



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

PO Box 15 Cape Town 8000 Republic of South Africa
Tel: 27 (21) 403 2911
www.parliament.gov.za

Memorandum

To: Hon. S G Thobejane, MP
Chairperson: Select Committee on Petitions and Executive Undertakings

From: Hon. T R Modise, MP
Chairperson of the National Council of Provinces

Date: 19 June 2015

Re: Referral of Executive Undertakings

Kindly be informed that during Policy debate on Budget Vote No 21: Justice and Correctional Services and Policy debate on Budget Vote 15: Higher Education and Training, the Minister of Justice and Correctional Services and the Minister of Higher Education and Training while delivering their speeches made the following undertakings:

1. Minister of Justice and Correctional Services:

- (a) "We have successfully implemented the rationalisation of magisterial districts in Gauteng and North West with effect from 1 December 2014 and have commenced with the roll-out of the project to Limpopo and Mpumalanga provinces. In the latter provinces this exercise will culminate in the official opening of the Limpopo Division of the High Court earmarked for later this year and the Mpumalanga Division of the High Court planned for early 2016".
- (b) "We intend to expand the mediation services to additional courts and this will happen as soon as we have built sufficient capacity at courts to carry out the mediation function."
- (c) "We will also run 24 workshops to train officials on ethics and to strengthen our collective vigilance against fraud, corruption and serious maladministration".
- (d) "A number of strategic positions including that of national commissioner and chief deputy commissioner for strategic management will be filled soon as recommendations have been made for appointments. Filling other strategic positions including the regional commissioner of the

Limpopo, Mpumalanga and North West regions is receiving priority attention”.

1. Minister of Higher Education and Training:

- (a) “We are also pleased to announce that with the support of a number of partners, we have established the first Centre for African Languages Teaching that has been established as part of the University of Mpumalanga’s Siyabuswa Campus. This centre will promote research into teaching African Languages, particularly the dominant languages of Mpumalanga province, IsiNdebele and Siswati.”
- (b) “The 2011 Census tells us that there are 18 million South Africans who need Adult Basic Education and Training of one kind or the other. For this reason, I will therefore establish a fully-fledged branch on adult education and community college education in my department, headed by a deputy director-general”.
- (c) “We are also very pleased that we are going to expand what we call Higher Certificate, basically targeting students who have not made it in matric to be able to bridge to go to university or colleges or so that some of them to actually get employment”.

For ease of reference, please find attached copies of unrevised hansard transcript wherein Ministers made the above-mentioned executive undertakings.

Please note that letters have been written to Ministers to request information on plans and timeframes within which these undertakings will be implemented. Upon the receipt of the information, it will be referred to your committee for consideration and report.

Thank you,



T R Modise, MP
Chairperson of the National Council of Provinces

The MINISTER OF POLICE (Mr N P Nhleko

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

Thursday, 4 June 2015

Take: 66

The MINISTER OF JUSTICE AND CORRECTIONAL SERVICES: Hon Chairperson, hon Premiers, hon Ministers, Deputy Ministers of Justice and Correctional Services in particular, chairperson of the Select Committee on Security and Justice, hon members of the NCOP, distinguished guests, ladies and gentlemen, fellow South Africans, it is with great pleasure that I introduce into this esteemed House the Budget Vote of the Departments of Justice and Constitutional Development and of Correctional Services. Today's budget statements encapsulate our unequivocal commitment to a transformed and accessible justice system that carries the hopes and aspirations of our people.

Allow me to first reflect on the budget on the Department of Justice and Constitutional Development. Central to the transformation of the justice system is the need to accelerate the transformation of the magistrates' courts, establish a judicial system that reflects the racial and gender demographics of the South African society and strengthen the office of the state attorney so as to restore

confidence in the handling of litigation for and on behalf of the state.

We continue to work together with Justice, Crime Prevention and Security cluster and other stakeholders in addressing the log jams in the justice value chain. Requiring immediate intervention is the complete overhaul of the Criminal Procedure Act of 1977 and the reform of the civil justice system in order to address the frailties in the justice value chain. In undertaking these reforms, we will invite public submissions and papers in respect of the various aspects of the justice system that require consideration from which we will develop necessary policy and legislative interventions that will be discussed at a colloquium that we plan to hold later in the year.

We've made major strides, for example, with regard to the Constitution's 17th Amendment Act of 2012 and the Superior Courts Acts of 2013 which were amongst policy and legislative reforms to improve the system where the culmination of a policy dialogue at which diverse views of various stakeholders in the sector were canvassed.

We have successfully implemented the rationalisation of magisterial districts in Gauteng and North West with effect from 1 December 2014 and have commenced with the roll-out of the project to Limpopo and Mpumalanga provinces. In the latter provinces this exercise will

culminate in the official opening of the Limpopo Division of the High Court earmarked for later this year and the Mpumalanga Division of the High Court planned for early 2016. By aligning magisterial districts to municipal boundaries, we are turning municipalities into nodal service points through which justice related services are delivered as part of the basket of services delivered by various spheres of government at local level.

There is great potential to increase access to justice through the use of mediation and other forms of alternative dispute resolution mechanisms. It is encouraging to note that since the launch of the Court-annexed Mediation Programme in February this year 57 civil disputes have been dealt with through mediation at the 12 court sites which have been designated as court mediation pilot sites. We intend to expand the mediation services to additional courts and this will happen as soon as we have built sufficient capacity at courts to carry out the mediation function.

We've also published a policy on the use of official languages in terms of which services will henceforth be provided in indigenous languages predominant in the provinces concerned, over and above the English and Afrikaans languages. We are confident that over time we will make inroads into extending the use of indigenous languages as languages of record in the courts and the transformation of the Literally Legum Baccalaureus, LLB, curriculum to include an indigenous language as one of the prescribed courses of study.

The maintenance turn around strategy continues to yield positive results. Through the use of electronic funds transfer, EFT, system, we have eased the burden of beneficiaries of having to commute to courts to collect maintenance payments. Through the system, their payments are transferred directly into their banks accounts. In the financial year 2014-15 a total of R1,97 billion was paid to maintenance beneficiaries through the EFT system. We have also enhanced the management of the guardians' fund and improved our service particularly to orphans who are dependent on the proceeds of the fund for their livelihood. In 2012-13 government made 37 000 payments totalling R1,006 billion to guardian fund beneficiaries, the majority of whom are children.

Let me allude briefly to the need for the transformation of the traditional courts which still operate under the regulatory framework of the apartheid era that was enacted in 1927. We cannot allow this to drag on any longer as people continue to suffer the debilitating consequences of the system which is not only not of their making, but research also shows was manipulated to serve the interests of the colonial and apartheid regimes in particular.

It is in this context that we have stepped up efforts to transform the traditional courts to bring them in conformity with the Constitution. The Traditional Courts Bill is key to this endeavour. We have commenced with the processes of revising the Bill with the

view to incorporating the wealth of submissions and commentary garnered during the lengthy public participation processes. Working steadfastly with our fellow Department of Traditional Affairs to bring upon long overdue legislative reforms to finality, we hope to introduce the revised Bill to Parliament during 2015-16 financial year.

The performance of outputs at the courts attests to the tireless efforts by the various components of the criminal justice system in rooting out criminality. The national prosecuting authority, NPA, continues to maintain high conviction rates, for example, in the previous financial year it recorded conviction rates of 91% in the high courts, 76,6% in regional courts and 69% in sexual offences courts.

The ongoing institutional reforms within the judiciary also contribute to the inroads we continue to make in the justice system. The provincial efficiency enhancement committees established by the chief justice in every province play an important role in improving court efficiency.

The Department of Justice and Constitutional Development has been allocated a budget of R16,9 billion for which we are thankful though we feel it could have been more in view of the competing demands facing the justice sector. Of this budget allocation, R5,5 billion is allocated to court services, R3,4 billion is for the NPA and

R2,2 billion is for the SA Human Rights Commission, the Public Protector and Legal Aid SA. The department's capital infrastructure projects account for the biggest budget of the Department of Justice and Constitutional Development with a total of R661 million allocated for the 2015-16 financial year. This will go a long way towards addressing the infrastructure backlog in order to bring services to people living in far flung areas and rural villages who still endure the hardship of travelling to far towns and cities to access the courts and other service points such as the office of the master.

Let me now turn to the Department of Correctional Services. The management of remand detainees has improved with the reduction of this sector of inmates to 27% of the 159 000 inmates in our custody. We have performed better than the international trend of 32% of the world's 10,2 million inmates. Our efforts continue to gain traction as the number of remand detainees was reduced by 4,291 within the last three years of which 53% was achieved in 2014-15 financial year. In addition, we have provided 56 remand detention centres with new uniforms to address the challenges of security and hygiene.

Our collaboration to implement the Child Justice Act has also brought desirable outcomes, as the number of children in custody as remand detainees was significantly reduced from 497 to 129, while sentenced children were reduced from 538 to 243 over the past six years.

Correctional Services considers health care as an integrated responsibility which cuts across many institutions. We are partnering with the Department of Health to execute a comprehensive onslaught against tuberculosis, TB. Thus far our TB cure rate is at 83% and we are working towards attaining the targeted 90% testing, treatment and cure rates by 2019-20.

We had declared in this house a few years ago to solve the challenge of archaic and obsolete equipment in our food, furniture and other production areas. Our investment of R25.5 million to recapitalise agriculture and production workshops, has helped the department to exceed its targets in chicken, egg, fruit and red meat production. Surplus products have been distributed amongst communities surrounding our facilities to support the government's war on poverty.

We believe that corruption is the biggest threat to the effective implementation of our strategies in order to ensure a safer South Africa. We have achieved a 95% success rate in disciplinary inquiries instituted in 2014-15 financial year as a result of which 19 officials were dismissed. We believe that this demonstrates our zero tolerance towards corruption within and outside of Correctional Services.

We will also run 24 workshops to train officials on ethics and to strengthen our collective vigilance against fraud, corruption and serious maladministration. The overarching objective is to ensure that all the principles of good governance are upheld and protected by each and every one of our officials and may I say the President, indeed, has been leading in a number of processes within government to root out corruption in government ... [Interjections.] ... for your information.

One of the indicators of progress is our reduction of expenditure on consultants, which went down by 55% over the last six years. From a total of R171,705 billion spent in 2009-10 on consultants, the department has spent only R768 million, if the figures are correct, in 2013-14 - and my braille is failing me here; I'm not sure if the figure is actually 76,8 of 768, I'll have to come back to this House with a more accurate amount - which translates to a R93,8 or is it R938 million reduction. I am having a difficulty with the translation of the computer from print to braille. My apologies.

We are also delighted to report that the audit committee is operating at full capacity, following the appointment of four members with the requisite expertise. A number of strategic positions including that of national commissioner and chief deputy

commissioner for strategic management will be filled soon as recommendations have been made for appointments. Filling other strategic positions including the regional commissioner of the Limpopo, Mpumalanga and North West regions is receiving priority attention.

We are exploring a possibility of reducing the period for expunction of criminal records for ex-offenders especially for minor and non-violent crimes as part of enhancing Offender Reintegration Programmes. I will seek the views of my colleagues in the Justice Crime Prevention and Security cluster, JCPS, regarding this matter. The outstanding matter of political prisoners is being expedited as well. We expect to finalise this matter within the current financial year.

We are also reviewing the parole policy and system in order to step up the recruitment and retention of skilled professionals, improve victim participation in parole hearings, and train board members to, among others, implement offence specific risk assessment tools that will improve the quality of decisions that our correctional supervision and parole boards take.

The Department of Correctional Services has been allocated a total of R20,618 billion during this financial year, a nominal increase of 4,5% from the previous financial year. Overall, the Rehabilitation and Social Reintegration Programmes will receive a marked increase

in budget allocation over the Medium-Term Expenditure Framework, MTEF, period both growing at 22,6% and 18,6% respectively.

On the other hand, the Incarceration and Administration Programmes will respectively receive 10,4% and 13% over the MTEF period, which in real terms reflects a decline of the net allocation. We have done so deliberately as part of increasing our investment to implement the ideals of the White Paper on Corrections in South Africa, particularly to improve rehabilitation.

As I conclude, let me convey our profound gratitude to the chairperson and members of the Select Committee on Justice and Correctional Services for their continued support and guidance. Let me also thank my Deputy Ministers, the hon John Jeffery and hon Thabang Makwetla, Members of Parliament, MPs, and the heads of the departments and staff of the two departments and office of the chief justice for their profound support, including the chief justice himself and the leadership of the judiciary. I thank you.

[Applause.]

Mr D L XIMBI / NS / END OF TAKE

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

Tuesday, 9 June 2015

Take: 85

The MINISTER OF HIGHER EDUCATION AND TRAINING: Hon Chairperson of the NCOP, Deputy Ministers Manana and Surty, chairperson of the select committee, hon Zwane, hon members of the NCOP, the director-general and staff of the department, heads and executives of all our post-school organisations and institutions, honoured guests, including my special guests, ladies and gentlemen and comrades, I have done something that I haven't done before. I hope you will find that in order. Due to time constraints, I am going to circulate a longer version of the speech that I have given, which has more details and I am only going to present a summary of what is there, so that members can actually benefit from the detail that we are providing.

The agenda for the transformation of our education system was shaped by decades of struggles, including the struggle of people's education for people's power. This agenda was translated into government policies by the ANC government from 1994. On the 60th anniversary of the Freedom Charter, we can confidently say that much has been done to open the doors of learning and culture. For example, black and women students are now in the majority in our

universities, and the National Student Financial Aid Scheme, NSFAS, has supported more than 1,5 million poor students, most of whom being the first graduates ever in the history of their families. [Applause.]

However, we still have a long way to go and transformation efforts must continue uncompromisingly, including making headway in so far as mainstreaming - the incorporation of people with disabilities, both students and staff - is concerned. Disabled people have not been fairly treated in our country. We have to accept that. In December 2014, I appointed a ministerial committee to develop a Strategic Disability Policy Framework that will strengthen the implementation and monitoring of disability policies across the post-school education and training system.

This financial year, I will also introduce the Higher Education Amendment Bill to Parliament as well as amendments to the Skills Development Act. These amendments also aim to strike an appropriate balance between institutional autonomy and public accountability of universities.

By the way, contrary to some myths, there is no constitutional clause on institutional autonomy in our Constitution. Our Constitution only talks about academic freedom. Some of the members sometimes mislead people by saying that institutional autonomy is a constitutional imperative. It is not. Therefore, in our own White

Paper, we balance institutional autonomy with public accountability that our universities are public institutions that must be held accountable.

I wish that the NCOP will also get into the habit of calling upon some of our universities to come and account about how they are using public money and how they are actually promoting inclusion, rather than segregation. I don't think that we should be intimidated by the idea of institutional autonomy. They are public institutions. [Applause.] They must account to you.

I also wish to say that, based on our White Paper, we are developing a new national plan for post-school education and training, which we will finalise by March 2017 and which will then cover our roadmap to 2030.

For the 2015 Medium-Term Expenditure Framework, MTEF, the budget of the department amounts to R41,8 billion for 2015-16, which is an increase of R2,8 billion on the 2014-15 allocation, excluding of course the direct charges that fund the Sector Education and Training Authorities, Setas, and the National Skills Fund.

On the National Student Financial Aid Scheme, NSFAS, for the 2015-16 financial year, the total NSFAS budget amounts to R9,5 billion for the allocation of 205 000 university student loans and bursaries and 200 000 Technology and Vocational Educational Training, TVET,

college bursaries, with the highest allocation going to Gauteng, a sign that most of our universities and colleges are concentrated there.

Donor allocations include not only funds from the Department of Basic Education and Training in the form of Funza Lushaka, but also the Department of Social Development, the Setas, the National Skills Fund, but also funding for bursaries from the Eastern Cape and KwaZulu-Natal Provincial Governments. I also wish that other provinces could do the same, so that we increase the pot that we have.

I do need to say that whatever challenges we have regarding NSFAS, this is making a huge difference to poor students in our country. In fact, this is one of the most successful interventions by this ANC government. That is why our detractors will never mention the benefits emanating from NSFAS, instead they focus on problems and challenges, because the aim is to distract.

NSFAS is one of the most important achievements by this government. This is our point of departure. [Applause.] Then we can talk about the challenges and the problems. The achievements of NSFAS are just ignored, because there is a huge campaign to try and discredit it.

We are committed to increasing access to universities, aiming to have 1,1 million students in 2019 in order to reach our target of 1,6 million university students by 2030.

There has been a lot of progress with the new universities. Sol Plaatje University in Kimberley did its second intake this year and has appointed a permanent vice chancellor. The University of Mpumalanga did its second intake and has appointed a vice chancellor. The President launched the Sefako Makgatho Health Sciences University. It is the third university now under a democratic South Africa, with just over 5 000 students and incorporating the Medical University of South Africa, Medunsa. Next year, we are hoping to open the first medical school in a democratic South Africa at the University of Limpopo. [Applause.]

We are also committed to producing quality teachers for the system. The number of new teacher graduates continues to grow with 16 496 new teachers graduating in 2013. By 2019, this figure will exceed 20 000, and therefore, addressing the teacher shortage.

We are also pleased to announce that with the support of a number of partners, we have established the first Centre for African Languages Teaching that has been established as part of the University of Mpumalanga's Siyabuswa Campus. This centre will promote research into teaching African Languages, particularly the dominant languages of Mpumalanga province, IsiNdebele and Siswati. We are hoping that

we can then also use these across all other languages, especially African languages.

We are indeed piloting community colleges as from next year. However, from 1 April this year, we have already established nine Community Education and Training Colleges Administrative Centres across the nine provinces, which allow for the absorption of our Adult Basic Education and Training centres into these new community colleges that we need.

The 2011 Census tells us that there are 18 million South Africans who need Adult Basic Education and Training of one kind or the other. For this reason, I will therefore establish a fully-fledged branch on adult education and community college education in my department, headed by a deputy director-general.

We would like to thank the provincial education MECs and their heads of departments for their co-operation, especially in the function shift of both TVET colleges and adult education centres.

Technical and Vocational Education and Training college enrolments have more than doubled over the past five years and will continue to increase, targeting 725 000 headcount enrolments this year.

Nevertheless, we have grown this sector too fast. We are going to slow down a bit, in order to focus on the improvement of quality, and training the right kind of lecturers.

This academic year, for the first time, we have introduced an elective subject in the National Certificate (Vocational) and Engineering programmes around renewable energy technology in our colleges.

Colleges in the Eastern Cape, KwaZulu-Natal and the Western Cape have been approached to participate in the development of maritime skills, linked to the Operation Phakisa's oceans economy, a presidentially-led programme to revive and develop the opportunities from our oceans.

Last year, I committed to building new college campuses. Construction work at three of the 12 has started and we are expecting the first delivery of a complete campus in Thabazimbi.

We also continue to make steady progress in dealing with certification backlogs. Four hundred and ninety-six thousand certificates have been issued since 2012, with 103 000 still being processed.

Nevertheless, to the students affected, we will provide statements, which is proof that they have attended and also that they have passed, in the meantime. We are working very hard to address this problem.

We are also very pleased that we are going to expand what we call Higher Certificate, basically targeting students who have not made it in matric to be able to bridge to go to university or colleges or so that some of them to actually get employment.

A number of South African universities, most notably, the University of Free State, Cape Peninsula University of Technology, the University of South Africa, have heeded the call to develop and offer a range of Higher Certificates at NQF Level 5 in close co-operation with TVET colleges.

On Setas, I am now of the view that the Setas should really focus on training at the workplace, including facilitating partnership between educational institutions and the employers. The department has developed an online registration system for students seeking work-integrated opportunities.

Allow me to take this opportunity to thank my Deputy Minister, Mr Manana, our director-general, as well as my Cabinet colleagues and all senior officials in the department for the good work that they are doing. Siyaqhuba [We are moving.]. Thank you very much.

[Applause.]

Mr L L ZWANE / Maluta/Src(ch) END OF TAKE



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Memorandum

To: Hon. S G Thobejane, MP
Chairperson: Select Committee on Petitions and Executive Undertakings

From: Hon. T R Modise, MP
Chairperson of the National Council of Provinces

Date: 3 June 2015


Re: Referral of Executive Undertakings

Kindly be informed that during the House sitting of 26 May 2015, the Minister of Small Business Development made the following undertakings:

- (a) The 30 day payment delay for SMMEs and co-operatives will be looked at by the Minister of Small Business Development in partnership with the Minister of Monitoring and Evaluation.
- (b) "The department will expedite the implementation of the National Informal Business Upliftment Strategy which we call Nibus, which seeks to create an enabling legal and regulatory environment and provide financial and non-financial support".
- (c) "We shall be working with metros, municipalities, the South African Local Government Association, Salga, and the National House of Traditional Leaders to review bylaws that may be a hindrance to the advancement of township and rural economies".
- (d) "With regard to people with disabilities, previously, the department did not have any dedicated programmes to support this important sector of our community. Working closely with relevant organisations, the department will develop incentives and programmes that are directed to this sector".

For ease of reference, please find attached a copy of unrevised hansard wherein the Minister made the above-mentioned executive undertakings.



Small Business 

Please note that a letter has been written to the Minister of Social Development to request information on plans and timeframes within which these undertakings will be implemented. Upon the receipt of the information, it will be referred to your committee for consideration and report.

Thank you,



T R Modise, MP

Chairperson of the National Council of Provinces



Mr E MAKUE

UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

Tuesday, 26 May 2015

Take: 14

APPROPRIATION BILL

(Policy debate)

VOTE NO 31-SMALL BUSINESS DEVELOPMENT:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Members, Chairperson, Deputy Minister Thabethe, the other hand that pulls along with me, acting director general, Lindokuhle Mkhumane and other officials of the department, chairpersons of Small Enterprise Development Agency, Seda, and Small Enterprise Finance Agency, Sefa, chief executive officers of Seda and Sefa, senior government officials, distinguished guests, ladies and gentlemen, good afternoon.

We are aware of the important role that is played by provinces in assisting us to execute the huge mandate that we have been given. Working together with provinces and local structures, and fully conscious of the enormous responsibilities we carry, we will pursue

the goal of ensuring that small businesses and co-operatives become true catalysts for growth and job creation.

The National Development Plan, NDP, envisages that 90% of the 11 million jobs that must be created by 2030, which is not very far, should come from the small business sector. We have a collective duty as provinces, local government, business and civil society to pursue this NDP goal with every available energy and to resolve it at our disposal.

On provincial engagements which we believe are very important in ensuring that we deliver to the people on the ground. When we came into office last year, we deliberately set out to consult with all provinces so that we could understand the challenges and opportunities, and what we could do together to best support co-operatives and small businesses. We were unable to reach all provinces in our first year but we are still determined to continue hosting these engagements with all provinces as we believe that provinces differ in terms of challenges and opportunities related to small business and co-operatives development.

We have engaged the following provinces; Mpumalanga, Kwazulu-Natal, Eastern Cape and North West. The following are some of the critical issues that the small, medium and micro enterprises SMMEs and co-operatives raised with us:

The need to prioritise incubation support programmes and supplier development programmes linked to the mining companies and other multinationals in mining towns - not all mining companies are fulfilling their commitments by developing supplier development opportunities; increasing access to business development services by SMMEs and co-operatives through decentralisation and collocation approach; accelerate market access for co-operatives through public procurement; capacity-building for municipal officials dealing with local economic development so that they can also assist SMMEs and co-operatives in their localities; urgent resolutions of the 30 day payment delay for SMMEs and co-operatives - one of the big challenges; revitalisation of rural towns and township enterprises; sector specific support for SMMEs and co-operatives; accessibility of business development services as well as targeted support for people with disabilities, women, particularly youth; market access opportunities; accessibility of trading space by small businesses in the shopping malls that are being constructed in various towns around the provinces - this is one of the biggest challenges we face because many of this malls that are built have no space for small and medium enterprise, if they do they charge very high rentals; the provinces have some financial co-operatives but there is lack of understanding on the role of these kind of co-operatives by local municipalities; lack of understanding by members of some our co-operatives of basic co-operative principles; lack of co-

operation between big businesses and small businesses as well as integrating them into their value chains; red tape reduction and making it easy to start and sustain a business; lack of infrastructure for informal businesses; lack of access to finance; preferential procurement not favourable to SMMEs; and lack of reliable economic intelligence in specific sectors.

We still have to go to the other remaining provinces as we believe that these engagements assist us to understand these regional dynamics and tailor-make our interventions in those particular provinces to address these specific issues.

We appreciate the frank discussions we had with small business owners in these provinces. They are, indeed, assisting us to refine the instruments that we have to respond to specific challenges raised by entrepreneurs in the country. Even though we will be reviewing all the programmes we inherited from the Department of Trade and Industry we have started to reprioritise our interventions to ensure that they respond to the issues raised by the SMMEs and co-operatives in the provinces.

I need to emphasise the point that we cannot do much on our own and need to work together with all three spheres of government in order to make a significant impact.

On colocation and decentralisation of business development services we have a number of institutions in government and private sector which offer business development services in the country.

Unfortunately, we are not offering these services in an integrated manner. We will work towards colocation in all provinces where SMMEs and co-operatives will access financial and nonfinancial support services on one location.

To date, Seda has 58 branches across the country. The 58 branches are inclusive of the 12 Red Door offices that were closed down by the Western Cape provincial government. On average, we have about five branches per province. In addition to this wide provincial reach by Seda, we have 48 Seda supported incubators throughout the country. Working together with municipalities, we have established 37 colocation points in every province in order to bring business support services closer to the people.

In order to ensure unfettered access to our business support services in rural areas, we have 19 mobile units that are frequently deployed to assist emerging entrepreneurs. This has gone a long way in assisting emerging entrepreneurs with relevant information regarding important aspects of starting and running a business. The Small Enterprise Finance Agency also has 10 main branches countrywide with an additional three satellite offices. It is planning an increase by 37 office access points the next 18 months largely through colocation with other institutions such as local

economic development agencies, provincial development finance institution and local chambers. Different types of access points will be merged to different types of district and metro police as well as Presidential Poverty Notes.

On township and rural economies government is aware that small businesses and co-operatives find it difficult to flourish in underdeveloped areas such as townships and rural communities due to lack of adequate investments in infrastructure and lack of appropriate policies to protect informal businesses.

The strategy of developing township and rural enterprises is coordinated by my department with the support of the Departments of Economic Development and Rural Development and Land Reform as well as provincial Departments of Economic Development. This strategy is aimed at intensifying government's support to township and rural enterprises to ensure their sustainability and competitiveness.

The department will expedite the implementation of the National Informal Business Upliftment Strategy which we call Nibus, which seeks to create an enabling legal and regulatory environment; provide financial and nonfinancial support; promote intergovernmental relations to deliver to the sector; encourage the role of the private sector and support of informal traders' organizations. In partnership with the Wholesale and Retail Seda, we shall upscale the Informal Traders Upliftment Project, through which

we are currently piloting the provision of skills and infrastructure support to a thousand informal traders nationally.

The first training was conducted in Gamalakhe, Port Shepstone in April this year. R50 million has been allocated for the roll-out of the Shared Economic Infrastructure Facility and support for informal businesses generally. We urge provinces and the private sector located in townships and rural areas to work with us and also augment these resources.

We will utilise infrastructure in the form of industrial parks and other properties that are owned by Sefa and further support township and rural enterprises with appropriate infrastructure. I must say that the Sefa infrastructure is almost everywhere in the country and it is of interest to us to make sure that that infrastructure is revamped. In addition, we also have to speed up the process of handing over this infrastructure to those who have been waiting; who have occupied the place for more than 20 to 25 years.

The government, in particular, local government, needs to ensure that it enforces bylaws without disenfranchising informal traders who did not have infrastructure support. We shall be working with metros, municipalities, the South African Local Government Association, Salga, and the National House of Traditional Leaders to review bylaws that may be a hindrance to the advancement of township and rural economies. We believe that consultation is very important.

We will continue our participation in the Inter-Ministerial Committee on Migration to develop long lasting solutions to the challenges faced by local and foreign informal businesses. The task teams that we have established to deal with attacks on foreign nationals have made important inroads in relation to supporting the work of the Integrated Marketing Communication. We applaud the Limpopo and KwaZulu-Natal provincial governments for having established their task teams and we are encouraged by the efforts of the Free State provincial government to this end. We implore the National Council of Profinces to persuade the remaining provinces to establish similar structures. May I say that the reason why we think that it is important to have these provincial structures is because being at national level we need to have local structures that can immediately respond to challenges when they present themselves and not wait for national. We also think that there are quite a lot of resources that sit both at local and provincial levels that can assist us in this regard.

My department, in partnership with provincial and local government structures, will convene a Township and Rural Economy Summit later this year. This will be geared towards the creation of a common framework for township and rural economic development, linked to the integrated township and rural development strategy. In the past year that we have been in office we have realised that there are a lot of plans which are being planned or have already been executed by

provinces which sometimes end up not being integrated because sometimes we don't talk to each other as much as we are suppose to.

With regard to Transversal agreements, we have identified public procurement opportunities for co-operatives and small enterprises and are currently negotiating transversal agreements with various departments to ensure access to these opportunities. The implementation of the 30% target for public procurement by SMMEs and co-operatives will ensure increased participation by emerging enterprises in the mainstream economy.

We will engage provinces to ensure that the 30% public procurement pronouncement is implemented. We have identified provincial departments of education in particular as key departments in terms of procurement spend. We believe that more than 30% of their budgets should go to SMMEs and co-operatives given the type of goods and services they procure. At the same time we continue to engage other departments in this regard. The Practice Notes are going to be finalised by September 2015. They will be issued by Treasury.

With regard to access to finance, the nonpayment of SMMEs and co-operatives creates a barrier to business growth and ultimately to the growth of the economy. Since the establishment of this department we have received a significant number of complaints from SMMEs and co-operatives about delayed payments from government institutions. The Small Enterprise Development Agency's hotline

established to assist with payment for SMMEs has managed to facilitate over R10 million in the 2014-15 financial year alone. The establishment of a special unit by the Minister in the Presidency responsible for Planning, Monitoring and Evaluation that will monitor the implementation of the 30 day payment of SMMEs is welcome and we will work together with him.

In order to ensure access to funding for small businesses and co-operatives, the Sefa has migrated to the department. This will ensure a more integrated approach towards extending support to SMMEs and co-operatives. Going forward we will assess the impact of this expenditure with a view to increasing additional financial support to our people.

The department is currently reviewing the guidelines for the Black Business Supplier Development Programme to ensure that it is aligned to our mandate. We will also develop a business plan rescue strategy aimed at supporting SMMEs and co-operatives in financial distress. The Youth, Women and People with Disabilities' Business Support Scheme has been conceptualised as a response to the specific challenges faced by enterprises owned by these targeted groups, especially at start-up level.

We have set aside an allocation of R60 million in the current financial year which will go towards funding enterprises that are in these targeted groups. This funding instrument will assist

enterprises to acquire critical assets and equipment required to grow and expand their businesses. This is where many of the small and medium enterprises, particularly, in our communities have a challenge. They don't have the machinery. Besides the access to money, they also do not have the machinery.

With regard to Enterprise Development; youth development our Mass Youth Enterprise Creation Programme, MYECP is aimed at creating enterprise opportunities for youth-owned SMMEs and co-operatives, committing government departments to earmark 30% of their procurement spend towards growing and expanding youth-owned enterprises in their acquisition of goods and services in fulfilling their operational mandate. We are very conscious of the challenges that face young people. Many of them come out of universities and do not get employment and we think that this is the time to say to them you can do more than just looking for a job. You can look for opportunities by running your own business.

In partnership with the Department of Energy, we are establishing co-operatives for young people in rural Eastern Cape and KwaZulu-Natal who were trained in the installation, maintenance and repair of solar water heater geysers. These youth co-operatives are now ready to participate in the growth of the renewable energy and green economy sectors. We intend to gradually massify this programme across the country. We are also exploring specific targeted sectors and invite the provinces and local municipalities to partner with

us. We are engaging with the Minister of energy in this regard because we believe that this programme is actually delayed and we need to speed it up because if other departments have managed to train this young people we cannot have them meandering around not having something to do.

Our agency Seda assists entrepreneurs to improve their production processes and access to markets through the Technology Transfer Fund. Lichaba Creations, a jewellery manufacturing enterprise in Limpopo is but one of our successful stories who we have assisted with marketing material, and a quality management system. As a result, the company turnover increased from R1,1 million to R5,5 million and created 53 additional jobs.

With regard to Women Economic Development, the Deputy Minister has done a lot of work and fortunately is an area that she already was working on even before she came to the department and so she is very experienced in it.

As a department, we have placed the issue of women empowerment high on our agenda. The Bavumile Skills Development Programme facilitates for many women to access formal training to improve the quality of their products. Participants are supported to either formalise their businesses or to access markets by participating in the national pavilions or supplying local markets including international markets.

Through Seda's enterprise development programme, we have assisted a women-owned muesli manufacturing company based in the Eastern Cape. We facilitated access to market through the development of business plans, product development to meet the required standards, as well as productivity and quality improvement interventions. This company is now exporting to the United States of America and produces over 600 tons of muesli per month and employed an additional 150 people, most of which are women.

With regard to people with disabilities, previously, the department did not have any dedicated programmes to support this important sector of our community. Working closely with relevant organisations, the department will develop incentives and programmes that are directed to this sector. People with disabilities always say: "Nothing about them without them". So, we take that into serious consideration.

With regard to franchising, the department is determined to transform the franchising sector through various measures and one of them is to develop more franchisors from township and rural communities. I am sure that members, who read the newspapers today, read about this area of franchise and the fact that those old existing franchises are even breaking through to the African continent. The challenge we have is that those that are small and black-owned, are far away from this.

As part of our continued entrepreneurship in schools we will work together with the Department of Education to make sure that through the vocational education and training we shall be able to increase our support.

The issue of the red tape reduction is one of the challenges that we have. We also have incubation support. With regard to incubation support let me quickly say that there are so many incubators everywhere in the country. We want to make sure that there is a coordinated support and insuring that these incubators are of value to everybody.

Lastly, on co-operatives development - Chairperson, I know that my time has expired. However, before I can sit down I want to say that one area that we need to do a lot of work on and consultation is on the amendment of the National Small Business Act. Thank you.

Mm

END OF TAKE



MEMORANDUM

To: Hon. S G Thobejane, MP
Chairperson: Select Committee on Petitions and Executive Undertakings

From: Hon. T R Modise, MP
Chairperson of the National Council of Provinces

Date: 3 June 2015

Re: Referral of Executive Undertakings

Kindly be informed that during the House sitting of 26 May 2015, the Minister of Social Development made the following undertakings:

- (a) "Early childhood development, ECD, remains a priority and has been declared a public good by this government. This year we will continue to extend ECD services to children in the zero to five years age cohort and increase the number of registered ECD facilities".
- (b) "In this financial year, we will establish additional 81 projects and train more than 2 000 child and youth care workers".
- (c) "The department will ensure that all the existing community nutrition and development centres as well as the provincial food and distribution centres buy from local co-operatives through preferential procurement framework. As directed by President Zuma, we will ensure that a minimum of 30% of what the department procures is supplied by co-operatives".

For ease of reference, please find attached a copy of unrevised hansard wherein the Minister made the above-mentioned executive undertakings.



Please note that a letter has been written to the Minister of Social Development to request information on plans and timeframes within which these undertakings will be implemented. Upon the receipt of the information, it will be referred to your committee for consideration and report.

Thank you,



T R Modise, MP

Chairperson of the National Council of Provinces



UNREVISED HANSARD

NATIONAL COUNCIL OF PROVINCES

Tuesday, 26 May 2015

Take: 2

DEBATE ON BUDGET VOTE NO 17 SOCIAL DEVELOPMENT:

The MINISTER OF SOCIAL DEVELOPMENT: Hon Chairperson, chairperson of the select committee, Ms Cathy Dlamini, members of the select committee, MECs for social development, distinguished guests, ladies and gentlemen, we dedicate this Budget Vote speech to the memory of the prolific torchbearer and stalwart of our liberation struggle, Mme Ruth Segomotsi Mompati. The most befitting tribute we can pay to her and the pioneering generation of women leaders such as Lilian Ngoyi, Helen Joseph, Albertina Sisulu, Bertha Gxowa is to continue on the path they diligently paved for us all.

IsiZulu:

Sinesiqiniseko sokuthi lapho bekhona bayidlozi elihle futhi bayathokoza uma besibona siqhubeka nezinziza ezithuthukisa izwe abalilwela izimpilo zabo zonke.

English:

Indeed, we are moving South Africa forward. From the onset, we would like to acknowledge the contribution of our MECs and heads of social development for the excellent and sterling work in the social development sector. Yesterday, Africans across the continent and the diaspora celebrated Africa Day. This is a day on which we, as Africans, are reminded of our common goal for shared prosperity and well-being, for unity and integration and for the continent of free citizens and expanded horizons of opportunities and ubuntu. These celebrations remind us of the ideals of the Freedom Charter which are unity and peaceful coexistence.

Today, I present to this House the departments Budget Vote 17 through which we recommit ourselves to bringing about social transformation in South Africa. This financial year, the total Social Development budget is R154 billion. Of this amount, R130 billion is allocated to the social assistance programme. Over R16 billion is allocated to provinces and R8 billion is allocated to the national department, SA Social Security Agency, Sassa, and National Development Agency, NDA.

A year ago, in this House, I outlined the priorities on which our budgetary allocation will be dedicated. We have made considerable progress in moving our priorities forward. A lot of work still remains to be done. In October last year, this House together with the Nelson Mandela Children's Fund hosted the fourth edition of the

children's Parliament which provided a platform for children of all backgrounds to discuss issues of common interest and to prepare them for civil duties.

This resonates with our goal of building a South Africa fit for children and to provide opportunities for children to share public policy on issues affecting them. Following this process, we have selected provincial children's ambassadors as advocates for children's issues. The theme for children's Parliament this year is *Children as nation builders, taking Madiba's legacy forward.*

On 16 June, we will join the African Union Commission in celebrating the day of the African child which will also mark the 25th anniversary of the African Charter on the rights and welfare of the child. On Sunday, 31 May 2015, we will launch child protection week in Kokstad, KwaZulu-Natal. The theme for this campaign is *Working together to protect children.* We hope that through this campaign communities will become increasingly aware of their responsibilities towards the protection and care for children as well as the services we provide to them for their emotional, cognitive and physical development.

Early childhood development, ECD, remains a priority and has been declared a public good by this government. This year we will continue to extend ECD services to children in the zero to five years age cohort and increase the number of registered ECD

facilities. We are committed to addressing the needs of children in the first 1 000 days. In the past financial year the department completed the audit of ECD facilities. The audit covered merely 20 000 registered and unregistered ECD sites. The findings of the audit support the current draft ECD policy that has been developed to address issues such as human resources, improvement of ECD infrastructure, governance training and improving the qualifications of ECD practitioners and nutrition, to name just a few.

The establishment of non-centre based ECD services such as toy libraries for children in poor communities, including children with disabilities, is a major step towards the universalisation of ECD services. This initiative is already bearing fruit. Presently the number of children benefiting from ECD services throughout the country exceeds 1,3 million of which more than 700 000 are being subsidised by the state.

IsiZulu:

Siwuhulumeni onakekelayo.

English:

I'm also pleased to announce that the Adopt an ECD campaign conducted by the NDA has supported 104 ECD sites to ensure that they comply with norms and standards for funding. Through this campaign the NDA has mobilised R20 million from the private sector and individuals to increase resources for the ECD sector. One other

important element that the NDA has introduced is mobile ECDs where kids from the rural areas, in areas where we are piloting, see an ECD once a week.

You will recall that in 2012 we adopted Isibindi model to address the needs of orphaned and vulnerable children, OVC. I'm pleased to report that to date we have established over 200 projects and more than 4 000 child and youth care workers are currently undergoing training on the implementation of this model.

Furthermore, we have reached over 170 000 children who continue to receive these services. I think we must actually put it this way; on a daily basis, we are in touch with more than 170 000 children. Of course, of these children, more than 8 000 are children with disabilities. We have created over 300 Isibindi sites as well as 163 safe parks.

The positive impact of Isibindi model was demonstrated by the good matric pass results achieved by our class of 2014. While we celebrate these achievements, the often uncertain future plans of the Isibindi matriculants show that many of our young people still find themselves in challenging economic situations which are characterised by a lack of access to jobs and bursaries.

Working with the national association of child care workers, NACCW, the department will continue engaging with the group of 2014 matric candidates as they are undergoing transition into adulthood. I must also say that 70% of children from child and youth-headed households that were writing matric attained exemptions. In this financial year, we will establish additional 81 projects and train more than 2 000 child and youth care workers.

IsiZulu:

Siyaqhuba! [Kwaqhwywa.]

English:

Our social assistance programme continues to draw admirable worldwide attention as among the most effective poverty alleviation initiatives ever implemented by this government. Together with the 16.5 million recipients of the social grants, we can take great pride in the recent World Bank report "the State of Social Safety nets 2014" which ranks the child support grant among the top five programmes across the world and the largest in Africa.

This adds to the growing body of studies which provide proof of the positive impact of the child support grant. The recent profile of

social security beneficiaries report compiled by the department depicts, amongst others, that 97% of child support grant beneficiaries aged five to 17 years are attending an educational institution. About a third of child support grant beneficiaries attend an ECD facility.

Social grants continue to have a positive impact on the South African economy. We aim to utilise social grants to stimulate and grow local economic development, rather than perpetuating the current status quo of big business continuing to grow on the back of the money paid to households as social grants. To this extent we need to leverage the payment infrastructure to bring about radical socioeconomic transformation which President Zuma referred to in his state of the nation address.

The department has established a new unit to focus on linking co-operatives to economic opportunities created by the department's social relief of distress and household food and nutrition security programmes. The new co-operatives programme management unit will facilitate the provision of support to both existing and emerging co-operatives for improved access to capacity building. The NDA will be working very closely with the department to ensure the delivery and facilitation of capacity building programmes, including, but not limited to incubation, training and mentoring.

Additional support will facilitate access to markets and other strategic networks. In this regard, collaborative work is already underway to finalise a transversal agreement with the Department of Small Business Development to leverage services that it offers to small enterprises and co-operatives.

SASSA provides a database of school going orphaned and vulnerable children and link them to social relief of distress for school uniforms. The school uniform is procured from the co-operatives that are supported by the department. Furthermore, the department will ensure that all the existing community nutrition and development centres as well as the provincial food and distribution centres buy from local co-operatives through preferential procurement framework. As directed by President Zuma, we will ensure that a minimum of 30% of what the department procures is supplied by co-operatives.

Ladies and gentlemen, high levels of co-ordination, integration and the generation of timely, reliable data are critical for better service delivery. With this in mind, we created a partnership with the United States Agency for International Development, USAID and Pact SA to build our capacity to deliver on our mandate, particularly at district level. The programme focuses on

interventions such as social behaviour change, child protection, improved integration and access to services, building the capacity of nonprofit organisations, NPOs, to provide services to OVCs as well as strengthening monitoring and evaluation capacity in the department.

Ladies and gentlemen, allow me to recognise and commend the selfless and dedicated contributions of community-based organisations, faith-based organisations, traditional leaders and nongovernmental organisations, NGOs. These organisations remain our partners in the fight against the triple challenges of poverty, unemployment and inequality

This year we will undertake an audit of all NPOs funded by the Department of Social Development to have in-depth information on services provided in the social sector. The audit outcome will enable us to determine the extent and quality of the services and in the process assist NPOs in enhancing their governance and financial management skills.

Honourable Members, Project Mikondzo remains the anchor of our agenda to accelerate service delivery and increase our footprint. During our visits to the poorest 900 municipal wards we had first-

hand experience and appreciated the hardships our social workers work under. Our social workers remain at the forefront of building a caring society that we are all called upon to create. For their efforts, we remain grateful! We are committed to the implementation of the resolutions and declaration of the Social Work Indaba.

Chairperson, we have made significant progress in increasing the number of community nutrition development centres, CNDCs in provinces. Last year we established 81 CNDCs and we now have a total of 144 CNDCs in all provinces. Through these centres we provide nutritious food to more than 800 000 beneficiaries.

During this financial year, the department seeks to create 50 000 job opportunities through the EPWP with a strong focus on youth, women and people with disabilities. This will, in turn, contribute to the 250 000 work opportunities the department intends to create by 2019.

Ladies and gentlemen, the programmes and policies I have outlined lie at the heart of the ANC-led government that is committed to improve the quality of life of all South Africans, promote social justice and human dignity for all.

I would like to welcome Mr Casswell Mangonyana from Oudtshoorn. When we visited Oudtshoorn last year, we gave Mr Mangonyana a wheelchair and department officials went to his house and took the wheelchair and said they were going to adjust it and they never brought it back. We have again delivered another wheelchair to Mr Casswell Mangonyana. [Applause.]

I wish to conclude by expressing my gratitude to the Deputy Minister, Ms Hendrietta Bogopane-Zulu and all MECs for their support and outstanding contribution to the work of this sector. I would also like to thank the select committee for engaging us and trying to ensure that we do our work diligently. I also wish to extend a word of appreciation to Acting Director-General Mr Thokozani Magwaza, my special advisers Mr Zane Dangor and Mr Sipho Shezi, CEO of Sassa Ms Virginia Petersen, CEO of the NDA Dr Vuyelwa Nhlapho, and the entire Department of Social Department family for their hard work dedicated to serving the people of South Africa.

Setswana:

Realeboga.

NS

END OF TAKE

Mr V E MTILENI