TUESDAY, 26 APRIL 2016

***PROCEEDINGS OF EXTENDED PUBLIC COMMITTEE — NATIONAL ASSEMBLY CHAMBER***

Members of the Extended Public Committee met in the National Assembly Chamber at 10:01.

House Chairperson Ms M G Boroto took the Chair and requested members to observe a moment of silence for prayers or meditation.

APPROPRIATION BILL

Debate on Vote No 9 — Public Enterprises:

The MINISTER OF PUBLIC ENTERPRISES: Chairperson, hon Deputy Minister Bulelani Magwanishe, chairperson and whip of the portfolio committee, hon members, the director-general of the department, chairpersons and board members of state-owned companies, SOCs, chief executives and senior managers of state- owned companies, viewers on the parliamentary channel, ladies

and gentlemen and my distinguished guests, South Africa continues to experience the effects of a global economic and fiscal crisis since 2008.

Despite being affected by the crisis, the state-owned companies within my portfolio have joint assets of around R908 billion, and their capital expenditure assisted to avert a deeper and protracted global economic crisis and fiscal decline. Our mandate is to ensure that these assets deliver value for all South Africans.

Given their strong asset base, state-owned companies will be in a better position to go into capital markets on the strength of their balance sheet with the support of the shareholder in order to fund their investment programmes. Capital investment through state-owned companies has assisted in cushioning the country by playing a critical counter-cyclical role in the South African economy. These companies are contributors to job creation, infrastructure development, and industrialisation.

We must maintain the ownership of these state-owned companies, given their size and contribution to our economy. This will be done with private sector participation. They are key and strategic assets that we need to keep intact and continue to

grow in order to guarantee the future of our children and create viable, sustainable, and dependable future employers to reverse the current economic cycle.

Active shareholding and participation in our domestic economy is still dominated by race, class, gender, and people living with abilities or disabilities. The majority of our citizens still experience high levels of stubborn household poverty, indebtedness, and inequality. As a nation, we cannot ignore this reality.

Josef Stieglitz, the Nobel Laureate for Economics, tells us in his book, *The Great Divide*, why we should care about the large increase in inequality. It is not only a matter of values and morality but also of economics, the nature of our society, and our sense of national identity.

Going forward, growing our productive sectors and supporting reindustrialisation are critical in moving the economy to a different trajectory. State-owned companies exist because they are critical to ensuring that we accelerate the development of our economy and get more of our citizens to benefit from the fruits of our democracy. We cannot continue with more of our people being excluded from participating in the economy. The

capital programmes of SOCs will allow us to deepen localisation of strategic industries and create opportunities for enterprise development and critical and scarce skills development.

We recognise that achieving the objectives of the National Development Plan, NDP, of improving the social and economic conditions of the citizens, in part, is dependent on state-owned companies’ abilities to effectively and efficiently provide the necessary infrastructure and related services.

In turn, government as the shareholder expects that state-owned companies will deliver on their mandates and reduce their reliance on the fiscus.

There have been strides in exploring an appropriate shareholder model. We have drawn lessons from countries that have similar challenges but must also acknowledge the uniqueness of the South African environment. This is an evolving process, and engagements with various stakeholders are ongoing. In fact, I thought it would take a lot less time, but, because of the high levels of competition amongst the state-owned companies, the process of reforming those state-owned companies will take a bit of time. [Interjections.]

In the last year ... [Interjections.] If you try to listen to my speech, I will tell you why I think it’s so efficient. [Interjections.] In the last year ... [Interjections.] I wondered when I would hear Boring Voice Pink Shirt ... honourable Pink Shirt ... [Laughter.]

In the last year, South Africa experienced a serious electricity supply constraint, which resulted in Eskom implementing load shedding. [Interjections.] I agree. Some of the analysts and prophets of doom had predicted that South Africa was going to experience a complete blackout. I must say, this undermined our efforts to position South Africa as a preferred destination for foreign direct investment.

If there is one thing that the energy challenge brought about, then it was a mushrooming of energy experts who have now gone undercover since their prophecies have not come true. Some of the debates happened in this House — the debaters are on my left-hand side, but their policies aren’t left, though — and influenced perceptions which sought to cast doubt on this government. [Interjections.]

I am comfortable with the progress that Eskom has made in ensuring security of supply through a sound maintenance programme. [Applause.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Minister, may I welcome our guests in the gallery, but please request them not to participate in the proceedings of this committee. You are prohibited by the Rules; it’s not our preference. So, please don’t applaud, but we welcome and appreciate your presence.

The MINISTER OF PUBLIC ENTERPRISES: I want to use this opportunity to commend Mr Brian Molefe and his entire team for keeping us on that straight road. [Applause.] Today, we can say we are very proud. It has been almost nine months without load shedding. Eskom has kept the lights on, and load shedding has become a distant memory. [Applause.]

Eskom has been able to reduce ... Last year, hon members of the DA said: They’re just load shedding; they’re just load shedding! This year, when the lights are on, they say: It’s their job; it’s their job! [Laughter.] [Applause.]

Eskom has been able to reduce diesel usage — hon members from the DA — from R800 million to R40 million since October 2015.

[Applause.] [Interjections.] In fact, Eskom has even been able to build up sufficient capacity to be able to sell to the region. The new build programme has improved the generation capacity. [Interjections.] I’m happy to do Energy 101 for you. Don’t worry. [Interjections.] The new build programme has improved the generation capacity and created space for Eskom to do the maintenance of the existing plants. In addition to Medupi Unit 6 that is already providing power to the grid, Eskom has now delivered Ingula Units 4 and 3 — 333 MW each. So, it is

333 MW times two. In the next year, Eskom will deliver the remainder of Ingula — that will be Units 2 and 1 — which will amount to an additional 333 MW times two. [Applause.] Collectively, this will amount to 1 423 MW.

An HON MEMBER: At what cost?

The MINISTER OF PUBLIC ENTERPRISES: Over the next five years ... [Interjections.] Don’t worry about costs; I’ll tell you now! [Interjections.] Don’t worry about costs. I will tell you now.

The HOUSE CHAIRPERSON (Ms M G Boroto): Order! Order, hon members! Order!

The MINISTER OF PUBLIC ENTERPRISES: When the DA stops howling, let me tell you that, in the next couple of years, Eskom will spend R340 billion in capital expenditure, hon Robinson, ensuring completion of the build and transmission strengthening.

With all its challenges — unlike when some of them were in power pre-1994 — Eskom still connected 190 000 households to the grid in the last year. [Interjections.] [Applause.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Order!

The MINISTER OF PUBLIC ENTERPRISES: One-hundred-and-ninety thousand more families have access to electricity this year ... [Applause.] ... while they had nothing when your parents were governing. So, don’t worry. [Applause.] [Interjections.]

While having electricity may have become normal for some people

... for some of you, switching on electricity is normal. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Order, hon members!

The MINISTER OF PUBLIC ENTERPRISES: I would like to welcome today, hon Chair, in the gallery, Mr and Mrs Mbebe from the

village of Matatiele, whose house received electricity for the first time on 1 March 2016. [Applause.] What the hon members don’t realise is that, 20 years ago, Mr and Mrs Mbebe would not even have been on the list to receive electricity.

I have been having discussions with provinces in an effort to come up with sustainable solutions for municipal debt. These engagements are bearing fruit. I am well aware of the need to keep a downward pressure on Eskom’s costs, particularly coal, to ensure that electricity remains affordable in an increasingly competitive environment.

Eskom primarily sources 51% of its coal from four major key suppliers at a cost of R23 billion of Eskom’s total cost of coal of R45 billion. This has been happening for 40 years. Every year, these suppliers get R23 billion. There are only four companies. Unfortunately, none of them who get of the

R23 billion is Gupta owned. Unfortunately! [Interjections.] The one thing I can tell you is that that mine only cost us R150 per ton. The rest was R350 per ton and R900 per ton of good quality coal. [Interjections.] Unlike you, I’m not scared of anybody called Gupta or Rupert or Braam or anyone!

Today, I would also like to acknowledge the 20 women from Eskom seated in the gallery. This afternoon, I will be launching a book on the journey of transformation for women in the last

20 years. We have indeed made progress. [Applause.]

Transnet has spent about R124 billion on its Market Demand Strategy, MDS, in the upgrading and building of rail and port infrastructure and the acquisition of new locomotives and wagons for the train system as well as cranes for the port system. [Interjections.] I suspect you think it doesn’t, hey? They can’t possibly be fitting, can they?

I would also like to put into perspective the perception of high port costs in South Africa. According to a World Bank report on doing business and trading across countries, South African port charges contribute 15,7% as compared to the international average of 27,7%. This is also one of those untruths put into the market so that people don’t do business in South Africa.

The weak performance of the productive sectors of the economy has had a major impact on the realisation of the rail volume growth targets. Transnet has introduced various interventions for customers in mining, steel, and container sectors in order to assist to keep them operational and save jobs. Transnet has

given price reductions amounting to more than R2 billion in the last calendar year.

They have furthermore taken lower than inflation price increases in other areas in order to keep businesses afloat and to encourage the Road to Rail migration initiative. Lots of focus went into improving the on-time departure and on-time arrival of trains to the mining sector, as well as the efficiencies of cargo in transit and port offloading facilities.

Mr I M OLLIS: Chairperson ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Yes, hon Ollis?

Mr I M OLLIS: Chairperson, would the hon Golden Dress take a question?

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, who are you asking to take the question?

Mr I M OLLIS: The person at the podium ...

The HOUSE CHAIRPERSON (Ms M G Boroto): No, no, no! Who are you asking? We are in the House!

Mr I M OLLIS: Yes, but the Minister referred to me as the “Pink Shirt”.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, can you please respect this House?

Mr I M OLLIS: Well, she opened the door to that, hon Chair.

The HOUSE CHAIRPERSON (Ms M G Boroto): Alright. At whom would you like to address a question?

Mr I M OLLIS: The Minister at the podium.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you very much. Hon Minister, would you like to take a question?

The MINISTER OF PUBLIC ENTERPRISES: I’m sure he can fax it to me. [Laughter.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you very much. Please take your seat, hon Ollis.

The MINISTER OF PUBLIC ENTERPRISES: Transnet is making good progress in the implementation of Operation Phakisa initiatives

that will create the environment for gross domestic product, GDP, and job creation through the Oceans Economy. Transnet is in the process of resuscitating the existing ship repair facilities at South African ports in order to serve the market in a safe and efficient manner. Transnet has committed a minimum of

R1,6 billion towards the upgrade of existing ship repair facilities. Branch lines are currently a relatively underutilised part of the country’s transport infrastructure, and it is expected that their revitalisation could unlock potential both at a regional and at a national level.

South African Express, or SA Express, has been experiencing financial difficulties which are also tied to its business and operating model. The general challenges in the global and local airline industry also contribute significantly to the position of the state-owned airlines. It is therefore imperative that, together with National Treasury, we accelerate the optimisation of the airlines portfolio.

Our growth story will not change if we do not address the challenges that are faced by the productive sectors of the economy, in particular manufacturing. We need to enhance the design and manufacturing capabilities of our South African firms to ensure that they can play a part in global value chains.

Transnet Engineering as well as Denel are continuously upgrading their capabilities to be able to compete in the global market.

This is important for our new growth story. I am really proud today to announce that the repositioning of Transnet Engineering to become an original equipment manufacturer is largely on track. The first batch of the passenger coaches engineered and manufactured by Transnet for Botswana Railways was successfully delivered to Gaborone on 22 March 2016. The 22 coaches already delivered were engineered and manufactured to exact specifications at Transnet Engineering facilities in Pretoria and Cape Town.

Today, I would like to acknowledge the 10 engineers from Transnet Engineering Research and Development seated in the gallery. They are somewhere in the gallery ... there they are! [Applause.] They are young people. They represent our various race groups. They represent our different genders. They were given an opportunity by our state-owned companies to make a significant contribution and that is to build and take our coaches into Africa. Thank you very much. [Applause.]

Denel continues to advance its capabilities in the defence and aerospace industry. In this regard, the company is working on the development of the Small African Regional Aircraft that will

provide an air transport solution for the African market. Furthermore, Denel is working towards the midlife upgrade of the Rooivalk attack helicopter which, I must add, is used for peace- keeping purposes in Africa.

The SA Forestry Company (Ltd), Safcol, has developed a strategy to add further value to its sawlog product through the upgrade to the Timbadola Sawmill in the Vhembe district in Limpopo and the setting up of a new sawmill and veneer plant in Sabie, Mpumalanga. The intent is to leverage the investment to create community-based manufacturing enterprises in partnership with the provinces.

Our new growth story will be inconclusive if we do not change the growth dynamics in our region. It is very clear that South Africa’s development cannot be separated from development of our neighbours. Our commitment is to ensure that we build the infrastructure that facilitates regional trade and reduces the cost of trade.

In the current financial year, we have identified priority markets that will be pursued. These are Tanzania, Kenya, and Burundi for Transnet; the Democratic Republic of the Congo,

Mozambique, and Uganda for Eskom; Egypt for Denel; and Ghana for SA Express.

With the electrification capabilities built over the last

20 years ... [Time expired.] [Applause.]

Ms D Z RANTHO: Hon Chair, the Minister has told you all. I do not have to tell you more. I will have to politicise you.

Chairperson, hon Minister Lynne Brown, hon Deputy Minister Bulelani Magwanishe, Ministers and Deputy Ministers, Members of Parliament, board members, Ms Nondumiso Kheswa, the first black female plantation manager who is amongst us, officials from the department and the entities, guests in the gallery, ladies and gentlemen, good morning.

It is very interesting how 22 years of our democratic governance has led to some hon members and their constituencies developing incredible amnesia regarding the abject state our country and government were in when the ANC came into power in 1994. What is the mysterious sickness that has wiped out their memories? The amnesia that I have referred to has led these members to absolutely forget what the socioeconomic conditions were like before and the chasm that existed before between black and white citizens of this country.

Instead of them helping in uplifting the lives of poor, particularly black, people they invest their energy in distracting us from the task ahead of us. We will never move away from what we stand for, no matter what. [Applause.] Our vision is clear, and our mission is focused. We need to remind these hon members that the ANC has a mission of changing the lives of our people, and we will not rest until that is done. Our commitment still stands, and we are the only organisation that puts people at the centre. That is why even in our selection of ward candidates we do not impose candidates. We let the people nominate their own candidates. [Interjections.]

Hon detractors, can you please line up behind us, because we are the leader of the society, and help move South Africa forward for all South Africans. To you South Africans out there, it is this movement that brought this democracy. [Interjections.] It is us that opened the way to the right of speech today. These people are abusing that platform for their own interests. Their main interest is to go back to the olden days of dictatorship.

When addressing the challenges of our country, the seminal manifest of the ANC in 1994, the Reconstruction and Development Programme, RDP, articulated the service delivery challenges facing our country.

I want to quote extensively from that document to illustrate the gravity of the situation that faced this country then. The RDP document states:

* + 1. Our history has been a bitter one dominated by colonialism, racism, apartheid, sexism and repressive labour policies. The result is that poverty and degradation exist side by side with modern cities and a developed mining, industrial and commercial infrastructure. Our income distribution is racially distorted and ranks as one of the most unequal in the world.

Women are still subjected to innumerable forms of discrimination and bias. Rural people and the youth are marginalised.

Under 1.2.1, the document continues to say:

Lavish wealth and abject poverty characterise our society.

* + 1. The economy was built on systematically enforced racial division in every sphere of our society. Rural areas have been divided into underdeveloped Bantustans and well-developed, white-owned commercial farming areas. Towns and cities have

been divided into townships without basic infrastructure for blacks and well-resourced suburbs for whites.

* + 1. Segregation in education, health, welfare, transport and employment left deep scars of inequality and economic inefficiency.

Violence has a devastating effect on our society, and the need to restore peace and sense of community security is paramount.

Under 1.2.3, the document further goes on to say:

In commerce and industry, very large conglomerates dominated by whites control large parts of the economy. Cheap labour policies and employment segregation concentrated skills in white hands. Our workers are poorly equipped for the rapid changes taking place in the world economy.

The result is that in every sphere of our society – economic, social, legal, moral, cultural, and environmental – South Africans are confronted by serious problems. This was just to remind you of where we are coming from. We do not use anger in this government or in this country but policies that focus on

people only. We had a right to be angry, but we knew it would not take us anywhere.

Yes, the country was bankrupt, running at a balance of external debt of US$20 billion. Therefore, before starting to address poverty, inequality, and joblessness that beset black people, we had to pay external debt to international banks and multilateral institutions that had been complicit in funding the apartheid system.

Sisuka apho. [That is where we come from.]

Let me remind you of the level of underdevelopment experienced by black people, as illustrated by the General Household Survey of October 1995. The proportion of households in formal brick structures was as follows: white people, 99%; Indians, 99%; coloureds, 91%; and black people, 61%. Electricity access was also as follows: white people, 99%; Indians, 99%; coloureds, 99%; and black people, 61%. The proportion of households with access to running water was as follows: white people, 91%; Indians, 99%; coloureds, 72%; and black people, 32%. [Interjections.] Access to sanitation was as follows: white people, 98%; Indians, 96%; coloureds, 64%; and black people, 61%. [Interjections.] The proportion of households with

telephone connections was as follows: white people, 84%; Indians, 74%; coloureds, 37%; and black people, 13%. [Interjections.]

This picture above shows exactly what then Deputy President Thabo Mbeki said in 1998 at the opening of the debate on “Reconciliation and nation-building” in the National Assembly Chamber – that South Africa is a country of two nations. He said:

We therefore make bold to say that South Africa is a country of two nations.

One of these nations is white, relatively prosperous, regardless of gender or geographic dispersal. It has ready access to a developed economic, physical, educational, communication and other infrastructure.

The second and larger nation of South Africa is black and poor, with the worst affected being women in the rural areas, the black rural population in general and the disabled.

This nation lives under conditions of a grossly underdeveloped economic, physical, educational, communication and other infrastructure.

Then Deputy President Mbeki was castigated by the media at the time because of what he said. He was piercing the veil that had been put over all of us that we are now a rainbow nation. We are not going to stop talking about the past and let bygones be bygones and not revisit the wrongs that have been visited on our people. We cannot stop talking of what happened because we are still living, and we are part of the past. There are still a lot of people, and especially black people, that need to be addressed, and there should be the freedom dividend that our people has realised in order to match and exceed the apartheid dividend that had accrued to the white people in this country.

The state-owned companies have been put at the forefront of this eradication of underdevelopment. State-owned company number one, Eskom, has ensured that electricity access is extended to our people, including those households that are a stone-throw away from the power station but could not access electricity because those people that were employed there by Eskom, because of their colour of their skin, were not worthy of having their households connected.

Eskom is now in good hands. I say so because, last year, there was a big cry when there was load shedding. Everybody was worried about the economy falling down. Now, load shedding is a thing of the past, and no one is shouting. I stood at this podium last year, and I said load shedding is not a crisis but a way of managing electricity. [Interjections.]

Nakhala kweli cala. [You complained on this side.]

My head was almost chopped off because I am a black woman that knows nothing about what I am saying. [Interjections.] Today, I can assure you, South Africans, that this government is hands on in everything that affects the lives of our people. We are aware that there are people that are trying to destroy all our gains and our endeavours that we are making for our people. We are also not surprised that these state-owned companies are attacked daily by the prophets of doom. It is because they are bringing change in the lives of our people and are redirecting the landscape of the economy in our country and challenging the monopolistic arrangement of white minority capital. [Interjections.] [Applause.]

The Department of Public Enterprises had its fair share of challenges with the state-owned enterprises, SOEs, that were

bloated and inefficient. These entities have been used to ensure that white folks were guaranteed comfortable employment. Now that we are taking over, and the black youth seems to be doing well, this does not sit well with those people who used to loot. The ANC had to make some difficult changes in repairing damages and fixing these companies, sometimes stepping on the grounds that were known as holy ground.

The state, through the Department of Public Enterprises and its state-owned companies, has delivered in the path towards uplifting the lives our people, and so has many other many SOCs that are tasked to do so. In order to paint the picture of the progress that has been achieved by the ANC-led government, let me cite a few figures. In the 2015 General Household Survey, Statistics SA tells us that 79,4% of households nationally live in brick structures. The proportion of households with access to electricity now stands at 86%. Eskom has electrified 4 million households since 1991. [Applause.]

Siyaqhuba. Ayizange yenzeka ke le, nditsho nakweliphi na ilizwe. Kuba sikhokelwa ngumbutho wabantu, umbutho okhathalayo nongajonganga sini nambala. Siyaqhuba, asinamona. [We are moving forward. This has never happened before, I mean, in any other country. Because we are led by the ANC, the organisation that

cares and that is nonsexist and nonracial, we are moving forward, and we are not jealous.]

In conclusion, I want to quote the words of a wise man, former President Rolihlahla Mandela, after the victory in the elections of 1994. He said:

Tomorrow, the entire ANC leadership and I will be back at our desks. We are rolling up our sleeves to begin tackling the problems our country faces. We ask you all to join us - go back to your jobs in the morning. Let’s get South Africa working.

For we must, together and without delay, begin to build a better life for all South Africans. This means creating jobs, building houses, providing education and bringing peace and security for all.

Siyaqhuba, asihlelanga; silandeleni. [Kwaphela ixesha.] [Kwaqhwatywa.] [We are moving forward. We are not resting on our laurels. Follow us. [Time expired.] [Applause.]]

Ms N W A MAZZONE: Hon Chairperson, Minister, Deputy Minister, fellow Members of Parliament, and ladies and gentlemen, the Department of Public Enterprises was originally established as a catalyst for privatisation or semiprivatisation of our state-

owned entities. This fact was explained in great detail by Minister Brown, in response to a question I once asked her in the portfolio committee. What we have seen, however, is a complete change in policy and ideology from the governing party, and the very mention of the word privatisation is now viewed as a swear word.

What is disturbing is the fact that we are in fact seeing a form of privatisation of our state-owned entities. It is just that it is being done in an underhanded and reprehensible fashion by allowing a certain family with the surname Gupta ... [Interjections.] ... to take control and to gain tenders and contracts in all our major state-owned entities. [Applause.]

The complete politicisation of state-owned entities by the deployment of cadres has become a growing trend that afflicts our state-owned entities which only further serves to compound the financial pressures experienced by these sectors for self- interest.

There is growing evidence to suggest that a number of state- owned entities have been captured by the Guptas, with the family allegedly influencing not only ministerial appointments but also appointments within SOEs themselves. In light of the mounting

allegations of influence and interference by this family, I have requested that the Portfolio Committee on Public Enterprises urgently summons the Guptas in line with the Rules of Parliament so that a process of inquiry can begin into the capture of

state-owned entities by the Guptas. [Applause.]

Media reports indicated that former chairperson of Eskom Zola Tsotsi had a forced resignation that was allegedly orchestrated by the Guptas as a result of him not playing the game. This was after Tsotsi informed the Guptas that he could not grant them exclusivity over certain Eskom contracts. The allegations by Tsotsi follow a number of similar accusations that have come to light – for example, the claim by former Minister of Public Enterprises Barbara Hogan that she was placed under immense pressure to meet with the Guptas, and they wanted the Indian airline, Jet Airways, the airline responsible for landing the Guptas’ wedding plane - just for your information - at Waterkloof Air Force Base to have a stake in South Africa.

Hogan was replaced by then Minister Malusi Gigaba, who is known to have attended the Gupta wedding in 2013. [Interjections.] My colleague Haniff Hoosen has also revealed a very worrying trend with Minister Gigaba in the Department of Home Affairs.

Hogan’s claim was in support of the allegations by former senior ANC Member of Parliament - and I note that term, “senior” - Vytjie Mentor that she had been offered the position of Minister of Public Enterprises on the condition that she drop the SAA route to India and give it to Jet Airways instead. The allegations by former SAA chairperson Vuyisile Kona that he was offered R500 000 by the Gupta family in 2012 to secure his co- operation with them is also worrying.

Eskom chief executive officer Brian Molefe has also been linked to the Gupta family and has admitted to visiting them at Saxonwold. [Interjections.] Gupta-owned Tegeta Exploration and Resources has recently secured a very lucrative contract to supply coal to Eskom power stations.

These allegations necessitate an urgent investigation into the Guptas’ links to SOEs by the portfolio committee. [Laughter.] The portfolio committee must immediately summons the Guptas to appear before it in this regard and call former Ministers of Public Enterprises Barbara Hogan and Malusi Gigaba to provide full details of their relationship with the Gupta family. [Interjections.] Gigaba, in particular, must account for the allegations of preferential treatment the Guptas received during his tenure. Finally, the committee must summons the chief

executive officers and chairpersons of the largest SOEs to appear before them - before us, rather – and answer questions regarding their ties to the Guptas. We cannot afford to have a private family enriching themselves from lucrative state contracts, while these entities are costing the state billions.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon ... no, I thought you wanted to speak, as you are standing. Continue, madam.

Ms N W A MAZZONE: The ANC must take a stand against the Guptas and President Zuma himself to ensure that corruption on the highest level is eradicated in the interest of building an inclusive economy that benefits all South Africans, not just the connected few.

While the DA welcomed President Zuma’s recent utterances of the implementation of the recommendations of the Presidential Review Commission, the privatisation of state-owned entities must happen as a matter of urgency. It has been three years since this report was tabled. If President Zuma is serious about privatising SOEs, he must announce a deadline for this process to be completed. To this end, the DA suggests that President Zuma ensures that the privatisation of the SOEs ... [Interjections.]

Ms N R MOKOTO: Chairperson, on a point of order ...

An HON MEMBER: He is still the President, and you reject him.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Mazzone, can you please take your seat? Yes, hon member?

Ms N R MOKOTO: Chair, I just want to check if it is parliamentary for a member to deliberately divert the attention of the debate. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, I think that will be responded to by the ANC members. They will have their turn to debate. It is a point of debate. Continue, hon member.

Ms N W A MAZZONE: Thank you very much, hon Chairperson. Let us talk a little bit about Denel now. I will please the hon member. Denel has gone from the wunderkind of Public Enterprises to the delinquent child. The nonadherence to the law that Denel is reported to be showing is unacceptable and demonstrates a complete disregard for process regulation and good governance.

The situation in fact has become so untenable that the Portfolio Committee on Public Enterprises had summonsed Denel to appear

before it on 4 May 2016 and explain the now infamous VR Laser deal.

In response to a question handed in by my colleague the hon Marais, it has now come to light that Denel did not apply for the conventional arms permit as envisaged by the Act. This is unacceptable. The deal has also not been approved by Minister Brown or the Minister of Finance, Pravin Gordhan, as required by the Public Finance Management Act.

In the absence of Denel’s permanent chief executive, chief financial officer, and company secretary, all three of whom are on suspension, there is a strong suspicion that they were removed to clear a path for this deal. The Denel board appear to have acted outside their authority in announcing this deal prior to its approval. Denel has been generating a profit over the last few years and should be stable enough to seek and proceed with this venture without the help of short-term profit-seekers.

Let us now focus on something that happened that was seriously disturbing, and that is the announcement by the African Development Bank of a settlement being reached with Hitachi over allegations of corruption in the awarding of the Medupi contracts by Eskom. This is further evidence of large-scale

corruption in the tender process, no doubt involving the ANC – and, guess who? – their investment wing, Chancellor House. [Interjections.]

While the African Development Bank did not provide details of the allegation, it has found that Hitachi engaged in sanctionable practices in order to be awarded the boiler works contracts for this contract. [Interjections.] The ANC’s Chancellor House allied with Hitachi in 2005 in a raw deal that saw the company purchase a 25% stake in Hitachi for only

R1 million. [Interjections.] Under the agreement, Chancellor House - an extension of the ANC - would share in the profits from contracts awarded to Hitachi. [Interjections.] Subsequent to concluding this deal, Hitachi was then - wait for it - awarded a R38,5 billion contract by Eskom in 2007 to construct the boilers at Medupi.

The HOUSE CHAIRPERSON (Ms M G Boroto): Order, hon members!

Ms N W A MAZZONE: I think we all know, hon members, what happened to those boilers at Medupi.

In conclusion, Chairperson, I have absolutely no doubt that Minister Brown and her sweep are going to spin some story about

me being negative and trying to bring down the country and all the stuff about state capture. [Interjections.] Let us be honest: I personally, hon members, expect nothing less from a member and a Minister who showed such disdain for the Constitution that she voted against impeaching President Zuma. [Interjections.] All I can say is shame, shame, and more shame on you, Minister Brown. [Applause.] The DA will not allow the ANC to prosper at the expense of ordinary South Africans. As long as the ANC continues to put itself first, our nation will always come second. The DA will not support this budget. [Applause.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you. Hon members, we are supposed to have the hon Paulsen as our next speaker at the podium. Unfortunately, he is not here, and I must state that he will be given an opportunity provided he is in here before the sweeper of the ANC and the Minister respond. Continue, hon Singh.

Mr N SINGH: Hon Chairperson, and colleagues, in response to some of the other speakers in this debate before me, let me say that there has been considerable progress made in this country since 1994, in terms of socioeconomic development. [Applause.] There were a lot of wrongs that took place during apartheid.

An HON MEMBER: Yes.

Mr N SINGH: However, what we must accept, hon colleagues, is there is a lot of wrong taking place post-apartheid. Let us not bury our heads in the sand and believe that nothing is wrong and dismiss the wrong that is happening because two wrongs don’t make it right. [Interjections.] I think sometimes it is good for people to listen to these things instead of just defending, defending, and defending all the time.

Having said that, we will support this Budget Vote. We will support it because there are state-owned companies, SOCs, under the oversight responsibility of the hon Minister. There are six SOCs that are there still under the oversight of the Minister, but, having said that, I said this before and I’m going to say it again, and I am going to ask this question: Is there a need for the Department of Public Enterprises to continue existing at a budget of R274 million per annum? The answer to that question is no. If you look at the law of diminishing returns, from 10 of

15 SOCs that were under its oversight responsibility, many years ago, nine in 2005, and six now, and the possibility of

SA Express even moving away, which will leave only five, why is it not possible for Eskom to go under the Department of Energy, Denel to fall under the Department of Defence and Military

Veterans, and the SA Forestry Company, Safcol to fall under the Department of Agriculture, Forestry and Fisheries? These are questions that we need to ask moving forward, and, hon Minister and Chairperson, let me say that it’s not personal. It’s not personal about you or the Deputy Minister, but it is a reality that we face. Can we have a department that has oversight?

Having spoken about oversight, what we read about oversight sometimes is quite disturbing, and I hope the hon Minister can clear some of these misconceptions or perceptions that exist. One is regarding Alexkor and the Richtersveld community. This is what I have read: The community, through their legal representative Duncan Korabie, rejected the view presented by Alexkor executives to Parliament’s public enterprises committee last week about their dispute. That is in this article.

Secondly, they have said: The Richtersveld community has received no cent from the mining operation since the start of joint operations. The third thing they said is this: Mr Korabie and Ms Obies said the matter had been raised with Public Enterprises Minister Lynne Brown, but she seemed to have done nothing. That is what I am reading.

Then, let’s move to Denel and this arms-length approach that I spoke about. Minister, because you have the responsibility of

oversight, crack the whip, and I can assure you that the portfolio committee, all parties, will support you in whatever action you want to take. We are very glad that the chairperson of the committee agreed the other day after the hon Mazzone raised the issue that not the Guptas but Denel should be invited to the committee on 4 May to explain exactly what is happening with these dubious transactions with certain people that are well known to government. Here is another article titled, “Denel bypasses Brown in firing CEO.” Now, these are things we read, and we want to know, Madam Minister, are you holding the reins tight enough? You need to do that.

Let’s talk about SA Express and SA Airways. They are going to merge, but merging is not going to be the panacea to the problems. If we are going to have the kind of leadership that SAA has had over the number of years, then woe betide us. It is not only about merging, but it is about how they manage it going forward. As I have said, we will support this Vote. Thank you.

Solz N M KHUBISA: Sihlalo, namalungu ahloniphekile ale Ndlu. Thina njenge-NFP sithi, umnyango kufanele ubheke ukuthi nama- SOEs ayasebenza yini futhi sibheke ukuthi sisuka kuphi, kwenziweni phambilini. Siqaphela futhi ukuthi kuningi okwenziwe kodwa asikafiki la kufanele kuyiwe khona uma lezinhlangano

ezingaphansi kukaHulumeni, zingasebenzi ngendlela okuyiyo kodwa futhi kufanele sibheke ukuthi umnotho wazo, kade uphethwe obani. Basawuphethe yini? Sibheke isimo senguquko siyadingeka uma sikhuluma ngo-Eskom, sikhuluma nge-SAA, asibheke ukuthi obani abathola imisebenzi noma ababethola imisebenzi kulezi zinkampani kuqala. Sibheke ukuthi abantu abamnyama bayawathola yini amathuba emisebenzi kuzona ngoba sekuyisikhathi sokuthi bathole amathuba emisebenzi, banikezwe amakhono abawafanele ukuthi bawathole – bengezwa ukuthi kukhona u-SAA, bengezwa ukuthi kukhona u-Eskom, bengezwa kukhona o-Denel kodwa bengawatholi amathuba emisebenzi.

Bese kuthi labo abahlale bewubuso obufanayo, bengena bethola umsebenzi ngoba abantu bayazibuza ukuthi, yini ubuso obufanayo kube ibona obuthola umsebenzi njalo? Sikunciphise, sazi ukuthi kukhona nabanye abafanele balethe amathuba kulezi zinhlangano abathola imisebenzi. Ngicabanga ukuthi Sihlalo, Ngqongqoshe, iloko okubalulekile ukuthi uma silungisa lezi zinto sibheke ukuthi abantu abamnyama bayangena yini, bayawathola yini amathuba emisebenzi bengezwa nje ukuthi kukhona lezi zinkampani, ziyasiza. Nanokuthi, okunye, sishintshe ubuso, sibheke ukuthi amathenda abetholwa obani. Siyilungise leyonto ukuze sibuyele esimweni okuyisona sona.

Bese kuthi futhi, kungabi ukuthi, ilaba abaphezulu ikakhulu, abaphathi abaphezulu, abahola amaholo amakhulu bese ukuthi abantu abenze imisebenzi la phansi, abatholi lutho. Kufanele uma siya kwa-SAA sibuke ukuthi abantu abamnyama bangaki abangabashayeli bamabhanoyi, bangaki abesifazane abangabashayeli bamabhanoyi, bayangena yini? Bayawathola na amathuba ngokushesha ukuze babe yingxenye yalezi zikhungo zikaHulumeni. Ngicabanga ukuthi leyonto ibalulekile kakhulu Nggongqoshe. *(Translation of isiZulu paragraphs follows.)*

[Prof N M KHUBISA: Chairperson and hon members of this House, as the NFP, we are saying the department must check if the state- owned enterprises, SOEs, are working, and we must look at where we are coming from, what was done before. We must also be aware that there are a lot of things that were done, but we are not yet where we are supposed to be if these government entities are not working in a way that they are supposed to, but we must also look at who was handling the economy. Are they still handling it? We must also look into changing the situation. We need to do that when we are talking about Eskom and SA Airways, SAA. Let us look at who is getting jobs, or who were getting jobs first in these entities. We need to also check if the black people are getting job opportunities in these entities because it is their time to get job opportunities and be given the skills that they

deserve – and not hear that SAA, Eskom, and Denel are there, but they are not getting the job opportunities.

Then the same people get jobs because people are wondering why it is always the same people getting jobs. We should minimise it and know that there are others that get the jobs that must bring opportunities in these entities. I think, Chairperson and Minister, that’s what is important. If we fix these things and check if the black people are getting in, we must ask: Are they getting job opportunities and not just hearing that there are these entities that could help? Another thing is we must give other people opportunities. We must look at who has been getting tenders. We must fix that so that we will not go back to the same situation.

Also, it must not be those who are on top, especially the managers that get paid a lot of money, and those who are doing the job do not get anything. If we go to SAA, we must look at how many black people are pilots, how many are female pilots, and whether they are getting the jobs. Do they get opportunities quickly so that they can be part of these government entities? I think that is very important, Minister.]

We are therefore encouraged by the procurement pronouncement by the Minister of Finance that state-owned enterprises will no longer be viewed as sacred cows. The NFP is excited at the prospect of reforms and the possibility of shutting down or privatising those unnecessary entities that do not rationally link with the government’s development objectives. As the shareholder representative of government, the department has a role to play to ensure that state companies and entities fulfil their developmental goals in as far as they are linked to the National Development Plan, NDP.

When we look at the budget distribution in the report tabled here today, we share the concern of the portfolio committee that the personnel budget of the department is too biased towards the administration rather than focusing on sector-specific specialists, a role that is required for oversight. We also note that there is a consistent and disproportionately high use of consultants budgeted for. The NFP says that the department must reduce the use of consultants so that there are skills that are there on a permanent basis within the department.

Finally, the NFP agrees that the department should consider relocating part of the budget allocated for the programme Administration to the Sector Oversight programme and that the

department should reduce the use of consultants and invest in building internal capacity through incentivising scarce and critical skills and investing in a skills development programme to ensure that the department is properly resourced.

Finally, the NFP supports the Budget Vote. [Applause.]

Mr N S MATIASE: House Chair, since the EFF uncovered the state capture by the Zuma and Gupta corrupt coalition ...

An HON MEMBER: That’s what you know.

Mr N S MATIASE: ... it has become clear now that the rot and corruption is facilitated by you, Minister, your Ministry of Public Enterprises. As the EFF will not be party to the looting of state resources, we therefore do not support the Budget Vote for Public Enterprises.

An HON MEMBER: As always. [Interjections.}

Mr N S MATIASE: We know for a fact that the Gupta family appointed your predecessor, now Minister of Home Affairs, and you, Minister. Before you, other men and women that are more honourable were offered your job, on condition that they turn a

blind eye to the looting and, at times, facilitate it. They refused, obviously something you, Minister, driven by greed, were not capable of doing. The facts that we present here serve as undeniable evidence. The Guptas needed you, Minister, to secure Eskom coal contracts at inflated prices, and now it is the workers and poor South Africans who are stuck with outrageous and unaffordable electricity prices.

The Guptas needed you, Minister, to turn a blind eye while Denel, the state-owned arms manufacturer, was issuing a steel- cutting tender of R10 billion to the 24-year-old son of Atul Gupta. It was not a surprise to see you change the Denel board and retain only one member – someone that happened to be a business associate of the Gupta family.

The Guptas needed you, Minister, to sit, watch, and do nothing as the incompetent Dudu Myeni wanted to cripple SA Airways by entering into a financially insane and unjustifiable lease agreement, just as long as your masters stood to benefit.

The Guptas needed you, Minister, and the puppet you appointed to the Transnet board, Mr Sharma, who happened to be a business associate of the Guptas, to loot more than R50 billion from Transnet in a locomotive tender. State-owned entities such as

SA Express, Broadband Infraco, and others are not immune to capture. They are all captured and facilitating the loot under your watch.

It is now official. It is under your watch, Minister, that democratic South Africa experienced the biggest capture, looting, and corruption by a sitting President and his corrupt friends. Had it not been for your role and facilitation, Gupta state capture would have been very difficult, if not near impossible.

Mr B A RADEBE: Chairperson, on a point of order: The speaker just made an allegation that the President has captured the land. There is no competent authority which has made that determination. Can you rule on that?

The HOUSE CHAIRPERSON (Ms M G Boroto): I will look into that.

An HON MEMBER: Point of view.

Mr N S MATIASE: Only a fool will deny the obvious and the ruling of the Constitutional Court. [Interjections.] What is more disturbing about the route and the looting facilitated by the Department of Public Enterprises is that not only is the

Ministry unnecessary and a waste of resources, as we now have the most bloated Cabinet, but with the correct industrial policy and deliberate state-led industrialisation, state-owned entities such as Transnet, SAA, Eskom, and others will be crucial to the successful industrialisation of South Africa. It is for this reason that the Ministry of Public Enterprises must be disbanded with immediate effect. [Interjections.]

All state-owned entities must be moved to line function departments. Denel must go to Defence, Eskom to Energy, Transnet and SAA to Transport, and so on. We cannot allow our country to be run down by common criminals who masquerade as Ministers and Presidents of this country. The time has come for South Africans to reject the corrupt ANC and entrust the responsibility of running the affairs of the state to the hands of capable South Africans that hold ... [Interjections.]

Mr B A RADEBE: Chairperson, on a point of order ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Matiase! Hon Matiase!

Mr B A RADEBE: Chairperson, on a point of order: The speaker has said the President is a criminal.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, did you say that? Did you say the President ... [Interjections.]

Mr N S MATIASE: Zupta has been found with his hand in the cookie jar. It is a fact, and whoever is found with his hand in the cookie jar is for the public to know whether that is criminal or not.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member! Hon member, you don’t answer me. You have not answered me, hon member.

Mr N S MATIASE: Thank you. Thank you, Madam Chair.

An HON MEMBER: Come back.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member! Hon members, I will consult with the Table about what we just saw. The Chair asked the member to stay at the podium, and the member just ignored that. Thank you very much.

Hon members, I am told even if the member is seated at his desk, I can ask him again. Hon Matiase, will you please stand? Hon Matiase, did you refer to the President of this country as a criminal.

Mr N S MATIASE: Madam Chair, I did not.

The HOUSE CHAIRPERSON (Ms M G Boroto): Having said that, I will consult the Hansard and rule.

Mr N S MATIASE: Please.

The HOUSE CHAIRPERSON (Ms M G Boroto): I am told by the Table that you did, but I didn’t hear that correctly. So, I am going to check the Hansard, and I am going to rule on that. Thank you. We now invite the hon Deputy Minister of Public Enterprises, the hon Magwanishe, to take the debate forward.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon House

Chairperson, hon Ministers and Deputy Ministers, hon members, the director-general of the department, leadership of our state- owned companies, SOCs, Department of Public Enterprises colleagues, distinguished guests, ladies and gentlemen, this year marks the 40th anniversary of the Soweto uprising. The blood of the young shed on that fateful day paved the way for the course of future generations. From that generation, Solomon Mahlangu implored us through these words:

My blood will nourish the tree that will bear the fruits of freedom ... Tell my people that I love them ... They must continue with the fight.

Today, through the platform created by state-owned companies under the ANC-led government, it is neither blood nor death but innovation that young people are exposed to. Today, the same age as Solomon Mahlangu when he was hanged, a group of five interns at Denel developed a tactical observation ball system that can be used by soldiers for surveillance without putting their lives in danger.

Young people at Denel are at the forefront of making South Africa rise from her ashes. Lindokuhle Mpanza who is 30 years old and Anish Punnen who is 32 years old are software engineers at Denel Aviation. They developed a computerised Oryx mission planning system that is used by the SA Air Force pilots on the Denel manufactured Oryx aircraft to plan their missions and share information across locations.

Selaelo Mojela who is 31 years old and Mbuyiselo Sokuwe who is

34 years old developed a robot to detect landmines, minimising the risk on human life. [Applause.] It is easily monitored through its onboard camera and has a wireless router that sends

information back. Our young people are giving meaning to the hope of Solomon Mahlangu through innovation.

In 2015, Denel invested R467 million in research and development for developing a new Small African Regional Aircraft called SARA. This aircraft will serve regional destinations that are currently not accessible to existing passenger planes. Preshni Govender who is 30 years old, Puseletso Matlala who is 28 years old, and Naadira Hassim who is 26 years old are three of our young female engineers involved in the project.

We are aware that some of the great innovators do not reach postmatric institutions. Transnet, working with the SA Bureau of Standards, SABS, wants to unearth that talent at secondary schools. They have conceptualised a design and innovation skills development programme based on the SABS design institute. The intention is to have mini design institutes in rural provinces of our country such that anyone, especially young people with a product idea, is able to walk into the centre and emerge with a blueprint, including a patent of the concept, and start commercially exploiting that idea.

Already with the design institute in Pretoria, they discovered 16-year-old asthma suffer Vuyo Klaas from Monwabisi High School

in De Aar in the Northern Cape, and assisted him to design a master duster that is currently at the prototype stage. This duster is able to recycle the chalk as it dusts. If this product succeeds, it can be a game changer in Africa where schools still use a blackboard and chalk.

Matlalane Ramashiane from Clubview Secondary School in Phuthaditjhaba in the Free State is in Grade 10 and designed a concentration arm band. It detects concentration levels of people. This is also still at a prototype stage. [Applause.]

Through the design institute, we envisage the building of new industries that will help fight unemployment and grow the economy. Our SOCs were given a target by the National Skills Accord of producing 11 958 technical trainees. Eskom, Transnet, and Denel enrolled and qualified 13 405, exceeding the target. The skills were as follows: 5 300 artisans, 3 876 technicians, and 1 599 engineers. The SA Forestry Company Limited, Safcol, has been able to produce 65 foresters, SA Express has enrolled and qualified 100 pilots, and Transnet and Eskom were able to employ a total of 8 117 of the qualifying technical graduates.

Beyond these numbers, Transnet, in support of Operation Phakisa’s Oceans Economy, has opened maritime schools in

KwaZulu-Natal and in the Eastern Cape. [Applause.] Moving forward, Transnet will be spending R34 million in the next two years to produce 415 artisans and engineers in marine-related occupations. Eskom is planning on training 100 nuclear plant operators over the next 5 years. Safcol has appointed the first black female plantation manager in the country, Ms Nondumiso Kheswa. [Applause.]

Our SOCs have continued to support technical and vocational education and training, TVET, colleges through various partnership agreements, focusing mainly on learner and lecturer support, donation of machinery and equipment, curriculum support as well as participation in TVET college councils. During the 2015-16 financial year, this support has been extended to technical high schools, which are feeder schools to both the TVET colleges and the state-owned companies themselves.

Denel has provided support to four colleges in Gauteng to the value of R523 000, covering bursaries for engineering students and experiential learning. Alexkor supported 14 colleges in both the Northern Cape and Western Cape to the value of R515 000 over the past financial year. Over the past three years, Eskom has donated machinery and equipment to support electrical workshops to eight TVET colleges in eight provinces, and Transnet is doing

the same. To those who asked what the use is of teaching a Bantu child mathematics and science and where they are going to use it, through our SOCs, under the ANC-led government, they are using it.

Please allow me to acknowledge remarkable South Africans we met during our career expo in the Enhlanzeni Local Municipality, Mr and Mrs Mpapane. [Applause.] Mr Mpapane is a mathematics teacher who has produced distinctions for the past 18 years. [Applause.] He is a teacher at Nkomazi High School. He has produced no less than 10 doctors, 15 engineers ... [Applause.] ... chartered accountants, and many other professionals. [Applause.] We are proud of your contribution, sir. [Applause.]

Eskom has devised the contractor academy as a tool to equip emerging contractors and suppliers, especially black women and youth-owned companies, with the relevant competencies to sustain and grow their businesses. Over the last three years,

518 contractors were trained from all nine provinces. This benefited both women and youth contractors. These SOC investment programmes are executed in provinces with a view to aligning with provincial programmes. We are working with the Gauteng provincial government in realising the implementation of the

Gauteng Tshepo 500 000 over the next five years through a set of identified projects.

On corporate social investment, CSI, our SOCs have been exemplary. Eskom is committed to developing a strong base of educated and skilled young South Africans in the fields of science, technology, engineering, mathematics, and innovation for learners in Grade 6 to 12 through its Young Scientists Expo.

In 2015, the expo saw over 12 000 learners participating from all nine provinces. This is the programme that discovered the Mthatha-based Mr Siya Xuza. Today, he represents one of the few of our own to have graduated from Harvard University and to have a planet named after him because of his excellent contribution to the development of renewable energy. [Applause.] We are working on this expo being a feeder to the design institute.

Through this process, we are creating new horizons for young engineers and artisans who are entering the industry.

Safcol brought hope to the people of Nongoma. They built a day care centre, a primary school, a community hall, and boreholes for both the community and the school. All our SOCs have been responsible corporate citizens. Last year, we spoke of our commitment to contribute to the transformation of the legal

fraternity. The Department of Public Enterprises has developed and is implementing a transformation framework and guidelines intending to unlock opportunities for black lawyers and black law firms for meaningful economic empowerment. The director- general will be monitoring the process through the group chief executive officers.

As the department, we have briefed black attorneys and advocates in more than 90% of our matters. The Department of Public Enterprises has a programme of assisting their legal interns post their internship period. The programme entails assisting them with registration into the practical legal training school. We also assist them to find firms with which to serve their articles of clerkship. Mrs Hlamarisa Ndaba from the Eastern Cape is here with us today. She is currently running her own law firm in Gauteng, and she is one of the beneficiaries of the programme. [Applause.]

We continue to foster collaboration between the public and the private sector. This is evidenced by the support both the private and public sector companies provided to Mamellong Technical High School in Tsakane in the Ekurhuleni Metropolitan Municipality. Through this initiative, three of the school’s workshops are being equipped with machinery and equipment by the

Hamisa Group, an engineering and mining company that is one of the suppliers of Transnet. Ms Bongile Tsotetsi, the managing director of the Hamisa Group, is here with us today. [Applause.] We thank you and your company for the partnership.

We believe that through the creation of new industries, the South African economic landscape is bound to change. Our state- owned companies have been at the forefront of supporting the programme of industrialisation. Comrade Solomon Mahlangu, we are continuing with the fight. Comrade Hector Pieterson, we are continuing with the fight. To all our fallen heroes and heroines, we are continuing with the fight.

We ask you to support this Budget Vote. I thank you.

USIHLALO WENDLU (Kkz M G Boroto): Ngifuna ukuthokoza abotitjhere abasilethela abentwana bethu kugalari. Abentwana abancani abeneminyaka esithandathu ukuya kelikhomba bebayawahla.

Siyanamukela besiyanithanda. Sithokoza kobana nibalethe - ligotjwa lisesemanzi. Kodwana nibatjele bangabethi izandla. *(Translation of IsiNdebele paragraph follows.)*

[The HOUSE CHAIRPERSON (Ms M G Boroto): I want to thank the teachers who are bringing our children into the gallery. Young

children aged between 6 and 7 are clapping their hands. We welcome you, and we love you. We are thankful that you are bringing them here. Train them while they are still young, but tell them not to clap their hands.]

Mnu N L S KWANKWA: Mathse! Molweni bantwana bam. I-UDM iyaluxhasa olu hlahlo-lwabiwo-mali ntonje iza kuthetha izinto zibe mbalwa. Ohloniphekileyo uRantho uthe xa ebethabatha inxaxheba kwenye ingxoxo wathi i-ANC zi*Blessers.* Ndifuna ukuba ndilumkise abavoti ukuba ii*Blessers* zaziwa ngokuza ziphethe iiplastikhi, zivule ngedolo kuba kaloku zijonge amaqithiqithi. Zithi zakufumana amaqithiqithi lawo zinyamalale. Ngoko ke baza kuni*blesser* phambi kolonyulo baze emva koko banilibale.

Umbuzo uthi, ngoba kutheni? Kaloku sayithetha kwantlandlolo ukuba la mashishini alawulwa ngurhulumente anendima enkulu nebalulekileyo ekufanele ukuba ayayidlala ekuphuhliseni uMzantsi Afrika nasekuphuhliseni uqoqoshosho leli lizwe. Ingxaki etshisa ibunzi Mphathiswa, yinto yokuba kudala eqhwalela ngobuninzi la mashishini. Eyona nto esixhalabisa ngamandla, njengoko ebekhe wayichaphazela ohloniphekileyo uSingh, kukuba njengokuba esiya eqhwalela singafumani ndlela yakuwamisa, aya ephela la aphantsi kolawulo lwakho.

Ndifuna ukubuyela kwinto ekudala siyithetha ekomitini ethi siyazama ukuba siwanyule la mashishini kule nyula azifumana ekuwo ntonje ... *(Translation of isiXhosa paragraphs follows.)*

[Mr N L S KWANKWA: Wow! Greetings, my children. The UDM supports this Budget Vote but would like to highlight just a few things. When the hon Rantho was deliberating in one of the debates, she said the ANC is of the blessers. I want to warn the voters that the blessers are the ones who bring plastic bags filled with groceries and open the door with their knees because they are eyeing benefits. After benefiting, they vanish. So, they will bless you before the elections. Then, after that, they will forget about you.

The question is: Why? Remember, we said before it happened that those businesses are governed by the government. They have a huge and important social responsibility that they are supposed to fulfil, that of developing South Africa and the economy of this country. The main challenge, Minister, is that most of these businesses are not growing. Our main concern, which the hon Singh has already alluded to, is that because they are not progressing, we can get in the habit of destroying them, and those that are not working anymore are managed by you.

I want to go back to what we always debate about in the portfolio committee, that we are trying to assist them with their problem but ...]

... without having access to the shareholder compact, it’s becoming increasingly difficult for us to play an effective oversight role over these state-owned enterprises, SOEs, because you have a situation where ...

... uza kufumanisa ukuba uza kuxelelwa ngabo ukuba benivumelene ngantoni. Asiyazi thina. [... you will find out that they are the ones who told you what the decision was. We don’t know it.]

We don’t even know how you arrived at a particular decision. We are not saying that we are supposed to set the targets and the strategic objectives, obviously, for these SOEs, but the bottom line is we must be able to assess whether or not enough stretch and pull have been built into the target-setting process and to also try and understand the rationale behind making certain decisions.

Into ephinda isixhalabise yinto yokuba niphinda kwanina nithi masibeke iliso kuwo la mashishini. Sithi sisabeke iliso, nixele oosokhetye, nimane nizintsentsetha phofu nibe nigushe iiGuptas

apha ekhwapheni. [What also surprises us is that you are the ones who say we must monitor those businesses. While we are still busy monitoring those businesses, you then decide to distance yourselves, while you are busy enriching yourselves and privately working with Guptas.]

In essence ...

... nithini ngeliphandle? NeeGuptas nazo zithi hayi siyayibona ukuba iphaya phandle ufuna ndibekweyiphi into? Kaloku ndingowaseMzantsi Afrika mna kuqala. [... what exactly is it that you are saying? Even the Guptas can see that we are compromised, so what is it that you want from us? Remember, I am also a South African.]

In essence, the Guptas are saying to you: Guys, go and get the mandate from the electorate to govern South Africa, and we will govern the country for you.

Batsho, bayaqhuba. Ngoko ke akuqhubi nina. [They also say they are moving forward. That means you are not the ones who are governing.]

Minister, the other very important issue is that we keep on talking about this issue of a free, basic alternative energy policy. We say because there is a policy in place, and municipalities should be doing their job, but, on the contrary, what is happening on the ground is that they lack the capacity to implement the policy. I think that they don’t even have the resources to make it happen.

The challenge you have is that you have an old-age pension or social grant that increases by R10, but your electricity tariff increases by more than the inflation rate, and then you expect our people to afford electricity. Something has got to give at some point. Remember, the other issue that is critical here is that the free units should compensate for their below-inflation increases to their social grants and the fact that they are becoming poorer by the day.

Hayi bayayihlawula. La mbane uphisayo uphela kungekapheli neveki. Le nto ifuna ukulungiswa kuba ... [Of course, they are paying. The free electricity units do not last even for a week. This needs to be corrected because ...]

... it is the poor that bear the brunt here ...

... yayo yonke le nto iqhubeka apha ngaphandle. [... of everything that is happening outside.]

Coming back to the issue of state capture, if you go to Denel and other SOEs, it is clear that some of the entities have now been emboldened to the point where they can willy-nilly ignore instructions from the Minister, address government, and ask politicians via the media, before they have even come to the portfolio committee to account on certain issues that are critical. We cannot afford to have that. Thank you. [Time expired.]

Dr P J GROENEWALD: Agb Voorsitter, die agb Minister kom hier en spog oor Eskom, omdat daar nie beurtkrag is nie, maar hoekom was daar in die eerste plek beurtkrag? Minister, u wil die indruk skep dat die ANC-beheerde regering geen foute maak nie en dat hulle krag aan die mense van Suid-Afrika voorsien, maar dit is die ANC-beheerde regering wat in die eerste plek veroorsaak het dat Eskom nie krag kon voorsien nie en dat ons dan beurtkrag gehad het. Dit het die ekonomie van Suid-Afrika miljarde rand gekos.

U moet dankie sê vir die voormalige President, Thabo Mbeki, want in 1998 het Eskom ’n volledige ontwikkelingsplan op sy tafel

gesit, as Adjunkpresident, en gesê dat hy moet optree anders gaan ons in 2007 beurtkrag hê. Hy het dit van die tafel afgevee.

So, Minister, wat is die fout met u regering? Kan u nie vooruit beplan nie? Wil u nie vooruit beplan nie? Wat is die probleem? Hoekom wag die ANC regering elke keer dat daar eers ’n krisis ontstaan voordat hulle wakkerskrik en iets wil begin doen?

U het hier baie mooi vertel hoe goed dit in Eskom gaan, maar dis teen ’n prys. Dit is die verbruiker wat daardie prys moet betaal.

As u wil spog oor die regering of een van u entiteite, dan gaan ek u gelukwens met die 10 ingenieurs wat opgestaan het. Dis jong mense wat darem ’n boodskap vir die jeug van Suid-Afrika gee wat sê as jy goed studeer en jy sorg dat jy goed gekwalifiseer is, is daar werksgeleenthede. So, die Vryheidsfront Plus wens daardie 10 ingenieurs ook geluk.

Agb Minister, ek kom by Denel. Wat gaan aan by Denel? Daar is ’n Denel Asia en hulle gaan neem deel aan ’n Defence Expo in Goa in Indië, maar die Minister van Finansies sê dat hy dit nie goedgekeur het nie. Uself het dit nie goedgekeur nie en die Komitee oor die Wet op Nasionale Konvensionele Wapenbeheer van

die agb Radebe sê dat hulle dit ook nie goedgekeur het nie. Maar hulle gaan vertel vir die wêreld by ’n Defence Expo: Koop by ons; ons is die entiteit. Dit is internasionale bedrog. Ek sê dit weer, ... *(Translation of Afrikaans paragraphs follows.)*

[Dr P J GROENEWALD: Hon Chairperson, the hon Minister comes here and boasts about Eskom because there is no load shedding, but why was there load shedding to start with? Minister, you want to create the impression that the ANC-led government made no mistakes and that they are providing electricity to the people of South Africa, but it is the ANC-led government that caused Eskom to be unable to supply electricity and that saw to it that we experience load shedding in the first place. It cost South Africa’s economy billions of rand.

You should thank former President Thabo Mbeki because, in 1998, Eskom put a complete development plan on his table when he was the Deputy President and told him to act or else we would have load shedding in 2007. He swept it off the table.

So, Minister, what is wrong with your government? Can you not plan ahead? Do you not want to plan ahead? What is the problem? Why does the ANC-led government wait for a crisis to emerge before it wakes up and wants to start doing something?

You told us in detail how well things were going at Eskom, but that comes at a price. It is the consumer that has to pay that price.

If you want to brag about government or one of your entities, then I will congratulate you for producing the 10 engineers that stood up. They are young people that at least send a message to the youth of South Africa that says if you study hard and make sure you are qualified, there will be jobs. So, the Freedom Front Plus also congratulates those 10 engineers.

Hon Minister, I come to Denel. What is going on at Denel? There is a Denel Asia, and they participated in a Defence Expo in Goa in India, but the Minister of Finance says that he did not approve it. You yourself did not approve it, and the National Conventional Arms Control Committee, NCACC, of the hon Radebe also says it did not approve it. However, they went and told the world at the Defence Expo: Buy from us; we are the entity. It is international fraud. I will say it again.]

It is international fraud to allow Denel Asia to participate in a Defence Expo when they don’t have the authority to do so. You are the Minister to blame for that. The question is: What are you going to do?

Agb Minister, die vraag oor die kundigheid in Suid-Afrika ... Ek kan dit maar vir die agb Minister sê. Voor ek ’n lid van die Parlement geword het, het ek vir 10 jaar vir ’n filiaal van Denel gewerk. Suid-Afrika beskik oor die tegnologie. Hy beskik oor die kern of krag, die breinkrag, en die kundige tegniese vermoëns om produkte van internasionale gehalte te kan lewer.

Dit het die 10 ingenieurs gestel. So, wat kan in Denel Asia gelewer word wat Suid-Afrika met sy eie kundigheid nie self kan lewer nie?

U wil graag werksgeleenthede skep. U wil die tegnologie in Suid- Afrika hou. Hoekom moet Suid-Afrika na Asië of Denel Asia toe gaan om daardie tegnologie te ontwikkel? Ons het die vermoë.

Gebruik dit in die belang van Suid-Afrika. Ek dank u. [Tyd verstreke.] [Tussenwerpsels.] *(Translation of Afrikaans paragraph follows.)*

[Hon Minister, the question of the expertise in South Africa ... I can tell the hon Minister that before I was sworn in as a Member of Parliament, I worked at a subsidiary of Denel for

10 years. South Africa possesses the technology. It has the centre of power, the brain power, and the expert technical abilities to deliver products of international quality. The

10 engineers illustrated this. So, what can be delivered by

Denel Asia that South Africa cannot deliver with its own expertise?

You want to create jobs. You want to keep the technology in South Africa. Why does South Africa have to go to Asia or Denel Asia to develop that technology? We have the ability. Use it in South Africa’s interest. I thank you. [Time expired.] [Interjections.]]

Dr Z LUYENGE: Hon Chairperson, allow me to greet all Ministers that are present here, the Deputy Minister of this department, officials and leaders of all the state-owned companies, SOCs. In the interest of time ...

... mandithi, ngqanga neentsiba zayo. Mandikhawuleze ndigawule ndiwarhuqa ndingakhange ndihambe nalo mrhiba wabantu abathetha izinto abangazaziyo nabangenako ukuzenza. [... let me say, all protocol observed. Let me get to the point and not be carried away by people who are talking about things they do not know and cannot even do.]

The House Chairperson should be pleased with the progress that the Department of Enterprises has made in turning around the state-owned companies in its portfolio. We have had the annual

reports of the SOCs tabled in the portfolio committee, and, across the board, the SOCs have presented an impressive turnaround in their finances.

I would like to give a summary of the performance of the SOCs as per the 2014-15 annual reports. Alexkor increased its revenues by 49% in 2014-15 from 2013-14 from R141,3 million in 2014 to R211 million in 2015. The improvement in revenue performance was due to a 59% increase in the carats produced to 74 387 carats.

The comprehensive income of the SOC, even with the R162 million impairment due to properties that it had to hand over to the Richtersveld community as part of the land restitution, was R71,4 million, which is a 44% increase from 2013-14. The recommencement of land mining operations at Muisvlak has meant that 280 job opportunities have been created for the community of the Richtersveld. This took the total number of employees at Alexkor to 1 000 when the contractor’s employees are factored in. In the sparsely populated region where Alexkor operates, these numbers are indeed a big deal, and it means that there are a lot of families that can have a better life because of the state-owned companies.

Denel has become a giant of the world stage, being rated amongst the top 100 defence companies in the world, and the defence

company on our continent with the best capability to design, develop, and manufacture advanced weapons systems. The reputation has been matched by the financial performance.

Revenues for the year increased by 28% to R5,8 billion with the export sales accounting for R3 billions of these revenues. The business kept its expenses under control to almost double its profit to R270 million. The future of the business was also guaranteed by R470 million in research and development. This means that the business will keep up with the pace of technology and keep its products up to date.

Eskom, the biggest electricity utility company on the continent, has not only stabilised the grid such that we can today confine load shedding, the word that not so long ago was on the tip of all South Africans’ tongues, to the dustbin of history but has improved its finances under tough trading conditions.

Congratulations, Dr “Fix It”. [Applause.]

The consumers are hard pressed, with the economic conditions that we find ourselves in leading to indigence in our working communities, meaning that utility bills are that much harder to pay. The representations to the regulator have understandably not yielded the tariff increases that Eskom would have expected. Despite these difficulties, the SOC has been able to see an

improvement in its finances, with the revenues for 2014-15 reaching R145 billion, and maintained its profitability. A total of 160 000 households was connected by the utility, and the same rate of connections is expected to be maintained in the 2015-16 financial year.

The utility’s performance in its build programme, as related by the hon Minister, has to be commended, with maximising the socioeconomic impact being at the forefront of its expenditure programmes.

The SA Forestry Company Limited, Safcol, revenues increased to R898 million in 2014-15, with the profits reaching R200 million. The business is sustainable and not a drag on the state. A total of 5 000 people is employed at the business on permanent and seasonal contracts, which means that the business in the rural provinces of Limpopo, KwaZulu-Natal, and Mpumalanga has a significant economic impact. The sawlog produced by the SOC is well regarded internationally, with few international forestry companies producing a clear 30-year-old sawlog.

SA Express has had challenges, but, through the austerity measures it has committed to, it is aiming to turn the corner and play the role of linking secondary air travel destinations

in the country and regionally to the major hubs, enabling economic activity. The austerity measures aim to address certain cost items and enable the business to concentrate on core business.

The business has realised major cost savings through flight schedule and route network optimisation, revision of contracts, and insourcing. The airline has been able to reduce costs significantly, and the strides made in this regard are beginning to be show. The SA Express has moved from a R132 million net loss – Mamela! [Listen!] – in the 2014-15 financial year to a net profit of R2 million as at end of February 2016. [Applause.] I would like to congratulate the chief executive officer ...

... mfo kaNtshanga. Siya niva ukuba niya galela mfana wakuthi. [Kwaqhwatywa.] [... Mr Ntshanga. We hear what you are saying, my friend.] [Applause.]]

The turnaround at SA Express shows that the Department of Public Enterprises has developed appropriate tools to return entities to profitability where and when they find themselves troubled.

This expertise should be made available to the rest of the SOCs in the state portfolio. Congratulations, hon Minister Brown ...

... nawe mfo kaMagwanishe. Siyaqhuba. [... even you, Mr Magwanishe. We are moving forward.]

Transnet has lived up to the expectations of government in maintaining the logistics backbone of the country through efficient rail, port, and pipeline operations. In order to assist in improving the competitiveness of our country, the SOC has devised the Market Demand Strategy to which, by 2014-2015, it had committed almost R100 billion of resources raised off its balance sheet. The investment has made Transnet a world-class operation and, with revenues of over R60 billion, easily amongst the biggest companies in the country and on the continent.

The SOCs in the 2015-16 financial year are expected to maintain the positive performance and continue to play an active role in ensuring a better life for our people. We commend the department on the results obtained by its SOCs.

Sifuna ukutsho sithi njengombutho wesizwe, bonke abangxolayo bekhwaza inqwelo ehambayo, siyayazi into yokuba inqwelo ehambayo iyakhonkothwa zizinja kanti emileyo ziyayichamela. Ndifuna ukuyithetha icace le nto yokuba, egameni lombutho wesizwe, ... (*Translation of isiXhosa follows.)*

[We want to say, as the ANC, all those who are making noise and shouting at a moving vehicle, we know that dogs bark at a moving vehicle, but they urinate on an immobile one. I would like to state it clearly on behalf of the ANC that ...]

... we are a responsible organisation, and we are also prepared to take the blame as and when we are required. The attack on the President – the attack on the current President – and the attack on the previous two Presidents before President Zuma was not necessarily an attack on the personalities, but those were attacks and are still attacks on the ANC. An attack on the ANC is an attack on the growth and democracy ...

... efunyanwa ngabantu baseMzantsi Africa. [Kwaqhwatywa.] Nina nilapho eLusikisiki, eMpuma Koloni, nina nilapho eMthakatye, eLibode, umbutho wesizwe ukhona utsho uthi kusapho lakwaZuma, usapho lakwaMbeki, usapho lakwaMandela lungaqumbi luqalekise olu hlaselo ayilulo olwalo. UNkulunkulu uza kuba bona abantu abajongela phantsi abantu abenza izinto zokwenyani. *(Translation of isiXhosa paragraph follows.)*

[... earned by the people of South Africa. [Applause.] To those in Lusikisiki, in the Eastern Cape, those in Mthakatye, and in Libode, the ANC is here. To the Zuma family, the Mbeki family,

and the Mandela family, it says they must not be angry because this attack is not directed at them. The Lord will deal with those who are disregarding people who do good deeds.]

Hon Minister, we have a responsibility to give a pat on the back or shoulder of a child when he or she does right, and when he or she does wrong, he or she will understand you ...

... xa sisithi apha amagosa ethu enza umsebenzi kumasebe omabini. Siyabulela kwaye siniqhwabele izandla ... [... when we say our officials are doing a good job in both departments. We thank and applaud you ...]

... for the appointment of the new director-general.

Umntwana kaSilke simqhwabele izandla ngokuvalwa kwesikhewu ku- Transnet ngomfo kaGama. Sisitsho sisithi nawe mfo kaNtshanga kweli Ziko lezoPhapho, ungumntu wokuqala omnyama ukukhokela ithuba elide kangaka umcimbi usiya phambili. Ningadani ningatyhafiswa ... *(Translation of isiXhosa paragraph follows.)*

[We applaud Mr Silke on employing Mr Gama to fill the post at Transnet. We also say to you, Mr Ntshanga at the SAA, you are the first black person to effectively lead for such a long time.

Don’t be disappointed and discouraged ...]

... by all the insinuations by the prophets of doom. The ANC does its work to govern, and the opposition does its own work to say no to what is good for the South Africans. We are moving, and we will never stall. We are moving forward for the benefit of the poor.

Silapha boomama nootata nabantu abatsha baseMzantsi Afrika. [We are here, mothers and fathers and the youth of South Africa.]

The ANC is for you.

I-ANC yabakhona ningekabikho. [The ANC has been here long before you.]

One-hundred-and-four years ago ...

...kwazalwa lo mbutho, ufanele ukuhlaselwa ngabo bandlebe zikhanya ilanga. Zakukhanya ilanga zide zibe zibe mnyama ngoba lo mbutho akukho apho uya khona. Lo rhulumente we-ANC uyaya, futhi awujiki. Hayi uyaya; futhi uyaya, sowufikile. (*Translation of isiXhosa paragraph follows*.)

[... this organisation was formed, and it is supposed to be attacked by whites. Their ears will be bright until they are black because this organisation is going nowhere. This ANC-led government is moving forward and is not turning back. It is indeed moving forward. It continues moving forward, and it has arrived.]

I thank you. [Applause.]

Ms T STANDER: Chairperson, Minister Pravin Gordhan listed economic growth, job losses, business failures, lower revenue, and decreased investments as challenges facing South Africa.

State-owned companies, SOCs, were created to obviate this. Instead, SOCs leech off the fiscus and contribute little to economic growth, job creation, industrialisation, transformation, and investments. In fact, the weak balance sheets and poor performance of SOCs pose a direct threat to our credit ratings.

I disagree with the hon Luyenge. The Department of Public Enterprises has never been effective in oversight and governance. Despite spending 57% of its budget on salaries, it complains it is unable to attract and retain skilled employees. It then has to spend a further 14% on consultants. Without a

legislative mandate, the Ministry cannot take any remedial action against SOCs that are failing other than change the boards. These boards lack experience and expertise to provide the required leadership. They are also shuffled around faster than a deck of cards at the Grand West. This creates instability.

In four years, not one of the 31 recommendations listed in the Presidential Review Committee report on the reconstruction of state-owned enterprises in South Africa has been implemented. This ignominious delay is directly attributed to Number One who hid it from us. Rather than managing squabbles within the ANC, we need what Martin Luther King, Jr described as the “fierce urgency of now”.

Ratings agencies are paying very close attention to how the anarchy within the ANC is affecting the reform of the SOCs. Both Minister Gordhan and Number One hinted at reform this year, but the fact is that unless the ANC can agree on and communicate a specific, time-bound plan before June, we are at risk of further ratings downgrades. The plan should include scrapping the obsolete Department of Public Enterprises, investing the savings and revenue generated from consolidating and privatising into creating an opportunity environment for people enterprise, and

reallocating SOC expenditure in the mid-term Budget Review to fulfil government’s real mandate. Remember, that is providing service delivery, safety, quality education, and dignity as the Bill of Rights demands.

Transfer – and this is a solution for you, hon Rantho - state- owned land to communities to expedite land reform and to municipalities so that they can create the inclusive communities the urban areas require so that people can actually have access to the economic and social opportunities. Young black people, as a result of your continued failed policies ... [Interjections.] No, no, no! You have to admit it. [Interjections.] No, no, no!

Statistics SA confirmed it recently. Young black people are now more marginalised because of you than they were under the evil regime of an apartheid government. [Interjections.] South Africa’s greatest asset is our people, talented in diversity.

Don’t underestimate them. We need to build the capacity of everyone to improve their own lives but only if you invest in them. Invest in people’s enterprises not public enterprises.

The TEMPORARY CHAIRPERSON (Ms L M Maseko): Hon Stander, your time is up.

Ms T STANDER: Oh, #ANCMustFall! [Interjections.] [Applause.]

Ms G N NOBANDE: Hon Chairperson, hon Minister, Deputy Minister, hon members, chief executive officers, management of our state- owned entities, our distinguished guests, ladies and gentlemen

...

... Ke le dumedise mo leineng le le ntle la ANC. Kwa tshimologong e re ke lo reye ke re, re le mokgatlho wa ANC, re atlenegisa le go ema nokeng tekanyetsokabo ya bo robonngwe ya Lefapha la Dikgwebo tsa Setšhaba. Modulasetulo, ntetle go tsena ka gangwe mo go se re se tletseng fano. *(Translation of Setswana paragraph follows.)*

[... I greet you all in the name of the ANC. Firstly, we, as the ANC, support Budget Vote No 9 of the Department of Public Enterprises. Chairperson, allow me to dwell at once on what we are here for.]

The Department of Public Enterprises and state-owned companies, SOCs, under the portfolio play a critical role in the quality of life of our people. Although South Africa, along with the rest of the world, experienced an economic meltdown since 2008, the SOCs within the portfolio of the Department of Public Enterprises, with just under R1 trillion in assets, have assisted us to avert a deeper and more protracted economic

decline, as would have been the case without them. The investments of these SOCs contribute almost a third of the economic growth, which assists in cushioning the country from the economic downturn.

Mong wa thipa re ja nae, re lebala mmesi! [Hard work pays.]

Chairperson, let me give a summary of the performance of the SOCs as per the 2014-15 annual reports. Eskom has been able to resolve its energy challenges, even when challenges arose in meeting the demand. The SOC kept its eye on the ball and kept South Africa connected and working. In the distribution space, Eskom has ensured millions of our people who were neglected by the apartheid system have access to reliable and efficient electrical energy for their everyday needs. The effort continues with a further 335 000 connections planned at a cost of

R5 billion in the medium term.

Modulasetulo, e re ke gopotse boseilakgaka senwamoro gore, [Chairperson, let me remind these hypocrites that ...]

... the power build programme is creating job opportunities for our people to work and learn. At Kusile, 18 000 direct jobs have been created and 3 500 technical trainees produced. The project

is on track to connect its first generation unit by

November 2017. As we all know, on 26 May 2015, Medupi Unit 6 achieved a full load of 800 MW at peak. Furthermore, 18 000 direct jobs were created and 2 500 technical trainees produced. The project has released R66 billion into the national economy through a proactive localisation and industrialisation programme informed by the Department of Public Enterprises Competitive Supplier Development Programme, CSDP.

Some of the notable projects commissioned are the 350 km transmission in East London and Harding and Vuyani substations in Mthatha as part of the R1,8 billion Greater East London project. The project will enable further electrification of the rural households in the former Transkei area. [Applause.] There is also the commissioning of the R1,6 billion, 428 km Mercury Ferrum-Mookodi transmission line, which connects Mercury substation near Orkney, North West to Ferrum substation in Kathu, Northern Cape. The project will enable support of further energy-intensive projects in the Sishen area. Eskom has not been left behind in the renewable power space with Sere Wind Farm reaching full commercial operation on 31 March 2015. It continues to provide an additional 100 MW to the grid. About

564 jobs were created during the construction phase, with the

majority of these jobs going to communities surrounding Koekenaap in the Western Cape.

Phuduhudu e thamo telele e batwa ke molamu o sa o lebana! [Be careful not to jump into other people’s business without their consent, or you might suffer the consequences.]

Chairperson, the Department of Public Enterprises and its SOCs are committed to ensuring that the infrastructure development programmes are leveraged to improve the national skills base. In this regard, various skills development programmes have been conceived and are encapsulated in the National Skills Development Strategy and National Skills Accord which are aligned to the New Growth Path and National Development Plan.

The Department of Public Enterprises, Department of Higher Education and Training, the Department of Economic Development, and the Department of Trade and Industry are partners in the strategy and accord. The SOC training facilities shall be exploited to increase training of technical skills in order to address the national critical skills gap.

This will be informed by the following commitments: expansion of the intake of existing training facilities; creation of internship and placement opportunities within operations of the

SOC; and optimising the existing funding and incentives to encourage increased intake and investment in the further education and training, FET, colleges to improve the quality of training. Since the signing of the National Skills Accord in 2011, the Department of Public Enterprises SOCs have, over the past five years, collectively committed to enrol 11 958 trainees in various scarce and critical skills development interventions.

Despite the tough operating environment that has had a major impact on mining and other productive sectors of the economy, Transnet has continued to implement the Market Demand Strategy. In this regard, Transnet has implemented its capacity expansion programme and ensured that there are productivity improvements, particularly at the sea ports, to support the overall competitiveness of the South African economy. Although Transnet had to delay some of its infrastructure expansion programmes, it continues to maintain a high capital expenditure programme.

Some of the notable investments worth mentioning are the general freight business Rolling Stock Renewal Programme. As at September 2015, 60 Class-43 diesel locomotives had been delivered and put into operation. All 95 Class-20E electric locomotives were delivered and put into operation. [Applause.] In the R50 billion programme with China South Rail, China North

Rail, Bombardier Transport, and General Electric to produce

1 064 locomotives, 153 locomotives are to be delivered in the 2015-16 financial year. The deliveries will be completed in the 2018 financial year. There is also the coal-line export-channel expansion programme expected to be completed by 2019. A total of

177 construction-related jobs has been created through these mentioned initiatives in the last 12 months at the various ports. These are just some of the investments, Chair.

Asimanga siyaqhuba [Kwaqhwatywa.] Siyaqhuba asimanga nangoku. Ndiza kuyilungisa kanti. Ndiza kude ndifike kule ndawo ndiya kuyo. *(Translation of isiXhosa paragraph follows.)*

[We are not stationary; we are moving ahead. [Applause.] It is true. We are not stationary; we are moving ahead. Indeed, I am going to get it right. I am going to get where I am going.]

Denel continues to implement projects that support the development of advanced industrial capabilities and has become a global player in the defence and aerospace industry. Through the vigorous pursuit of export orders that stand at over 50% of revenues, critical defence and aerospace capabilities in this country, which otherwise would have been lost due to constrained local defence spend, are being maintained and modernised.

Chairperson, the enormous contribution by the Department of Public Enterprises SOCs to our economy cannot be overemphasised, and their commitment towards transforming the landscape of the South African economy despite the current financial challenges must be commended. We commend the department on the results obtained by its SOC.

Go lefapha le setšhaba, re a re, o se bone thola borethe teng ga yone go a baba. Lo seka lwa ba bona ba bua monate, mme fela ka fa teng ga bone go tletse bosemorafe, tlhaolele, lenyatso, makgakga, boitimokanyi le tsotlhe tse di ka tsietsang setšhaba. A re ba tlhokomeleng gonne sa bone ke go re rekisa le go rekisa kgololosego e re e fitlheletseng. [Legofi.] Go di khampani tsa puso, ke santse ke boeletsa, nko ya kgomo mogala tshwara thata e se re go utlwa sebodu, wa kgaoga. Ke a |eboga Modulasetulo, [Tsenoganong.] [Legofi.] jaaka ke ne ke setse ke buile, re atlenegisa tekanyetsokabo ya lefapha. *(Translation of Setswana paragraph follows.)*

[To the department and the nation, we say a beautiful face doesn’t mean anything without a beautiful heart. Do not be fooled by their good speeches. Their hearts are filled with racism, discrimination, disrespect, rudeness, hypocrisy, and all that might deceive the nation. We must be careful of them

because all they want to do is to sell us and the freedom that we have achieved. [Applause.] To the state-owned companies, I still repeat that no matter how difficult things may be, never give up. Thank you, Chairperson, [Interjections.] [Applause.] As I have already said, we support the budget of the department.]

Ms A STEYN: Chairperson, on a point of order: I am sorry, but unfortunately, I had to listen to the interpretation, and the interpreter said, and please if you can check if that was correct, that these nasty people are talking nonsense, and ... [Interjections.] ... they only have racism, and they have nasty things in their hearts. That is what the English interpreter said. [Interjections.]

The TEMPORARY CHAIRPERSON (Ms L M Maseko): Order, hon members. [Interjections.] Thank you, hon member. I am sure it’s a direct translation, but we will also check the Hansard and come back to you. Thank you. Hon Nobande, you can continue.

Mme G N NOBANDE: Modulasetulo, nka se kgone go gogela mafoko a me kwa morago, ke Setswana, Setswana ga sena toloki. [Legofi.] Ke kopa go raya mme Mazzone, ke a re nona pelo ka mathe, ga go ope yo o rileng ditumelano tsa Komiti ya Tebosešwa ya Moporesidente, PRC, di ka se diragale. Ntate Singh, re a leboga.

Ntate go tswakwa EFF, ke a tlhaloganya gore ga o itse se o buang ka sone. [Setshego.] Gompieno e ne e le lwa ntlha o bona dipampiri tse o neng o di tshwere, o bua ka tsone. [Tsenoganong.] [Legofi.] [Setshego.] Mme re tla go itshwarela gonne re a itse gore ngwana tlhogokgolo, o sira rraagwe. Ke a leboga. [Tsenoganong.] [Legofi.] [Setshego.] *(Translation of Setswana paragraph follows.)*

[Ms G N NOBANDE: Chairperson, I will not withdraw. It is Setswana. It cannot be interpreted. [Applause.] I would like to say to Ms Mazzone that she must be patient. Nobody said the Presidential Review Committee resolutions will not be delivered. Thank you, Mr Singh. To the gentleman from the EFF, I do understand that you have no idea what you are talking about. [Laughter.] Today was the first time you laid your eyes on the papers in your hands. We will forgive you, as we all know that a child with a big head obscures his father’s view. [Interjections.] [Applause.] [Laughter.]]

The MINISTER OF PUBLIC ENTERPRISES: Hon Chairperson, you know

... Hon Bozzoli, back off! [Laughter.]

You know, hon Chair, I think all of us as leaders of this country have a really big responsibility in rebuilding the

country, the deep scars the hon Rantho speaks about that

21 years won’t erase. We won’t turn the economy around in

21 years. We won’t give everybody electricity in 21 years. Even in 100 years, you couldn’t do it. Why do you think we’ll be able to do it in 21 years? [Interjections.]

However, the thing that really strikes me in this House today is the way the hon Groenewald speaks to me. That’s what really bothers me here today. Hon Groenewald, you and I come from a very divided past, and the issue is that when you stand here and shout at me, you remind me of a very horrible experience I had

21 years ago. I think we all owe it to one another to be a lot more respectful, including you, hon member from the FF Plus.

One of the issues that I would like to deal with ... [Interjections.] Don’t tell me what I can and can’t do. It is not your place. [Interjections.] I would like to get up here and say generals, paratroopers, and freedom fighters, let us all build this nation together because those are the people that sit in this room – they come from very different backgrounds.

However, we have to build the nation that the 10 young engineers will take forward. That is what we need to do. [Applause.]

There is one thing that I would like to agree with the hon Mazzone about, and the issue is that I would really like an investigation into the families who own the economy of this country. [Applause.] I really want to do so, and I’ll tell you why. In Eskom ... [Interjections.] Just give me a moment; don’t shout at me anymore. Just give me a moment. In Eskom, 51% of

190 million tons of coal is purchased annually by four families, four companies, to the tune of R23 billion. Mr Ramaphosa fits in the part that spends R150 per ton. The other 51% is R23 billion.

I think we have an opportunity as a country to be able to share the wealth of this country. That is what I really want to do. In fact, if there is anything we take home today, chair of Eskom and the Department of Public Enterprises team, it is that we must investigate the high cost of coal to the four large companies in this country. Within that, we must investigate all the companies. [Applause.] That is something that we will do because we do have the opportunity to change the structure of the economy so that all people can enjoy this economy. That is what I really want to be able to do.

Hon Khubisa, you are right. He is not here, so let me not say he is right about anything.

Hon Singh, the most terrible issue about that Richtersveld story is that R45 million sits in Alexkor, and the only reason we cannot pay it over is because the deed of settlement says that it has to be paid over to a property company run by the four communities. And so, Christmas passes, and R15 000 could have gone to every one of those 3 000 families. It passes because we have not been able to get the community organised, and that is Rural Development and Land Reform’s responsibility. We have a meeting planned with Rural Development and Land Reform – I don’t want a cent of that money to go to a lawyer. I want every cent of that money to go to the people of the Richtersveld. [Applause.] I hope that I won’t come back here next year saying exactly the same thing.

There were a couple of members who said that state-owned companies, SOCs, and the Department of Public Enterprises must not exist. I really just want to thank my department. Thank you, my director-general. [Time expired.] [Applause.]

The TEMPORARY CHAIRPERSON (Ms L M Maseko): Before the extended public committee session is concluded, I just want to go back to what the hon Steyn raised in relation to the comment. The Table Staff has listened to the Hansard, and the reference was not

meant for anybody. It was a general comment. It was not directed at any hon member. [Interjections.]

Ms A STEYN: Hon Chairperson, can I just get clarity on that? So, as a group, we can be called racists. Is that what the ...

The TEMPORARY CHAIRPERSON (Ms L M Maseko): I am not sure if she referred to hon members. It was general. It could be anybody outside also. [Interjections.] Well, it is a general comment.

Thank you very much, hon members. Order! Hon members are reminded that the debate on Rural Development and Land Reform will take place at 14:00 here in the National Assembly Chamber.

Debate concluded.

The Committee rose at 11:59.