment Bill on 20 November 2018 and wishes to report as follows: The Films and Publications Amendment Bill's main objective is to provide for the establishment, composition and appointment of members of the Enforcement Committee and for the regulation and classification of publications, films and games as well as to provide for the accreditation of independent commercial online distributors by the Films and Publications Board, including exemption in respect of online distribution of films and games.

The regulations and classification of publications or films, games and online content was the main bone of contention from stakeholders as the submissions revealed. The issue was the definition of the XXX-rated material, which according to public comments, particularly from certain sections of the Christian communities, who believed that the exclusion of explicit violence in the definition of XXX-rated material undermines the concept of human dignity enshrined in the Constitution.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 74

The definition of hate speech was another area of concern and the issue was that it is far reaching end borders to being unconstitutional.

In line with its constitutional obligations, the committee gave the public the opportunity to make their oral presentations so as to clarify in detail issues that were of concern to them. Following that thorough engagement between the committee, the Department of Communications, state law advisor and the parliamentary legal advice was taken to clarify all matters raised by the public through public comments.

The nature of matters legal can never be an easy matter that can be easily resolved without the guidance of a presiding judge. This, the committee learned while satisfying itself with the arguments from all stakeholders.

Despite these diverse views, the committee considered all matters raised before including its arguments in support of each view before approving the Bill.

Importantly, the Bill is necessary intervention by the government in line with the advancement in information and communication

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 75

technology worldwide. The ICT market is forever expanding. Its definition, rules and regulations requires constant review so as to keep pace with developments globally.

Through this Bill, care has been taken to ensure that children and vulnerable groups are not exposed to harmful behaviour or conduct that is harmful to their wellbeing both physically and psychologically, such as pornography, racism and/or hate speech.

Overall, the Bill seeks to revise and strengthen the existing penal provision that relates to the prohibition, offenses and penalties in respect of distribution, exhibition and possession of films, games and publications not authorised or classified for public use.

The Bill also seeks to make the applicable fines and periods of imprisonment for violations of the Act. The committee's support of the Bill is based on the understanding that the ICT sector is key in setting the scene for our country's developmental agenda and it is for these reasons that we need strict regulations.

The use of gadgets such as cellphones, tablets and laptops have exposed our children to toxic material and this, at times, tends to threaten the very moral fabric of our communities unnecessarily and

is an essential pillar which we must guard against as it constitutes the soul of our being and gives our democracy a human face. I therefore table this report for adoption. Thank you.

Debate concluded.

Question put: That the Bill, subject to proposed amendments, be agreed to.

Declarations of Vote:

Mr C F B SMIT: Hon Chairperson, hon members and fellow South Africans, the Bill that is presented before the Council today contradicts decisions taken by the committee in various respects.

Audio recordings from the Parliamentary Monitoring Group show that this Bill differs from what the committee intended. This Bill would thus not reflect the will of the people and must be withdrawn.

Furthermore, this committee had an illegal meeting at a Johannesburg hotel. This meeting was not properly planned and members were not adequately informed of the meeting. Only some committee members were informed through Whatsapp messages. This is certainly not a professional manner of informing members of the meeting time and

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 77

venue. Other members were not even informed about this meeting at all.

The ANC members in this committee were the only ones present at the meeting and went ahead to approve a report on the Bill in a meeting that can be regarded as illegal.

This Bill was also wrongfully tagged right from the beginning. The Bill clearly intends to protect consumers. According to schedule 4 of the Constitution of South Africa, if a bill seeks to protect consumers, it should go to each province for a mandate. This was not the done.

It is therefore our intention that if this Bill is voted for today and not withdrawn to write to the President of the Republic, hon Cyril Ramaphosa, asking him not to sign this Bill into law as it is laced with inaccuracies and procedural flaws. The DA will not support this Bill.

Declaration of Vote:

Ms N P KONI: Chairperson, the EFF would also like to put it on record that the meeting that was convened by this committee was called through WhatsApp. The EFF was also not invited and it was

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 78

also deliberate because it was only the ruling party that was present in that meeting to adopt this Bill. We therefore call on this Council not to go through with this Bill and, if that happens you must know that you are doing an illegal thing and we will therefore then take proper measures in dealing with this.

Mr J P PARKIES /PW/: Chair, I want to refute what the EFF and the DA have just pronounced. Firstly, they can't challenge the legitimacy of the process that culminated to the finalisation of that Bill on the basis of WhatsApp group. The WhatsApp group makes communication very easy and they have been attending meetings that are convened via the same process ... [Interjections.]

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Parkies, please take your seat.

Ms T J MOKWELE: I rise on a point of order Chair. I would like to bring to the attention of the Council that the declaration that the ANC is putting before us is a fallacy. The reason why I am saying that is because I as the Whip of the EFF had confronted the Chairperson of the said committee to make him aware that our members are not invited ... [Interjected.] ... you must read your rules we don't have to mention the rule number. The member of the EFF was not

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 79

invited in the meeting where deliberation of the report to consider the Bill. She was not invited. We made it clear to the Chairperson. The meeting was held at Kempton Park when we were busy with the Taking Parliament to the People programme.

So it must be noted that the member of the EFF was not invited so, it cannot be that when the declaration is mentioned - we don't question the WhatsApp communication. We know that WhatsApp is a form of communication and we accept that. In the very same WhatsApp communication, the secretary of the committee did confirm that our member was not part of that whatsapp committee. Thank you very much.

The HOUSE CHAIRPERSON (Ms M C Dikgale): You have repeated what hon Koni said during her declaration. Let us continue to listen to the declaration of the ANC. Continue hon Parkies.

Mr J P PARKIES /PW/: Chair, we need to record the consistence of the DA in opposing the Bill. The DA hates the Bill with passion and leadership is about consistency and honesty. And in no way that as members of the committee we can engage in a flawed process. I wanted to say that. Thank you very much.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 80

The HOUSE CHAIRPERSON (Ms M C Dikgale): We shall now proceed to the voting on the Question. Members will vote in favour, against and abstain. So we will then request hon members to ... [Interjections.]

Ms T J MOKWELE: I rise on a point of privilege. Having said what we have said as the EFF, I would your indulgence Chair as to whether we are going to proceed in voting for the Bill that was not considered by the entire committee members because processes of that were not properly followed. So I want to know whether the Council will then take the decision of exclusion of other members of the committee and their inputs into the Bill itself. Are we voting as the Council or what? I just want to have your indulgence as a Chair so that when we take a decision we know which decision and what informs our decision as the EFF.

The HOUSE CHAIRPERSON (Ms M C Dikgale): ... Thank you very much hon Mokwele. We continue with the voting. Can I request the members who are going to vote in favour to raise their hands.

Motion agreed to.

Report accordingly adopted.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 81

The HOUSE CHAIRPERSON (Ms M C Dikgale): Before I follow the speaker's list can I then give the hon Mokwele to say whatever she wants to say.

Ms T J Mokwele: I would like to say this opportunity and inform the Council that as the EFF we will take this process to the legal ... [Interjections.] don't worry George. We are taking this matter to Court on processes the Council decided to take. So it must be recorder as such.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Thank you very much hon Mokwele I am sure your statement will be recorded.

**CONSIDERATION OF REPORT OF SELECT COMMITTEE ON FINANCE - 2018
MEDIUM-TERM BUDGET POLICY STATEMENT FOR THE PROPOSED FISCAL
FRAMEWORK TABLED BY THE MINISTER OF FINANCE ON 24 OCTOBER 2018**

Mr C J DE BEER: Hon Chairperson and hon members, the Minister of Finance tabled the Medium-Term Budget Policy Statement on 24 October 2018 in terms of section 6 of the Money Bill Act, section (12) (5) read with section 12(7) of the Act, required the tabling of the proposed fiscal framework.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 82

Key amongst the proposals in the fiscal framework is the 1% VAT increase to raise additional revenue, maintaining the main Budget expenditure ceiling, retain national departments' compensation ceiling and avoiding any increases in major tax instruments.

Over the medium-term however revenue shortfalls rise resulting in R27,4 billion in 2018-19, R24,7 billion in the 2019-20 financial year and R33 million in 2020-21. The proposed fiscal framework increase the gross debt level as the percentage of the gross domestic product, GDP, to 58,5% in 2021-22, while the Budget deficit will average 4,3% in the same year.

The committee held public hearings in Parliament and received inputs from stakeholders ranging from trade unions, civil society, academia, tax institutes and from general members of the public. In total 18 submissions were received including the Pietermaritzburg Pensioners Forum which is a forum of women pensioners who live in Msunduzi in Pietermaritzburg. They came by bus from Pietermaritzburg to Cape Town to attend the public hearings. The committee has considered all the inputs made in the 2018 Medium Term Budget Policy Statement, MTBPS, proposed fiscal framework.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 83

Hon Chairperson, we are concerned that while the global economy is growing at 3,7%, Brazil, Russia, India, China, South Africa, Brics, has 4,7% and the sub-Saharan Africa are 3,1% and South Africa has entered a technical recession after years of sluggish economic growth but the prospects for growth in the fourth quarter is there. Apart from the economic growth the key concerns are raising revenue and managing the debt to ensure South Africa's fiscal sovereignty is not undermined. More than ever the country needs economic growth.

The committee believes that the government needs to, amongst other things, address key structural challenges in the economy, revitalise and strengthen the SA Revenue Service, Sars - that is happening- encourage job creation investment, spend money more efficiently and effectively and act decisively against corruption and tackle the illicit economy far more effectively.

The committee is cognisant that government alone cannot ensure the necessary economic growth. Parliament, private sector, trade unions, other sectors of civil society and the public all have a role to play. It is for government however to lead in this regard.

We welcome the President's economic stimulus and recovery plan and the measures contained therein including funding to restore the much

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 84

needed capacity as such. We believe that investment is crucial for economic growth and therefore call on the domestic private sector which is sitting on R1,4 trillion in cash to invest in job creating growth. The Job Summit and the Investment Summit created an environment of positivity and confidence in South Africa.

But we are concerned that continuous bailouts of the state-owned entities, SOEs, are not sustainable and have depleted our contingency reserves. We are also seriously concerned about the withheld of the VAT refunds and welcome the Minister's acknowledgement that this has hurt the cash flow of a number of companies including small business. And he stated that the Acting Sars commissioner has committed to processing the outstanding VAT refunds as quickly as possible.

The committee recommends that the National Treasury exercises effective oversight over these entities and regular reports to the progress made in implanting their turnaround strategies. With respect to the VAT increase, constant increases in cost of fuel and increases in the cost of living generally, the National Treasury should consider a higher increase in social grants than is usual by reprioritisation of expenditure and not exacerbating the debt of the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 85

GDP ratio as increases in debt in these specific circumstances will ultimately effect the poor the most.

Hon Chairperson, we condemn the strong culture of noncompliance with the Public Finance Management Act, PFMA, and the Municipal Finance Management Act, MFMA, legislations that has emerged in all three spheres of government and the impact it has in the national fiscus. We recommend that within the framework of the described role, the National Treasury conduct fiscal oversight over other government departments and entities and in turn advocate robust fiscal oversight and monitoring and evaluation of moneys referred to implementing agencies and entities at the provincial and local spheres of government.

The implementation of the Public Audit Amendment Bill will allow the Auditor-General, AG, of South Africa to take remedial action to ensure that loses suffered by the state are recovered and referred suspected material irregularities for investigation.

Despite the severe economic and financial constraints we particularly welcome the fact that more than 60% of the expenditure over the Medium-Term Expenditure Framework, MTEF, will go to education, health, social development and community development over

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 86

the next three years. I table this report on the proposed fiscal framework for consideration by the House. Thank you. [Applause.]

Debate concluded.

Question put: That the Report be adopted.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West.

AGAINST: Western Cape.

Report accordingly adopted in accordance of section 65 of the Constitution.

CONSIDERATION OF VOTES AND SCHEDULE - ADJUSTMENTS APPROPRIATIONS

BILL [B 35 - 2018]

Mr C J DE BEER: Hon House Chairperson, the Adjustments Appropriations Bill was referred to the Select Committee on Appropriations on 28 November 2018. The Bill is tabled annually in terms of section 30 of the Public Finance Management Act 1999 and

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 87

section 12(2) of the Money Bills Amendment Procedure and Related Matters Act 1999.

The committee received the presentation from the National Treasury on the Bill during a joint meeting with the Standing Committee on Appropriations on 21 November 2018. The committee also held a joint public hearing on 23 November with the Standing Committee on Appropriations on the Bill.

Written and oral submissions were received from the Rural Health Advocacy Project, FairPlay Movement, the Budget Justice Coalition, United Nations, International Children's Emergency Fund, UNICEF, Congress of South African Trade Unions, Cosatu, Mr Nutt and Dr Muller.

As part of the hearings, the committee also invited SA Express to make oral and written presentations to provide clarity on how the R1,249 billion allocation would be utilised. During these hearings, the Department of Public Enterprises was also present and made oral inputs as a government stakeholder regarding the turnaround strategy of SA Express.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 88

Key areas of focus in terms of the adjustment appropriation include: an additional allocation of R668,6 million for unforeseeable and unavoidable expenditure related to both disaster reconstruction of infrastructure effected by flood damage and state funerals; approved rollovers of R258 million; self financing expenditure amounting to R1,8 billion; declared unspent funds and projected under spending of R3,5 billion and a R9,7 billion for expenditure that was earmarked in the 2018 budget speech for further allocation. The R9,7 billion includes funding for drought relief - and we had severe drought in some of our provinces - debt defrayment of R2,9 billion for South African Post Office, R1,249 billion for SA Express, R166 billion for the new proposed academic hospital for Limpopo and R386,5million for the work of the Judicial Commission of Inquiry into the Allegations of State Capture, corruption and fraud in the public sector.

Hon House Chairperson, the committee on appropriations, having considered the Adjustment Appropriation Bill, B35 of 2018, as referred to it and classified by the joint taking mechanism as a section 77 Bill, report that it has agreed to the Bill without amendments. The DA objected to the Bill. Thank you Chair.

[Applause.]

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 89

The HOUSE CHAIRPERSON (Ms M C Dikgale): Thank you very much hon De Beer. That concludes the debate. I shall now put the votes in the order in which they appear on the schedule of the Bill. Before I do so I would like to remind members that when voting, doors will be closed.

Vote No 1 - Presidency - put.

The HOUSE CHAIRPERSON (Ms M C Dikgale): The hon member Rayi?

Mr M RAYI: I think the practice is that we divide the House.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Unless if you call for a division. If you do not call for a division we don't have to.

Mr M RAYI: That is what we usually do. I am saying that because we will be dealing with all the votes.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Don't worry if you are not calling for a division. Don't worry hon Rayi, allow us to continue.

Vote No 1 - Presidency - put.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 90

Ms T J MOKWELE: House Chair, on a point of order: We know as political parties that we have the sheet before us that was provided by the Office of the Chief Whip but procedurally I would request that the Chair will then indicate ... [Interjections.]

The HOUSE CHAIRPERSON (Ms M C Dikgale): Order! Hon Faber, you are standing, can you please allow her to say whatever she wants to say then I will come to you. Yes hon Mokwele?

Ms T J MOKWELE: I am saying that you indicate to us so that we know that Vote 1 is Presidency and so on. Do not just say Vote 1. You must also indicate to us whether ... you did indicate declarations but you did not indicate the votes and objections. So, I want to check whether this time we are doing it a different way because we have always been doing it the way I am explaining. Thank you.

Mr W F FABER: Chair, I must say that it is not that I agree with my hon colleague a lot but this time please, we are just starting with consideration of votes on the Adjustment Appropriation Bill, and can we please have it from number one. We were sitting here and you were just talking about number one and I had no idea what you were talking about Chair. Can we please just have it that when there is a

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 91

division that we now ask people in the division to go to the right so that we do not mess this whole sitting around?

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon member Mokwele and hon Faber, I did indicate that now we are starting with Vote 1 but I must apologise for not explaining that it has to do with the Presidency. The hon member Rayi did stand up and question if ever there is a division, I then said we can only divide the House if ever there is a call for a division but there was no call for a division. [Interjections.]

Hon members, I even continued to check if ever there was anyone who wanted to make a declaration and there was none. There was no objection and no division. Okay, hon members thank you very much. The hon Faber is requesting that we divide the House. Can we then divide the House? We are going to vote on Vote 1 - Presidency. [Interjections.]

Hon members, before we divide the House, let me recognise the hon member Khawula.

Mr M KHAWULA: Chair, I am still on the issue of the process. There was a call for a division and the Chairperson just jumped into

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 92

dividing the House having not sought whether there was any support for the division.

The HOUSE CHAIRPERSON (Ms. M C Dikgale): Thank you very much but I did request if ever the hon Rayi is calling for division and he said he was not calling for a division ... Oh! Hon Faber? Okay. Thank you very much hon Khawula. Is there anyone who is supporting hon Faber?

Division Demanded.

The Council Divided.

Voting [TAKE IN FROM MINUTES]

Vote agreed to (Democratic Alliance and Economic Freedom Fighters dissenting)

VOTE No 1 - PRESIDENCY - put

Division Demanded.

The Council Divided.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 93

[Take in from Minutes]

Vote agreed to (Democratic Alliance and Economic Freedom Fighters dissenting)

Mr W F FABER: House Chairperson, we were called for a division and as long as the bells ring according to the House Rules, Advocate knows that very well so he can just ...

The HOUSE CHAIRPERSON (Ms M C Dikgale): Thank you very much hon Faber, when we were busy dividing ourselves, I gave it two seconds for the bells to ring. So, you did not hear that because you were busy speaking loudly. Please allow us to continue. We are now on Vote No 2 which does not form part of the adjustment. We now have to jump Vote No 2 and go to Vote No 3 which deals with communication. Can I check if we have members who are going to make declarations ... [Interjections.] ... Hon Essack. Please, hon Essack. Let us have order in the House.

Vote No 3 - Communications - put.

Vote agreed to (Democratic Alliance and Economic Freedom Fighters dissenting).

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 94

Division Demanded.

Mr W F FABER: House Chairperson, on a point of order.

The HOUSE CHAIRPERSON (Ms M C Dikgale): What is the point of order, hon member?

Mr W F FABER: The doors have been locked. They cannot be locked; they should be opened and closed as soon as a division has been called. [Interjections.] The doors are locked, and anyone ... [Interjections.]

The HOUSE CHAIRPERSON (Ms M C Dikgale): Can I request those who are responsible for the door to do their work. Thank you very much, hon Faber; it will be done. Hon Khawula? [Interjections.] Hon Khawula? Thank you very much for that, they will take care of the door. Okay, let me allow the hon Khawula first and I will come back to you hon Mokwele. Hon Khawula?

Mr M KHAWULA: House Chair ...

The HOUSE CHAIRPERSON (Ms M C Dikgale): Order, hon members. Order. Order. Hon Khawula, continue. Order, hon Deputy Speaker, please take

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 95

your seat. [Interjections.] Okay, continue hon Khawula. Hon members, we cannot continue like this. Hon Hattingh. Hon Hattingh. Hon Hattingh! Please take your seat. Thank you.

Mr M KHAWULA: House Chair, I cannot continue in this noise.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Yes. Hon members, please don't delay us.

Mr M KHAWULA: House Chair, I am partly covered by the hon Faber in respect of the control of the doors but I also wanted to check with the presiding officer before you call for a vote. Is it proper for the presiding officer not to ring the bells? I am just checking, House Chair

The HOUSE CHAIRPERSON (Ms M C Dikgale): Okay, thank you very much. I will request that the bells be kept ringing as I read the Bill. That will assist us and it will save our time. [Interjections.] You see now; you are all talking. Hon Mokwele? Order. Hon Mokwele?

Ms T J MOKWELE: House Chair, you know that some Rules were adopted during the apartheid regime. [Interjections.] There is no need; the House is already divided. There is no need for those bells to ring.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 96

We are not outside, so, those Rules do not matter. We are not sitting in the Rules Committee; we have dealt with that Rule and we have recommended that the task of ringing of bells must not be attended to. It is not important. Let us continue with the business of the day. We want to attend to what is happening in the National Assembly. We want our land. That is the most important thing - the land. These bells are the ones that led to us not possessing our land and having access to the means of the economy.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Mokwele, thank you very much. Unfortunately we did not amend the Rules, so we have to stick to the Rules. Can we then continue, hon members. We are now on Bill number 4 which is about co-operative governance and traditional affairs. Can I check if ever there are any members who want to make their declarations, if they so wish. I notice the hon Mthethwa, hon Khawula, etc, in that order..

Vote No 4 - Cooperative Governance and Traditional Affairs - put.

Declarations of vote:

Mr J M MTHETHWA: Chairperson, the debate takes place at the time in which our country is filled with a positive mood because of

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 97

commitment of the ANC government under the capable leadership of President Cyril Ramaphosa to address political ... [Interjection.]

The HOUSE CHAIRPERSON (Ms M C Dikgale): Order, hon members! We can't hear what he is saying.

Mr J M MTHETHWA: ... the socioeconomic issues that have build in ... [Inaudible.] [Interjection.]

The HOUSE CHAIRPERSON (Ms. M C Dikgale): Hon Mthethwa, please try to speak to the mic sir.

Mr J M MTHETHWA: The debate takes place at the time in which our country is filled with a positive mood because of the commitment of the ANC government under the capable leadership of President Cyril Ramaphosa to address political and socioeconomic issues that have been troubling the country and its people. [Interjections.]

Despite the apartheid inheritance structures ... [interjection.]

The HOUSE CHAIRPERSON (Ms. M C Dikgale): As long as you keep on speaking while he is busy making his declaration, we won't hear what he is saying. [Interjections.] Hon members, please let's have order

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 98

in the House hon Koni. Hon Essack? Hon Koni. Hon Essack and hon Chabangu let's have order in the House. Continue hon member.

Mr J M MTHETHWA: Despite the apartheid inheritance structural challenges our municipalities are facing, we are encouraged by the department's commitment in ensuring that poor and rural municipalities are prioritised in as far as the development of infrastructure is concerned.

These municipalities require investment infrastructure, technical capacity and skills. For this reason, we need to ensure that more resources are invested on these municipalities.

This budget will ensure that support given to municipalities enable them to play a role in nation-building and social cohesion by ensuring that community leaders, traditional leaders, religious leaders, business, labour, youth, women and civil society create a harmonious existence of all South Africans. Everyone contributes to the success of the municipality and its people so that there is a reversal of apartheid spatial planning and coordinates an integrated response of all stakeholder; and give local communities a voice and respond to their service delivery needs.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 99

Municipalities adhere to good governance for effective use of public resources and create conditions for investment promotion, economic growth, job creation, the elimination of poverty and inequality, and to achieve citizen satisfaction as well as to create attractive conditions for investment flows.

In conclusion, allow me to quote Madiba when he said "As long as the [Inaudible.] of our people still live in [Time Expired.]

Mr M KHAWULA: Chairperson, out of the total of 258 municipalities in the country, only 33 municipalities comprising only 33% received clean audit reports for 2016-17.

In the audit reports of 2016-17 irregular expenditure of municipalities amounted to R16,2 billion. Irregular expenditure had a 75% increase in 2017-18 to R28,3 billion. No wonder there are so many service delivery protests in the country.

There is a lot of wastage of financial resources in the municipalities. Against this background, hon Koni, there is very little or no action at all taken by the powers that be to punish the transgressors.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 100

In the provinces of Limpopo, the North West, Gauteng the Free State, some municipalities invested public funds in the notorious VBS Mutual bank. These finances have been flushed down the drain due to corrupt activities of well-known figures in the country who used this bank as their lucky pocket game. To this day, these funds have not been recovered, but there is no action taken against the transgressors who are both politicians and administrators.

People in the country do not have decent houses, do not have clean water, do not have electricity, refuse removal is a disaster, vetch cutting is appalling yet money allocated to be used to provide these very necessary services is thick in the pockets and bank balances of those who are in power.

The IFP appeals to the Minister of Co-operate Governance and Traditional Affairs, CoGTA, to start taking serious action against officials who squander public money at local government level. Thank you, Chair.

Division demanded.

The House divided.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 101

[TAKE IN FROM MINUTES.]

Question agreed to.

Vote agreed to (Democratic Alliance dissenting).

Mr W F FABER: Chairperson, I just want us to do the Rules correctly, if we call for division, because you can just object as well without division, so the DA calls for division and we object. We're not just objecting, we're calling for division.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Faber, I did recognise the DA's call for a division and when I was requesting that we continue with the process, I even indicated the bells to ring. So, as they are ringing we're continuing.

Vote No 5 - Home Affairs - put.

Mr C F B SMIT: Hon Chair, I would like to get some clarity. You said that the bells will be ringing while we are busy? So, it means the bells will be ringing the whole time while we are busy now, until the end? Because that's what I understand now. [Interjections.]

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 102

The HOUSE CHAIRPERSON (Ms. M C Dikgale): That's what I was saying, hon member. As long as you call for a division, the bells must ring. Thank you. [Interjections.]

Declarations of vote:

Ms T K MAMPURU: Chairperson, the mandate of the Department of Home Affairs is ensuring the efficient determination and safeguarding of the identity and the status of citizens and regulation of migration to ensure security as well as fulfil South Africa's obligation.

The ANC supports the Report. It reflects the ANC's commitment to positioning home affairs as the backbone of the developmental state which is central to enabling security and service delivery. In supporting the Report, the ANC recommends that the department must ensure that the budget and projects are planned to address long queues at home affairs offices prior to the tabling of the next annual performance plan and budget.

The ANC further recommends that the department should report on the consequence management in relation to staff with complying with supply chain management regulations involved in corruption, irregular and fruitless expenditure before the tabling of the 2018-19 annual reports.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 103

The ANC further recommends that the department should install a camera focusing outside the entrance of the Desmond Tutu Refugee reception to address corrupt activities by June 2019. The ANC supports the budget vote. Thank you.

Mr C HATTINGH: Hon Chair, this budget does not accurately reflect the nation's priorities and does not adequately fund key projects. The allocated budget to this department is clearly insufficient to meet the demands of an effective service delivery, especially in immigration affairs where we desperately need more immigration officers.

An unknown number of people enter South Africa illegally every year and overstay or disregard the conditions of their visas. In addition to that, there's an estimated 11 million undocumented people in South Africa. Meanwhile we have fewer than immigration officers to address these challenges. During our oversight it was evident that the department's inspectorate barely exists and is severely hamstrung by the lack of officers and vehicles rendering them to total inefficiency.

The budget is insufficient to ensure that [Inaudible.]

[Interjection.]

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 104

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon, members! Hon Mampuru! As long as they all talk, then they are disturbing the House.

Mr C HATTINGH: The budget is insufficient to ensure that efficient professional and dignified services are provided to the people of our country. We could double the number of legal applications every day if there was more money allocated, but the lack of funds is making it difficult for the department to operate effectively and efficiently.

Poor office conditions, long queues and the bad attitudes of some staff members have damaged the reputation of the department. The bungling of the unabridged birth certificates has cost South Africa hundreds of thousands of tourists, in fact, approximately half a million and billions in income is estimated that it cost South Africa R8 billion in tourism income.

The tenure of Malusi Gigaba saw expensive travels for his wife and costly litigation against civil society, business as well as ordinary citizens, residents and other applicants. Some of it was clearly driven within the state capture framework.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 105

We need to invest in the training of officials and the resourcing of officers to provide better services and thus cut down on litigation. Hopefully the new Minister will take a different approach to the funding of his family travel as compared by the standard set by his predecessor.

Ho Chair, the DA does not support the Adjustment Appropriation Bill for Home Affairs.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Nobody called for a division. Are you calling for a division?

Mr M KHAWULA: Chairperson, I think the Chairperson flouting the Rules. Chairperson, when people are voting, you cannot make them vote before you have rung the bells. It is the Rules, it's not Khawula, and it's the Rules of this House. I have not called for a division but the mere fact that there are people who are voting, that's a division. Then it means the Chairperson must first ring the bells.

The HOUSE CHAIRPERSON (Ms M C Dikgale): The bells are ringing, hon Khawula. Can I request the hon members to divide their attention to

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 106

listen to the bells as they are ringing? Because this is going to delay us. [Interjections.]

Mr W F FABER: Chairperson, the Rules of the House clearly state and not the EFF's rules because we know that they don't abide at any rules. But this House's Rules makes it clear that the Chairperson will say "the bells will now ring", if it's for two seconds it is fine. But you have to say that you call for the bells to be rung and then we call for the division; and that's the rules of the House, Chairperson. So, please, I would like you to do it exactly according to the Rules of this House and that we act up on that. Thank you. [Interjections.]

The HOUSE CHAIRPERSON (Ms M C Dikgale): Okay, hon members. The bells will ring for two seconds. Oh, hon Koni!

Ms N P KONI: Chairperson, we know that today the other House is dealing with a very crucial national matter of importance. Now, no one said it will be easy. We know that emotions are running in the House and the only two parties that are against that are the ones that are complaining about the bells, they want to delay us here. We want to go and support our members that side. So, please, whether the bells ring or they don't ring, we don't want the bells.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 107

Actually, it's the bells that brought us where we are today. Please, Chairperson. [Interjections.]

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon members, order! Hon Koni, please take your seat. Hon Koni and hon Faber, do you want to degenerate this House? Do you want me to request you to go out, hon Faber? Please.

Mr C F B SMIT: Hon House Chair, with all due respect, in terms of the Rules, when a division is called, you will ask from the chair whether there is a request for division. Then a division is proposed and there should be three seconders; you didn't go through that process. So, there's a process and there's a reason for all of this; and for the bells to be rang. Once that is done, then you can announce that the bells be rung so that members who are outside who want to take part in the vote can actually come in and take part within the voting. And that's how it's supposed to happen, hon Chair. So, I request you to please abide by this House's Rules and ensure that it is implemented within this House. Thank you.

Ms T J MOKWELE: Chairperson, I want to address this white tendency of them sitting in this Parliament, making our people to suffer on the ground and come here to grandstand on issues of bells. Our bells

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 108

don't know what those bells were created for. So, we are not going to be delayed by this white tendency of bells, please Chair. This white tendency, we want to deal with it. We cannot be delayed by bells. We are here to give our people services not bells, please.

Division demanded.

The House divided.

[TAKE IN FROM MINUTES.]

Question agreed to.

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 6 - International Relations and Co-operation - put.

Division Demanded.

The Council Divided.

AYES - 36: [TAKE IN FROM MINUTES]

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 109

NOES - 12: [TAKE IN FROM MINUTES]

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Council suspended at 12:23 and resumed at 13:39

The HOUSE CHAIRPERSON (Ms M C Dikgale): We were supposed to then go to Bill seven, but we will do that after break, now hon members I can see that you are very tired. Let's go and rest, let's go and eat. We will come back after 30 minutes. The House is adjourned, after lunch the bells will ring and then we will have to come back to the House. Thank you very much hon members let's go for lunch.

Vote No 7 - National Treasury - put.

Declaration(s) of vote:

Mr F ESSACK: Okay Chairperson, there we go. I think we are on. Hon Chairperson and fellow South Africans, during his mid-term Budget Policy Statement the Minister of Finance announced some changes to the Fiscal Framework. These necessitated some adjustments to the monies appropriated to government departments in terms of the Appropriation Act.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 110

From the outset the Minister may have recognised that he was approaching the crossroads, but to the detriment of every South African, having reached the crossroads he veered neither to the right nor to the left but he charged recklessly onwards on the same errant path that his predecessors had followed. He may of course have reshuffled the deck but he dealt the nation a worse hand than it had ever been handed before.

Of course, as you all know the DA believes in a free-market economy that creates the opportunity for every South African to compete in a fair environment, and of course pursue his own ambitions. I ask, if we are not improving the lives of others, then honestly, why are we here? Let us speak with conviction.

A report of the Financial and Fiscal Commission states that the expenditure ceiling is now likely to be breached by some R2,9 billion due to bailouts of state-owned entities, SOEs. Year on year we are faced with a new plan by SOEs telling us that this year will be the year; that this year's bailout will be the cure-all.

As you've heard before, government contractors face a crisis of not being paid. As my colleague alluded to earlier on, recently in the Eastern Cape some 27 contractors downed tools due to government debt

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 111

owed to them to the tune of R104 million. As we heard earlier, the issue of invoices not being paid within 30 days affects numerous government departments throughout the provinces. The allocation of spending is, and remains, truly out of the window.

My fellow South Africans, in all the above instances ordinary law-abiding, hardworking and tax-paying South Africans, who have done nothing wrong, are being punished by having to pay for the ANC's failures.

Quite frankly, the DA cannot and does not support this Adjustments Appropriation Bill of National Treasury. I thank you.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Thank you very much. The EFF? Hon Chabangu?

Ms T J MOKWELE: Go there.

The HOUSE CHAIRPERSON (Ms M C Dikgale): It is working. Next door. Use the one next door, hon Chabangu. That one. [Interjections.] Yes.

Mr M M CHABANGU: I'll never be told by the EFF ... [Interjections.] ... by the IFP what to do.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 112

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Mokwele, please allow the hon Chabangu to ...

Ms T J MOKWELE: Somebody mistakenly took my plug. Can you bring it back please? Please bring it back. [Interjections.] Bring it back. I can lend it to you if you want it. [Interjections.] You can't steal, please.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Mokwele, please.

Continue hon Chabangu.

Mr M M CHABANGU: Thank you, House Chair. ... Adjustments Appropriation Bill declaration. We as the EFF do not want to focus on the technical ... [Interjections.] Just protect me from this old ... [Inaudible.]

The HOUSE CHAIRPERSON (Ms M C Dikgale): Continue hon Chabangu.

Mr M M CHABANGU: We as the EFF do not want to focus on the technical aspects of the adjustment budget for National Treasury. Instead we will use this platform to discuss the much more urgent matter of the character and ideological positioning of National Treasury.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 113

Since the first democratic election in 1994, National Treasury has been used to maintain the status quo. It has used economic policy, government spending and revenue collection to ensure that the white minority maintains its grip on the economy. That is why they are not for land expropriation without compensation.

The most recent example of this is the liquidation of VBS; a matter that has taught us that if you are black and in the finance sector you will be squashed. [Interjections.] When a few people loot, the entire situation, its system, its history and its people will collapse without being given a second chance by the very same people who claim to be leading transformation in the financial sector.

[Interjections.] I don't mind when others don't understand what I'm saying. [Interjections.]

VBS was one of the few spaces in the financial sector where black people had control. The Reserve Bank and National Treasury should have taken care of them; should have given them preference; should have assisted them to comply with the law; and made sure that the institution was transformed to be a fully-fledged black bank.

However, they did not. [Interjections.]

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 114

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Chabangu, please take your seat. Hon Essack?

Mr F ESSACK: Chairperson, I just want to check with you. Is it customary and acceptable for an individual in this House that is tagged as a visitor to Parliament to be addressing this House? If I look at the TV screen this man's tag says visitor to Parliament. Is it acceptable?

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Essack, you are totally out of order. [Laughter.] Continue hon Chabangu.

Mr M M CHABANGU: That's how the DA is like. VBS was one of the few spaces in the finance sector where black people had control. The Reserve Bank and National Treasury should have taken care of them; should have given them preference; should have assisted them to comply with the law; and made sure that the institution was transformed to be a fully-fledged black bank. However, they did not. When it is white-owned banks they go out of their way. They give them preference. And the very same people have been rescuing banks that have collapsed without hesitation since 1990.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 115

This is the characterisation of the National Treasury that all must be worried about. [Time expired.]

Mr C J DE BEER: Hon Chairperson, the ANC supports Vote No 7. The ANC supports National Treasury's renewed focus on fiscal consolidation, the management of debt levels as well as the renewed focus on fostering economic growth through encouraging investment and job creation, particularly for the youth.

At 13:04 today it was announced that South Africa is out of a technical recession and the rand ... [Applause.] ... strengthened to R13,58. This is an upward trend. Why? It's because of the increase in agriculture production, manufacturing, financial services and business services.

The investment summit and job summit, amongst others, had concrete outcomes to reignite economic growth and job creation, and create a positive climate as well as confidence in South Africa.

[Interjections.] We urge the National Treasury to rigorously implement the economic stimulus package as announced by His Excellency the President, boosting confidence and unlocking South Africa's gross potential ... [Interjections.] ... to build a better South Africa for all who live in it ...

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 116

The HOUSE CHAIRPERSON (Ms M C Dikgale): Order hon member Koni. Hon Koni! Hon Koni!

Mr C J DE BEER: ... developing skills and expertise. We support the National Treasury's commitment to fight corruption. We support the National Treasury in its action to rebuild the SA Revenue Service, Sars, and also to improve on revenue collection.

We also welcome the establishment of the infrastructure fund that provides a clear signal to investors. [Interjections.] We thank the Minister, the Deputy Minister, the director-general and all the staff ...

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon member Koni!

Mr C J DE BEER: ... of the National Treasury for their commitment to the Constitution and their diligence in protecting the public's finances on behalf of all South Africans. The ANC supports Vote No 7. Thank you.

Division demanded.

The Council divided.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 117

AYES - 35: Bayeni, F; De Beer, C J; Gaehler, L B; Khawula, M; Makola, A; Mampuru, T K; Manganye, T; Mateme, HE; Mhlanga, M T; Mlambo, E M; Mlomso, F V; Mncube, B; Modise, T R; Monakedi, M D; Mohai, S J; Mosala, I; Moshodi, M L; Motlashuping, T C; Mthimunye, S G; Mthethwa, J M; Ngobeni, P; Nthebe, B; Nzimande, L P M; Parkies, P; Oliphant, G G; Phukuntsi, K; Rayi, M; Samka, P C; Singh, A S; Sizani, SV; Skhosana, S P D; Stock, D; Wana, T; Ximbi, D L; Zwane L L.

NOES - 14: Chabangu, M M; Chetty, M; Essack, F; Faber, W F; Hattingh, C; Koni, N; Labuschagne, C; Magwebu, V; Mathevula, B T; Mokwele, T J; Mpambo-Sibhukwana, T G; Ngwenya, D B; Smit, C F B; Terblanche, O S.

Vote agreed to (Democratic Alliance and Economic Freedom Fighters dissenting).

Vote No 8 - Planning, Monitoring and Evaluation - put.

Declaration(s) of vote:

Mr D M MONAKEDI: Chairperson, the Department of Planning, Monitoring and Evaluation is intended to create capacity at the centre of government to drive planning and development.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 118

The ANC government is committed to building a state that intervenes on behalf of the poor of our society to address iniquities and underdevelopment. Building a capable developmental state and forging a disciplined people-centred and professional Public Service is one of the key pillars of the National Developmental Plan, NDP. It is against this backdrop that the department assesses national and provincial strategic and annual performance plans for their alignment with the NDP and other prescripts.

Broadly, both national and provincial departmental plans are aligned to the NDP, although more work needs to be done to ensure that departments craft strategic objectives that are specific, measurable achievable, relevant and time bound.

The progress reports broadly show that some progress has been made in a number of outcomes. We are encouraged that this budget will contribute immensely towards building a monitoring and evaluating culture in the civil service through frontline service-delivery ministering.

The department also understands that without improving management practices in the Public Service the delivery of services to our people will fall short of the expectations. The management

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 119

performance assessment tool is one of the initiatives that the department introduced to monitor management practices within national and provincial departments. As Mandela said:

We need funding that can be relied upon and can be spent wisely on educating people, making them healthy and providing roads and communications so they can participate in the globalising world. They need to be given the opportunities now so that in future they can have the dignity of helping themselves.

The ANC supports Vote No 8. Thank you very much. [Applause.]

Mr M KHAWULA: Chairperson, my colleague here knows that this is actually a good department in terms of the idea, but you know, useless. It's useless. The only thing that it has done in the past five years is the NDP. The NDP was approved five years ago but what happened after that? Targets are not met. The Ministers are not evaluated. Even though those who are evaluated ... there's no action taken. When reshuffling takes place, this evaluation is useless.

You know, Chairperson, this is one department which is not supposed to be given money because it is doing absolutely nothing. It's not monitoring the provinces; it's not monitoring departments. What is

it monitoring? Nothing! So this is a nothing department. Thanks, Chair.

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 9 - Public Enterprises - put.

Declaration(s) of vote:

Mr C F B SMIT: Thank you, hon Chairperson, hon members and fellow South Africans. The state capture of Eskom has cut out power. The time has come to cut Eskom's monopoly over our power. The shortage of coal at several power stations and the resultant effect of power blackouts proves that Eskom's monopoly, power production and supply needs to be broken up. That the power utility is looking to spend one billion rand in the interim is an indictment on Eskom's leadership. We cannot afford to continue to give more money to a failing Eskom.

The Independent System and Market Operator, Ismo, Bill introduced by the DA seeks to save citizens money by ensuring that they have more options with regard to the purchasing of electricity. We propose that Eskom be divided into two entities. One to generate power and

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 121

the other dedicated to power transmission. The power-generating division will compete with its independent counterparts on an equal footing, ensuring efficiency, stability and competitive prices.

The public can no longer be made to pay for the ANC's failures. Minister Gordhan must now prove that he is committed to ending the crisis at Eskom and prioritise South Africans by meeting with the DA to discuss the Ismo Bill. The DA does not support the Adjustments Appropriations Bill for Public Enterprises.

Ms N P KONI: Thank you very much, Chairperson. For years, the EFF led the fight against state capture, where we saw the Department of Public Enterprises being used for the looting and mismanagement of state-owned entities, SOEs, to serve the interest of the Gupta family.

However, now, instead of cleaning up the mess left by the Guptas and puppets in government, the new Minister of Public Enterprises is using his position to slowly collapse and destabilise SOEs. The reason he is doing this is so that he can justify selling the SOEs, not to the highest bidder, but to his masters, his family and those to whom he is politically connected to.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 122

It is no coincidence that shortly after becoming Minister, we once again are experiencing load shedding at Eskom. It is why Minister Pravin Gordhan fired Siyabonga Gama without following due process and despite Transnet having showed positive results and stability. Using the cover of fighting back against state capture, Pravin Gordhan has purged the boards of SOEs of all black leadership.

The privatisation of our SOEs has long been in the making and Pravin Gordhan, who at heart is a free-market fundamentalist, has for years used a parallel state network which he has helped establish since his days at the SA Revenue Service, Sars, to serve the interest of capital, more specifically, white monopoly capital. [Interjections.] It is white monopoly ... [Interjections.]

Chairperson, can you please protect me from the whitest tendencies on my left? [Interjections.] Thieves! The land thieves on my left. [Interjections.]

The HOUSE CHAIRPERSON (Ms M C Dikgale): Continue hon Koni.

[Inaudible.] Continue hon Koni; you are protected.

Ms N P KONI: Today is a very important day for section 25. So my emotions will run high. Please Chair.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 123

It is white monopoly capital that stands to benefit the most from the privatisation of our SOEs and it is the people of South Africa who have the most to lose. We will fight all attempts to privatise SOEs, and we do not support this Budget Vote.

Dr H E MATEME: House Chair, thank you very, very much. The most common phrase in South Africa in 2018, perhaps second only to expropriation of land without compensation, was the notion of state capture.

Commissions of inquiry into this phenomenon have laid bare the moral and ethical dilemma in which government finds itself. Our SOEs are part of the heritage of all South Africans and allowing them to be captured by private interest in exchange for a few rand in one's pocket is the worst form of betrayal of one's country. Thanks to the parliamentary oversight inquiry into Eskom and the Zondo commission.

The legacy of the state capture project, however, will remain with us for a number of years. After years of systematic plunder, many of our SOEs are on life support, barely breathing. However, the approval of the Special Appropriation Bill that aims to appropriate an additional amount of five billion rand to settle the debt

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 124

obligations of the SA Airways, SAA, is a difficult decision to make, but it is going to be made.

In its 2018 iteration of the turnaround strategy, SAA projects that it will incur losses only in 2018-19 and the 2019-20 year thereafter. The group expects to be profitable for the remainder of the five-year period. [Interjections.]

The ANC believes that this House must support the 2018 Adjustments Appropriations Bill in order to preserve our national carrier the SAA; our heritage. We believe that the seven SOEs ...

[Interjections.] ...

The HOUSE CHAIRPERSON (Ms M C Dikgale): Order hon Smit! Order hon Faber!

Dr H E MATEME: ... in the portfolio of Public Enterprises are among the key economic levers of the state to give effect to our national imperative of thoroughgoing social and economic transformation. The impact of the severe financial, operational and governance challenges experienced by the SOEs is evident in the performance of the economy and pressure on the fiscus.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 125

As President Ramaphosa pledged in the state of the nation address in February, we want to see government intervening decisively to stabilise and revitalise SOEs.

Lastly, this must include action as we have witnessed at Eskom, Transnet, the SA Express and SAA to strengthen governance; root out corruption; and lastly, restore the financial position of these companies. The ANC supports this Budget Vote.

Division Demanded.

The Council Divided.

AYES - 35: Bayeni, F; De Beer, C J; Gaehler, L B; Khawula, M; Makola, A; Mampuru, T K; Manganye, T; Mateme, HE; Mhlanga, M T; Mlambo, E M; Mlomso, F V; Mncube, B; Modise, T R; Monakedi, M D; Mohai, S J; Mosala, I; Moshodi, M L; Motlashuping, T C; Mthimunye, S G; Mthethwa, J M; Ngobeni, P; Nthebe, B; Nzimande, L P M; Parkies, P; Oliphant, G G; Phukuntsi, K; Rayi, M; Samka, P C; Singh, A S; Sizani, SV; Skhosana, S P D; Stock, D; Wana, T; Ximbi, D L; Zwane L L.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 126

NOES - 14: Chabangu, M M; Chetty, M; Essack, F; Faber, W F;
Hattingh, C; Koni, N; Labuschagne, C; Magwebu, V; Mathevula, B T;
Mokwele, T J; Mpambo-Sibhukwana, T G; Ngwenya, D B; Smit, C F B;
Terblanche, O S.

Vote agreed to (Democratic Alliance and the Economic Freedom
Fighters dissenting).

Vote No 10 - Public Service and Administration - put.

Division demanded.

The Council divided.

[TAKE IN FROM MINUTES.]

Vote agreed to (Democratic Alliance and the Economic Freedom
Fighters dissenting).

Vote No 10 - Public Service and Administration

Vote No 11 - Public Works - put.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 127

Declarations of vote:

Mr L V MAGWEBU: Hon Chairperson and members, in November last year, the Department of Public Works revealed that they budgeted R48 million to acquire six ministerial houses. According to their presentation, the Land Affairs Board has only approved one house at the whopping cost of R6,7 million! Shame on you, ANC!

The department is currently sourcing the remaining five houses.

This extravagant spending takes place against the backdrop of an admission by the department that R20,3 million will be spent on renovation costs for the upkeep of 11 ministerial residences in Pretoria and Johannesburg.

It has become very clear that the bloated executive has become a burden on the country's overstressed public finances.

To appease the competing factions in the ANC, President Ramaphosa, despite his admission in his 2018 state of the nation address that the size of Cabinet was costly and must be revisited, has still failed to do so. Shame on him!

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 128

The bloated Cabinet has simply become a waste of taxpayers' money and will only worsen the poor state of public finances.

The DA will make sure that public money is used for the people and not for the elites, like Ministers and those who are politically connected to their cronies. We will ensure that the size of the Cabinet is reduced and that the savings are used to better the lives of ordinary South Africans.

The unrestrained spending is an insult to ordinary South Africans of whom 9,7 million are unemployed and struggling to survive in this tough economic environment. It is unacceptable that the money that could have been spent on initiatives to create jobs is being used to cater for unnecessary government accommodation.

If the Minister is serious about helping Treasury reign in the runaway budget deficit, the multimillion rand budget for ministerial home renovations must be cut substantially. Government cannot honestly expect South Africans to tighten their belts, when it is doing the exact opposite.

IsiZulu:

Hhayi khona ngeke sivume. [Ubuwelewele.]

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 129

English:

We do not support this Vote. Thank you.

Mr M RAYI: House Chair, just to educate the hon member, that the ...

[Interjections.]

The HOUSE CHAIRPERSON (Ms M C Dikgale): Order, hon members!

[Interjections.] Order, hon Mokwele! [Interjections.] Order, hon Mpambo-Sibukwana!

Mr M RAYI: There is actually no adjusted appropriation for this Vote; it remains the same. [Interjections.]

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Mokwele, you did not have the declaration. Can you allow the hon Rayi to give us his declaration? Please? Hon Smit, please, maintain order in the House. Continue.

Mr M RAYI: I just want to inform him that there is no adjusted appropriation for this Vote. It remains the same as the one that was voted on in May this year.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 130

So the Department of Public Works' budget allocation over the medium term is R23,7 billion. Approximately 87%, which is R20,5 billion of this budget, is earmarked for transfers, as follows: R7,1 billion for Expanded Public Work Programme, EPWP, incentives for the creation of job opportunities and income support; R700 million will be transferred to the departmental entities such as the Construction Industry Development Board, CIDB, the Council for Built Environment, CBE, and Agrément South Africa; R12,7 billion is for funding the operations of PMTE, Property Management Trading Entity; the actual PMTE budget over the Medium-Term Expenditure Framework, MTEF, is R63 billion, the balance by way of cost recoveries from user departments; the remainder of R3,2 billion from the main Vote is for the department's own operational priorities.

Audit outcomes and performance ... We welcome the tireless effort of the department to turn around and ensure a culture of clean governance. The department has achieved an unqualified audit outcome for the past three years. If we look at the department's MPAT scores, government's Management Performance Assessment Tool, for the benchmarking good management performance and compliance, scores increased from 38% at inception in 2012-13 to 66% last year. We acknowledge the tireless efforts of the Minister and the department

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 131

to move with speed to each a target of 90% to 100% compliance by the end of this administration.

This Budget Vote debate takes place against the backdrop of new political leadership which is committed to, among other, the turnaround plan and strategy to wage a concerted battle against fraud and corruption, and improving governance and managerial systems. The ANC supports this.

IsiZulu:

Mnu M KHAWULA: Sihlalo, ngiyabonga ukuthi ningishayele izandla.
[Ubuwelewele.]

English:

Chairperson, Public Works in the country is a disaster. Most of the struggling departments in the country are allocated budgets every year to improve infrastructure, but they fail to do so because the Department of Public Works is failing them.

It does not make sense that schools in the country are in a terrible condition and need to be improved. Hospitals in the country are in a terrible position and need to be improved, but every year there are budget rollovers in spite of these conditions. The biggest culprit

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 132

in all these failures is the Department of Public Works which is failing to provide the required services properly and on time to its clients.

The Asset Register of the country at national, provincial and local government levels is in a terrible state. Government buildings are captured by unethical people like foreign nationals who make South Africans pay rent in buildings supposedly owned by the South African government. But government is not aware that it owns these properties.

Since 1994, corrupt people have continued to make government assets disappear without a trace.

Land ownership in the country is in such a mess partly because the Department of Public Works is not able to account for what government owns, and where the properties are located.

The IFP says that the Department of Public Works must wake up. The EPWP programme is in the hands of this department, yet this programme has continued to be utilised in a partisan manner by the ruling party in order to garner support and votes for it. Thank you.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 133

Division demanded.

The Council divided.

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Chabangu, we are now on Vote 13.

Mr M M CHABANGU: I would like to know whether it is parliamentary ...

The HOUSE CHAIRPERSON (Ms M C Dikgale): Oh, we are on Vote 12. Sorry.

Mr M M CHABANGU: ... that a senior citizen ...

The HOUSE CHAIRPERSON (Ms M C Dikgale): Why are you standing, hon Chabangu?

Mr M M CHABANGU: On a point of order.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 134

The HOUSE CHAIRPERSON (Ms M C Dikgale): Okay, what is the point of order?

Mr M M CHABANGU: I would like to know whether it is parliamentary that a senior citizen, an hon member like Mr Ghaeler, should be captured, because ever since we came here, he never said anything because he is seated next to a special delegate. Thank you.

Sepedi:

MODULASETULO WA NTLO (Ms M C Dikgale): Ka segagešo ke re o a kgowa.

English:

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon member, that was not a point of order.

Vote No 12 - Statistics South Africa - put and agreed to.

Vote No 13 - Women - put.

Declarations of vote:

Ms T J MOKWELE: ... [Inaudible.] ... This department is possibly the most disappointing department in government. In South Africa men have declared war on women. Every day we are raped; we are beaten;

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 135

we are abused; we are excluded from accessing education; we are denied jobs; and we are refused access to land.

The Department of Women in The Presidency should be at the forefront of fighting patriarchy in our society, but it seems that all this department is good for is holding summits and workshops. What is needed is action. There is so much that can be done - from legislation to sports, to land, to health care, to education - that can help defeat patriarchy. Why is this department not making proposals on how our justice system and Police Service can be reformed to better address gender-based violence? Why is this department not putting pressure on the SA Police Service, requiring them to have DNA swabs at every station? Why is this department doing nothing to address the unequal treatment of Banyana Banyana which, despite all their successes, are paid ten times less than ...

Setswana:

... le dira modumo moo ...

English:

... we are talking about a very important thing here.

[Interjections.] Despite all their successes, they are paid ten times less than the male national team and are treated as an

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 136

afterthought. Why isn't this department making a proposal to the Department of Basic Education so that there can be changes in the curriculum so that men can be taught how to treat women? And why is this department not informing the Department of Health on how reproductive health care can be made more accessible to women? This department has failed the women of South Africa, and that is why the EFF will forever reject the budget posed by this department. We therefore reject this budget.

Mr D STOCK: Hon Chairperson, the ANC ... [Interjections.] Could the EFF listen to me? [Interjections.]

The CHAIRPERSON OF THE NCOP: Order, hon members from the EFF! Please listen to the ANC. [Interjections.]

Mr D STOCK: Hon Chairperson ...

The CHAIRPERSON OF THE NCOP: Hon Koni ... Hon Mathevula, order! Continue, hon member.

Mr D STOCK: The ANC supports the budget. This department is the most important department. Since 1994 government has put in place legislation to redress the wrongs affecting women and children. The

Promotion of Equality and Prevention of Unfair Discrimination Act was passed to ensure that women have equal enjoyment of rights and freedoms. The Employment Equity Act ensures that discrimination in employment, in occupations and in income within the labour market, which resulted from apartheid laws, is, in fact, curtailed.

As a signatory member of the United Nations ... [Inaudible.] ... Declaration and Programme of Action, we are compelled to insert active and visible gender perspectives into all policies and programmes. Women have long endured exclusion; they have endured discrimination; they have endured systematic segregation; they have endured physical and emotional threats of violence. Therefore this budget will seek to address these challenges and acknowledge that women are not homogenous. The millions of women in South Africa belong to different social and ...

The CHAIRPERSON OF THE NCOP: Hon member, please pause. Please take your seat. What is the point of order during a declaration?

Ms T J MOKWELE: The point of order is that that declaration must speak to the present situation women are subjected to. He must not say "have". As we are currently, we are subjected to that as women.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 138

We must be taught how to speak to address the issues of the abuse of women.

The CHAIRPERSON OF THE NCOP: Hon Mokwele, that hon member is in order. Women have - and had. It means the "have" he is using ... [Interjections.] No, no, no. Hon Mokwele ...

Setswana:

... ke sekgoa ... [Setshego.]

The hon member is correct. Please continue. That was not a point of order.

Mr D STOCK: Thank you very much, hon Chairperson. As the ANC we are here to educate and we will continue to educate. [Interjections.] Therefore this budget will seek and continue to address these challenges and acknowledges that women are not homogenous. The millions of women in South Africa belong to different social and economic classes and social traditions. They also have different histories and interests, and these will be achieved through participation and outreach initiatives on women empowerment, including girls and young women.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 139

Gender mainstreaming should be prioritised and all government entities should, for instance, have clear and concrete plans to address and accelerate the socioeconomic empowerment of women. It is against this background that the department produced six reports on the implementation of women empowerment and gender equity, monitoring and evaluation in the first half of 2018-19 against a yearly target of only one report.

Tata Mandela would agree with us, hon Chairperson ...

[Interjections.] ... when he said: "Many new provisions on gender issues reflect the progress that we are making as a nation towards securing equality for our women compatriots who have for far too long suffered too many privations merely because of their gender."

Thank you very much. The ANC supports this budget. [Time expired.]

[Applause.]

Division Demanded.

The Council Divided:

[TAKE IN FROM MINUTES.]

Vote agreed to (Economic Freedom Fighters dissenting).

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 140

Vote No 14 - Basic Education - put.

Declarations of vote:

Ms B T MATHEVULA: Chairperson, long after the ANC has fallen, many will say that its lowest point was not state capture or its compromise to the revolution. They will say its lowest point was the collapse of our basic education system.

Despite having one of the largest education budgets on the continent, the South African education system is one of the worst in Africa. In every province of our country, children are being failed by government. By failing our children, our future has been compromised. We have a Minister of Basic Education who goes around to various platforms and speaks about preparing our children for the Fourth Industrial Revolution. However, this is the very same Minister who cannot even meet the deadlines she has set herself for basic infrastructure at all schools.

We have thousands of schools across the country where children are still forced to use pit toilets. In provinces like the Eastern Cape and Limpopo, there are even schools where there are no toilets at all, let alone a pit toilet. In Limpopo, there are schools without regular access to water. There are schools where, because of

government's failure and the stealing of funds allocated for textbooks, all students in the school share one textbook. How is the Department of Basic Education expecting to prepare the youth for the Fourth Industrial Revolution when there are 11 000 schools without computers and some that still do not have electricity?

This department is riddled with corruption, incompetence and mismanagement, and we will never support this Vote. Thank you, Chair.

Mr C HATTINGH: Chair, the first paragraph in the foreword of the Department of Basic Education's annual report contains a quote by Oliver Tambo that states:

The children of any nation are its future. A country, a movement, a person that does not value its youth and children does not deserve its future.

If one reads through the report, then one can only wonder why the department, or Ministry, chose these words because nothing of it actually comes through in the report. It appears that the department, still not fully recovered from the damage inflicted on it and on our country by the jobs-for-cash-and-favours scandal, is

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 142

being dictated to by Cosatu on the evaluation of educators, an essential tool to not only maintain standards but also improve the quality of the education by identifying strengths and weaknesses. The statement that the department has a view to change Cosatu's perceptions about evaluation of educators is, in fact, a confession that the departed has ceded control on educator evaluation to Cosatu.

In his report on the department, the Auditor-General painted a very concerning picture - a department in regression receiving a qualified report, with major underexpenditure once again on what should have been the flagship project of the department, the Accelerated Schools Infrastructure Development Initiative, Asidi, programme. He states that poor contractor performances in all provinces contributed to the underexpenditure once again. Contractors are being blacklisted. Here is the actual report card of the department. It is even worse than some leaders of some political parties. The department again missed all basic infrastructure services targets. For new schools, only 10% of the target was achieved. For sanitation, where we have a crisis with pit toilets, only 11% of targets were achieved. For water, 13% of targets were achieved. For electricity, 13% of targets were achieved. This is a major failure department.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 143

Irregular expenditure stands at R1,7 billion, and almost the entire balance is Asidi related. For the current year, it is at R154 million, with an additional irregular expenditure of another R33,5 million. For fruitless and wasteful expenditure, the balance is R1,8 million. Add another R495 000 for the current year. The Auditor-General reported that the department is not properly accounting for the infrastructure assets of the Asidi programme.

Looking at the budget, in view of the immediate past performance of the department, questions should certainly be raised about the department's ability to properly value our youth and children. The DA does not support the Adjustments Appropriation Bill for Basic Education. I thank you.

IsiXhosa:

Nks.P C SAMKA: 14:57:05 Sihlalo ohloniphekileyo, iANC iyaluxhasa olu hlahlo lwabiwo-mali lweSebe lezeMfundo esiSiseko. Isizathu soko kukuba, indima edlalwe leli sebe iyabonakala ngakumbi emaphandleni apho abantwana namhlanje besebenzisa ubuchwephesha ebesifudula singenabo.

Ukuba singathi asiluxhasi olu hlahlo lwabiwo-mali, loo nto ingathetha ukuba, sithi kubantwana bethu, imfundo mabangayifumani

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 144

kwaye loo nto inganika umfanekiso ombi kakhulu ukuba singathi singamaLungu ePalamente singaluxhasi olu hlahlo lwabiwo-mali.

Iinjongo zethu kukuba abantwana bethu bafunde noxa thina singafundanga nje. Siyayibona indima edlalwe ngurhulumente ekuqinisekiseni ukuba kumaphandle, apho bekufudula izikolo zingamatyotyombe okanye zakhiwe ngamaplanga, namhlanje siyabona ukuba sakhelwe ezona zikolo zikwizinga eliphezulu ezifana nezasedolophini.

Kubalulekile ukuba xa sithetha ngohlahlo lwabiwo-mali, siyizalanise naba bantu baseMzantsi Afrika basibeke kwezi ndawo sikuzo namhlanje kuba thina sikho ngenxa yaloo nto. Kufanelekile siqinisekise ukuba imali amasebe athi ayicela kuthi siyiPalamente iyaqwalwaselwa kuba ithetha nto kuthi loo nto. Singaba senza impazamo enkulu xa sinokuthi olu hlahlo lwabiwo-mali malungaphumeleli. Sithi siyi-ANC, phambili ngokuphumelelisa olu hlahlo lwabiwo-mali lweSebe lezeMfundo esiSiseko. Enkosi.

English:

Mr M KHAWULA: Chairperson, this is one of the three departments to be included in the club of the big three worst performing departments in need of serious intervention. Anything that comes in

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 145

threes raises eyebrows. The country is still trying to recover from the mess created by the "Premier League" composed of three provincial premiers.

Be that as it may, the Department of Basic Education is in the hands of a Minister who is really trying her best to resolve problems. The problems that cripple the department are the approach of the ruling party to education and the failures of the implementing agents of the department on infrastructure provision to schools. This country has always been very unfortunate with quality education provision. The country came out of the dungeons of apartheid's oppressive education regime in 1994 and landed in the confused education provision of the ANC postapartheid era. It is due to this confusion that the IFP has repeatedly maintained that 24 years after apartheid, education provision in the country still remains of relatively high quality to the privileged few who can afford to pay for quality education and still remains of a very poor standard to the masses of our country, the poor majority that cannot afford to pay for quality.

The IFP appeals to the education authorities of our country to spend budgets given to them properly in order to improve the quality of education of the country's youth. Like I said, the Minister is

trying her best. She just needs adequate support from the provinces so that we resolve issues in education. Thank you.

IsiXhosa:

Mnu L B GAEHLER: Somlomo ohloniphekileyo, njengokuba ndihleli apha, ndiyacinga ukuba xa ndinokuthi malungaphumeleli olu hlahlo lwabiwo-mali , abantwana bethu nabazukulwana bethu bangaphi na? Esi sisizathu esibangela ukuba i-UDM iluphumelelise olu hlahlo lwabiwo-mali kuba sicingela aba bantu baphaya ezilalini njengoko bephuma entluphekweni. Mama, nokuba ndibanjwe ngobhongwane yeka ukudlala ngefowni. Kukho iingxaki ezinjalo ke mama ...

English:

... but we are concerned about the lack of special schools. You know...

IsiXhosa:

... xa usiya phaya ezilalini ufumanisa ukuba aba bantwana bangaphilanga abancedakali, bakhula bengafundanga. Siyaqonda ukuba ingxaki ikhona kwaye nemali ayonelanga, kodwa noko mayiqwalwaselwe nto yezikolo ezikhethekileyo, ngakumbi kwaba bantwana basezilalini. Ibuhlungu into yabo, kuba baphela bexhatshazwa ngakumbi aba bangamantombazana.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 147

English:

So, we call on the department to provide more special schools. The second is scholar transport.

IsiXhosa:

Ukuba uya pha ezilalini uzakufumanisa ukuba aba bantwana bakhwela kwizithuthi ezikekeleyo...

English:

... which are unsafe. They die on the road.

IsiXhosa:

Le yenye yezinto isebe ekumele ukuba liyayiqwalasela. Enye into efuna ingqwalasela ngumcimbi wezindlu zangasese, sikhulele kuzo ke thina ezi zindlu zangasese siyazazi, abanye bathetha njee ngazo abazazi. Le nto ifana nocalu-calulo, abanye bathetha njee ngalo abalwazi. Mna ke ndiyalwazi ucalu-calulo, ndakhe ndabethwa apha eBloemfontein, siyayazi kwaye isisokolisile. Kungangcono xa kunokuzanywa ukuba kubekho izindlu zangasese ezisemgangathweni.

Kumnandi kwabanye abantu xa besithi malungaphunyezwa uhlahlo lwabiwo-mali, kanti thina sicingela abantwana bethu abaphaya ezantsi, aba bantwana bahluphekayo. Kukho abantwana abahamba umgama

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 148

okufutshane kwi-10 km ngeenyawo, siyaluxhasa olu hlahlo lwabiwo-mali phantsi kwezo zizathu ukuze lukwazi ukunceda aba bantwana bahluphekayo bangenazo nezihlangu. Siyaluphumeza kodwa silicela isebe ukuba khe liziqwalasele ezi zinto. Enkosi.

Division demanded.

The Council divided.

[TAKE IN FROM MINUTES]

Vote agreed to (Democratic Alliance and Economic Freedom Fighters dissenting).

Vote No 15 - Higher Education and Training - put.

Declarations of vote:

Mr C HATTINGH: Hon Chair, the Achilles heel of the Department of Higher Education has been firmly established and entrenched, the reckless way in which the current NSFAS system was conceived, funded and implemented. The DA has been highly vocal in calling for the NSFAS to be revamped and in bringing to the attention of the broader public to the plight that many students have found themselves in.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 149

There is another matter of considerable concern to students and that of the long term sustainability of the scheme of fee free Higher Education itself. Even in a smooth running and growing economy, the most generous higher education in the world will require an extraordinary monetary commitment. However, we found ourselves at the opposite end of the scale in a desperate and failing economy still struggling to come to growth with the damage done it by the ANC state capture regime.

In South Africa, students are expecting to have their fees, accommodation, food and other expenses fully paid for with no expectation of having to pay back any of it, even if they obtain an extremely well paid jobs after their studies. This has out with the facts. The amounts granted by NSFAS are modest and are likely to increase together with the cost of living over time.

Further protests to enlarge the scope of the grant were certainly followed as student numbers grow and continue expansion demands on NSFAS and economic pressures dilute the effects of the grants. NSFAS is struggling to administer a system which cannot be sustained, and which was imposed upon us at a short notice by an outgoing President when overseen that decay of higher education over a period of

hastener and was desperate for a populist measure to keep up the support.

It is vital that we address the crisis in our higher education system to ensure that institutions meet their mandate of adequately preparing young South Africans for the job market. The Da does not support the Department of Higher Education Budget as contained in the Adjustment Appropriation Bill.

Mr M M CHABANGU: Ma'am, It has now been nearly a year since the constitutional delinquency former President Jacob Zuma announced the fee free education, but still to date, it has not been realised. In a country which has been defined by rationalised inequality, education is one of the only ways black people can live for themselves and their families out of poverty.

But many young black South Africans are denied the right to education simple because they cannot afford to pay fees, and for those who have been lucky to secure funding, their ability to study is constantly compromised by various other costs.

Students at the universities and TVET Colleges have no place to stay, residences are overcrowded, private accommodations are too

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 151

expensive and NFSAS does not always cover accommodation and because of this, these students end up squatting, sleeping four in a single room.

Students go hungry because NSFAS allowances are paid very late. Those students have no money to feed themselves. In 2015, students protested against these high fees, lack of accommodation and hunger on campus. Instead of engaging the Department of Higher Education, the students became violent with the police. Students were beaten, shot at, teargas was, sexual assaulted and arrested. Till to date, despite the government claiming to support the call for the fee free education, students are still sitting in jail. We therefore, object to this Vote because of the ANC government failure to implement fee free education and because it criminalises our youth who demanded that the fee must fall. Thank you, Ma'am.

Ms L L ZWANE: Chairperson, The ANC rises in support of the adjusted appropriation Vote No 15 for Higher Education and Training for the following reasons: Higher Education and Training remains the apex priority of the ANC-led government. The White Paper on Post School Education and Training system is aligned to the NDP implemented through the MTSF and is deracination where to drive this sector as we move towards 2030. This entails supporting and developing a

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 152

quality high education and vocational education sector that promotes access to higher education, vocational education and skills development training opportunities to our country.

Massive allocations through this year's budget have been allocated in this regard, lastly, to finance free education for the poor and the working class throughout their undergraduate studies as a commitment and implementation of the resolutions of the ANC.

As we speak, the newly appointed CEO of Nasfas has drastically reduced the backlog of monies that were owed to educational institutions from the region of R300 000 and more to about R30 000 only. So, the notion that free education is not delivered is not true. The adjustment in the vote of funds provides critical needed support to students who need student accommodation. We note that the R103,4 million which has been allocated for students accommodation infrastructure programme which is a critical and largely because the shortage of students accommodation across our country is quiet huge. The adjustment to this Vote will assist in the contribution of improving the quality of education and also to provide students accommodation and alleviate the parents of the burden of having to secure flats which are very expensive for the education of their

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 153

children. The ANC supports the adjustment estimates for the higher education sector. Thank you, Chair.

Vote agreed to (Democratic Alliance and Economic Freedom Fighters dissenting).

Vote No 16 - Health - put.

Declarations of vote:

Ms T G MPAMBO-SIBHUKWANA: Hon Chairperson, hon members and fellow South Africans, the provinces went into new financial year with R13,8 billion of accruals and R1 billion is recorded as irregular and wasteful expenditure. An amount of R134 billion of the Budget being transferred to the provinces will not be used to upgrade services. It will do nothing to protect the poor and the vulnerable. Millions have been sent to provinces for national health insurance, NHI, pilot projects came to naught. In fact, money to employ doctors so desperately needed was not even spent to employ doctors instead it was used for paying debts. Shame on the ANC!

There is nothing in this Budget that will arrest the decay in Health, let alone to make NHI work. So desperate is the Minister of Health that he has made alterations to the national health insurance

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 154

Bill without even following the correct procedures or consulting the Portfolio Committee on Health. Shame on the ANC!

Only the "komotos" could give the nod on the abysmal report as presented by the department. The DA does not support the Adjustment Appropriations Bill for Health. Thank you.

Ms D B NGWENYA: Madam Chair, fellow fighters and fellow South Africans, the Bill of Rights in our Constitution states that everyone has the right to have access to health care services and that no one must be refused medically emergency treatment, but the Department of Health which has been given the responsibility of ensuring that South Africans receives quality health care has failed the people of this country. The Minister of Health and his department, because of mismanagement, corruption and because they have no clue of what kind of health care system this country need, have collapsed the public health care in this country. We have a total number of 41 000 vacancies in the public health care centres. Because of this nurses and doctors are overworked, patients wait for hours and often have to sleep in receptions and die in those receptions only to receive bad service because there is a strain on the system that quantity matters more than quality.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 155

At hospitals there are shortages of beds. Women sleep on the floor with their new born babies. In some provinces more than half of the ambulances are dysfunctional. In the North West there is one fully qualified paramedic, and across the country there are over 140 morgue fridges that are broken living dead bodies to rot away. A morgue is a mortuary for those who don't know. But these are just problems that result from mismanagement and looting of resources.

But on deeper level our health care system faces systematic problems and our approach to health care is totally flawed. The focus of our health care system should be preventative, not curative. The Cuban health care system which is arguable the best health care system in the world focuses on primary health care that is preventative. This is the model that we should be using in this country. For those reasons we, as the EFF object to this Vote. Thank you.

Ms P NGOBENI: Hon Chairperson, the ANC rises in support of the adjustment appropriation for Vote 10. Health, alongside Basic Education, continues to be an apex priority for the ANC. The 2018 Medium-Term Budget Policy Statement, MTBPS, was tabled following the Job Summit in the introduction of economic stimulus and the recovery plan. The economic stimulus and recovery plan focus on the following five measures to stimulate the economy and health being one of the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 156

priorities. Over the 2019 *Medium-Term Expenditure Framework*, MTEF, period the Budget plans to fund additional 2 200 critical medical posts in provinces and expand medical student internships. The Budget also allocates funding for the community health workers programme to implement the minimum wage.

The 2018 MTBPS further stated that the construction of a 488 bed academic hospital in Limpopo is expected to begin in 2019-20. Further, the 2018 MTBPS stated that R16,5 billion will be allocated to various programmes including a minimum wage for community health workers and critical posts and goods and services in health.

The Human Science Research Council gave an overview of the economic climate and analysis of the departmental spending. With regard to the health care services allocation over the 2018 MTEF, the Human Science Research Council submitted that once the increase is higher than the previous it was more associated with infrastructure, national health insurance, health workers and post for medical graduates. With HIV being mostly a chronic illness, the Human Science Research Council, HSRC, was of the view that there was a greater need to invest more resources in emerging noncommunicable diseases that were among the top causes of death in the country including diabetics. It also submitted that the transition to NHI

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 157

was imperative in light of the National Development Plan, NDP's, aim to achieve a significant shift in equity, efficiency and quality of health care services provision.

It is with the above in mind that the ANC is in support of the adjustment appropriation Vote 16 of Health. I thank you.

Mr M KHAWULA: Chairperson, the national Department of Health and the Health departments in the provinces have been cited by the Auditor-General, AG, as requiring urgent intervention. It is one of the three such department in the country, the other two being Education and Public Works. Health services are collapsing in the country. The NCOP itself experienced this when they visited the Free State province. Terrible stories of poor health services have also been recently related to the NCOP delegation by the communities of Gauteng province.

The total deficit of the Health departments in the country today is standing at R8,4 billion. Some health departments in some provinces are facing legal claims that are totalling more than their annual operational budgets. Infrastructure is crumbling in hospitals and clinics. Crucial health machines are crumbling without being fixed or replaced. Corruption is stinking to high heavens in some

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 158

provinces like the North West. There is terrible shortage of nurses, doctors and other health practitioners.

What is more important with this department is that its national Minister must stop pointing fingers at staff and shifting blame. He must start to deal with the problems as they are. The Minister's denial approach to problems is not going to help the country at all. Thanks Chair.

Division Demanded.

The Council Divided:

AYES - 35 [TAKE IN FROM MINUTES]

NOES - 11 [TAKE IN FROM MINUTES]

Vote agreed to (Democratic Alliance and Economic Freedom Fighters dissenting).

Vote No 17 - Social Development - put.

Declarations of Vote:

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 159

Ms T G MPAMBO-SIBHUKWANA: Hon Chairperson, hon members and fellow South Africans, the DA's oversight that recently took place in the KwaZulu-Natal and the Free State provinces revealed that some of the department's programmes have the potential to fight poverty. If all those involved in implementing them have been given a chance as their goal to put an end to poverty, they would have made it. But the ANC government that is failing millions of South Africans has proved that it is for the peoples' endless suffering. Unfortunately this is not happening.

The youth are ready to get their hands dirty to not only fight poverty but to create thriving businesses in agriculture. However, many individuals involved in running this project which are to empower them, are only focused on enriching themselves through these government programmes without meeting the main objective of these development initiatives. The MEC for social development uncovered ramped fraud and corruption relating to the foster care at the lower Umfolozi service office. Twenty-seven officials were subsequently charged in this regard.

Secondly, there are cases where children were adopted twice fraudulently to benefit people personally because the reason they register them is for Sassa grants. We uncovered a situation where

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 160

instead of procuring food from local corporative, food was procured from mainstream retail wholesalers defeating the very object of ensuring that the local most unemployed and therefore poor people are financially empowered via government development programme.

It is crucial to ensure that the Skills Development Programmes take place to ensure that the beneficiaries of this programme can be able to exit the programme empowered and independent. It is not so as intended. This is not happening. Hon Chairperson, it is a shame given the high level of unemployment that leads the entire community being left behind. The DA does not support this adjustment appropriate Bill. [Time expired.] [Interjections.]

The CHAIRPERSON OF THE NCOP: Thank you. The ANC - [Interjections.]
Order! Order!

Mr M T MHLANGA: Thank you Chair. The ANC ...

The CHAIRPERSON OF THE NCOP: Order! Just hold your horses. Hon Mhlanga, whether you are royal of whatever it is none of this House's business. Just observe the rules of this House.

[Interjections.] No! No! Please, I want to get some order. Hon Mhlanga you are on the floor.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 161

Mr M T MHLANGA: Chair, the ANC rise in support of the adjustment appropriation Vote 7 Social Development and these are the reasons why we do so. Essentially, the adjustments seeks to ensure that there is protection against vulnerability by creating and enabling environment for the provision of a comprehensive integrated and sustainable social development services.

On programmes on social assistance, social security policy and administration; the socials security policy and administration and social policy and integration services delivery are the recipients of the adjustment. Each adjustment is about both policies and economic choice; seeks to protect, care and social economical programmes. These remains important for the type of social development system that we are creating that is committed to build a caring society that facilitates human development and improve the quality of life for our people. Therefore the Bill ensures that through its adjustments that basic services continue to be financed and protects the most vulnerable people. As the ANC, we support this Vote. Thank you.

Vote agreed to (Democratic Alliance and Economic Fighters dissenting).

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 162

Vote No 18 - Correctional Services - put.

Vote agreed to (Democratic Alliance and Economic Fighters dissenting).

Vote No 19 - Defence and Military Veterans - put.

Declarations of Vote:

IsiZulu:

Mnu M KHAWULA: Kuncane nje Sihlalo, yileya ndawana yama-Self-Defence Units nama-Special Protection Units ukuthi sekuze kuphela iminyaka engamashumi kweve ...

English:

... the department is failing to resolve a simple issue of also recognising the Self-Protection Units, SPUs and Self-Defence Units, SDUs so that they can also get the benefits that the others are getting. If that issue can be resolved because it's very unfair and it is uncalled for and Chairperson, really, the IFP is calling upon the Minister to resolve this issue. Thank you.

The CHAIRPERSON OF THE NCOP: Order! Order! You can converse but don't drown us. You can use your cell phones but I am sure you

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 163

respect the South African citizens enough not to show that you are busy with your cell phones. [Interjections.] All of you who are busy with their cell phones.

Mr E M MLAMBO: Hon Chair, the Department of Defence and Military Veterans derive its mandate from section 200 of the Constitution, Defence Act of 2002 and Military Veterans Act which requires the department to provide, manage, prepare and employ defence capabilities that are consummate with the needs of South Africans. The ANC in support of this report commends the strides made by the department in peace, keeping missions in the DRC and success in securing our borders more especially curbing cross boarder illegal activities.

We have noted the poor performance on flying hours and that is related to the budgetary constraints and complex process of source spare parts. The ANC also notes poor performance on sea hour's target which relates inter alia to the unavailability of vessels at required level of capability [Inaudible.] delays and operational defects. We have recommended that the department should provide the committee with a comprehensive report on how it proposes its repositioning based on requirements in terms of section 200 of the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 164

Constitution and the available appropriate budget. Therefore, the ANC supports this Budget Vote 19. I thank you hon Chair. [Applause.]

Vote agreed to (Democratic Alliance and Economic Fighters dissenting).

Vote No 20 - Independent Police Investigative Directorate - put

Vote agreed to (Economic Freedom Fighters dissenting).

Vote No 21 - Justice and Constitutional Development - put.

Vote agreed to (Democratic Alliance and Economic Freedom Fighters dissenting).

Vote No 22 - Office of the Chief Justice and Judicial Administration - put and agreed to.

Vote No 23 - Police - put.

Division Demanded.

The Council Divided:

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 165

AYES - 36 [TAKE IN FROM MINUTES]

NOES - 10 [TAKE IN FROM MINUTES]

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 24 - Agriculture, Forestry and Fisheries - put.

Declarations of vote:

Mr C F B SMIT: Hon Chairperson, hon members and fellow South Africans this department's budget shrinks year in and year out. There are limited to zero controls over conditional grant spending in provinces that makes up the majority of departments' total budget.

If I can only give one example, during our select committee on land and mineral resources oversight in the Free State, the Deputy Director General visited the province for the first time ever and quickly tried to do catch up while we were busy with the oversight on what exactly is happening within the province. Apparently there are major conflicts between the national Department of Agriculture Forestry and Fisheries and the MEC for Agriculture in the Free

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 166

State. So, it is said that the MEC banned the national department from that province.

There are still up to today no proactive plans to deal with draught and provide quick and active support to the agricultural sector. This well my province Limpopo is currently in the grips of devastating draught now held for farmers to date. Fisheries remain a mess since the tenure of the previous Minister Joemat Peterson with little indication that this might change under the ANC government.

We need real change that will set farmers up for success and prosperity. We need total change of government in 2019. It's our chance to do exactly that. To vote for the DA that will built one South Africa for all, a government that can create jobs and opportunities in Agriculture Forestry and Fisheries. The DA does not support adjustment and appropriations Bill for Agriculture, Forestry and Fisheries, thank you.

IsiXhosa:

Nks T WANA: Sihlalo nabantu bakuthi, sijongene nokwaba izithebe ngokwemali. Niyayazi naphaya emakhaya ukuba utata xa efikile imali ethile uyenza ethile aze enye ayenze leya. Singulo mbutho we-ANC siya luxhasa olu Hlalo-lwabiwo mali lweVoti yama-24. Xa ndisiva esi

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 167

sithethi sithetha ngendawo yaso esisuka kuyo kwaye thina apha sithetha ngabantu abasokolayo baseMzantsi Afrika. Sihleli apha ke siyiloo ngxubevange bantu bakuthi kuphinde kubekho nabo bathi, mhla baze baphatha.

Isithethi esisuka apha sithi abantu baso, ababini babelungu, baza kuvotela bona. Thina njengomzi ontsundu kufuneka siwuxhase lo mbutho kaTambo. Kuza kulunga ukuba xa kukho into engalunganga siyixele apha kuTambo noMandela nayo nantoni na eshotayo. Ezolimo yinto yeenkosi kwaye urhulumente ophetheyo uyayongeza inkxaso. Kaloku kuza kunetha kungekudala phaya eMpuma Koloni kwaye ke andifuni ukuba ndithethe ngeendawo endingazaziyo. Urhulumente wongeza imali ukuze nifumane iitelelele neemanyola ukwenzela ukuba xa kufike ithuba nihlale phantsi nitye umsebenzi wezandla zenu. Sihlalo siya luxhasa olu hlahlo-lwabiwo mali. [Kwaqhwatywa.]

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 25 - Economic Development - put.

Declarations of vote:

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 168

Mr L V MAGWEBU: Hon Chair, the World Bank has indicated that for economic growth, South Africa needs skills revolution. This means that our education must provide learners with the skills that the job market desires. There are a lot of graduates who are currently sitting at home, unemployed. Shame on you ANC!

The World Bank has also argued that amongst many ways of reducing poverty and unemployment is to reduce the number of government departments we have. I must say that I am happy that the World Bank endorses the DA position in this regard.

The only way to fix the ailing and struggling South African economy and getting out of this recession is to ensure that we fight corruption that is rife and prevalent under the ANC government. The DA will ensure that public money is spent on the people and create fair access to real and long-term jobs. The DA does not support this Budget Vote. I thank you.

Ms K PHUKUNTSI: Chairperson, it gives me great honour to rise on behalf of the ANC to support the Bill.

IsiXhosa:

Sibonile Sihlalo ukuba kwesi...

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 169

USIHLALO WEBHUNGA LAMAPHONDO LESIZWE: Ndicela ukhe uyibambe kancinci.

English:

The CHAIRPERSON OF THE NCOP: Hon members, the NCOP gets special delegates from the provinces. You have never asked any other province who the people were. So, this member is protected. Please proceed.

IsiXhosa:

Nks K PHUKUNTSI: Silibonile ukuba eli Sebe lezoPhuhliso loQoqosho liqhube kakuhle kakhulu kwesi sigaba sikuso. Siwabonile nawo amashishini karhulumente ehluma ngoncedo leli sebe.

English:

Ms K PHUKUNTSI: The competition policy has been completely redefined and today, South Africa is the most advanced and takes progressive approach to the issues of public interests, conditions and measures.

Since the start of this administration, the Ministry has entered into ground-breaking settlements, like blue-chip companies, such as Coca-Cola, Chevron, Old Mutual and many others.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 170

IsiXhosa:

Ezi zivumelwano ziwakhusele kakhulu amathuba emisebenzi kuba sibona oondlunkulu beenkampani ezininzi zisiza kumilisela iintente apha eMzantsi Afrika. Siyiqwalasele nento yokuba ngokwenzeka kwezi zinto amathuba okungena kwiimarike kwamashishini asakhulayo naphakathi aye avuleleka. Iinkampani ezisakhulayo ziye zafumana inkxaso ngenxa yokuza kwaba ndlunkulu eMzantsi Afrika. Siliqhwabela izandla elo phulo siyi-ANC. Sibonile kambe ukuba...

English:

... the settlement committed companies to bring back South Africans in the suppliers of goods and users of industrial facilities.

IsiXhosa:

Ngamathuba ancomekayo ke lawo ingakumbi ngokubhekiselele kubantu abatsha.

English:

Just in front of us, we note and see practical examples of transformation in the economy led by the work of the Ministry and agencies, like the Competition Commission.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 171

As if that was not enough, we have also noted that the department and the Competition Commission have also taken on corporate abuse and imposed a record penalty on companies, like ArcelorMittal, of R1 billion.

IsiXhosa:

Apha siqubisana norhwaphilizo olukumashishini abucala, Sihlalo.

English:

This follows the busting of a number of cartels, including those that are in construction, fresh produce markets and cooking oil industries.

Other large corporates are taking note that the state has capacity to enforce laws and that there is no place to hide if you collude or fix prices or abuse market dominance.

Through the stewardship of the Industrial Development Corporation, IDC, they have provided R62 billion in industrial funding to the key sectors of the economy since the start of the current administration. It is difficult because we are in and out of technical recession from time to time but we applaud investments like this because they provide, particularly the youth with

opportunities to create jobs. [Time expired.] The ANC supports the Bill.

Division Demanded.

The Council Divided:

[TAKE IN FROM MINUTES]

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 26 - Energy - put.

Declarations of vote:

Mr W F FABER: Hon Chairperson and members, power outages are proof that South Africa desperately needs a long-term solution to reshape the entire energy sector. The sector is in a complete crisis mode.

Eskom is now looking to spend R1 billion on diesel over the next four months to fill the gap and keep the lights on, which is unsustainable.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 173

South Africa cannot afford to be plunged into darkness yet again. Load shedding is not only an inconvenience for citizens but also has serious consequences for the economy. Clearly, there is a complete lack of long-term planning and strategy at this utility.

Chairperson, can I just ... It is for this very reason that the DA introduced its proposal; the independent system and market operation, ISMO, the Bill, which will see Eskom split into two entities, namely the transmission grid entity and the generating entity. The generating entity will compete with two power producers on an equal footing with price and efficiency being the main reasons for delivering power to the national electricity grid.

Eskom's monopolistic control over power delivery to the economy must be broken. This is the only way we can free up the energy space through competition, stability and liability. In addition, Eskom needs to start cutting down its employment expenses, especially considering its bloated workforce.

South Africans can no longer bear the brunt of the ANC's failures. The government's mismanagement of Eskom with ANC's sponsored state capture has turned the once world-class power utility into a falling public entity, eating away from the public purse. The DA does not

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 174

support the Adjustment Appropriation Bill for Energy. Thanks, Chairperson.

Mr B G NTHEBE: Hon Chairperson, the Department of Energy has a strategic role to play in ensuring that South Africa has a secure supply of energy and petroleum.

The department has been appropriated with just over R7 billion in the year 2018-19 financial year. Operational funding to execute the mandate of the department remains a challenge. Our allocated operational budget is R617 million, translating into 8,76% of the total appropriation and the balance of R6,428 billion, being 91,24% as transfer payments to the department's entities as well as other government agencies.

From 2014 to 2016, through the Renewable Energy Independent Power Producer Procurement Programme, South Africa was secured an investment of over US\$10,8 billion into the renewable sector. This was significantly more than any other African country in the same period.

Earlier this year, the government has also continued growing the renewable sector through the recent signing of the independent power

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 175

producer agreements, securing just over R56 billion of investment into 27 new projects.

The independent power producer, IPP, programme provides the much needed competition in power generation with a view of providing lower prices to the economy but most importantly, to indigent households. To attract investment, the department is working on initiating activities to turnaround our SOEs, including Central Energy Fund and PetroSA. The department had hoped it could have had its budget allocation increased in the light of its mandate and to unlock the full potential of the energy sector. However, it has accepted that the current economic growth trajectory imposes fiscal constraints on the government and the department has therefore pledged to reprioritise where necessary and use creative means to do more with less.

We note all these realities and the ANC supports the Adjustment Bill.

Division Demanded.

The Council Divided.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 176

[TAKE IN FROM MINUTES]

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 27 - Environmental Affairs - put.

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 28 - Labour - put.

Division Demanded.

The Council Divided:

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 29 - Mineral Resources - put.

Declaration of vote:

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 177

Ms D B NGWENYA: Hon Chair, fellow fighters, South Africa, like only a few countries on earth, is blessed in terms of its mineral wealth. We have diamonds, gold, platinum and countless other industrial metals, but the indigenous people of South Africa do not benefit from all this wealth. Instead, only a small white minority does. Miners die in work accidents, they get paid peanuts and their families are forced to live in poverty, to enrich the white monopoly capital.

When they protest and demand a living wage, they are shot at and killed. That is why the mineral wealth of this country and the mines which extract that wealth must be nationalised.

Mining and the mining families that controlled the mining sector are older than South Africa. These families like the Oppenheimers have ruled this country for over a century and have become billionaires on the back of black sweat and blood. They forced us off our land, turning our people into proletariats, forced to sell their labour in the mines. Until this day, these very families and multinational corporations, who have the blood of generation upon generation of black lives on their hands, continue to profit.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 178

The mineral wealth of this country should serve the collective interest of the people of South Africa. Instead, this department is determined to continue being a mouth piece, and to enable the exploitation of our people and our mineral wealth. For those reasons, we, as the EFF, object to this vote.

Division Demanded.

The Council Divided:

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 30 - Science and Technology - put.

Vote agreed to (Economic Freedom Fighters dissenting).

Vote No 31 - Small Business Development - put.

Declaration of vote:

Mr O S TERBLANCHE: Hon Chairperson, hon members, fellow South Africans, in South Africa, the unemployment rate currently sits at approximately 9,7 million and is steadily growing towards the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 179

10 million mark. Our economy is in a technical recession and therefore the formal business sector is unable to create enough job opportunities to absorb the historic number of jobless, desperate people. I am going to repeat that again, jobless, desperate people. [Interjections.] Whether you like it or not, that is the case.

The 90% employment opportunities by 2030 envisaged by the drafters of the National Development Plan seems to become more and more what it is - the impossible dream. The only remaining resolve is an accelerated small business development, but it is unfortunately also not properly supported by government and therefore battling to get traction.

The Ministry must urgently address the legal and regulatory environment; address access to markets and availability of funding; tackle the skills deficit, access information and improve support institutions.

The NDP target for growth depends on the creation of an environment that supports growth and sustainability of SMMEs, and the appreciation of entrepreneurship, to enable small business owners to be successful.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 180

Sadly, our government is not really active in that space yet. The DA does not support the Adjustment Appropriation Bill for Small Business Development.

Division Demanded.

The Council Divided:

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 32 - Telecommunications and Postal Services - put.

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 33 - Tourism - put and agreed to.

Vote agreed to (Economic Freedom Fighters dissenting).

Vote No 34 - Trade and Industry - put.

Division Demanded.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 181

The Council Divided:

AYES - 37 [TAKE IN FROM MINUTES]

NOES - 12 [TAKE IN FROM MINUTES]

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

VOTE 35: TRANSPORT

Vote No 35 - Transport - put.

Division Demanded.

The Council Divided:

AYES - 37: [TAKE IN FROM MINUTES]

NOES - 12: [TAKE IN FROM MINUTES]

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 182

Vote No 36 - Water and Sanitation - put

Declarations of votes:

Ms T G MPAMBO-SIBHUKWANA: Hon Chairperson, hon members and fellow South Africans. The Department of Water and Sanitation is bankrupt with R7,6 billion in unauthorised, irregular, fruitless and wasteful expenditure and had to pay more than R8 billion again on accruals, overdrafts and unbudgeted commitments out of this financial year. Chairperson, this is a concern and South Africans have suffered in this regard.

The result is that there is no infrastructure development, maintenance and bucket eradication. The department failed to eradicate the filthy undignified bucket toilets, a project that was aimed to be completed in 2016 is still ongoing. Chairperson, this department is full of corruption and is infected with the toxic virus of Nomvula Mokonyane and the result is that South Africans suffer without water and sanitation. The caring DA does not support this Adjustment Appropriation Bill for Water and Sanitation. I thank you.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 183

Mr S G MTHIMUNYE: Chair, did I hear the hon member addressing hon Nomvula Mokonyane as a Top Six virus? If that is the case, I think the hon member must withdraw.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Mpambo-Sibhukwana, did you refer to hon Nomvula Mokonyane as a toxic virus?

Ms T G MPAMBO-SIBHUKWANA: No, Chairperson.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon members, I will look at Hansard and rule. Hon Mlambo, are you declaring?

Mr E M MLAMBO: No, no, no. It is a point of order. She said, Nomvula Mokonyane. Nomvula Mokonyane is an hon member of this House. Thank you.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Mpambo-Sibhukwana this time around the point of order is that you did not say, the honourable. Hon Mokonyane, is an honourable.

Ms T G MPAMBO-SIBHUKWANA: I say, honourable.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: That's fine.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 184

Declarations of vote:(cont.)

Mr D STOCK: Hon Chairperson, the purpose of Budget Vote 36 is to ensure the availability of water resources, to facilitate the sustainable socioeconomic development and also to universal access of water and sanitation services throughout our country. Therefore, in line with this purpose it is crucial to note that we shall ensure that those who are found to have had a hand in destabilising this particular department and derailing it from achieving its mandate will have to be at some point be brought to book.

Holding the transgressors accountable and recovering all the monies that was used improperly relies on this cases reported to the relevant law enforcement agencies. Similarly, we should allow Minister Gugile Nkwinti, our brand new Minister appointed by the President, Cyril Ramaphosa, a fair opportunity to implement these progressive strategies which are set to put the Department of Water and Sanitation on a renewed path. This path will be characterised by an efficient administration, improve performance, adherence to legislation and better services to be delivered to our people.

The ANC will continue to provide support for the price that the Minister seeks to achieve in revitalising and rationalising the Department of Water and Sanitation. This support will be provided in

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 185

order for the department to fulfil its mandate and the ANC's commitment of ensuring that adequate and safe supply of water and sanitation services are not a privilege but a lived reality for all the people of South Africa. The ANC supports this Budget Vote.

Division Demanded.

The Council Divided:

AYES - 36: [TAKE IN FROM MINUTES]

NOES - 13: [TAKE IN FROM MINUTES]

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 37 - Arts and Culture - put.

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 38 - Human Settlements - put.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 186

Declarations of vote:

Ms T G MPAMBO-SIBHUKWANA: Hon Chairperson, hon members, we object to this Bill because in North West, Free State and Gauteng province, there is a continuation of under spending by the Department of Human Settlements on the human settlement development grant.

The national government is underperforming with regard to its roll out for social housing as well as its title deeds distribution programme. There is also massive underperformance with regard to the provision of houses for military veterans. This is a concern, Chairperson. The government needs to look after the vulnerable including people with disabilities and stop the promises that have been made after 25 years within the ANC-led government. Millions are suffering and taken advantage of renting from the landlords. The DA can no longer tolerate the ANC's empty promises. We therefore object to this Bill.

Mr D STOCK: Chairperson, there still much that divides us as South Africans and one of those wedge driving elements in our society today is the exclusionary spatial patterns of the past as highlighted by President Cyril Ramaphosa in his state of the nation address. The purpose of Budget Vote 38 is to dismantle these spatial patterns. A colonial apartheid legacy which much actually be reversed

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 187

and corrected. And also to facilitate the creation an integrated and sustainable human settlement and to contribute to the improvement of household quality of the life of our ordinary people on the ground.

The quality of lives of our people can only be improved if there have a right to live where they choose and where they want to live. And that they also have the right to be decently housed and they a right to feel safe and comfortable in their homes of their choice.

Realising this commitment of the Freedom Charter and the Constitutional, the constitutional requirement relies on the support of the vote of the ordinary South Africans towards the ANC-led government to give them another new mandate in 2019 and also to address the key challenges in the housing sector and human settlement in general. As we build and rebuild South Africa, we would ensure that the following takes place within the Department Human Settlement. Metropolitans and provinces that fail to spend their **USDG** and **HSDG** grant are held accountable and implement recovery plans. Well located land is sourced and is earmarked for human settlement projects, title deeds are delivered timeously, social housing and housing opportunities are made available to those who qualify. Informal settlements are also upgraded, backyard dwellers are housed appropriately, and transformation of the

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 188

property sector is also entrenched. All these objectives will not be met without the 2018-19 budget of the Department Of Human Settlement. As the ANC we support this budget vote.

Division Demanded.

The Council Divided:

AYES - 35: Bayeni, F; De Beer, C J; Dikgale, M C; Gaehler, L B; Khawula, M; Mampuru, T K; Manganye, T; Mateme, HE; Mhlanga, M T; Mlambo, E M; Mlomso, F V; Monakedi, M D; Mohai, S J; Moshodi, M L; Motara, T; Motlashuping, T C; M'thethwa, J M; Mthimunye, S G; Ngobeni, P; Nthebe, B; Nzimande, L P M; Oliphant, G G; Parkies, P; Phukuntsi, K; Prins, E; Rayi, M; Samka, P C; Sefako, O J; Singh, A S; Sizani, SV; Skhosana, S P D; Stock, D; Wana, T; Ximbi, D L; Zwane L L. NOES - 14: Chabangu, M M; Chetty, M; Essack, F; Faber, W F; Hattingh, C; Koni, N; Labuschagne, C; Magwebu, V; Mathebula, B T; Mokwele, T J; Mpambo- Sibhukwana, T G; Ngwenya, D B; Smit, C F B, Terblanche, O S.

Vote agreed to (Democratic Alliance and the Economic Freedom Fighters dissenting).

Vote No 39 - Rural Development and Land Reform.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 189

Declarations of vote:

Ms N P KONI: Hon Chairperson, the dispossession of land was the first and cardinal sin of the white settler from the very moment they set foot in Southern Africa in this very city over 250 years ago. Since that very moment our people have resisted every attempt by white to steal their land. From the wars of resistant to the liberation struggle, our people sacrificed everything to see their land retained. And in 1994 many thought this moment had come.

But for 20years the land reform programmes of government and this department have failed. This is because of section 25 of the Constitution and its requirement that land thieves be compensated for land they stole through genocide and systematic dispossession. It is why we as the EFF have taken it upon ourselves to ensure that the Constitution is amended so that the land can be expropriated without compensation and be returned to our people and it happened today.

Since the Constitution was expropriated it has been the greatest stumbling block to land reform in this country. Willing buyer willing seller is practically, ideologically and morally wrong and flawed.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 190

It is practically wrong because the state simple does not have the resources to buy back the land. And our country would go broke in this process. It is ideologically flawed because it reinforces neoliberalism and the idea that anything or anyone can be commodified and turned into private property. It is morally flawed because by requiring the dispossessed to buy from the dispossessed you are creating a morally equivalent between the thief and the victim. The land reform and the mandate of this department has failed by the Constitution of the country and until section 25 is amended there would be no land reform in this country. The EFF objects to this vote. Thank you Chairperson.

Mr C F B SMIT: Hon Chairperson, the ANC failed to transform land ownership in South Africa because of greed, corruption and the desire to control all the land by the politically elite. Now they want to blame the willing buyer willing seller which is by the way a policy and not a law which was adopted by the ANC themselves. as excuse to change section 25 of the Constitution to deflect their actual failures. The ANC must take full responsibility for their failure and acknowledge that they are tired and cannot do the job anymore. It is disgusting to hear senior officials of the department and ANC politicians saying that black South Africans cannot be

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 191

trusted to own the land and that is why government must hold on their behalf.

This ANC is the same old rotten ANC even after sticking a shiny new dawn label on their old turn. But the content of the turn will still smell rotten of all the corruption nepotism and self enrichment. It is just the other faction s' turn now to eat. The so called new dawn actually resembles a total solar eclipse if we look at the state of Eskom to mention only one.

It is time for real change that make South Africans the proud owners of property and assets that gives individual economic freedom and choices that they deserve. Let's vote DA and build one South Africa for all in 2019. the DA does not support this Bill. Thank you.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Can I address you hon Mothlashuping, I did appeal to the House I generalised very deliberately I said you can use your phone but respect the South Africa public. Can you agree to that please?

Mr A S SINGH: Chairperson, land ownership in South Africa has lot to mean a source of conflict. Our history of conquest and disposition and mass removal and radical skewed distribution of land resources

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 192

has left us complex and difficult legacy that continues to divide our nation.

Despite political freedom and democracy land ownership and the development of rural areas in our country continue reflect the political and economic conditions of the apartheid area. The racially based land policies of the apartheid regime have robbed our people an opportunity to own land. It orchestrated our people to be neglected in underdeveloped rural and homeland areas.

In the 54th National Congress we acknowledge we need to move with greater speed and ensure the delivery of our land to our people. as the ANC we support the Department of Rural Development and Land Reform budget vote because the department has a crucial mandate which is to create and maintain an equality and sustainable land dispossession and act as catalyst in rural development to ensure sustainable rural livelihood, decent work and continues social and economic in South Africa.

Through this department we continue to make greater strides in reducing the industries racial based and dispossession policy of the apartheid regime. The department continues to strive as the strategic arm of redressing the equality and distribution of

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 193

ownership. It is for this reason that we the as the ANC we will express our support for this budget.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon
Mothlashuping I must address you again. The difference between you and Dr Mateme is that her phone was in the bag. The veteran, she forgot to put on silent.

Division demanded

Voting

Division Demanded.

The Council Divided:

AYES - 35: Bayeni, F; De Beer, C J; Dikgale, M C; Gaehler, L B; Khawula, M; Mampurur, T K; Manganye, T; Mateme, HE; Mhlanga, M T; Mlambo, E M; Mlomso, F V; Monakedi, M D; Mohai, S J; Moshodi, M L; Motara, T; Motlashuping, T C; Mthethwa, J M; Mthimunye, S G; Ngobeni, P; Nthebe, B; Nzimande, L P M; Oliphant, G G; Parkies, P; Phukuntsi, K; Prins, E; Rayi, M; Samka, P C; Sefako, O J; Singh, A S; Sizani, SV; Skhosana, S P D; Stock, D; Wana, T; Ximbi, D L; Zwane L L.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 194

NOES - 13: Chabangu, M M; Chetty, M; Essack, F; Faber, W F;
Hattingh, C; Labuschagne, C; Magwebu, V; Mathebula, B T; Mokwele, T
J; Mpambo- Sibhukwana, T G; Ngwenya, D B; Smit, C F B.

Vote agreed to (Democratic Alliance and the Economic Freedom
Fighters dissenting).

Vote No 40 - Sport and Recreation South Africa.

Declarations of vote:

Mr C HATTINGH: Hon Chair, South Africa has the National Sport and
Recreation Plan launched in March 2013 - that was in the run-up to
the 2014 elections. A plan which a strategic progress was to
reconstruct and revitalise the delivery of sport and recreation
towards building an active and a winning nation that equitably
improves the lives of all South Africans.

The NSRP as the implementation plan of the policy framework for
sport and recreation is the foundation for an integrated coordinated
function and performance orientated sports system. It goes without
saying that for such a system to prevail, we need the sports sector
in all sports-loving South Africa to work together. In this plan
South African Sports Confederation and Olympic Committee, Sascoc

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 195

plays an integral and pivotal role. Now, this was five years ago that the plan was launched.

A glimpse of what is really going on behind the scenes in sports administration was revealed in the final report of the ministerial committee appointed to investigate alleged irregularities or malpractices in the governance of Sascoc.

The report reveals massive challenges facing the department of South Africa's sport in general. The following was inter alia reported:

... [Interjections.]

Ms T J MOKWELE: I didn't hear you.

Mr C HATTINGH: You don't want to hear me.

The CHAIRPERSON OF THE NCOP: Hon Hattingh address us.

Mr C HATTINGH: The following was inter alia reported: Unprofessional and unethical conduct through Sasco's interference in the internal affairs of Sifa; Sascoc awards of national colours to athletes through its executive management or CEO was irregular and unlawful; Inordinate amount of Sascoc resources has been spent on legal fees

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 196

relating to Sascoc management and disputes emanating from the federation's provincial board list, etc.

There is no compliance with the basic principle of ethics, transparency, accountability, and good governance, all with policies and procedures for the purpose of managing the affairs of Sascoc, including its financial affairs.

There has been a complete mismanagement of funds used for course associated with the international travel for members of the board and senior management, including access of travel and subsistence board members and Sascoc management. So it goes on and on and on; a pack of pages full of findings against the most important sporting body in South Africa.

Hon Chairperson, the department not only failed to keep Sascoc, which is taking a lot of taxpayers' money, accountable and in a fit and proper state but also failed our sporting community and South Africa as a nation. It is time for the Minister to tend to this and to tackle this report. The DA does not support the Adjustments Appropriation Bill for Sport and Recreation South Africa. I thank you. [Time expired.]

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 197

Ms K PHUKUNTSI: Chair, the vote remains significant to the transformation and delivery of sport and recreation by ensuring equitable access, development and excellent at all levels of participation; thereby, improving social cohesion nation-building and the quality of life for all South Africans.

The viaments achieved within the vote are important that we ensure that we continue to meet our key programmes that ensure that we create an active nation, a winning nation and we support sport and sports infrastructure.

Sport and Recreation is an important vehicle to combat social ills and it is a key tenant to achieve social cohesion and nation-building, as these social ills will be improved and strengthened through active sport and recreation programmes in schools and in communities.

This adjustment is important for the important role that sports and recreation plays in our society, and therefore effective resourcing of it remains important to ensure that it fulfils its functions and therefore sport and recreation facilities must be properly resourced, not like in the past when the white sport facilities were the best and ours were just sand.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 198

This vote must also be able to standardise school sport across the country, both in poor and affluent areas. Sporting infrastructure must be extended to rural and township schools and be part of all new school buildings.

Sports and physical education must be integral to the school curriculum from Grade 3 to Grade 12. Therefore, the ANC support adjustment to the vote of funds for Sports and Recreation South Africa.

Sesotho:

Modulasetulo, re batla hore kannete ha re tlo tshaba ho etsa mosebetsi hobane re tlameile re etse hore ho be le tekatekano. Nakong e fetileng ya hlaolele, o ne o bona ha o feta dikolong tsena tsa batho ba basweu, mabaleng a dipapadi moo bana ba bona ba neng ba bapalla teng, hore ho betere ho feta ho rona.

Jwale, kannete re re, re tlo etsa tekatekanyo ebile ha ho na mang kapa mang a ka emang kapele ho rona. Ena koloi, e ya tsamaya. Ke a leboha. [Mahofi.]

Division Demanded.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 199

The Council Divided:

Vote No 40 - Sport and Recreation South Africa - put.

[TAKEN FROM MINUTES.]

Vote agreed to (DA and the EFF dissenting).

Schedule put and agreed to (DA and the EFF dissenting).

**CONSIDERATION OF SPECIAL APPROPRIATION BILL AND REPORT OF SELECT
COMMITTEE ON APPROPRIATIONS THEREON**

Mr C J DE BEER: Hon Chairperson, in the 2018 Medium Term Budget Policy Statement, MTBPS, the Minister of Finance announced that government would allocate R5 billion to South African Airways to settle debt that was redeemable between October 2018 and March 2019. This allocation would prevent a call on SAA's outstanding debt of R16,7 billion which was guaranteed by government.

The Special Appropriation Bill was tabled by the Minister of Finance on 24 October when presenting the 2018 MTBPS. The Special Appropriation Bill was referred to the Select Committee on

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 200

Appropriations on 28 November 2018 and the committee received a presentation from the National Treasury on the Bill during a joint meeting between with a standing Committee on Appropriations on 21 November.

The committee also held a joint public hearing on 23 November 2018 with the Standing Committee on Appropriations. Written and oral submissions were received from Mr Nott, Dr Muller, Congress of Trade Unions of South Africa, Cosatu, the Financial and Fiscal Commission, FFC, the Department of Public Enterprises, SA Airways as well as the Parliamentary Budget Office.

Hon Chairperson, the committee noted the financial challenges being experienced by SAA which necessitates the recapitalisation of R5 billion in order to repay the government guarantee debt facility maturing on 30 November 2018.

The committee noted that if SAA were to default on this government guarantee debt, this would trigger SAA lenders to call in the entire government guaranteed obligations totalling R16,7 billion which would have serious negative implications for the national fiscus.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 201

The committee therefore supports provisions in the Special Appropriations Bill which enable the Minister of Finance to impose conditions on any part of the R5 billion appropriation. The aim of these conditions must be to promote and enforce transparency and efficiency management in respect of revenue, expenditure, assets and liabilities of public entities as required by section 6(1)(g) of the Public Finance Management Act.

The committee further noted that the department of Public Enterprises and SAA are engaged in efforts to find a strategic equity partner for SAA in the future. South African Airways envisage a strategic equity partner in a form of an airline that will bring onboard innovation, skills, synergies as well as operational leverages.

The Committee welcomes the improvements that have already been realised by SAA in the implementation of its turnaround strategy which include revenue stimulation through route optimisation, re-evaluation of existing contracts, some procurement interventions which have resulted in savings of R400 million and the reduction of excess crew through offers of sabbaticals and early retirement.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 202

The committee views continuity in terms of the management of SAA as essential in ensuring the long term sustainability and the yielding of significant successes in the implementation of the current turnaround strategy. The committee therefore recommends the Minister of Public Enterprises should ensure the following: that requisite support is provided to SAA to ensure continuity especially the recruitment of relevant skills and the retention of institutional knowledge; together with SAA expedite the process of finding a strategic equity partner to save the airline and make it less dependant on government support which as government guarantee debt pose risk to the fiscus; the Minister of Finance should ensure that conditions attached to recapitalisation of SAA are strictly complied with and monitored regularly in order to minimise risk to the fiscus; and that any future considerations of recapitalisation of the SAA and other entities are benchmarked against the comprehensive assessment of the utilisation of the bailout funds within the context of key performance indicators.

Hon Chairperson, the Select Committee on Appropriations, having considered the Special Appropriation Bill, B36 of 2018, as referred to it and classified by the joint taking mechanism as a section 77 Bill, report that it has agreed to the Bill without amendments. The

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 203

DA objected to the Bill. I move that the House therefore consider the Special Appropriation Bill. Thank you.

The CHAIRPERSON OF THE NCOP: I shall now put the question. Hon De Beer, we were dealing with order 19 Adjustment Appropriation Bill. Did you do 20 before 19?

Mr C J DE BEER: I did the report. When we finished voting on the schedule I was called to the podium to [Inaudible.]

The CHAIRPERSON OF THE NCOP: Okay, shall we proceed to finish 20 before we start 19? That will make it easier for us. Hon members, I shall now proceed to put the question, and the question is that the Bill be agreed to ... I am even confused myself now. Is there any party that has a declaration? DA? We are dealing with the Special Appropriation Bill, B36, we will come back to B35.

Mr F ESSACK: Ma'am if I may proceed? There is a problem; I see my clock is already at two and a half minutes, can we please go back to the three minutes?

The CHAIRPERSON OF THE NCOP: Just hold, what are you advising me on gentleman? Your hand was up, to declare?

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 204

AN HON MEMBER: Yes.

The CHAIRPERSON OF THE NCOP: Okay sir, noted. Please proceed, hon member. You will start off with your three minutes.

Declarations of Vote:

Mr F ESSACK: Hon Chairperson, fellow South Africans and hon De Beer, please listen carefully, including my colleagues on the Select Committee on Finance, hon Mutlashuping, hon Monakedi and Luwis Nzimande, listen to this carefully.

The SAA is flying into a crash-landing and let me tell you why. The SAA has, because of political interference, poor management and rampant corruption, consumed R31,4 billion in bailouts that could have been used to stimulate the economy and to create jobs for our fellow south Africans.

There have been bailouts in 2007 of R0,7 billion, there have been bailouts in 2010 of R1,6 billion, there has been a staggering bailout of R10 billion in 2017 and guess what? Now SAA wants yet another R5 billion.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 205

None of this huge amount of R5 billion will be used to buy a new aircraft or to pay for a month or two jet fuel or salaries. All the R5 billion will go straight to the banks and financial houses. We have already lent the R5 billion to SAA who has already spent the R5 billion. There will be nothing left for the SAA to use to fund the further losses that they project for the rest of the financial year.

The SAA is now extorting R5 billion from service delivery to poor South Africans. In the next 6 months to the end of September 2018 SAA had already racked up losses of R2,2 billion and they forecast a further loss of R5,3 billion for the 2018-19 financial year. Please digest this, colleagues in the Select Committee on Finance.

Guess what? SAA has, just last week, requested a further R3,5 billion. Hon De Beer didn't tell you that. We were told that borrowing this additional R3,5 billion from the banks was not possible as the banks required even additional commitments from the South African government. If the banks are not an option to provide the R3,5 billion in cash required to keep SAA flying in this thunder storm, then what are the options for the government to provide the R3,5 billion to SAA to prevent a catastrophic crash landing?

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 206

Apparently the Auditor-General refuses to accept that SAA is an ongoing concern. I know it is tough to digest. Accept it, live with it - you are making these decisions. Consequently, the SAA annual report that should have been tabled in Parliament by end of September in 2018 has still not been tabled and we are now on 04 December.

In conclusion, if SAA and the associated nearly 10 000 jobs are to be saved, SAA must be put into business rescue without delay. Vote with your conscience, vote for the people of South Africa. I thank you.

Mr T C MOTLASHUPING: Hon Chairperson, the African National Congress supports the Adjustment Appropriation Bill and believes that the adjustment provides for critical social and economic resources for our country and citizens, among these essential priorities are: transport, water and sanitation and basic education. It is important to note that to be able to keep our national roads safe and reduce accidents maintenance and rehabilitation is critical. The reallocation of R3 billion from the Passenger Rail Agency of South Africa, Prasa, to the SA National Roads Agency, Sanral, will assist with the eradication of maintenance backlogs on the national road network and it would also assist Sanral.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 207

The government of the ANC is aware that access to water is a necessity and constitutional right for our people being aware that the greater part of our country has been ravaged by drought. It is befitting that the adjustment address this as a matter of a priority ... [Interjections.]

Mr F ESSACK: Hon Chairperson, I apologise but I assume that we are on B36 which is the SA Special Appropriation Bill. With due respect to the member is talking about Prasa and is totally water and sanitation. This is the SA Special Appropriations Bill, B36 perhaps the member but his two speeches mixed up. But you can allow him to go back to look for the correct one. It is fine.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Thank you very much, hon Essack. The hon member is making a declaration. A lot of members go all over the show and we never rule them out of order on that. Hon Motlashuping, finish.

Mr T C MOTLASHUPING: Alright, thank you, hon Chairperson. It is important because we need to note that the report that was presented of the select committee was the report of the committee not the report of Mr de Beer of which the DA also made an input. The SA Airways, SAA, made a presentation to the committee and presented a

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 208

turnaround strategy and that turnaround strategy indicated and it is very clear that SAA is moving in the right direction and will improve. We have come to a determination to realise that given an opportunity and a chance to implement the turnaround strategy SAA is moving in the right direction and we have all agreed.

However, it is important also to note that people who are happily and pronouncing that the SAA should be privatised would want to have other people not to have access to SAA and to flights because they have been enjoying the privilege of flying alone and no black people were allowed to fly. [Applause.] Now, it is important that government must continue to create an enabling environment to allow our people access to can be able to fly. SAA is brought in this situation by these people on my left and they cannot be forgiven by that. [Applause.] [Time expired.]

The CHAIRPERSON OF THE NCOP: Hon members ... Thank you. Order! We shall now proceed to the voting on the question. Members who are in favour, please raise your hands. Hon Khawula, did you want to make ... my apology.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 209

Mr M KHAWULA: Hon Chairperson, Inkatha Freedom Party and the United Democratic Movement are still waiting to make declarations. Can they be given that opportunity?

The CHAIRPERSON OF THE NCOP: They are. The truth is that I did not see your hands.

Mr L B GAHLER: Hon Chairperson, the UDM supports the report. We have been part of the report and we debated it in the committee. However, we are concerned as the UDM about the higher rate of corruption within all spheres of government. What is worse about this corruption is that we are losing billions in corruption, but there is no money paid back to the state coffers. That is a major problem. Secondly, we must also remember very well that when this government came into negotiations, it is given take. I think it is high time that we as Parliament for the sake of South Africans - South African are overtaxed. Let us be fair about this here. For the sake of the country that we have a debate on these glorified homelands that we have, these nine provinces.

The duplication of services, there is a lot of money that is lost through duplication of services. It then needs maturity from all political parties. We need to be matured and have a debate. Do we

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 210

need all these nine provinces because we are sitting with a high rate of unemployment of youth? There is a lot of money that has been lost through duplication. Chairperson, can you protect me from that howler there. That howler is howling here.

The CHAIRPERSON OF THE NCOP: Hon Magwebu! This ... and he is protected.

Mr L B GAEHLER: So, we need to have a debate on that. Do we really need these glorified homelands, because we are sitting with this high rate of unemployment and high rate of crime because there is no work? And then we also need a debate on the economy of South Africa. We cannot continue as a majority of black people with the economy that is controlled by a minority ... [Interjections.] ... we can't and it cannot continue like this here. Therefore, those are debates that we need. Those debates will ensure that our revenue is increased because more smaller businesses are created. Now, supported smaller businesses the more revenue that will come into the country, but ... [Inaudible.] ... we need to get revenue. We need to debate about these homelands so that we have more revenue. I thank you.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 211

Mr M KHAWULA: Hon Chairperson and colleagues, the problem of SAA is not the positioning of SAA. SAA is not the only airline in the world that is government-owned. There are other airlines internationally that are government-owned but they are making money and they are making profit. There was a time where SAA was making profit in this country. SAA started on this bailout the day captured Ministers were appointed and proper adequate Ministers were fired. Therefore, the problem of SAA started. The IFP has always maintained that the country cannot keep on treating these state-owned enterprises, SOEs, the way they are being treated.

Our Treasury is not an automated teller machine, ATM, each time they make mistakes they run to the National Treasury, twi-twi, they get money. This must come to an end. Therefore, the IFP does not support this report. Management at the SAA, not only the SAA all the SOEs of our country, must be made to function properly. They must be made to operate in a manner that does not put the country in a problem, but in a manner which will benefit the country as it is at the moment these SOEs are not benefiting the country. The problem is not the ideology of SOEs, the problem is people. Thank you, Chair.

Question put: That the Bill be agreed to.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 212

Bill accordingly agreed to, in accordance with section 75 of the Constitution

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon members, in that case can we go to the voting on the question. The question is that Bill B-35 be agreed to. Are there members who wish do make declarations?

Ms T J MOKWELE: I need to be clarified here because the Order Paper has allowed Adjustments Appropriation Bill B-35 a chance. And then it has also allowed the Special Appropriation Bill B-36 although it does not even have a date of Tabling and Committee Reports, ATC. It's fine we will look into it in terms of legal matters. But now if the statement encompasses all the Bills into one how are we then going to differentiate as the House. It's going to be a very problematic issue. In terms of the Order Paper that is before us each an every Bill was allocated its own time so that processes can be followed correctly. So we don't even know whether that statement is true. According to what I was listening to the statement of hon De Beer was specifically on Special Appropriation Bill B-36.

Mr F ESSACK: Yes, that is the item we did.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 213

Ms T J MOKWELE: That is the item that you were dealing with. The Chair even asked us and we all agreed that we are dealing with Special Appropriation Bill B-36 and then we will come back to Bill B-35. [Interjections.] No, Louis, wait. We are going to agree with you tomorrow. So I need to be clarified, Chair. Maybe we can check if indeed we are doing the right thing.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Rayi, are you clarifying?

Mr M RAYI: Hon Chairperson, when we were dealing with the Eighteenth Order, instead of dealing with Votes and Schedule the House Chairperson called the chairperson, hon Charles de Beer, to make a statement. That's where the confusion started. Hon de Beer went to table the statement and he cannot again table it. That's where confusion started. This is what I also observed because we were supposed to be dealing with the Consideration of Votes of Votes and Schedule but when we got...I am sure Hansard will also inform you exactly what happen during that item.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: No, when we dealt with Votes and Schedule, we did not do that. I think what may have happened is Order Eighteenth and Order Nineteenth because if

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 214

you look at the dates of the reports in committees, they were both dealt with on 29 November. It might be that the reports were combined but hon De Beer made more emphasis on the issues of the SA Airways, SAA, which is why we all thought there was going to be... Unless you explain yourself, sir, because from me we need to clarify what hon MOkwele says is confusing. And it is only this committee that can clarify us. Can the two chairpersons of Finance just clarify us so that we can move on this. I don't think it's a train smash.

Mr C J DE BEER: Hon Chairperson, I was called to the podium by hon Dikgale who was then chairing the session to deal with the Adjustments Appropriation Bill B-35 of 2018. That's precisely what I did - that's precisely what I did. And then the House went over to Schedule Vote by Vote. When that was done, I went to the podium to deal with the Special Appropriation Bill which deals specific with SAA. In the Adjustments Appropriation Bill, SAA Express was dealt with. These are two different entities.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Thank you. Can we go on to the declarations.

Ms T J MOKWELE: Inaudible.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 215

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: No, hon Mokwele. I think what happened is that this matter was dealt with earlier on. The only thing that I can say is that let me go back to Hansard and see where we might have gone wrong. But in the understanding of Mr De Beer and other members, it is that this matter was addressed. If it is not, tomorrow we are sitting we will deal with it. What are you suggesting, mam?

Ms T J MOKWELE: May I suggest that we park Bill B-35.

[Interjections.] Listen I am assisting you.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Order! Let the member finish. She is on the floor.

Ms T J MOKWELE: But you have done something wrong. I am suggesting that we park Bill B-35 for tomorrow.

Mr F ESSACK: We can't it went through all the votes and is completed - we have passed it.

Ms T J MOKWELE: Let's reverse what we did which was wrong as the House was confused. [Interjections.] Listen! Can I be protected.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 216

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Order members! You are wasting more time in arguing. Let her finish her story and we will respond. Please, put down your hand. Hon Stock, I will take your hand after hon Labuschagne.

Ms T J MOKWELE: I am suggesting that the House reverse the decision that it took earlier because the House was in any way confused in terms of voting. If they were not confused, Chair, they wouldn't have allowed you to say let's deal with Bill B-36 and we will come back to Bill B-35. So all of us we were confused. Let's give each other chance. Tomorrow we are sitting. It is not a train smash. We are sitting tomorrow and we will deal with this Bill properly because according to me the Bill was not attended to. So I am suggesting that we do the right thing.

Ms C LABUSCHAGNE: Hon Chair, I tend to agree with hon Mokwele. The report which hon De Beer dealt with this morning was the Fiscal Framework and it was not the report on the Appropriations Bill. We have voted on the Votes. My proposal is that we just withdraw that report and defer it tomorrow - we read the report, do the declarations and then vote on the Bill.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 217

Mr D STOCK: Chairperson, I think I agree with the explanation given by hon De Beer. When we were proceeding I kept on whispering to him asking him to check and ask which Bill were we busy with and I got the clarity from him. It is the same clarity that he gave me. But because now it seems as there is a deliberate confusion that want to be created, I am suggesting that instead of postponing the debate to tomorrow because we have already dealt with the different Vote Schedules and we have declared that we are adopting them, instead of voting tomorrow and checking Hansard, let us allow hon de Beer because he has that statement and he has given it over to the Table staff. Here is the statement. Let's allow hon De Beer to go to the podium to deal with his statement after that we vote on the question and close it like that. That is my proposal I am making, hon Chair. Thank you.

Mr M KHAWULA: Chair, I want to agree with hon De Beer. I am not confused and I was listening attentively and I never went out ones. I have always been here. What hon De Beer is explaining is what happened. When this mistake happened you also said let's take Twentieth Order and we will get back to the Nineteenth order. But hon De Beer has presented the statement.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 218

The CHAIRPERSON OF THE NCOP: Hon members, the explanation we have is that what we need to do is to understand where the committee chair come from, and what the understanding of the other members especially those who sit on Finance are saying to us. The statement is here. Is this the statement you made earlier, hon De Beer? As far as you are concerned it relates to this particular matter we are dealing with and its has been read into Hansard. Earlier on I said to you members that before the sitting tomorrow I will go through and if there is an omission we will come back and correct it. We are divided because we are tired. Some of us have been doing ins and outs, some of us may think that I fact there is confusion and others are adamant that there is no confusion. I propose that we continue with this question, make declarations and proceed with the voting because we have not voted. If a matter has been deliberated in the committee and that report has been adopted by the committee, I must assume that all members were present, they understood what they voted on and what they agreed on. Otherwise we would not be having the confidence of having a committee that sits. I suggest that we make declarations and continue with this because what members are saying is that we must start all over, and I am not keen on that because we have actually spent a lot of time debating and deliberating on this matter. I am going to say, hon Essack please continue with your declaration.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 219

Declarations of vote:

Mr F ESSACK: Thank you, ma'am. Hon Chairperson and fellow South Africans, we have power as special delegates, of course. Thank you for reminding me. We have powers in terms of the Money Bills Amendment Procedure and Related Matters Act to amend the Adjustment Appropriations Bill which provides for increases, decreases and, of course, shifts in the budgets of all national departments.

The DA proposed some five amendments to the Adjustment Appropriations Bill to support senior citizens and improve rail transport and maintenance. We specifically proposed an amendment to increase the appropriation of the Department of Social Development - which was Vote 17 - by some R1,2 billion, to assist and provide recipients of the old-age grant with a R355 end-of-year top-op. That is what we proposed.

We did so - as hon De Beer pointed out earlier - following a submission when he mentioned that a forum of women pensioners had travelled all the way from Pietermaritzburg to propose an end-of-year bonus. We also took that journey very seriously. They explained how they struggled to cover the usual expenses of school uniforms, shoes, stationery, and extra food at the start of the school year. And as well, the children were on holidays ...

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 220

We, the DA, then proposed that top-up of R355. Shockingly and sadly, the ANC and the EFF turned a deaf ear to the pensioners, who now have to find that money for their extra expenses. We proposed ... and I'll tell you where we were getting the money from ... We proposed decreasing the appropriation of the Department of Public Enterprises - Vote 9 - by some R1,2 billion which was earmarked for the bailout of SA Express. The DA rejected this pathetic bailout of SA Express. You will recall, hon Monakedi ...

But, when it came to a choice between supporting pensioners who are struggling to make ends meet, and bailing out a zombie state-owned airline, the ANC together with the EFF and, of course, the NFP and the UDM chose to bail out the zombie state-owned airline.

[Interjections.]

In conclusion, it remains a disgrace how our pensioners are still battling to make ends meet under this ANC government.

The DA cannot and does not support the Adjustment Appropriations Bill. Thank you.

Mr T C MOTLASHUPING: Thank you for the clarification of issues that happened earlier, Chair.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 221

The ANC government is a caring government. It's a government that has allocated funds, for example, the drought relief fund, for the provinces of Mpumalanga, Limpopo, Northern Cape, Northwest and Western Cape. R6 billion has been budgeted for this particular issue.

It is really ironic that people come to the podium to reject the Bill, when they are the greater beneficiaries. But as a caring government of the ANC, we know that the people in the Western Cape are our people, irrespective of whatever.

The ANC has prioritised education ... [Interjections.] ... in terms of the allocation and it has allocated more money to education. This is a caring government and it knows ... and I want to quote an icon - Nelson Mandela - on education, and he said ... [Interjections.]

Education is the most ...

[Interjections.]

The CHAIRPERSON OF THE NCOP: Hon Motlashuping, there is a point of order. Please take your seat. Hon Labuschagne?

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 222

Ms C LABUSCHAGNE: Chairperson, I would like to know whether the hon member is willing to take a question on caring.

The CHAIRPERSON OF THE NCOP: Will you take a question?

Mr T C MOTLASHUPING: I will not take a question, Chair.

The CHAIRPERSON OF THE NCOP: Okay, please proceed.

Mr T C MOTLASHUPING: The ANC government, as I said ... I want quote Nelson Mandela. [Interjections.] He said:

Education is the most powerful weapon which you can use to change the world.

It is a fact ... [Interjections.] ... it is a fact that South Africa, hon Terblanche, is officially out of recession.

[Interjections.] And this has also boosted the Rand. The value of the Rand ... immediately. It is done because we are a caring government. We are doing things in the right way, and we are prioritising the poor.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 223

We have gone to the extent of doing the following ... that the VAT increase ... we have increased the basket of zero-rated items ... [Interjections.] ... to address issues of the poor ...

An HON MEMBER: How does that improve the fiscus?

Mr T C MOTLASHUPING: That is what the ANC is doing. [Interjections.]

The economy in the third quarter had grown by 2,2%. [Interjections.]

Is that not a good story to tell? [Applause.]

Tuma mina! Tuma mina! [Interjections.]

Mr M KHAWULA: Chairperson, the IFP support for the 2018 Adjustment Appropriations Bill here in the NCOP does not mean that governance is healthy and well in our country. It is only a support of logic for government programmes to continue in the country.

The change of hands in the Union Buildings from one comrade to the other has not provided the country with the required medicine to heal the wounds in the economic and social ills encompassing our administration.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 224

In the space of the four-and-a-half years of this administration, the country has had six different Ministers of Finance. On average, this means that, for four-and-half years, the country has had a new Finance Minister every nine months, including the four-day spell of Mr Weekend Special.

This is not a healthy situation for the economy of the country.

While President Ramaphosa has projected a willingness to fight corruption, to grown the economy and to not personally get involved in stealing from the country's meagre resources, to tighten the belt in government spending, and to clean the internationally damaged image of South Africa in the eyes of the world ... These are not enough.

The President sometimes sends confusing and mixed messages and is not decisive. The long delays in taking obvious decisions project the President as a weak leader who is not confident and in full command of the power at hand. This is not good for efforts of our economic revival.

Ministers and officials of government who are fingered to have been involved in corruption activities must not merely be recycled or

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 225

fired. This is not enough. They must be criminally charged to face the music in court, and the money stolen from government must be returned.

Why is the President afraid to do this?

Even if it means this will land more than half of the ANC who in government, in jail, if this will be for the good of the country, it must be done. The country needs this decisiveness from the Union Buildings. The country yearns for this kind of courage from the President.

It is the lack of this kind of leadership that will result in the country not improving in our audit reports, year after year.

The Auditor-General has lamented a number of areas in his audit reports for 2017-18. These include, among other, that, overall, the audit of 2017-18 have regressed; that there were serious weakness in the financial management of national and provincial governments that had not been addressed over the past four years; that financial statements submitted to the Auditor-General for auditing were even worse than in the previous four years; that the financial health of

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 226

auditees continued to deteriorate; that noncompliance with supply-chain management, SCM, legislation increased ...

The CHAIRPERSON OF THE NCOP: Hon Khawula ...

Mr M KHAWULA: Government is continuing to lose money; there is a rise in fruitless and wasteful expenditure.

IsiZulu:

USIHLALO WOMKHANDLU KAZWELONKE WEZIFUNDAZWE: Ngiyabonga baba, uyibonile nawe leyo nto.

English:

Mr M KHAWULA: Lastly, Chair, if I may conclude ...

The CHAIRPERSON OF THE NCOP: Conclude.

Mr M KHAWULA: The audit report shows that there is very leaky accountability in all respects in the country. The calls on government to improve in the area of accountability. Thank you.

IsiXhosa:

Mnu L B GAEHLER: Inzima le nto yoosisi be-ANC.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 227

English:

Chairperson, the UDM supports the Adjustment Appropriations Bill. We must say from the onset that SAA made a presentation to the committee about their turnaround strategy which would take about five years. I think we are all happy. Nobody ... everybody was happy about that presentation. [Interjections.]

The DA was also happy about that. They object now. Everybody was happy. All of us were happy about the presentation.

We believe that that would benefit the country.

We do not believe that we can have a country that does not have its own airline. That is out of the question. We need an airline as South Africans. We support SAA in their turnaround strategy.

However, we are concerned about the fruitless and wasteful expenditures in the provinces and in municipalities. It's very high. We must agree that there is no accountability. As I said before, there is no money that goes back to the fiscus. The sooner law enforcement works on that, the better.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 228

This Bill ... provinces have benefitted. Eastern Cape has benefitted in the drought relief. So there are provinces who benefited and municipalities as well. So we are happy about that because it goes to the poor people who are down there.

But we are also concerned as we said before about the state of health in our country. One has to look at the state of health from another angle. State of health ... state of education ... The angle that says that, for instance, where the Minister of Public Works about two, three years back, here, with the question that we asked in this House - and he made a commitment to this House - when are they going to take over the mandate. And the Minister then promised us that, within three years, they will be doing that. He is building capacity within his department. Of course, then he was taken off leave. The former President took him ... he took leave. But he came back again. But the problem there is that you get a Health department and an Education department that is involved in infrastructure, instead of being involved in health. And I think we need to take this up. We cannot have a Public Works department that cannot deliver on its mandate. It's out of the question. Because all of a sudden, Health has got to spend some of their monies to do work that Public Works has done.

So, these are some of the small things that we have to look at.

Infrastructure is decaying at hospitals. Infrastructure is decaying at schools. And we have a department here that is not doing its [Inaudible.]

So, we need definitely to have a look at this. But, overall, we as the UDM, support the Adjustment Appropriations Bill.

Consideration on Adjustments Appropriations Bill/Special Appropriations Bill agreed to.

Debate concluded.

Declaration of votes made on behalf of the African National Congress, Democratic Alliance, Inkatha Freedom Party and the United Democratic Movement.

Question put: That the Bill be agreed to.

Bill accordingly agreed to, in accordance with section 75 of the Constitution.

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 230

RULING

The CHAIRPERSON OF THE NCOP: Hon members, earlier today, there was a matter which was presented by the chairperson [Inaudible.] on Films.

When the Vote was done, and there were queries about processes that led up to the meeting, there were two matters that I picked up. One was questioning the appropriateness or legality of the meeting of the select committee. The second one was whether or not all the members of the select committee were invited to that same meeting.

I chose not to vote. I abstained very deliberately because I wanted to be very honest with myself and look at the allegations.

In the first instance, the committees have powers to hold their meetings at any time, anywhere. So that cannot be a standard that says that that meeting, because it was held in a boardroom, was right or not. That is not.

The question then which I was left with was whether or not all the members [Inaudible.] in the House were invited. I have therefore asked the committee chairperson to give me proof that all members

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

TUESDAY, 4 DECEMBER 2018

Page: 231

were invited, all members were reminded, all members were given the exact location of the venue for the meeting.

I have just been given this envelope and I want to come back to the House tomorrow and say what I have found so that we can put paid to this thing.

I am a member of the ANC and could have voted, but I am also the Chairperson of this House and therefore it was important for me to go and find out whether or not ...

So I'm just saying that matter has not fallen between the cracks; it is being addressed.

The Council adjourned at 17:24.