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NATIONAL ASSEMBLY CHAMBER
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PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 15:00

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

The SPEAKER: The first item on the Order Paper is questions addressed to ministers in the governance cluster. Members may press the top button on their desks if they wish to ask the supplementary question.

The first question has been asked by the hon Lesoma to the Minister of Public Service and Administration. Where is the Minister? I have been informed that the Deputy Minister will be

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answering the questions on behalf of the Minister, who actually has bereavement.

Question 3:

The DEPUTY MINISTER OF PUBLIC SERVICE AND ADMINISTRATION:
Speaker, Minister Ngoako Ramatlhodi has lost his brother and that is the reason why he is not here today.

I will attempt to give response to the question that was asked, whether the department has developed a monitoring instrument to assess: the implementation of; and compliance with the Protected Disclosures Act.

The one thing that we need to remember is that we are not the custodians of the Act, but there are systems that we have put in place to ensure that we are able to live by the expectations and the aspirations of the Act itself, in the sense that we have built principles of the code of conduct around what is enshrined in the piece of legislation.

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Basically, we are not vested with the authority to oversee the implementation of the Act itself. The powers to oversee the implementation of the piece of legislation are vested with the Minister responsible for the administration of justice.

The ambit of application of this act goes beyond the functions and powers of the Minister of Public Service and Administration and as I have said earlier on, the principles on the code of conduct have taken into cognisance what is enshrined in this piece of legislation. Thank you.

Ms R M M LESOMA: Hon Deputy Minister, thanks for you response, however, I would like to know if there are any watertight protection for the whistle-blowers?

The DEPUTY MINISTER OF PUBLIC SERVICE AND ADMINISTRATION: With regard to protection for whistle-blowers, we do have systems in place. When people come and they report through various hotlines but even in the sense where they give us letters and they become anonymous people, we don't dig to find out who those individual are. So, in a sense those anonymous people are protected.

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In events where people are known, again the department strives to ensure that departments and the department itself don't overreact in the sense of exposing those that are whistle-blowers, but ensure that through the proper channels within the justice system, protection is given to whistle-blowers in the public service. Thank you.

Mr A M SHAIK EMAM: Hon Speaker, allow me to start on behalf of the NFP to extend our condolences to the Minister on the loss of his brother.

Given the fact that there are various loopholes in the system and quite often the whistle-blowers become victims as a result of leakages. Could you please tell us, how you would protect these whistle-blowers to ensure that including the witness programme that we have sometimes it is very limited to a certain period of time and thereafter they are put at great risk? What measures can be put in place to try and protect these whistle-blowers?

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The DEPUTY MINISTER OF PUBLIC SERVICE AND ADMINISTRATION: Hon member, you must understand that being in the witness protection programme is one of the most difficult things that you might find yourself in as a person. It is an uncomfortable position that you would find yourself in. Sometimes people get out of that programme, because it is just so much more difficult that you get stiff wind from your support system, from your family, from friends and sometimes you are put out of work for a long time, so it is a difficult system.

But the management of that system and the management of the Act itself doesn't reside within the Department of Public Service and Administration neither is it catered for in the Public Service Act, but as I said to you, when we developed the code of conduct, we did take into account what is enshrined in that piece of legislation.

But when there are whistle-blowers within departments, we always encourage and give support to those whistle-blowers through various means including the employer's system programme. Thank you.

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Ms D VAN DER WALT: Speaker, in 2013, two employees, one in the Northern Cape's Department of Roads and Public Works was suspended after he blew the whistle on corrupt tender practices. The other one was an employee of the MEC of Finance in KZN, who was dismissed after she blew the whistle on maladministration, corruption, and conflict of interest.

These are merely two well publicised examples of countless failures by public entities to uphold the spirit of the Protected Disclosure Act, notwithstanding the current amendment bill in respect of the Act and in light of their parent vulnerability of whistle-blowers. My question is: when do you intend to bring further amendments to the Act that will guarantee an enormity for whistle-blowers and when will politicians and employees who fire whistle-blowers face the full might of the law?

The DEPUTY MINISTER OF PUBLIC SERVICE AND ADMINISTRATION: Hon member, I think those questions should be asked the Department of Justice, where we can work with the Department of Justice as

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a department in assisting to ensure that whistle-blowers are protected that, we will do.

As I said earlier on, the Act lies within the Department of Justice and its implementation lies there, but as a department we have put measures in place to ensure that through the code of conduct, but also through the employees assistance programme, EAP, we do have mechanisms to ensure that people are catered for.

Mr M HLENGWA: Hon Deputy Minister, whilst appreciating of course the things you said about where it resides and so on, but in the main we rely on public service to be the one that carries a bulk of this work which the Act provides for. The question I have for you is that, in your assessment, how can we best improve the workings of this Act and whether the interventions that are in place are actually effective and efficient? Do you believe that there are necessary amendments that need to be made in order to give better space to public so that they are an active participant of the implementation of this Act?

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The DEPUTY MINISTER OF THE PUBLIC SERVICE AND ADMINISTRATION:

Hon member, I think for every piece of legislation including its regulations, at some point or the other, you do find that improvements could be made. I think from our side as a department, as I have said, our concentration has largely been around the development of the code of conduct which also speaks to what is enshrined in the Act itself.

Much more than that could still be done and I really don't have ample information to share with you even including the cases that you have just mentioned, hon van der Walt, even with regard to that particular cases, that's the type of information that I don't have, but as I say there are improvements that can be made or many things that could be added to ensure that people actually are given that protection. But as we speak right now, our concentration has been around the code of conduct and the EAP, including the grievance mechanisms that are in place. Thank you.

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The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

Speaker, yes, indeed, hon Bara, we do hold municipalities that owe Eskom accountable. But we are not just holding them accountable; we are also working with them. We are working with them because national and provincial governments are obligated by section 154 of the Constitution to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their own powers and to perform their own functions.

As part of holding municipalities accountable and supporting them, the Department of Co-operative Governance and Traditional Affairs, as part of the interministerial task team on Eskom debt, has been in discussions with the premiers and MECs of various provinces as well as executive mayors of affected municipalities regarding this problem.

The department has engaged with various stakeholders towards resolving some of the structural challenges that are impeding the resolution of the outstanding debt challenge.

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I must indicate that we have, *inter alia*, picked up some of the following structural challenges. Eskom is currently charging prime plus 5% interest on arrear debt, which results in an increase in capital debt. After various ministerial engagements with Eskom, they have made a proposal to reduce the current interest rate to prime plus ...

There are other structural challenges that have been picked up, ranging from the Eskom credit control circle vis-à-vis the municipal provision of managing their credit by the Municipal Finance Management Act, to many others. But I must indicate that we are working together with the provinces under the leadership of the interministerial task team, led by the Department of Co-operative Governance and Traditional Affairs. We will of course continue to monitor the situation and assist municipalities where we can. Thank you.

Mr M R BARA: Madam Speaker, firstly, my surname is pronounced "Baga" not "Bara".

The SPEAKER: Aah, "Baga"!

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Mr M R BARA: Yes.

The SPEAKER: Okay.

Mr M R BARA: Thank you, Speaker.

The SPEAKER: My apologies for the mispronunciation!

Mr M R BARA: Apology accepted. [Laughter.] [Interjections.]

Minister, given the fact that these problems arise primarily from maladministration of the municipalities and the misuse of municipal finances, have any municipal officials or public representatives been through a disciplinary process in terms of section 171 and section 32 of the Municipal Finance Management Act? If so, how many? If not, why not? Thank you.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Thank you once more for the follow-up question, hon Bara. My sincere apology, too.

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Indeed, where areas of mismanagement are picked up, appropriate actions are taken.

Mr I M OLLIS: Like what?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

I must indicate ... like the Western Cape recently. You will remember the scandal in the City of Cape Town, which was acknowledged by Mayor Patricia de Lille, where 28 million alleged corruption scandals rocked the city council. So such incidents ... we continue to pick them up as we monitor the performance of municipalities.

Mr M M DLAMINI: Speaker, on a point of order.

The SPEAKER: Yes, hon member, what is your point?

Mr M M DLAMINI: There's a councilor here, Peace Mabe ... We don't know how she got here. [Interjections.]

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The SPEAKER: No, hon member, that is not a point of order.

[Interjections.]

Mr M M DLAMINI: She has no ... [Interjections.] [Inaudible.] So we don't know how the councilors are allowed to come in here.

The SPEAKER: No, that's not a point of order! Please take your seat! [Interjections.]

Mr M M DLAMINI: So you allow councilors to come in here as well? [Interjections.]

The SPEAKER: No, please take your seat! [Interjections.]

Mr M M DLAMINI: We've got 800 councilors. We can bring them in! [Interjections.]

The SPEAKER: Take your seat, hon member. [Interjections.]

Mr M M DLAMINI: She's a councilor! [Interjections.]

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Mr Z R XALISA: Minister, how much involvement has your department had with resolving the matter between municipalities and Eskom? We ask this because it has come to our attention that some municipalities such as Msukaligwa and Emalahleni local municipalities in Mpumalanga came to a problematic agreement with Eskom, which means that they will have to sell some of their land to raise the money to repay Eskom. Will you also agree with such proposals?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Hon member, indeed, at the centre of this problem is the financial status of most municipalities. As a result, some of the municipalities ... out of our own assessment, we have picked up that they get into repayment arrangements that are not sustainable.

I spent almost two days last week, together with the Premier of Mpumalanga, David Mabusa ... [Interjections.] ... trying to assist the affected municipalities, Emalahleni and Msukaligwa. Indeed, I mean, we have picked up that there are some provisions in their current repayment arrangements that we think are not

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sustainable. At the centre of this problem, as we move along with these municipalities, we must address the question of financial viability of these municipalities. Indeed, some of these arrangements are not financially viable. As a result, we have realised that, for them to address some of the technical problems like replacement of conventional meters with smart meters ... most of these municipalities do not have the required capital layout. So as a result, we are partnering, working together with the Department of Public Enterprises, of course, under ... of course ...

The Department of Public Enterprises takes care of the operation of Eskom. So we are working together with Eskom, guided by the Department of Public Enterprises, to assist such municipalities.

Mr Z R XALISA: On a point of order, Madam Speaker.

The SPEAKER: What is the point of order?

Mr Z R XALISA: I think the Minister did not answer my question.

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The SPEAKER: No, that is not a point of order. [Interjections.]
You are not satisfied with his answer, but he has answered you.

Mr Z R XALISA: But he has not answered by question, hon Speaker.

The SPEAKER: Hon member, please take your seat.

Mr N F SHIVAMBU: Speaker! Speaker!

The SPEAKER: What is your point, hon Shivambu.

Mr N F SHIVAMBU: Speaker, the Rules that guide the process of answering questions demand that the Ministers must respond to the questions asked.

The SPEAKER: Hon Shivambu, please take your seat.

Mr N F SHIVAMBU: The gentleman who answered the question was just waffling. There was a question about selling of the land in order to pay Eskom debt, and that is what we want that Minister to respond to ...

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The SPEAKER: Hon Shivambu, please take your seat.

Mr N F SHIVAMBU: ... not to waffle on about him spending two days in Mpumalanga. We want to know what exactly is happening now, whether it is permissible for municipalities to ...

The SPEAKER: Hon Khubisa, can you please ask your follow-up question.

Prof N M KHUBISA: Madam Speaker, hon Minister, it is quite true that, within the narrative of the municipalities failing to pay without exonerating these officials and office bearers, there is this issue of them needing to be empowered with regard to revenue collection. That has to do with financial stability and sustainability.

My question is, hon Minister, what programmes do you have with regard to other forms of energy, renewable energy and also biofuel which might help municipalities to deal with this problem? Thank you.

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The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Yes, indeed, I must indicate that we have, *inter alia*, picked up that part of the financial management problems faced by municipalities is an issue of skills that we are jointly addressing with National Treasury.

But also, remember the issue of integrated power production is provided for by the Department of Energy. Municipalities working through the Department of Energy ... where there is a possibility of coming up with independent power producers, IPPs, they are also accommodated.

But truly speaking, as you are aware, that has drawn much heated debate among some of the role-players in the sector. But that is something that municipalities are encouraged to do. Some municipalities are doing projects focusing on converting waste into energy. So there are municipalities that are currently undertaking such projects to reinforce the supply of energy to their respective households. Thank you.

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Mr M L W FILTANE: Hon Minister, I put it to you that you caught up between a rock and a hard place. The reason I say so is because, while municipalities are expected to service their debt with Eskom, provincial governments and national government owe municipalities over R6 billion. How then do they expect you, coming from national, to go and tell them to service their debt with Eskom in that situation?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Thank you, hon member. Yes, indeed, we acknowledge that particular problem. As a result, today we have a team led by the Minister of Public Work, Minister Nxesi. That team is working around the clock to assist us to deal with the debt of government departments owing municipalities.

But I must indicate that one of the biggest problems that we have picked up in that process is verification of some of this money that is alleged to be owed by government departments.

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But we are making progress in as far as that particular problem is concerned. It is part of the package as we intervene in those affected municipalities. Thank you.

Mr N SINGH: Hon Speaker!

The SPEAKER: Yes, hon Singh.

Mr N SINGH: Hon Speaker, I just like to know if there were four follow up questions on the last one.

The SPEAKER: They were.

Mr N SINGH: I thought it was the DA.

The SPEAKER: You had the DA, who is the original questioner, the EFF, the NFP and the UDM.

Mr N SINGH: Okay, thank you.

Question 25:

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The MINISTER IN THE PRESIDENCY: Speaker, just the first point, that the issue of youth development and the National Youth Development Agency, NYDA, is delegated to the Deputy Minister, Manamela, who is not present here today because he is on his study leave.

The answer to the question is that the appointment to the NYDA board is regulated by section 9 of the NYDA, which states that members must be appointed in a manner ensuring participation by youth in the nomination process, transparency and openness; that a shortlist of candidates for appointment is published and reflect the demographics and geographical spread of the Republic.

Since this process is largely controlled by Parliament, with the ad hoc committee that run the process until it was approved by this Parliament in February, I have no reason to doubt on the process that has been prescribed by the Act. Thank you.

Mr T RAWULA: Minister, the main problem here is that NYDA is meant to serve all young people of this country. It has been

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reduced into a political football for narrow political interests of the ANC and its leagues. Is it okay for the majority of the proposed members of the board to becoming from the youth league only, if not, what are you doing to ensure that the NYDA belongs to all South African youth and therefore represent all sectors of our youth in this country? Thank you very much.

The MINISTER IN THE PRESIDENCY: It is inaccurate to say that all members represent the youth league. I have a list here of members. There is also a member from the IFP Youth Brigade, who is a member of this board. If you look at the geographic spread, almost all the provinces are represented with the exception of Eastern Cape. But the majority of the people there are spread over eight provinces. So, the allegation that is only youth league is not borne by the evidence that is here and this Parliament, in February, overwhelmingly approved the appointment of these seven board members to recommend to the President.
[Applause.]

Mr S C MOTAU: Speaker! [Interjections.]

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Mr M M DLAMINI: Hon Speaker! On a point of order! Who's that? Don't do that. Speaker, we checked the list there and the Deputy President is the one who is supposed to speak now. We checked with that comrade, that one sitting down there.

The SPEAKER: The EFF had the original question, asked the follow up question and I will now move to the next party.

Mr M M DLAMINI: So, the Deputy President will come upfront.

The SPEAKER: We don't take two members from the same party.

[Interjections.] Hon Motau, please proceed. [Interjections.] No, we don't do it from the, Chair.

Mr N F SHIVAMBU: Hon Speaker, there is no such a Rule that says that.

The SPEAKER: We have a Rule.

Mr N F SHIVAMBU: Which Rule provides for what you have just said now?

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The SPEAKER: We, presiding officers don't take two MPs from the same party

Mr N F SHIVAMBU: But there is such a Rule. You are doing an illegal thing. It's an illegal ... [Inaudible.]

The SPEAKER: Please, hon Shivambu, take your seat and let hon Motau ask his supplementary question.

Mr N F SHIVAMBU: What you are doing is illegal.

Mr S C MOTAU: Hon Minister, as you are probably aware, the DA did not support the list of the people put forward for the board because we believe that the whole process was not as it should have been. We actually slumped it as a complete fuss because the way it was done was that essentially each of the members of the ad hoc committee had to pick up one person that they would want to be shortlisted without interrogating these people. We believe that it was absolutely not a fair process and not as transparent as you say it should be in terms of the law and we believe that

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that 421 people who were not called up were prejudice. Would you agree that this process was not fair? Thank you.

The MINISTER IN THE PRESIDENCY: Yes, according to the report that Parliament adopted here in this House, I have no reason to believe that the process was not fair because: firstly, on 2 November, this House re-established the ad hoc committee to continue with the mandate that it had been given; secondly, on 13 November, last year, Parliament readvertised in local, regional and national newspapers, including the parliamentary website; and thirdly, that the issue of the capabilities of candidates was raised at the ad hoc committee indicating the criteria that is stipulated there. All these shortlisted candidates' CV's were published also on the parliamentary website for transparency purposes. I have also just indicated that overwhelmingly this Parliament recommended these seven names reflecting the views of this Parliament. Thank you.

[Applause.]

Ms W S NEWHOUDT-DRUCHEN: Hon Minister, when the new board members are appointed on their first day, is there any

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institutionalised induction programme or training available to ensure that the board has a clear understanding of their mandate as the NYDA board and how is this done? Thank you. [Applause.]

The MINISTER IN THE PRESIDENCY: I am aware that when the President appoints these members of the NYDA board, there is an intention from the Deputy Minister to ensure that a proper induction is conducted on all the members of the board so that they know precisely what is expected.

So, I suppose that also the portfolio committee should be interested in being participant in that process to ensure that the decision of this House must be understood by those members so that they can be able to exercise their fiduciary responsibility and duties appropriately reflecting the decision of this House.

Mr N F SHIVAMBU: Minister, six out of the seven board members that have been appointed are either from the National Executive Committee of the Youth League or the Young Communist League. Majority of them do not have postsecondary qualifications.

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In the shortlist of the people that were nominated, there were people who are chartered accountants, who are advocates, who have board experience elsewhere and are young. I hear people saying that you are part of the comrade marathon to be a President of the ANC. Do you think that is rational as a presidential candidate maybe? Do you think it is rational that you ignore all other nominees and then just choose those ones that coincidentally are in the National Executive Committee of the Youth League and Yershen, from the Young Communist League and Kenny from the Provincial Executive Committee, PEC, of the ANC? Then you just put one IFP just to buy face like you are doing now. Is that rational to could just ignore capable human beings, young people, who can add value into the NYDA? That is the question that we are asking you. Thank you very much.

The MINISTER IN THE PRESIDENCY: Speaker, also the evidence shows that what Shivambu is saying is not borne by facts. Ndumiso, hon Shivambu, Mr Mokako is a graduate of University of Pretoria, with a Bachelor of Arts in Financial Accounting, Internal Auditing and Financial Management and also has a certificate from Rhodes University, another certificate from Wits Business

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School. I can go on. [Interjections.] Bavelile Hlongwa, BSc Science Foundation Programme in the first year, [Interjections.] Maimela, [Interjections.] Mopani FET College, Civil Engineering and Building Construction, also University of South Africa, BA Governance Public Administration, it goes on and on [Applause.]

The SPEAKER: Hon members!

Mr N F SHIVAMBU: Hon Speaker, I think we must record that they don't have qualification. They are still trying to have qualification and the ANC ... [Inaudible.]

The SPEAKER: No, hon Shivambu, please take your seat. Hon Shivambu, you don't have the floor.

Question 8:

The MINISTER IN THE PRESIDENCY: Speaker, the answer is: The piloting of citizen-based monitoring in Tugela Ferry in KwaZulu-Natal and Phuthaditjhaba in the Free State was the first wave of an action-learning process that covered nine provinces between 2014 and 2015. the work highlighted a number of challenges

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particularly relevant to service delivery in rural areas and these included; long waiting times, inadequate resourcing of frontline facilities, maintenance of buildings and vehicles, insufficient inclusion of community and traditional leadership amongst others.

However, the feedback from citizens and staff was very positive and encouraging and was used as a basis for dialogues between community members, councillors and sector department officials to understand the root causes of service delivery challenges. All these dialogues were used to develop a local commitment charter to address all those problem areas.

Overall, this pilot has been considered a success and learning from the pilots and it is being applied on the ongoing work with departments as officials reported to the portfolio committee this morning. Thank you.

Mr M L D NTOMBELA: Hon Speaker, to the hon Minister, it is encouraging to know that the participation planning method used to turn feedback into actions is producing innovation solutions.

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However, inherent into any model are salient challenges across the board. What could be these salient challenges of this model and how can this model be improved because we still have some sporadic incidents of protests albeit at a much reduced scale.

The MINISTER IN THE PRESIDENCY: Speaker, part of the challenges included infrastructural issues such as, amongst others, roads, telecommunications, water pampering, upgrading of computer systems and so on. An implementation evaluation was conducted and concluded that the community-based monitoring pilot was successfully tested and involved an inclusive credible approach and methodology. That is why this action-learning approach proves very effective for developing this method allowing for flexibility and responsiveness in the tools and methods that have been developed. We are hoping that the portfolio committee will also ask those user departments to see what measures are being put in place in order to correct all these challenges that have been identified. Thank you.

Mr S C MOTAU: Speaker, to the hon Minister, you are aware that similar projects have been conducted focusing on policing,

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health, South Africa Social Security Agency, Sassa, and social welfare services involving 34 facilities. Apparently, as you have indicated, important lessons were learned, for instance - with regards to policing - police stations across the country continue to report frustration with long turnaround times for maintenance and repair of vehicles. This, as you are probably aware, is very bad for service delivery and gives police stations a very bad reputation among the people. What steps are being taken to address this problem of police vehicles that seem to be always out of commission when they are needed by the people to improve quality of policing? Thank you.

The MINISTER IN THE PRESIDENCY: Speaker, firstly, some of the infrastructure problems are not by the line function departments but are through the Department of Public Works that is responsible for the maintenance of some of these programmes. That is why part of the recommendations that were made in the portfolio committee is to call those line function departments such the public works to indicate what improvement measure are put in place in order to correct that.

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On the issue of police, I think the Portfolio Committee on Police need to call the police department so that they can be able to highlight what will be done in order to improve that kind of a situation. So, this tool of community-based monitoring is very useful in order to highlight to this Parliament what needs to be done in order to ensure that the service delivery happens in reality. Thank you.

Mr N SINGH: Hon Speaker, to the hon Minister, thank you for your response. I have not had the benefit of being in the portfolio committee to find out what happened this morning, but a pilot programme would suggest that this is something that we want to learn from. This report was completed in December 2015, what I would like to know is, have all the recommendations that were proposed in that report been acted upon and have line function departments been contacted by the Minister in the Presidency to inform them of the defects or the concerns that people had in these respective communities?

The MINISTER IN THE PRESIDENCY: Speaker, yes, after every visit we write to all the affected line function departments in order

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to ensure that all these issues, the challenges that are being experienced are conveyed to them. Every quarter, as the government, we report to Cabinet as to how far we are implementing these improvement measures. As I have said, it is therefore the responsibility of those line function departments to effect those changes in order to ensure that the problems do not recur. Thank you.

Mr S P MHLONGO: Madam Speaker, to the Minister, the framework for citizen-based monitoring was approved by the Cabinet in 2013 and aimed to support government departments to strengthen citizens' voice in monitoring service delivery. The piloting of this programme started in 2013 with, among others, the South African Police Services, Department of Social Development and South African Social Security Agency. Were you able to pick up the problems with Sassa and the Department of Social Development in relation to their continued violation of the Constitution relating to the Cash Paymaster Services, CPS, contract and the doubts about their incapacity to distribute social grants from 1 April? If so, what actions did you take hon Minister?

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The MINISTER IN THE PRESIDENCY: The question from the hon member does not arise from this original question. He should be aware that last week Cabinet decided that today that matter is going to be discussed. I think we should wait until Cabinet finalises on that specific matter.

Prof N M KHUBISA: Hon Speaker, to the hon Minister, we understand that your department plays a transversal or an overarching role and of course this is a pilot; it is a model that still has to be interrogated and then implemented. The situation is very dire, especially along the environs of Tugela Ferry in Msinga, for instance, in Ward 16 eMngeni, you find that people use donkeys to carry water containers and there's an issue of the broadband programme that the government wanted to pilot there. What is your department doing to ensure that this is implemented urgently? Working with other departments, of course, what are the priorities that you have set forth that you want to ensure that people get the service delivery? I just alluded to only one in Ward 16. Thank you, hon Minister.

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The MINISTER IN THE PRESIDENCY: Hon Speaker, as I was saying, it is not expected that we as a department will be doing those things; we liaise with all those affected government departments so that they must put these measures in place to ensure that these things are corrected.

The role of the local government in those municipalities also have a bigger responsibility of ensuring that they identify those problems that have been given to them in order to improve those measures. Non-governmental organisations and ordinary members of society also have a very important role as part of active citizenry because all these matters cannot be solved by government alone; each and everyone of us has a duty and responsibility to ensure that we build these issues for the benefit of communities at large.

Question 2:

IsiZulu:

UNGQONGQOSHE KAHULUMENI WOKUBAMBISANA KANYE NEZINDABA

ZEZENDABUKO: Siyabonga Nkosi Cebekhulu, kunjalo baba.

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English:

We have registered progress. Debt decreased by R699 million in January 2017. This is from a reported debt of R10,2 billion in November 2016. I must indicate that this shows substantial progress in resolving this challenge.

But, it is also important to know that the escalating debt that is owed by municipalities to Eskom is not only driven by nonpayment. As I indicated when I responded to Question 19, there are also structural challenges that exacerbate the challenge. But, quite interestingly, I must indicate that Eskom is intending to reduce the current interest rate to prime plus 2,5%. On the initial arrangement Eskom charged prime plus 5%. Now, as one of the measures to attend to these structural challenges they are intending to decrease this to prime plus 2,5. We think this will go a long way towards assisting municipalities to deal with the interest charged on that kind of debt. Thank you very much.

Inkosi R N CEBEKHULU: I thank the hon Minister for the answer. Hon Minister, why is it that revenue collected for the purpose

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of residential electrification by our municipalities and paid into the general municipal banking account is being siphoned off for other municipal expenses, with the net effect being that the money which is earmarked for the settlement of their Eskom account is spent elsewhere? Does it not make sense, hon Minister, to have a separate municipal banking account solely for Eskom monies? Why is this not being done? Thank you.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Indeed, Nkosi yami [my Chief] there is this particular problem, but it is not like an illegal practice. The current arrangement derives from the Municipal Finance Management Act, Act 56 of 2003, and provides for the cross-subsidisation of basic services. Now, as part of the financial challenges that we are faced with, there is a contemplation of ring-fencing what is generated from the provision of this basic service. Among other things, I must indicate that in other municipalities it's not even about cross-subsidisation from revenue generated by electricity, but it's from subsidisation from revenue generated by the provision of other basic services. So, there is that particular overlap and there is a proposal to look at the

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possibilities of ring-fencing this particular service. It will help, among other things, to ensure that municipalities are able to monitor their consumption rate but also the value they derive from the money they invest in providing this particular service, because some of the municipalities are unable pick up or recover the costs they incur as a result of providing this service. So, it will be important that that particular option is entertained and, as I have said, we are currently entertaining that option. Thank you very much.

Mr K J MILEHAM: Minister, we brought those structural challenges you spoke about – the interest rate and the billing cycle – to your department's attention more than two years ago and nothing happened. It is only when it's a crisis again that something has happened.

But, Minister, noting that much of the debt to Eskom is historical, will you concede that the amalgamation of municipalities has not, in fact, improved the viability of dysfunctional municipalities and has actually had the effect of dragging several previously viable municipalities into a

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financial crisis, as has occurred with the Tlokwe and Ventersdorp amalgamation?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

Indeed, we have been dealing with this problem for quite some time. It didn't start two years ago, hon member. Welcome to local government! It started with the system. So, the truth of the matter is that we should appreciate the progress that has been made because, as I said, Eskom has for the first time conceded that it must relook at this particular challenge and I think we should appreciate that. It has been a long struggle but I think we are seeing the light at the end of the tunnel.

Of course, you are right, not all amalgamation is yielding the same results. The performance is uneven. There are municipalities who have been amalgamated and of course there are practices of good performances that are picked up from those municipalities. But, of course, there are municipalities that are still having challenges even after amalgamation. So, that is why it is important for us to continue working with these municipalities. I am not sure of the report of the newly

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amalgamated municipalities of Tlokwe and Ventersdorp. It is still too early to come to that conclusion. Thank you very much.

Ms Z S DLAMINI-DUBAZANA: Hon Minister, you have highlighted earlier that these are very complex problems that deal with the structural financial viability. However, I would like you to share with this House the critical intervention that has already taken place between your department and Treasury because it can maybe help the House. I thank you.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Besides financial challenges, we also have legal challenges. I must indicate that, in terms of section 156 of schedule 4(b) of our Constitution, municipalities have executive authority in respect of and the right to administer the reticulation of electricity. However, this executive authority is not recognised by some of the role-players in the energy sector. Additionally, the legal status of electricity distribution between Eskom and municipalities is very contentious and this is one area that we are dealing with as part of our intervention in those affected municipalities. Thank you very much.

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Mr A M SHAIK EMAM: Hon Minister, thank you for your responses. Minister, in terms of your investigation ... and I will accept that you say sometimes it is the financial status of municipalities that is a problem. However, in many instances we might find that it is as a result of the inefficiency of officials in the municipality. What are you intending to do about implementing consequences for such inefficiency and, secondly, what is the impact on Eskom when municipalities fail to pay timeously?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: As earlier indicated, inefficiencies are also picked up as part of the problem, but they are dealt with appropriately. But, remember now, we are at a stage where we are regulating the competency level of municipal managers but also section 56 managers. Those are managers that report to municipal managers.

We think that, through that process – albeit not that popular, I must indicate, because we have received some resistance from other municipalities as we enforce the provision of these regulations ... We think this particular approach is going to

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yield the required results by ensuring that we appoint the right people with the required competency level to do the job. I think this will help us a lot to deal with this particular problem.

Of course, the impact of Eskom not being paid ... remember Eskom is borrowing money - I mean - to invest in its infrastructure. As you are aware, we need energy. As, of course, espoused in the National Development Plan, NDP, energy is very central to the growth plans of this country. So, if Eskom is unable to recoup the money that it uses to provide this service, obviously this affects its credit worthiness. So the results ... of course, the impact on Eskom might not necessarily have an adverse effect on Eskom but on the broader plan of our country as outlined in the National Development Plan. Thank you very much.

Question 1:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

The dissolution of new two municipal councils came as a result of the failure of the councillors to constitute the council, to elect its office bearers, and its representatives to the Umzinyathi District Municipality.

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I would like to register our disappointment with the conduct of these former councillors. They are former councillors now because that municipality has been disbanded. They have failed their electorate, compromised our democratic government system and undermined their people's confidence. In my take, I think they have committed an act of betrayal to our beloved democracy.

The MEC for Co-operative Governance and Traditional Affairs in KwaZulu-Natal has appointed an administrator for the municipality. This is provided for in terms of section 35 of the Municipal Structures Act. Of course read that jointly with section 139(1) (c) of our Constitution. The administrator is already stationed in the municipality and is fulfilling the executive obligations of the municipality, including ensuring service deliver until a new municipality council is elected.

Apart from this, the provincial executive council resolved on 8 February 2017, the same day it took the resolution to disband the municipal council, to conduct community engagement activities in the municipal area, starting with the Premier's Imbizo scheduled for today. As we speak, I think they are done

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with that particular activity. Each member of the provincial executive council has a separate programme to engage the community to access its service delivery requirements and where relevant, to address those service delivery requirements.

However, it should be noted that albeit the municipality had serious governance problems, occasioned by the failure of its municipal council to constitute itself to elect the executive leadership, the disbanding of the municipal council was not due to service deliver issues.

On our part as a department we have officials designated to the province as part of our Back to Basics Programme Task Team who are monitoring the performance of the municipality, including the performance of each service delivery function. These officials are always ready to provide the municipality with further assistance should there be a need. I thank you very much.

IsiZulu:

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Solz N M KHUBISA: Somlomo, iqiniso Ngqongqoshe ukuthi inkinga ibe khona uma umkhandlu ungakheki ungakwazi ukubumbeka. Iqiniso lithi esindaweni ezifana naseQhudeneni, koHlazakazi Mandeni nakoHoqo abantu bebhala ngamanzi, bekhala ngemigwaqo kanjalo [well] nezindlu nokunye nokunye bengenazo nezindlu zangasese. Ngigonda ukuthi umnyango kufanele usebenze neminye iminyango ukuze zikwazi ukutholakal lezi zinto esengikhulume ngazo. Yini mhlawumbe umnyango oyenzile ukuxhumana nezinye izinhlaka ezisemphakathini njengosomabhizinisi, njengezinhlangano ezizimele, imiphakathi noma izinhlangano ezingenzi inzuzo, NPOs izinhlangano ezingezona ezikahulumeni, NGOs, kanye nezinhlangano zezenkolo, FBOs, ukuze abantu baqhubeke basizakale intuthuko ihambe iye phambili? Ngoba noma umkhandlu ungekho kodwa abantu kusukela nje ungakudlanga umkhandlu bebeyidinga intuthuko ukuthi kuqhutshekwe kuyiwe phambili. Ngiyabonga Somlomo.

English:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Indeed, Prof, your concern is our concern. That is why we have insisted that as part of our concurrence with the dissolution, we have said to MEC Nomusa Dube: They must make sure that they

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hit the ground running. They must communicate the outcome of this particular decision to the community.

Hence, I am saying today as we speak, the Premier is expected to be addressing if not already have addressed an imbizo there. Members of the executive council have also been assigned from various sector departments to engage various sectors of the affected community. I think it is appropriate for us to apologise on behalf of government for the inconvenience caused by these former councillors who served in that municipality. Thank you very much.

Mr K J MILEHAM: Minister, you are a 1005, the disbanding of Nquthu Municipality had nothing to do with service delivery and everything to do with the failure of the ANC to accept the outcome of the elections on 3 August 2016 as free and fair ... [Interjections.] ... and consequently, its failure to accept the rulings of the presiding officers at the various council meetings called to elect the municipal leadership.

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Now, will the Minister acknowledge that the meeting should have followed the process described in Schedule 3 of the Municipal Structures Act, and that the failure reflects more on the incompetence of the MEC to ensure that those meetings were properly conducted.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

I am not sure if you have been following this process properly or not. If yes, then you have missed an opportunity when the MEC was here, to explain to both Houses about the situation there. Both Houses - both committees from the two House - unanimously agreed that such action was necessary. So, I am not sure which step did you miss.

In my take - hence I concurred with the request of the province - all steps as prescribed were properly followed, more especially in section 139(1)(a)-(c) -. I don't know which step did you miss there. Unfortunately, I must indicate that the MEC followed due process and the NCOP ultimately visited the municipality and concurred equally with my concurrence to say let us move for dissolution. So, I don't know what it is that

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you miss but you can be provided with a report if there is a step that you miss hon member. Thank you very much.

Mr M S MBATHA: Hon Minister, the truth of the matter is that the same MEC that you so pronounce that she were part of the solution is also part of the problem there. She has financial interests there through the husband. The ANC councillors were coached on several times to betray their obligations and make sure that the municipality doesn't sit. What are you prepared to do to make sure that the Councillors Code of Conduct prohibit this action?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Hon member, I don't want to say that you are lying but I think one think that we should respond to is: Why if such a serious allegation is levelled against the MEC - because I know it is fashionable to you to run to court and police stations to open cases - why haven't you done that if such is true because you are levelling a very serious allegation? [Interjections.]

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Mr M S MBATHA: Hon Speaker, on a point of order: There is evidence in Mkhanyakude. [Interjections.] The MEC's husband ordered pipes and those pipes are sitting in the veld. [Interjections.] That is evidence enough for you!

The SPEAKER: Hon Mbatha, that's not a point of order. Please proceed Minister.

Mr N F SHIVAMBU: Hon Speaker! Speaker, the Minister is saying why are we not going to the police. We have opened a case against the Guptas in Rosebank, they are still not arrested. [Interjections.]

The SPEAKER: Hon Shivambu! Hon Shivambu, please take your seat and let the Minister finish. Hon Shivambu, please take your seat! Finish, hon Minister! [Interjections.]

Mr H P CHAUKE: Hon Speaker! [Interjections.]

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Speaker, I don't think it is fair for us to allow a situation

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whereby the national House is used to ridicule and undermine MECs who are working very hard in their provinces.

[Interjections.] KwaZulu-Natal is one of the best performing provinces, so there is no way in which we can allow lie peddlers to come here and tell lies about the performance of our MEC. Thank you very much.

Mr H P CHAUKE: Hon Speaker!

The SPEAKER: Yes, hon member. What is the point that you are rising on?

Mr H P CHAUKE: Hon Speaker, I am rising on Rule 62(c) read with Rule 92(11). Rule 92(11) dictates that:

The Presiding Officer's ruling on a point of order is final and binding; and may not be challenged or questioned in the House.

From time to time - about three times now - the members of the EFF have been challenging your ruling which amounts to gross

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disorderly conduct and I think you must rule on that hon Speaker. Actually, when are they resigning from Parliament?

[Applause.]

The SPEAKER: As you mention, you are saying from time to time, which is quite a general matter. We now come to the IFP member, hon Hlengwa, to ask ... [Interjections.]

IsiZulu:

Nk M S KHAWULA: Uxolo [sorry], uxolo kancane Sihlalo, sawubona.

USOMLOMO: Cha mama uKhawula.

Nk M S KHAWULA: Ikhona lento yamapayipi kaR138 million, kade sikhuluma ngawo. Musani ukugqiba izinto. Abantu abanawo amanzi!

USOMLOMO: Mama uKhawula, ngiyacela [please] uhlale phansi. Awuve uziphatha kahle laphayana emakomidini. Angazi kwenzekani uma usulana. [Ubuwelewele.]

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Mr M HLENGWA: Hon Speaker, let's first correct one thing: It is not all the councillors that caused this. And Minister, I am deployed there, so I know what I am talking about: On seven occasions, ANC councillors have disrupted council meetings. The MEC's husband has got business in Inquthu, Mzinyathi, Mkhanyakude and Ejozini. In all these instances, she has used section 139(1)(c) like she did in Mtubatuba. The pipes are there in the veld [ehlathini] which her husband bought. Minister, why do you allow for section 139 to be abused for political reasons?

A mayor was elected in Nquthu: Mayor Kunene, Deputy Mayor Zungu and Speaker Mnguni. So, it is a lie of the highest order to say that elections did not take place. The ANC does not want to accept the results. They are now abusing the Constitution. The news is this: Go to Nquthu, we are going to beat you hands down in these by-elections. [Applause.]

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

I hope you will have time to hit the ground running. We can't use Parliament for doing door-to-door campaign. I think it is crucially important to repeat the process that was followed:

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There was a directive issued as provided for by section 139. After a directive was issued, there was an intervention that was made as provided for by section 139.

So, we can't wait forever. I have warned you in your previous submission hon member. You made the statement twice about Nquthu, and I have warned you that at an appropriate time we will definitely support the dissolution. So, due processes were followed. However, once more I am encouraging you: Please follow the provision of the law to register your complaints. I have also challenged you to make a submission. I am still waiting for your submission! Thank you very much hon Speaker. [Applause.]

Question 7:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

Thank you once more, let me thank hon Mthethwa for asking the question. The National Bucket Eradication Project is administered by the Department of Water and Sanitation. I must indicate the information was solicited from the National Sanitation Programme Unit of the Department of Water and Sanitation and they stated that there were no sanitary buckets

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found in the formal area town of Philippolis. The Department of Water and Sanitation, the Free State provincial government, Bloem Water and Kopanong Local Municipality made an assessment of all the areas of Kopanong Local Municipality and there were no sanitary buckets found in the formal areas of the town of Philippolis. The municipal manager of the Kopanong Local Municipality has validated that there are no sanitary buckets in use in the municipality but I will urge hon member if there is information that might not be known by the authority there, this information should be brought to our attention. Thank you very much hon Speaker.

Mr E M MTHETHWA: Thanks Minister for your response but I want to put it to you that in the previous year towards the end of last year we have been dealing with a public hearing. But the issue that was raised in the public hearing, this matter was the matter that was raised in the public hearing. However, we appreciate it if these issues have been resolved by now. We will await your response.

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The SPEAKER: Hon Minister, I do not know whether you want to make a comment.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
No, in fact it is not a question it is just a comment by the member. The comment is noted.

Mr K J MILEHAM: Speaker, my question takes this issue a little more broad. Now, we note that the initial deadline for the eradication of bucket toilets in formal settlements was 2007 and that was set by President Mbeki and that this deadline was extended to December 2015. Minister, what is the reason that your department has failed to ensure that that the municipal infrastructure grant has been properly utilised to ensure the complete eradication of bucket toilets?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
The answer is very simple and straightforward. Our settlement patterns are not static. They are very dynamic. So here we are chasing a moving target. So as a result, we will continue to pick up this particular challenge but I think we should

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appreciate that there is a lot of progress that has been made. I think we just shared the Outcome 9 report. We have the higher authority. It clearly shows that we are making steady progress in as far as this problem is concerned. Thank you.

IsiZulu:

Mnu R N CEBEKHULU: Somlomo, Mhlonishwa, mhlawumbe yiqiniso elingephikwe leli, uzakwethu lapha umhlonishwa u-Mileham kade elibeka. Ngesikhathi sikamhlonishwa uMongameli u-Mbeki kwavela kwacaca ukuthi ayekuthembisile akufezekanga luphele uhlelo lokuthutha indle ngamabhakede, [bucket system] amathoyilethi. Namanje njena sisezwa ngawo. Umhlonishwa uthini odabeni lwawo futhi ngokufanayo kwi-Nelson Mandela Bay ngoba nakhona inkinga ibingakaze ixazululwe kuze kube yimanjena? Nanxa umhlonishwa engafuni mhlawumbe ukugudlulela [shift] komunye kodwa nje ngokomnyango wakho, yini oyenzayo okubona leminyango ethintakalayo isebenzisana nowakho iyawenza umsebenzi ngendla yokusiza umphakathi ukuphucula izimpilo zabo. Siyathokoza.

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The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Hon member, as indicated in my previous response, we are making progress on dealing with this matter and every year, as you are aware, there are allocations that are made to entertain this particular problem. I can just cite an example. A total of 874 bucket sanitation systems were eradicated against the 2016-2017 financial year target of 1 635. But, I must indicate that low performance is as a result of most of the current work being done on reticulation networks. So there is progress, we are committed to dealing with this particular problem but the only challenge is that we are dealing here with what I termed a moving target. It is not a static problem which you could address easily. Our settlement patterns are very dynamic. Thank you very much.

Mr A M SHAIK EMAM: Hon Speaker, thank you hon Minister, like the people of Philippolis many areas in the country are being marginalised and are neglected especially the poorest of the poor communities. And I will give you areas like Philippi in the Western Cape, Heinz Park, Lavender Hill, and the Cape Flats who are living under shocking conditions and have been marginalised

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for far too long. Is it Minister within your mandate to intervene as national government? Or do you think there is a need for legislative amendments to override provincial governments to ensure that our people get the service delivery that they need and not marginalised either because of their financial status or because of their colour. Thank you.

[Applause.]

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Indeed we are dealing with this particular problem as part of our commitment to ensure that we provide a better life to all of our people but I must indicate that we still pick up problems where communities are complaining of being marginalised and what is disturbing is the fact that some of these complaints are picked up from areas or provinces that are referred to as the best provinces of delivering services. So we are really disturbed by some of these findings and we will continue to follow up on some of these problems. Thank you very much hon Speaker. [Applause.]

Question 5:

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The SPEAKER: The hon Minister wrote a letter requesting that the questions in her name stand over. Of course, Rule 144(1(a) provides that a question for oral reply must stand over if the Minister to whom it is addressed so requests, either in the Assembly when the question is called for reply, or by notice in writing to the Speaker before the start of the question time on the day for which it is on the Question Paper. Indeed, I note the concerns raised by members which I will convey to the Leader of Government Business. I am referring the matter to the programme committee to consider scheduling these questions in terms of the Rules.

Ms E N LOUW: Speaker, I would like to register our disappointment to the Minister. Today is the International Women's Day and it is quite disappointing that the Minister is not here to answer these issues that we have asked. Please, note that we do take time to prepare these questions to her. If we do not know in time that she will not be here it is quite disappointing. Therefore, we would like to register our disappointment that it is clear that the ANC does not take women issues and women abuse seriously in this country. I thank you.

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The SPEAKER: That is actually not a point of order. Because of the International Women's Day, I let you finish your point.

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, may I address you in terms of Rule 138 of the National Assembly Rules.

The SPEAKER: Yes.

The CHIEF WHIP OF THE OPPOSITION: Unfortunately, I am not a woman so I will not get an indulgence of extra time so let me be quick. Madam Speaker, section 92 of the Constitution says that members of the executive are accountable to this House for their actions. Section 55 of the same Constitution says that this House must provide internal mechanisms for Members of Parliament to exercise oversight over the Ministers - to exercise executive authority. The guide procedure recognises oral questions to Ministers as one of the cardinal mechanisms to do so, it is in fact the only unscripted time that we have with Ministers in the House in the current setup.

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Therefore, when a Minister misses the House it is not simply a matter of registering a disappointment, but I think it is about disrespectful of this House, a remarkable disrespectful of the Constitution and a remarkable disrespect. [Interjections.] Calm down dear, let me finish.

The MINISTER OF SMALL BUSINESS: Hon Speaker!

The CHIEF WHIP OF THE OPPOSITION: It is remarkably disrespectful...

The SPEAKER: Order hon members, can you let hon Steenhuisen finish.

The CHIEF WHIP OF THE OPPOSITION: I think it is a remarkable disrespect of the oath of office that those Ministers have taken. Raise your argument and not your voice. Madam Speaker, I appreciate the steps that you have taken. I am glad the Leader of Government Business is here because there was a discussion at the Chief Whips' Forum this morning. I am glad it has been conveyed to you. The Leader of Government Business is to make

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sure that his Ministers are here. That is his responsibility and we don't accept the excuse that has been offered around some other events. This has been on the parliamentary programme for a long time and Ministers need to prioritise their oversight responsibility to this House. Thank you.

The SPEAKER: I note your concerns and they shall be conveyed formally to the Leader of Government Business who of course has heard it all.

Ms C C PILANE-MAJAKE: Hon Speaker!

The SPEAKER: Yes, hon member.

Ms C C PILANE-MAJAKE: I rise on Rule 68, to say what the leader of the DA has just mentioned. It is just irrelevant and repetitive of what you already have outlined in terms of processes that will follow the absence of the Minister. I take it that the Leader of the Opposition is just standing because an explanation has been given. Whatever he was saying wasn't really necessary. Thank you.

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Prof N M KHUBISA: Madam Speaker, I am just making a follow up that this matter is serious because we even spoke about it at the Chief Whips' Forum. Now, to say that somebody is grandstanding on the matter I think is a matter of grave concern because this matter came sharply at the Chief Whips' Forum today. Thank you.

Mr N F SHIVAMBU: Hon Speaker, the Chief Whip of the DA raises a point of order and your ruling is that you have taken note of what he had said and you will convey the message to the Minister and to the Leader of Government Business. She rises on a point of order on an issue that you have already made a ruling. I think there is a level of irrationality there. You must attend to it in terms of how you deal with your issues. I think also the the Chief Whip of the Majority Party must keep his Whips that side so that he is able to guide them in terms of the points that they can raise on in terms of these issues. Really, that was so low. Please!

The SPEAKER: Hon Shivambu and hon members, please, let me make us move to Question 17. A question asked by Hon Mileham of the

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DA to the Minister of Co-operative Governance and Traditional Affairs who is here earning his salary today.

Question 17:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Thank you hon Mileham for the question. Hon Speaker, the local government equitable share allocation has increased from R52 billion in the previous financial year to R57 billion to the current financial year. This allocation provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities that have the least potential to cover these costs from their own revenues.

The Municipal Systems Improvement Grant has decreased lightly from R104 million in the previous financial year to R103 million in the current financial year. This allocation is an indirect grant which is arranged to fund a range of projects in municipalities in support of the Back to Basics strategy. This includes helping municipalities, set up adequate record management systems, drawing up organograms for municipalities

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and reviewing their appropriateness relative to their assigned functions and assisting municipalities with revenue collection plans.

The other popular grant is the municipal infrastructure grant which has increased by 5,7% from the previous financial year period allocation of R49,8 billion to the current year Medium-Term Expenditure Framework, MTEF, allocation of R50,4 billion. I must indicate, hon Speaker, that 226 municipalities will be receiving this allocation over the MTEF period starting from 2017. The municipal infrastructure grant, MIG, framework has been extended over the years to accommodate funding constraints experienced in municipal infrastructure. The grant now allows for the funding of new upgraded and renewed infrastructure to ensure that communities do receive services. Municipalities can also fund road maintenance challenges which have been confirmed through the rural roads access management system.

Hon Speaker, R300 million is being ring-fenced per annum since 2016-17 to develop new and also upgrade or refurbish sports infrastructure with municipalities. This is in addition to the

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5% that municipalities must spend on their annual MIG allocation towards sports infrastructure. I thank you very much, hon Speaker. [Applause.]

Mr K J MILEHAM: Madam Speaker, with all due respect to the Minister, he didn't answer the question at all, which relates to the reduction in the baseline grants to municipalities and provincial governments - some R2 billion in immediate financial year ahead of us and R6 billion over the Medium-Term Expenditure Framework - I will refer specifically to page 53 of the Annual Review of the Budget. Minister, how do you intend to ensure that these conditional grants that you've just outlined would be utilised for the purposes that they are intended, in other words, that they are utilised according to the law and regulations that are set down by the National Treasury for the purposes for which they are intended, ie, not for municipal operations and salaries, as we have seen in ANC-led municipalities across South Africa?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

Thank you very much, hon Mileham. You are referring to base

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allocation but your question is speaking of grant allocation to local government. However, I can still provide some information to you as to how this has been processed. In terms of the Division of Revenue Bill over the MTEF period, transfers, of course, were reduced by R2,8 billion in total including R2,5 billion from direct grants and R189,3 million from indirect grants. To make resources available ... this is very important for you to listen. To make resources available for other government priorities, small reductions are made to a mix of urban and rural grants including the public transport, network grant, the water services infrastructure grant, the municipal infrastructure grant and the Urban Settlements Development Grant. So, of course, there has been some reduction, but we have realised some transfers from some of those grants to cushion the impact of such reductions. Thank you very much.

Mr N S MATIASE: Madam Speaker, underfunding in municipalities would mean, amongst others, that smaller several municipalities would struggle to operate and maintain their service delivery and infrastructure cost-effectively. The end result of this is rapid deterioration of assets, chronic, financial management and

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rampant corruption and regular prolonged disruption in service delivery.

Now, hon Minister, have you considered a desirability of doing away with provinces in order to ensure that bulk of our public money goes where it is needed most to municipalities rather than to provinces?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Thank you very much, hon member. It sounds very ideal, but as you know it's not just a straightforward process. The reality of the matter is that how we reconfigure the arrangement of our governance system is an ongoing discourse. I think at an appropriate time we might have an opportunity to look into some of the suggestions that are being tabled. I must confess because I know you started somewhere before and you know that discussion and you have left it in our family. We are still continuing with that discussion and at an appropriate time we will come with a discussion document or policy paper that will solicit your input. Thank you very much.

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Mr N S MATIASE: Madam Speaker, I rise on the point of order.

The SPEAKER: What is your point of order?

Mr N S MATIASE: Hon Van Rooyen tries to blackmail me, in that I am part of the mess that the ANC is responsible for.

[Interjections.]

The SPEAKER: No, hon. Please that is not a point of order.

[Interjections.] Please take a seat.

Mr N S MATIASE: If you could not answer the question, you should have said so, but not to blackmail me. [Interjections.]

IsiZulu:

Mnu M HLENGWA: Ngiyathokoza mhlonishwa Somlomo, cha angikho kulena yokuqola phecelezi "blackmail".

English:

Hon Minister, one of the challenges which municipalities face is the stranglehold which the provinces hold on them particularly

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the abuse of political power from provinces and then, of course, this means that municipalities most often do not find themselves having to be subject to the winds of the provincial governments in terms of those who occupy offices. Let's take for example the office of uMsinga where the housing projects are being withheld for no reason other than a political punishment to the people of uMsinga. How do you arrive at a situation where municipalities are able to receive the funds without the political exploitation, which we continue to witness particularly in KwaZulu-Natal, where that province punishes any municipality that is not ANC-run?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Hon Speaker, thank you very much, Baba, for your question. You know its quite disturbing because from where I am seated as a Minister of Co-operative Governance and Traditional Affairs, I'm working very smoothly with provinces to address problems of municipalities, but every time you stand up hon Hlengwa you raise some serious allegations about the performance of provinces, more especially your home province. Look I must

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challenge you once more, you are young, I know I am a bit older but feel free to come to my office.

Mr M HLENGWA: On a point of order, Madam Speaker.

IsiZulu:

USOMLOMO: Cha lungu elihloniphekile Hlengwa usakhuluma umhlonishwa. Ngicela umdedele akhulume. Mdelele akuphendule.

Mnu M HLENGWA: Ngicela nawe ungivikele. Ngicela ungivikele Somlomo.

USOMLOMO: Ngiyakuvikela yingakho ngigcizelela ukuthi akakuphendule.

Mnu M HLENGWA: Uma ezokuqhubeka ngalendlela ngalempendulo le yilapho impela ngilimala khona kanti kufanele kube nguwana ongivikelayo Somlomo. [Ubuwelewele.]

USOMLOMO: Ngicela uhlale phansi ngizokuvikela.

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Mnu M HLENGWA: Ngicela ungivikele lungu elihloniphekile Somlomo ukukhalima ophambukayo.

USOMLOMO: Lungu elihloniphekile Hlengwa ngizama ukukuvikela ngokuthi uthole impendulo.

English:

What is your point of order? [Interjections.]

Mr M HLENGWA: Madam Speaker, the Minister now is casting aspersions on me. [Interjections.] I must not raise these matters in the street; I am elected to raise them here. Why must he belittle the fact that I am raising matters here? Where else must I raise them?

IsiZulu:

USOMLOMO: u-caster ama-arspersion ngokuthini?

English:

Mr M HLENGWA: The issue of being young is not a problem. I am young and it is not an issue. [Interjections.] What the issue

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is, let him play the ball not the man. Let him engage the issue.

IsiZulu:

Mnu M HLENGWA: Kungani angisole ngokuphakamisa udaba lapha ngoba wenza ngathi ngiyona uma ngizophakamisa udaba lapha. Uyangisola ngokwenza lokho. [Ubuwelewele.] Awungivikeli [ubuwelewele.] uyangisola. Uvumelani angisole ngokwenza umsebenzi wami.

USOMLOMO: Cha kulungile ke lungu elihloniphekile Hlengwa.

Mnu M HLENGWA: Kungani uvuma angisole uma ngenza umsebenzi wami. [Ubuwelewele.]

USOMLOMO: Sengikuzwile ukuthi ukhala ngani.

Mnu M HLENGWA: Hhayi, hhayi!

USOMLOMO: Ngifuna ukubuka ukuthi utheni.

English:

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Hon Minister, I will actually look at what exactly did you say that was casting aspersion on the hon Hlengwa?

IsiZulu:

Ngoba akushoyo ukuthi ukuba mncane vele mncane futhi akanamahloni ngokubamncane kwakhe. Kufanele abemncane ngoba wazalwa ngalesiya sikhathi azelwe ngaso.

English:

I will look at the actually words of the Minister on the matter of him casting aspersions. Hon Minister, can you continue answering the Question of the hon Hlengwa.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

Maybe, hon Speaker, to cut long story short. I think it is important that ... I know the temptations are very high to use the House for people to see that you are doing some work.

However, I want to argue that it is important for members to take advantage - take advantage of the invitation.

[Interjections.]

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IsiZulu:

USOMLOMO: Lungu elihloniphekile Hlengwa intukuthelo ayisizi [Ubuwelewele.] Bengingakamuzwa ekuhlasela.

UMnu M HLENGWA: Uthule uthini engihlasela? Ulwa nami nje uNgqongqoshe.

USOMLOMO: Bengingakamuzwa ukuthi ulwa nawe. Mina ngikuthatha ngenye indlela. [Ubuwelewele.] Hhayi, ngale ndlela yakho. Asehlise imimoya. [Ubuwelewele.] Baba uMncwango ngicela nawe usisize. Qhubeka mhlonishwa Van Rooyen.

English:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Hon Speaker, what I am saying is that where I am seated I know for a fact that I am working very smoothly with various provinces to address problems of municipalities. If there is any information that members know of that we are not aware of, I am welcoming them to forward that information instead of coming here and grandstand. [Applause.]

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The SPEAKER: Okay, hon Mncwango, hon Hlengwa, hon Singh, I think I must take hon Singh because he is the Chief Whip of the IFP.

Mr N SINGH: Hon Speaker, I think the hon Minister is totally out of order, if he suggests that a member in this House is grandstanding. All members short or tall, young or old are members representing the public out there and they are entitled to make the points known in this House. [Applause.] I think the hon Minister should withdraw, hon Speaker.

The SPEAKER: I take your point, hon Singh. I now take hon Shelembe. Hon Shelembe?

Mr M L SHELEMBE: Minister, what plan do you have to ensure that municipalities are going to ensure that their spending is in line with the reduce grant allocation and prevent irregular expenditure by municipalities?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Thank you very much, hon member. [Interjections.] There has been a problem in the past and, of course, we still pick up part of

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this problem of underexpenditure in other municipalities but mainly as a result of technical capacity that is lacking in most of our municipalities, among other things. Now as you are all aware, currently the Department of Co-operative Governance and Traditional Affairs, which I am leading, has established a unit called Municipal Infrastructure Support Agency, Misa. This unit is specifically meant to assist municipalities that are unable to adhere to the provisions of MIG allocations and other grants, but also who are unable to spend this money appropriately; again, to assist municipalities who don't have technical skills to spend the money. So since the introduction of Misa, we have seen a massive improvement on how municipalities are using some of these allocations and that is something that we will continue to do. We are monitoring performance of municipalities, why municipalities have technical problems. Through the support of Misa we are assisting those municipalities.

Question 4:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

Speaker, hon member, one of the key design features of the Community Work Programme, CWP, is that the programme is executed

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through implementing agents, who are nonprofit organisations because these NPOs do not generally operate in a public service environment. They are not familiar with the Public Finance Management Act, which regulates how public funds are utilised, managed and accounted for.

Working with these implementing agents whose responsibilities include them procuring for the CWP sites and managing assets on behalf of the department, places the department at a great risk of incurring irregular expenditure, if these implementing agents fail to adhere to PFMA prescripts and supply chain management procedures.

In the current financial year, the CWP budget allocation is approximately R3,2 billion. With that amount of money and a concomitant responsibility of ensuring that the programme is implemented efficiently and effectively, the department deemed it critical to establish a capacitated internal audit directorate that will focus solely on this programme. This was effected during the 2015-16 financial year, consisting of a team of four - one Director of Internal Audit, and three senior

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internal auditors. The internal audit directorate has contributed to enhancing CWP processes and internal controls in the Free State as well as in other provinces.

In January and February last year, the internal audit unit conducted a site visit to Free State. Three CWP sites were a sample for audits. That is Mangaung, Phumelela and Metsimaholo. The purpose of the site visits was to assess the adequacy and effectiveness of the CWP processes and internal controls, in order to provide reasonable assurance that the department's goal in respect of the CWP implementation in the province will be attained.

Although the audit did not focus on irregular expenditure and compliance with supply chain management policies, the CWP management did recognise the importance of strengthening the CWP implementing agents' adherence to supply chain management prescripts, in order to curb irregular expenditure.

Consequently, the department undertook a number of facilitative initiatives that we think will assist us to implement both the

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financial and nonfinancial initiatives that have been identified.

Mr M A DIRKS: Chair, Mr Van Rooyen, thank you for the detailed response to my question. [Applause.] I do not believe that we should use the follow-up opportunity for questions as a means to grandstand in the House and waste people's time here. So, there is no follow-up question from me. You have answered my question in detail. Thank you very much. [Applause.]

Mr K J MILEHAM: Chairperson, Minister, this programme is of critical importance to assisting municipalities, but also people who are without work or who have limited work opportunities. One of the problems that keeps being brought up again and again is the fact that it is being monopolised by the ruling party in certain municipalities, where councillors and municipal officials are demanding membership cards of a political party in order to get work in the CWP. What steps are you taking to ensure that the CWP is not politically linked and that those officials and councillors requiring party membership cards from applicants will have action taken against them?

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The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

House Chair, hon members, as you are all aware, this programme, as you have correctly said, is part of the safety net that is provided to the poor and unemployed. At least, they receive their wages, which help them to provide for their basic necessities of life and also for their families.

As you are aware, there has been a problem with this programme, but the problems that have been identified through a forensic process are deficiencies that relate to issues of how some of the implementing agents were procured. There are also deficiencies on how some of these implementing agents account on the procurement of assets. So, the list is long.

Truly speaking, the forensic investigations have not come to the simple conclusion that you have just made that the CWP is being used for political reasons. What we know is that this programme has catered for women, young people, irrespective of political affiliation. Thank you.

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Mr L S TLHAOLE: House Chair, there have been many allegations about how the ANC corrupts the Community Works Programme to ensure that their card-carrying members get the job opportunities that this programme offers, and that most contracts are given to ANC cadres. [Interjections.] What have you done to ensure that the programme is free of corruption? As a Minister with very direct links to a family that is doling of corruption in this country, are you convince that you are the right person to fight corruption committed through the CWP? [Interjections.]

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Hon House Chair, I think I have answered that question. Thank you very much. [Interjections.]

Mr M HLENGWA: Hon Minister, the issue with the Community Works Programme is that, in the main, as you spoke about chasing moving targets, they go to the extent to which the same job can be counted twice today and tomorrow. Then it is counted as a work opportunity. Does that actually credibly tell us whether we are addressing the unemployment problem in the country or do we

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just paper over the issues or is it just pretence? You move from here to that place and from this place to that place and you are counting the same thing twice. It then pushes the number up as if the programme is actually successful. So, can you clarify the mathematics that is applied with regard to this programme, so that we are all on the same page? I hope this is not considered as grandstanding.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Hon Hlengwa, as indicated, there are various problems bedeviling this particular programme. That is why, even now, we are in the process of developing a new model to address some of these problems. I must indicate that it is not only human beings, but the accountability on procured assets is also a major problem in this programme. So, truly speaking, this problem will continue until we have a model that will ensure that we get appropriate accountability from our implementing agents, that we monitor the procurement process and get proper reports about the employment patterns in this programme.

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Remember, the payments system of this programme has not been outsourced. We are still handling that and we do that, of course, as guided by prescripts of our financial management system. So, it does not happen that we end up paying one person double. No. The fact of the matter is that, through that payment system, we are able to account on head counts as employed at the local level. Thank you very much.

Question 13:

The MINISTER IN THE PRESIDENCY: Chairperson, the reply to the question is as follows: In terms of section 38 of the Public Finance Management Act, an accounting officer of a department must take effective and appropriate disciplinary steps against an employee who contravenes or fails to comply with the provisions of the Public Finance Management Act or who undermines the financial management and internal control system of the department.

Furthermore, section 84 states that a charge of financial misconduct must be investigated, heard and disposed of. As per the relevant section of the Public Finance Management Act,

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instituting disciplinary processes relating to misconduct includes the relegation of duty by employees, including failure to pay suppliers on time is the responsibility of accounting officers and executive authorities of relevant departments.

The Public Service Commission's 2013-14 report on financial misconduct shows that, of the 754 cases reported by national and provincial departments, employees were found guilty of committing financial misconduct and sanctions were imposed in 638 cases. In 172 of these – which is 27% of the cases – a sanction of final written warning was imposed. This was the most common sanction. This was followed by the sanction of discharge which was imposed in 145 cases – 22,7% of cases – and then by the written warning which was imposed in 94 of the cases – which is 14,7% of the cases. Thank you.

Mr S C MOTAU: Thank you, Minister. It is encouraging to see that some action is being taken because one of the big issues that we had is that there are no consequences for people for transgress.

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However, I'd like to draw attention to something that you should already know by now, and that is that the Department of Planning, Monitoring and Evaluation's 30-days' payment unit has identified what they describe as fear of victimisation by department officials as a major reason prejudiced service providers do not complain to the Department of Planning, Monitoring and Evaluation about not being paid on time. So the number that you quote could be higher if that were not the case.

So the question is, what steps have the Department of Planning, Monitoring and Evaluation and the affected departments taken to stop such intimidation? This is absolutely important since the Department of Planning, Monitoring and Evaluation has declared, as you have indicated, that failure to pay service providers within 30 days is regarded as very serious misconduct. Thank you.

The MINISTER IN THE PRESIDENCY: I think the fear is not from government departments; it is suppliers. That is why we have izimbizo time to time. The last imbizo that we had was specifically on the 30-day payment was in Ekhurleni with the

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Major of Ekhurleni. At that imbizo we encouraged many small and medium enterprises not to fear unscrupulous government officials, and invited them to report such things so that we can uproot this malaise within the public service.

At that imbizo we heard many gruelling stories about small companies actually closing down because they were not paid on time. Others indicated that they were offered bribes in order to expedite the payment within 30 days.

It is for that reason that the special unit at the Department of Planning, Monitoring and Evaluation which include the National Treasury, the Public Service and other department play a very critical role in ensuring that companies are paid on time. Not paying on time is really a counter-revolutionary programme that actually destabilises the mushrooming of small businesses in our country. Thank you.

Mr M HLENGWA: Minister, last year, on 7 September, you made a statement in the House in which you made a long list of commitments around the issue of the 30 day payment period. One

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would therefore want to gauge whether the commitments you made on that day have been successful in their implementation.

But most importantly, what we also want to gauge is whether the invoices – and there has been some debate around this – meet certain requirements and whether they comply with regulations. Has an audit been done of those invoices that are continuously outstanding? An audit will allow those businesses to be assisted to meet the minimum basic requirements so that they are not stuck in limbo because of bureaucracy and red tape. So, it's not enough to tell businesses that they can't be paid; let's resolve the problem which hinders them from being paid. Thank you.

The MINISTER IN THE PRESIDENCY: I think there needs to be clarity around not paying any invoice and not paying a valid invoice for services that a service provider has rendered to government. On Wednesday next week, the Department of Planning, Monitoring and Evaluation has been invited by the portfolio committee to submit a progress report. We will invite the hon Hlengwa to be there so that he can get the up-to-date

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information on how far we have gone in trying to resolve this problem. Thank you.

The HOUSE CHAIRPERSON (Mr C T Frolick): The next follow-up is by hon Dlamini of the EFF. [Interjections.] You are not the hon Dlamini. [Interjections.] No, but please, hon members, you must indicate if you want to take the question or not. [Interjections.] No! Indicate that you want to take the follow-up question because that is what is reflected here.

Mr L G MOKOENA: No problem.

The HOUSE CHAIRPERSON (Mr C T Frolick): What is the follow up question, hon member?

Mr L G MOKOENA: Minister, as per your report last year in November, you said that there were some 30 000 nonpayments that have been made to service providers that amounted to about 2,2 billion.

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The question I want to ask is, apart from the disciplinary actions, what forensic measures have you taken to monitor and track the qualitative impact that this is having on black economic empower? If that has been done, what is that impact and what is the remedy? I'm of the view that, until we understand the impact in numbers, we will not take the issue seriously. Thanks, Chair.

The MINISTER IN THE PRESIDENCY: Well, in response to that question from the hon member, let me emphasise that the Department of Planning, Monitoring and Evaluation is not the only department that monitors this. The Department of Small Business and Development plays a bigger role in tracking some of these matters because that department is the custodian of small, medium and micro-sized enterprises, SMMEs.

So, when all this information that is based on research of the affected people is collated, we will be able to understand the real impact. That is why the earlier question about the fear of the suppliers themselves is relevant because that fear also stands in the way of getting accurate information. Sometimes,

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people are fearful of reprisals if they report things like this. That is why, as hon members and as political parties, we need to encourage people to come forward and not fear victimisation because our aim is to ensure that we uproot these problems because they stand in the way of the advancement of small business in our country.

Ms C N MAJEKE: Hon Minister, you recently assured the nation that your department in the Presidency will act decisively to ensure that all government service providers are paid within 30 days as per the policy. In the Eastern Cape, the Department of Education is still noncompliant with this progressive government policy and, as such, many service providers are closing shop as a result of not being paid by this department. What can you promise those service providers your department will do to save their businesses and allow them to contribute to the creation of jobs and the growing of the economy of that poor province. Thank you.

The MINISTER IN THE PRESIDENCY: Chairperson, as I have said, I think it is important that those service providers need to

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report not being paid. As I have said, government is leaving no stone unturned in its attempt to expose those officials and also charge them in terms of section 84 of the Public Finance Management Act so that they are held accountable for the wrongs they are doing.

So, as government, as we are going to be reporting next week, we will also mention those departments that are not adhering to the 30 days payment cycle upon submission of a valid invoice. So we sympathise with those service providers and I think justice will have to run its course in the cases of those officials who are responsible for this problem. Thank you.

Question 9:

The MINISTER IN THE PRESIDENCY: Thanks, Chairperson. The education lab took place from the 07 September to the 02 October 2015; about 120 participants from various sectors and government departments participated. The President launched this lab on the 02 October 2015. The launch was for the whole country not just for provincial launches.

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The President is not launching the outcome of the lab in each province. The approach that has been taken by the Department of Basic Education is that all ICT related work that has been done in this education sector is part of Phakisa in order to ensure that there are no parallel plans or competing plans.

For the Free State province the following progress can be indicated: On connectivity and hardware, as per government gazette the telecommunications providers have supplied equipment and connectivity to schools under the Universal Service and Access Obligations projects, USAO; and this solution includes for each school: A mobile trolley with devices such as 24 tablets for learners; three laptops for teachers; two printers; one projector; one server; wireless excess point; and one eBeam.

The connectivity and hardware delivery status under USAO project, also the MTN has provided in about 166 schools; Vodacom in about 182 schools with a total of 348 schools that have been provided. This is since Operation Phakisa education lab in 2015 which indicates that it is working.

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On training: Training has been provided in 2016 in partnership with Intel as follows: The numbers of master teachers who have been trained are 276 in 150 schools. Thank you.

Dr M B KHOZA: Thank you very much, Minister. Is there any plan to replicate what has happened in the Free State to other provinces because clearly it is the best practice; because if we are going to have these kinds of partnerships between the universities and the Department of Education in other provinces it will surely contribute positively towards improving the quality of education in South Africa. Thank you Minister.

The MINISTER IN THE PRESIDENCY: Most definitely because this Operation Phakisa is actually a pilot project to test this methodology that we have inherited from Malaysia - the big fast results. From all the Operation Phakisa the indication is that this methodology has shown that it helps government to work in an integrated manner, not to work in silos.

So the example of Free State will be indicated in all other provinces. I think it is one of the reasons why Free State

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achieved the highest matric results last year. It is an indication that this project is actually having a very direct impact in the quality of our students and also the results thereof.

Mr S C MOTAU: Thank you Chair. Minister, a few years back computers were installed at a very great cost, at various schools in Gauteng to enhance the quality of learning; regrettably the network soon became known as and I quote, "Gauteng offline", as it was plagued by frequent downtimes at a very high cost.

This cost Gauteng millions of rand and there was quite a huge hue and cry about fruitless and wasteful expenditure. The frustration, disappointment and anger among both learners and teachers cannot be quantified. What steps are being taken to ensure that the Free State ICT education lab project does not suffer a similar fate?

The MINISTER IN THE PRESIDENCY: Well, I'm not familiar with all the details you are indicating about some of the negative aspect

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of theft and some of the subjective factors of the down off lines; but I can assure you that the Department of Education is working day and night to ensure that this programme succeed as it is succeeding in the Free State. Thank you.

Mr M M DLAMINI: Thank you Chairperson. You know Minister, it is all well and good to try to put these ICT labs and all these issues; but for the young people of Mdeni Senior Secondary school in Alice in the Eastern Cape, this is a farfetched dream.

Those kids has to resort to strike to go and risk their lives on the road and block the road so that they can call on to the Minister that we are lacking basic services; for just a building. So what is this government doing rather than to try to bring these things that there is a suspicion of some fraudulent activities that are happening within this project.

What are you doing just to deal with the basics, that there is no child in this country that still studies under the tree? What are you doing relating to those issues? Leave these ones that we don't understand.

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The MINISTER IN THE PRESIDENCY: Thanks. We never said that one swallow make summer but I think as reflected in the budget of the government, education has the big slice of our budget. That's the reflection of our deep commitment to deal with all the problems including those issues that you are raising from the Eastern Cape. Thank you.

Mr M HLENGWA: Thanks hon Chair. Hon Minister, the success of any ICT programme on top of the issue of accesses, the issue of costs. So hon Minister, how far has the government gone in dealing with the high costs of data and the high costs of communication, which all these innovative ideas about the ICT and so on, become a white elephant if our people are unable to access them.

So we really need some report back in terms of the steps being taken in the fight against high communication costs. South Africa ranks amongst the highest cost to communicate in the world; and yet we expect our people to embrace the technological advances that are available when they become a burden because

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they cannot access them, because of the costs and the high levels of inequality.

The MINISTER IN THE PRESIDENCY: Hon Hlengwa, I think we need to invite Minister Cwele to indicate the roll-out plan of South African Telecoms in South Africa to deal with those problems; and as highlighted by the budget of the Minister of Finance, there are billions of Rands that have been added to the Department of Telecommunications to deal with this issue so that we can be able to ensure that we bring down the costs of telephony in our country. Thank you.

Question 10:

The DEPUTY MINISTER OF PUBLIC SERVICE AND ADMINISTRATION: House Chairperson, in reply to the question asked by the hon Lesoma, the Department of Public Service and Administration, DPSA, currently utilises systems, technological facilities from various departments.

Firstly, is the public servants verification system which is owned by the Department of Public Service and Administration, we

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also use the eDisclosure System owned by the department but also jointly operated with the Public Service Commission. We also use information coming out of the Companies and Intellectual Properties Commission system, which is owned by the Department of Trade and Industry, DTI, the Deeds Registration System owned by the Department of Land Affairs and also the Electronic National Administration Traffic Information System, eNaTIS, owned by the National Department Of Transport and the Central Supplier Database provided for the Department of Finance, the Treasury.

We use the information that comes out of eDisclosure and juxtapose and cross-reference that with information that exists in these other systems. So we are able to determine with service level agreements signed with various departments or agencies for us to be able to get through to that information so that we can be able to cross-reference information to ensure that public servants are not doing business with government. Thank you.

Ms R M M LESOMA: House Chairperson, thank you Deputy Minister for your response. My follow up question will be - with the

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appreciation of what you have just said - is that, is there any intention or recourse for those ones who are found wanting in terms of doing business because they short-change the intended radical economic transformation as it were.

The DEPUTY MINISTER OF PUBLIC SERVICE AND ADMINISTRATION: House Chairperson, we use this information for purposes of assisting law enforcement agencies to investigate on some of these matters. However, what we also looking at is a possibility of being proactive in the way that we do things by finding ways as to whether or not we couldn't look at ensuring that the systems in themselves are able to red-flag certain ID numbers that correspond with those who have persal numbers within the public service. Thank you.

Mr S C MNCWABE: House Chairperson, Deputy Minister, in addition to the department's existing strategy and efforts to ensure compliance with the prohibition of civil servants doing business with the state, will your department consider making lifestyle audit mandatory for all senior civil servants tasked with procurement at all three levels of government? Thank you.

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The DEPUTY MINISTER OF PUBLIC SERVICE AND ADMINISTRATION: House Chairperson, the President had made it very clear that that is a process that we need to be looking into. The lifestyle audit for all civil servants is going to be done, but it's just a matter of ensuring that we put that in place. Thank you.

Ms D VAN DER WALT: House Chairperson, through you, Deputy Minister, after years of public servants being prohibited from doing business with the state, how many servants were indeed blacklisted? If none, why not?

The DEPUTY MINISTER OF PUBLIC SERVICE AND ADMINISTRATION: Hon Van der Walt, I don't have that information of hand. However, I do know that at municipal level together with the Treasury they do that. And I can also say that in departments both at provincial level and at national level that does happen. In terms of figures and numbers, that's what I do not have right now. Thank you.

Prof N M KHUBISA: House Chairperson, Deputy Minister, I wanted also to ask whether working with the other departments like the

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Department of Police, are there any cases that have been dealt with? I have just heard now that you don't have some statistics readily available, but if you knew that there are cases that have been dealt with as a way of mitigating the problem.

The DEPUTY MINISTER OF PUBLIC SERVICE AND ADMINISTRATION: House Chairperson, I know there are proclamations that have been signed by the President for the Special Investigation Unit, SIU, to investigate. I know that the police are investigating certain cases but as you rightfully say, I do not have the figures. I will provide those figures to the portfolio committee and you will be able to get that information from there. But there are investigations underway.

Question 12:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: House Chair, let me thank hon Bara. In an endeavour to curb initiation deaths and injuries, traditional leaders are required to ensure that there is a team that monitors initiation schools in their his or her areas of jurisdiction. Also they are required to ensure that all potential initiates have been pre-screened

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before attending the initiation school. They are also required to ensure that each and every potential initiate has been properly registered with the headman or headwoman of the area in which the person resides; and also that the family of the child intending to attend the initiation is aware. They should also ensure that all the schools in the area of inkosi are registered and meet all the criteria.

There must also be a medical doctor on standby should the need arise for the treatment of an initiate. Water for drinking and bathing should be adequately supplied for hygiene purposes. They must ensure that the initiates with chronic illness take their medication as prescribed and that there is shelter that is habitable for the initiates. The initiation monitoring task team in each province reports to the headmen or headwomen and inkosi on a daily basis and interventions are made to save lives, should it be so required. This provision is applicable to all our initiation schools which are legally recognised. Thank you very much.

IsiXhosa:

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Mnu M R BARA: Ewe, enkosi kakhulu Sihlalo weNdlu. Mphathiswa uya kuvumelana nam ukuba ...

English:

... there is still a lot that needs to be done. For example, between 2014 and 2016 about 199 deaths were recorded in the Eastern Cape alone. That means something still has to be done. Will the Minister consider to fast-tracking the introduction of the Customary Initiation Bill to ensure that we curb the unnecessary deaths of our young men? Thank you, Chair.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Yes, indeed hon Bara, I fully concur with you. The problem is quite severe in the Eastern Cape province but as you are aware, as a department, working together with provinces, we have mechanisms in place to monitor the traditional leaders discharge their responsibilities by traditional leaders, more especially those who are conducting the practice officially.

The policy on initiation has been introduced and it went through the Cabinet; and I must promise that before the end of this term

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of Parliament, we will have definitely dealt definitely with the introduction of the Customary Initiation Bill. This is something that is definitely going to happen definitely as provided for in the policy that has been approved by the Cabinet. Thank you.

Inkosi R N CEBEKHULU: Hon Minister, would you not agree with me that the time for cultural traditions which may result in the loss of life or the physical, emotional and mental trauma to initiates caused by unsafe and unsupervised practices is over? Why can't this department together with the Department of Health have male nurses whowhich conduct initiation circumcisions? Thank you.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: In deed, it has been a process that the department has engaged with of integrating the conventional way of dealing with these important ritesrights with the modern way of doing this. As a results, the department is currently allocating, currently not less than R20 million just for the services provided by medical doctors or surgeons in those provinces to initiates; and these surgeons are agreed upon with traditional leaders in all our

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provinces where such practicses are allowed. In deed, we are working towards addressing some of theseis mishappenings. Thank you very much.

Ms B MALULEKA: Hon House Chair, Minister we acknowledge the measures and plans put in place to curb initiates' deaths and injuries. However, illegal schools are continuing to be opened. We would like to know how you do plan to work with traditional leaders to stop this; and what punishment is to be metered to those people who are opening these illegal initiation schools. Thank you, Chair.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Currently, working together with our law enforcement agencies and traditional leaders, we are clamping down on the prevalence of illegal initiation schools. However, I must indicate that it has been a bit of a problem to give effect to the provision of the law because the Customary Initiation Bill or maybe the provisions that are currently there in the legislation do not accord us much power to cover the whole area. That is why we are expediting the process of ensuring that this Bill is processed

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expeditiously but truly speaking, this is one problem that we are still tackling with. We hope that with the introduction of this Bill and its ultimate enactment, we will be more empowered to take drastic measures against those who are practising these important rites illegally. Thank you, very much, Chair.

Mr A M SHAIK EMAM: Hon House Chair, as the NFP we subscribe to the traditional and religious practices. Hon Minister, some of our people have been the victims of unhealthy, unsafe and reckless initiation processes with catastrophic consequences. Would you consider stringent action including criminal prosecution if necessary to prevent this unlawful practice? Thank you, Chair.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: As indicated earlier on, each province currently has a monitoring team that is composed of different stakeholders and these stakeholders range from the Department of Health, and SA Police Services and others. These monitoring structures are led by provincial houses of traditional leaders. Each traditional leader, where there is an initiation school, has a village

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monitoring team led by a village headman. Where a village is led by headwoman, a member of the traditional council is appointed to lead the monitoring team. So, it is easy to monitor what is happening in those schools through these structural arrangements. Thank you, House Chair.

Question 18:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

Thank you once more, hon House Chair. Yes hon member, I must indicate that the National Prosecuting Authority, NPA, is the competent authority that deals with prosecutions in terms of the prevention and combating of corrupt activities, and you know this is provided for by Act 12 of 2004, as amended.

According to information received from the NPA, a total of 18 municipal officials and two elected public representatives – that's your councillors – have been prosecuted in terms of the Prevention and Combating of Corrupt Activities Act, as amended.

Central to the back to basics approach is a zero-tolerance approach to fraud and corruption in municipalities. The

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department will continue to collaborate with law enforcement agencies and key stakeholders to ensure that the cases of corruption and related offences in municipalities are finalised as speedily as possible.

Mr K J MILEHAM: Thank you, House Chair. I think the key word in the Minister's response was collaborate because it seems to me that you collaborate more with those who are perpetrators of corruption than the justice and law and order people who are there to prevent it.

So Minister, is it fair to say to you then that you have no real commitment? You have only prosecuted 18 officials and two councillors. We know of many, many more cases of corruption. Is it fair to say that as government you have no real commitment to eradicate corruption at a municipal level?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Hon House Chair, our commitment to fighting corruption is there for everyone to see. I must indicate that through the

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development of our corruption combating systems we have unearthed a lot of corrupt activities.

As I have said, as a sphere or maybe as a department, we work in collaboration with other law enforcement agencies and I think it's important for hon Mileham to understand that corruption is a problem that we must all deal with collaboratively because it's not a party-aligned aspect.

As you are aware, even here in the Western Cape there are cases of corruption that have been unearthed and they are being investigated as we speak. The recent case being ... I mean, the scandal of R28 million which has been exposed ... which was used by a DA-led municipality to sponsor a soccer tournament.

So the system is exposing corruption and it would really be unfortunate for you to stick a political tag to corruption because it is a problem that is facing all of us across the political line. So, we need to fight it collaboratively. Thank you very much.

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Inkosi R N CEBEKHULU: Thank you, House Chair. Hon Minister, the general trend in respect of officials found guilty of corrupt activities seems to be one of redeployment rather than prosecution and termination of government employment.

Is this kind of protection and redeployment offered because such officials loot state monies on behalf of the ruling party? What other reasons could there be for redeployment, rather than prosecution?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

Yes, we had such a problem in the past but there is a system that has been introduced. I think it's managed by the Department of Public Service and Administration. That system allows us to blacklist some of these corrupt officials just to avoid that trend because it was very prevalent in the past. I think that by blacklisting such people it accords us an opportunity to know who these people are and it obviously makes us aware that they should not be assigned to other serious or strategic responsibilities in future. So I think that system is very

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helpful at blacklisting such people and I also think we should all adhere to the provision of that system. Thank you very much.

Mr A M SHAIK EMAM: Thank you, hon Chairperson. Hon Minister, I must agree with you. Corruption is rife and it appears in all parts of the country.

Hon Minister, when I say corruption is rife I want to particularly specify the Knysna Municipality where people are shouting and screaming all the time, and yet nothing is happening. Minister, let me also add the R113 million corruption tender that was awarded by the Western Cape government and the R70 million by the right-hand man of the Premier Helen Zille. Can you please tell us whether you are investigating this? If not, when will you investigate it and when can we hear about this corruption that is taking place? [Applause.]

The CHIEF WHIP OF THE OPPOSITION: Point of order. House Chairperson, in terms of Rule 92(3)(a), is it correct for a party that has no representation whatsoever at local government level to ask Questions about local government? [Interjections.]

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The HOUSE CHAIRPERSON (Mr C T Frolick): No, that is not a point of order as you yourself know hon Steenhuisen.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Indeed House Chair, corruption is a problem that we must deal with and as some of the recent findings has exposed, this is not only something that is confined to the public sector. Even in the private sector we have seen collusion that was conducted by construction companies. Just recently we have seen how Bankorp robbed us of an opportunity of having money that was supposed to be meant for development. Corruption is in the banking system. We have seen the exposure of banks manipulating the exchange rates. So it needs all of us to work together. Corruption is everywhere. Corruption is in the EFF. We have seen how they are money-laundering. They are money-lauder ... what is this ... a quick-fix scheme of ... quick money-making scheme called On-Point. [Interjections.]

Mr N F SHIVAMBU: On a point of order. I think this boy must stop ... sickness of Guptas ... and come here to corrupt ... to speak

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of corruption of the EFF. What corruption are you talking about ... [Inaudible.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member?

Ms R M LESOMA: Point of order, Chair. Point of order, Chair.

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

Ms R M LESOMA: He has ... [Inaudible.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Just wait.

Mr N F SHIVAMBU: He must not take us for granted, wena man. You are deployed by the Guptas ... [Inaudible.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member? Hon member, take your seat please. Hon member?

Mr N F SHIVAMBU: You're ... [Inaudible.] ... direct product of the Guptas ... [Inaudible.] ...of corruption for seven days, and

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you are talking about corruption of the EFF. What do you know about that, wena? [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Shivambu, please take your seat. If you do not take your seat I will switch off your microphone. Hon members, hon members, can we just calm down please. Let us maintain the decorum of the House by dealing with the issues at hand. Right? Let us also not fall foul of the very same rules that all of us have adopted and subscribed to, and from time to time also quote in this House. So, let's maintain the decorum. Hon Minister, you have answered the Question. Is there anything new you want to add?

Mr M A DIRKS: On a point of order, Chair. On a point of order, Chair.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
I was still on the platform.

The HOUSE CHAIRPERSON (Mr C T Frolick): No hon member, no.

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Mr M A DIRKS: On a point of order, Chair.

The HOUSE CHAIRPERSON (Mr C T Frolick): I have not recognised you, hon member.

An HON MEMBER: On a point of order.

The HOUSE CHAIRPERSON (Mr C T Frolick): I will first recognise the Whip of the ANC on my right. Hon member?

Ms R M LESOMA: Hon House Chair, the hon Shivambu called the hon Minister a boy and he must withdraw it immediately.

[Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Shivambu, did you call the hon Minister a boy?

Mr N F SHIVAMBU: House Chair, I did call Van Rooyen a boy because he's a small boy of the Guptas who was sent to commit corruption here ... [Inaudible.]

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The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, will you please withdraw that statement?

Mr N F SHIVAMBU: We withdraw ... {Inaudible.} ... but he's a small boy of the Guptas.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, just withdraw the remark unconditionally.

Mr N F SHIVAMBU: I withdraw but ... [Inaudible.] ... again ... just for this ... [Inaudible.] ... but he's a small boy.

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, hon member. Hon member, take your seat now. Take your seat, hon member. Hon Minister?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Thank you House Chair. House Chair ...

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The HOUSE CHAIRPERSON (Mr C T Frolick): Hon Minister, let me just take the other point of order. Why are you rising, hon member?

Mr L G MOKOENA: Chair, the hon Minister casts aspersions on the EFF by saying that they are corrupt here ... with money-laundering. Can he prove that here with a substantive motion or withdraw that statement? Can you ask him to withdraw please?

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, if you read the rules they refer to a specific member and not to a political party. We have heard, even through the course of this afternoon, in the follow up Questions there's reference made to different political parties and that is not out of order. However, if reference is made to a specific member of the House then we will request it to be substantiated in a substantive ...

Mr L G MOKOENA: Yes, if he is involved in money-laundering ... [Inaudible.] ... then he must ... [Inaudible.] ... with himself.

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The HOUSE CHAIRPERSON (Mr C T Frolick): No hon member, take your seat now. Take your seat. Hon member, take your seat. I have ruled on the matter. Hon Minister, will you just take your seat. There is another ANC member at the back who wants to raise a point of order.

Mr M A DIRKS: Chairperson, you must be fair in the way that you ... [Inaudible.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, what is the point of order and in terms of which rule?

Mr M A DIRKS: When I stood up on a point of order you said you do not recognise me, yet you allow the EFF ... [Inaudible.] ... and you allow him to speak. [Inaudible.] ... treat us fairly ... [Inaudible.] Treat us fairly!

The HOUSE CHAIRPERSON (Mr C T Frolick): No, hon member. Hon member, take your seat. Take your seat, hon member. Take your seat. Take your seat. Your Whip from the ANC asked for a point of order even before you got up and demanded a point of order. I

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recognised the Whip of the ANC and the point of order was effectively dealt with. The hon Minister?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: House Chair, let me confirm that our corruption-busting system as a country is regarded as one of the best systems in the world. It's through this system that we are able to expose a lot of corrupt activities. Members, that is why I am urging that we work together to support these systems because these are the very same systems that exposed the so-called commander in chief when he was involved in tax evasion practices. [Interjections.] [Applause.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member? Hon member?

Ms E N LOUW: On a point of order.

The HOUSE CHAIRPERSON (Mr C T Frolick): Why are you rising, hon member?

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Ms E N LOUW: Chairperson, I am rising on the point that he raised regarding the commander in chief. Can you quieten them?

The HOUSE CHAIRPERSON (Mr C T Frolick): Continue hon member.

Ms E N LOUW: Thank you, Chair. If he has anything ... the courts have proven that the commander in chief did not avoid his taxes. He pays his taxes and the commander in chief is a member of this House and he enjoys the same protection as each member.

The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you, hon member.

Ms E N LOUW: So that boy of the Guptas mustn't ...

The HOUSE CHAIRPERSON (Mr C T Frolick): No, hon member. You see, you raise a point of order and what you say on the one hand applies and then you break the same rule in the same sentence. Now that is not correct. I will ask you to withdraw the statement. However Minister, before the statement is withdrawn, the same applies. If we have allegations that we make against any member of this House it must be done in the form of a

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substantive motion and that motion must be tabled with the NA staff without further delay. However, hon member, you must withdraw the statement that you made. [Interjections.] No, no, I am asking the hon member to withdraw the statement that she made. The hon member knows what she said.

Ms E N LOUW: The hon Minister must withdraw as well. I withdraw that's he's a boy of the Guptas.

The HOUSE CHAIRPERSON (Mr C T Frolick): No hon member, I am asking you to withdraw what you are saying.

Ms E N LOUW: That he's a boy of the Guptas? I withdraw saying that he's a boy of the Guptas ... [Inaudible.]

The HOUSE CHAIRPERSON (Mr C T Frolick): The statement has now ... Take your seat now, hon member. Yes, hon member?

Mr L G MOKOENA: Chair, the hon guzupta there ... the hon zupta there, if he's referring to his ... [Interjections.]

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The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, order!

Mr L G MOKOENA: Can I be protected?

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members!
Continue.

Mr L G MOKOENA: If he's referring to his commander in chief with whom he's ... [Inaudible.] ... collusion and corruption then he must be clear about that. There is no corruption in this organisation.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, that's not a point of order. Take your seat please. I'm switching off your microphone now. That's not a point of order. That's not a point of order.

Mr L G MOKOENA: There's no corruption here.

The HOUSE CHAIRPERSON (Mr C T Frolick): I've ruled on the matter, that whoever wants to make allegations against another

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member of this House must do so by means of a substantive motion. Being consistent with rulings in this regard, I immediately stopped that hon Minister, like I stopped other members and told them that they should do that. Right? That's why I did not allow the Minister to continue along the line that he was pursuing. That is the ruling. Hon Shivambu?

An HON MEMBER: But he must withdraw.

Mr N F SHIVAMBU: Chairperson, can you please tell this Mr who spent seven nights and seven days ... [Inaudible.] ... corruption in the Gupta house, to withdraw what he said about the commander in chief of the EFF. Please instruct him to withdraw that or else we are going to attend to him.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member? No, hon member. Take your seat, hon member. Take your seat, hon member.

Mr N F SHIVAMBU: He's a small boy. We will attend to him.

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The HOUSE CHAIRPERSON (Mr C T Frolick): I've ruled, I've ruled ... Can you withdraw the statement? You see hon member, you withdraw the statement then you repeat it again ...

Mr N F SHIVAMBU: We ... [Inaudible.]

The HOUSE CHAIRPERSON (Mr C T Frolick): ... and what we are doing now is to delay hon members the right which members of this House have to ask Questions. There is still a number of Questions that we must deal with.

Mr N F SHIVAMBU: But can he please withdraw? Why are our members ... [Inaudible.]

The HOUSE CHAIRPERSON (Mr C T Frolick): You see hon Shivambu, you cannot ask another member to withdraw and in the same vein you break the rule yourself.

Mr N F SHIVAMBU: I withdraw then. Tell him to withdraw as well.

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The HOUSE CHAIRPERSON (Mr C T Frolick): You have withdrawn; now take your seat, hon member.

Mr N F SHIVAMBU: Tell him to withdraw.

The HOUSE CHAIRPERSON (Mr C T Frolick): Take your seat. I've made a ruling in this regard. I've made a ruling in this regard and I'm now going to the next follow up Question which will be asked ... [Interjections.] Yes, the ruling has been made whether you like it or not.

Mr M M DLAMINI: Chairperson? Chairperson?

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, hon member?

Mr M M DLAMINI: Yes, can you ask that gentleman to withdraw. We are asking nicely, because ... [Inaudible.] ... attend to that thing. We are not scared of him. We will attend to him. We are not scared of him. We are still asking nicely. We are not scared of that one. That one! He must be careful.

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The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, take your seat. Hon member, take your seat. I have ruled on the matter. Take your seat now please. Take your seat. Thank you, hon member. Take your seat.

Ms H O HLOPHE: Order Chair.

The HOUSE CHAIRPERSON (Mr C T Frolick): I have dealt with this point of order, hon members.

Ms H O HLOPHE: No, order Chair. I have a right to ...

The HOUSE CHAIRPERSON (Mr C T Frolick): I have dealt with this point of order.

Ms H O HLOPHE: How do you know what I want to say?

The HOUSE CHAIRPERSON (Mr C T Frolick): Why are you rising hon member and in terms of which rule?

Ms H O HLOPHE: On a point of order in terms of Rule 92.

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The HOUSE CHAIRPERSON (Mr C T Frolick): Rule 92 says what? It's just you rising on a point of order. What specifically?

Ms H O HLOPHE: Chair, this man must withdraw. The commander in chief, our commander in chief, is a member of this House ...
[Inaudible.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, I've made a ruling in this regard. Please take your seat. I'm switching off your microphone now. Hon member, I've dealt with the point of order and I now want to get to the hon Maluleke who will ask the next follow up Question.

An HON MEMBER: ... [Inaudible.] ... we will find you outside.

An HON MEMBER: Small boy. [Interjections.]

Ms B J MALULEKE: Thank you, House Chair. Minister, does your department have a consequence management mechanism ...

An HON MEMBER: No they don't ...

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Ms B J MALULEKE: ... on fraud and corruption, and the necessary internal capacity to gather information that will enable the NPA to prosecute the culprits? [Interjections.]

An HON MEMBER: Gupta boy!

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members!

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Hon Chair, of course the reality of the matter is that the department is not capacitated to investigate. That's why we take a collaborative approach to work with other law enforcement agencies. I must indicate that, besides working with the NPA, we are also contemplating extending our co-operation in a more formal way with other enforcement agencies like your Public Protector's office and other law enforcement agencies. Thank you very much.

Question 14:

The MINISTER IN THE PRESIDENCY: Chairperson, the answer to the question is, the Department of Planning Monitoring and

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Evaluation and Statistic SA report to the same Ministry and they work collaboratively to institutionalise planning across government and in monitoring progress towards the National Development Plan, NDP, 2030, which is being implemented through the Medium-Term Strategic Framework, MTSF.

In its assessment of periodic MTSF progress reports for all the 14 outcomes, the Department of Planning Monitoring and Evaluation utilises Statistic SA data for triangulation purposes and also to assess the quality, accuracy and the comprehensiveness of the information that is being provided by government departments. The range of Statistic SA products utilised by the Department of Planning Monitoring and Evaluation include official statistics, annual surveys such as the general household survey, quarterly survey such as the quarterly labour force survey and administrative data such as births and deaths. Thank you.

Mr S C MOTAU: Chair and Minister, indeed, that is the point we want to make, that while we have Statistic SA which is really a highly reputable organisation and institution in this country,

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the frustration that we get with the Statistician-General reports is that this wealth of valuable information is hardly ever filtered down to the various line functions. Throughout this afternoon, Minister, you have been referring to line function and that is where it is supposed to be.

The question is this: What are you prepared to do to make sure this valuable information that the Statistic SA generates from time to time is filtered down and utilised by the line functions so that we can get the kind of outputs that we require? I'll give you an example. The Auditor-General says we produce all these good reports but it is like grabbling with a pig in a mud bath because the line function departments do not do that and the Statistician-General seems to be in a similar position. Can you review their powers to make sure that what they come up with is implemented at the line departments? Thank you.

The MINISTER IN THE PRESIDENCY: Chair, I just want to emphasise the point that even though Statistic SA reports to the Ministry of the Department of Planning, Monitoring and Evaluation but it operates as independent entity in terms of the combination of

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the data and its dissemination so that the information that is there can be verified even by experts. However, the point I wanted to underscore is that Statistics SA works collaboratively with all government departments in order to ensure that the data that they have can be utilised by all government departments.

You will realise that even when they report to the portfolio committee that is the point that they always emphasise. We, as government, are working in that direction with one purpose of having the evidence-based assessment of all the programmes that we are doing as a department. Thank you.

Ms W S NEWHOUDT-DRUCHEN: Hon Minister, what is your assessment of the quality accuracy and comprehensiveness of information provided by departments for measuring progress against the 14 outcomes of the Medium-Term Strategic Framework? Thank you, Chairperson.

The MINISTER IN THE PRESIDENCY: Chairperson, as I highlighted in the reply is that we utilise the information Statistic SA produces in order to assess the quality of the information that

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comes from government departments. That is what we do on a daily basis to ensure that that entity is being effectively and efficiently utilised in order to ensure that we make that evaluation of all the programmes that government is doing. Therefore, to answer the question directly, yes, we utilise the information and the data from Statistic SA to perform as a government.

Ms H O HLOPHE: One of the major stumbling blocks in apprehending criminals quicker is the lack of co-ordination and information sharing between the Department of Home Affairs and the Criminal Justice System. Minister, have you engaged your colleagues at Home Affairs and in the SA Police Services to ensure that they co-ordinate themselves better for the interest of justice in this country?

The MINISTER IN THE PRESIDENCY: The two departments work collaboratively under the Justice Crime Prevention and Security Cluster, JCPS, that is chaired by the Minister of Defence and Military Veterans. Even over the past weekends, they had a press conference indicating the progress that is being made or lack of

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it in terms of fighting crime and corruption. Therefore, to answer directly, all government departments including Home Affairs, work together not in a silo, but in a co-ordinated manner under the JCPS Cluster that is chaired by the Minister of Defence and Military Veterans.

Mr L M NTSHEYISA: Makhulukhulu, Bhungane, is it not possible for the Statistic SA to reconcile the vocation they have with the information that is being kept by the traditional leaders, because I believe those people are the ones who know exactly what is happening in their villages? Is that thing possible, Bhungane? Thank you very much.

The MINISTER IN THE PRESIDENCY: I am sure Statistic SA, being a government entity, can be able to work with every sector of South African society including the institution of traditional leadership. Thank you.

Question 22:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: House Chair, I must indicate that when we try to collate

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information on this matter, we established that there was no contractor appointed and Intsika Yethu local municipality has an internal construction team responsible for the continuous maintenance of roads. We also established that the municipality has taken it upon itself to prioritise internal road access and crossings.

The project in question was initiated in 2006 and not 2012. The scope of work was as follows: firstly, on the project dealing with the refurbishment of existing bridge, the budget allocated to that was R175 000 and the project was completed as planned; secondly, the regravelling of 1,5 km road and the total project budget was R275 000 and the report confirms that this project was also completed as planned. The total project value of the two projects combined R450 000. All these were conducted through own funding and done through in-house maintenance team. The remaining 4,5 km of the road was not part of the project plan. Municipality prioritised the above critical refurbishment in line with the availability of the budget.

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Other wards had to be prioritised with regards to other basic services with the same limited budget. However, the municipality has the remaining part of the road as part of its Integrated Development Planning, IDP, project list waiting funding in the next MTEF. It should be noted that this municipality is predominantly rural and the revenue base is almost nonexistent.

Despite this, I must commend the municipality for trying by all means to ensure a fair distribution of the available budget to all the wards. Thank you.

Mr Z R XALISA: This Gupta Minister is talking nonsense.

[Interjections.] He is just waffling. The follow up question is: the contractor appointed ... [Interjections.]

Ms LESOMA: House Chairperson, I request the hon member to withdraw. There is no Gupta hon Minister in this House. Thank you.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, will you just withdraw the statement you made?

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Mr Z R XALISA: ... he is a Gupta Minister. He was appointed by the Guptas.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, please withdraw the statement?

Mr Z R XALISA: I withdraw. But it is the truth.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, you withdraw the statement ... [Inaudible.]

Mr Z R XALISA: I withdraw. But he is speaking nonsense.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, let us not ... [Interjections.]

Mr N F SHIVAMBU: House Chairperson, on a point of order!

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, will you take your seat? Take your seat. I am addressing the House.

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Mr N F SHIVAMBU: But I am on a point of order!

The HOUSE CHAIRPERSON (Mr C T Frolick): I am not recognising your point of order. I will come ... [Interjections.]

Mr N F SHIVAMBU: Please, recognise me on a point of order ... [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): ... back when I deal with this matter. Take your seat, please?

Mr N F SHIVAMBU: ... but you must recognise me immediately you are done with that.

The HOUSE CHAIRPERSON (Mr C T Frolick): Take your seat. Hon member, let us observe the Rules of the House, which is quite clear ... [Interjections.]

Mr Z R XALISA: Which rule, sir?

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The HOUSE CHAIRPERSON (Mr C T Frolick): ... that we should not use offensive languages against one another. When you withdraw a remark that you have made, don't continue and mention but this and but that, because then it means you have not withdrawn the remark unconditionally, which is demanded by the Rules. So please, hon member, ask your follow up question ...

[Interjections.]

Mr Z R XALISA: The microphone is off.

The HOUSE CHAIRPERSON (Mr C T Frolick): ... to the hon Minister, so that we can get a reply from the hon Minister. Let's respect one another, please.

Mr B A RADEBE: On a point of order, House Chair! I am rising on the second aspect of the utterances of the member. He said the Minister speaks nonsense. In the previous rulings, it was ruled that nonsense is unparliamentary.

The HOUSE CHAIRPERSON (Mr C T Frolick): You see, hon members ... [Interjections.] ... I will recognise you now, hon member. When

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it comes to the use of unparliamentary language, these previous rulings that you correctly referred to, has subsequently been allowed in this House. So, there is no consistency with the ruling of specific words and that is why I made the request that we maintain the decorum of the House and refer to each other in a respectable manner. Can we please continue to do that? The hon Shivambu!

Mr N F SHIVAMBU: House Chair, it is a matter of fact that the word nonsense can be utilised in this House. So, there is nothing wrong with commissar Xalisa saying ... [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member ...

Mr N F SHIVAMBU: ... that Mr Van Rooyen is speaking nonsense ... [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, please, take your seat ... [Interjections.]

Mr N F SHIVAMBU: ... because he is talking absolutely nonsense.

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The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, please, take your seat. I have dealt with the matter; I have made the ruling and gave the context under which I give this ruling. Ask your question, hon member!

Mr Z R XALISA: The contractor appointed in 2012 never finished the road construction. The road is still incomplete as we speak. What are the reasons for this and why is there no one held accountable? Why was there no corruption case opened against the contractor and those who awarded the tender?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: House Chair, as indicated, the report that we have received from our back to basics team on the ground indicates that, unlike other incomplete projects that we are dealing with in other provinces, this one has been completed, not unless the member is referring to a different project. This particular question reminds me of the backlog that we are dealing with in Limpopo as a result of one money making scheme called "On point". We are still dealing with the problem of incomplete roads in Limpopo. A

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quick money making scheme was given a contract to improve ...

[Interjections.]

Mr Z R XALISA: On a point of order!

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, hon member, what is the point of order?

Mr Z R XALISA: The Gupta Minister isn't answering my question. He is just waffling.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, please, take your seat. The hon Mthethwa!

Mr E M MTHETHWA: Since you have already alluded in your response that this municipality is predominantly rural and its revenue base is very poor, what assistance is the department giving to assist such municipality to ensure that they finish their projects in time?

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The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Hon Mthethwa, there is a plethora of grants we are utilising to intervene in such areas, like Municipal Infrastructure Grant, MIG, and other grants that I have already cited in some of my responses. Fortunately, the 4,5 km stretch of the gravel road not yet regravelled has been included in the IDP of this municipality. That simply suggests that as we allocate through our grants, this is one area that might be considered for further funding. So, we do assist municipalities through this grant provision. Thank you very much.

Mr K J MILLEHAM: House Chairperson, projects like these typically fall under project management units in the municipalities. One of the things that we have seen in municipalities across the country is that project management units become dumping grounds for cadres and former councillors, which then results in delays and cost overruns. So, my question to the Minister is: what is he doing to ensure that qualified people are appointed to project management units, that they are capacitated, that major capital projects are completed timeously, on budget and in compliance with the law?

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The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Through the co-operation that we have with National Treasury, we have agreed on transversal contract provision, where we have regional management contracts teams. These teams are meant to assist with the management of projects because we have realised that project management is a serious problem to most of the incapacitated municipalities. So, these regional management contracts teams will help us beef up project management units in those specific municipalities. Hon Milleham, what I can tell you is that most of these small municipalities don't have the capacity of establishing those project management units. That is why these regional management contracts teams must come in and assist those municipalities and we will be registering serious progress in that regard. Thank you very much.

Mr A M SHAIK-EMAM: House chair, could the Minister perhaps tell us in this particular instance what is the cost implication as a result of the delay, and what mechanisms do you have in place to ensure that those who fail to deliver timeously do not do business with the state either directly or indirectly in the

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future, and furthermore, what would you do to prevent the use of outside consultants who are making a lot of money at the expense of our people?

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Maybe I should start with the last part of your question because I didn't get clearly the reference to the delay on the first question. The reality of the matter is that as a result of the lack of capacity, it is difficult for some of the municipalities to keep skilled people that are required for specific assignments. It becomes very expensive to keep them in their payroll.

We cannot just dismiss consultants as if it's a straight forward phenomenon. No, we need to agree that we still need consultants as we move forward because there are municipalities that can't absorb some of this expertise in their payroll for a long period - it's too expensive. We need to be very cautious that as we rope in consultants, we don't do that at the expense of developing internal capacity of municipalities. In some cases we should urge our municipalities to make sure that as they develop

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contracts, those contracts focus on how skills are transferred the employees of the given municipalities. The reality of the matter is that doing away with consultants should be agreed by all as not a straight forward process, there are other considerations that need to be brought on board.

On delays as you are all aware, contracts from one project to the other provides for penalty clauses. So, when there are delays, obviously those penalty clauses must kick in. Thank you very much, House Chair.

Question 16:

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
House Chair, I apologise for the delay. By way of background, let me indicate that payment of the once-off gratuity to eligible nonreturning councillors after the 3 August 2016 local government election could only be made after the Independent Commission for the Remuneration of Public Office Bearers published their recommendations in this regard.

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On 11 November 2016, the local government Minmec resolved that I should finalise the payment model for the once-off gratuity. After having considered the recommendations of the commission and the resolutions taken at the Minmec meeting held on 2 September 2016, the commission published its recommendation in this regard in *Government Gazette No 40422*. I finalised the payment model on Tuesday, 16 November 2016, and it was only thereafter that payments could be made to eligible recipients of the once-off gratuity.

Various media statements, circulars, and email communiqués were issues by the department, as well as by the Ministry, prior to and after the finalisation of the payment model to provinces, municipalities and, of course, the SA Local Government Association.

From the outset, it must be noted that approximately 5 000 former nonreturning councillors were initially identified as being eligible for receiving the gratuity. In making final payments to the applicants, the following processes were followed: receipt of applications from provinces; verification

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of the application form from the former councillor against the database of nonreturning councillors received from the Independent Electoral Commission, IEC; verification of banking details of the applicant; in some instances, requests for further supporting documentation from the applicants; calculation of the gross gratuity that may be payable to the applicant; requesting of a directive from Sars; calculation of net gratuity to the applicant; and in instances where the payments were rejected by financial institutions, further engagement with the applicant had to take place.

As evidenced above, this was an intensive process requiring compliance at various levels. By 2 March 2017, less than four months after the finalisation of the payment model, an estimated 4 500 former councillors had been paid their gratuity. The payments to the former councillors totalled R234 ... almost R237 thousand ... million. [Interjections.] No, no! Sorry! [Interjections.] I beg your pardon. The total amount was almost R237 million, including payments made to Sars. [Interjections.]

I have to indicate that, in 2011 ...

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The HOUSE CHAIRPERSON (Ms M G Boroto): Order, hon members!
Order, please! Let us give the Minister time to complete his
response. [Interjections.]

An HON MEMBER: Chairperson, is this what was supposed to be a
Minister of Finance, man?

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member! Hon ... hon
member!

An HON MEMBER: Like this? No, no, no!

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, please take
your seat. [Interjections.]

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
I must indicate ...

Ms H O HLOPHE: That is why he lasted only a weekend!

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, please!

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Ms H O HLOPHE: Only one weekend as the Minister of Finance!

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members, please respect the House. Continue, hon Minister. Your time has almost expired.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Of the 5 000 nonreturning councillors, it must be indicated that approximately 560 former councillors still have to be paid - and they will be paid before the end of March 2017. Thank you very much. [Interjections.]

Dr M J FIGG: Chairperson, through you to the Minister: We understand why you are obviously confused. [Laughter.] We are also pleased to note that the long overdue amount has finally been determined and some of it paid.

What is the total final amount that has been calculated? How many councillors still need to be paid? [Interjections.] When will the final payment be made once you have received all the documentation? [Interjections.] Will this policy continue to the

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next local government election? Will any action be taken against officials who cause hardship to the councillors by delaying the determination of the gratuity? I thank you.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Chairperson, no hardship has been caused by officials. In fact, if anything, we should commend the team that has been working on this matter. Those who have been following the processes in our local government system will agree with me that, in 2011, it took the administration almost two-and-a-half years to finalise the payment of nonreturning councillors. Here we are. Within four months of the determination of what should go to nonreturning councillors, we stand at 560 councillors who should still be paid. Truthfully, if anything should be done to those officials, it is to commend them for the good work they have done. [Applause.]

We also have to commend Sars. We have to commend Sars for coming to the party and fast-tracking the processing and issuance of tax directives. There was no way we were going to give effect to

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this gratuity payment without the tax directives. So, we need to commend the officials, not think of punishing them. [Applause.]

The HOUSE CHAIRPERSON (Ms M G Boroto): The next question will come from hon Majeke.

Mr M L W FILTANE: Chair, I will take the question on her behalf.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Filtane, your name is there - next.

Mr M L W FILTANE: Chair, I think I can safely say that you can take one of the two names off and give the opportunity to the next one in line, in fairness. Thank you very much.

The HOUSE CHAIRPERSON (Ms M G Boroto): Alright. Thank you.

Mr M L W FILTANE: Hon Minister, the report that I got from the councillors who benefited from this gratuity payment is that there was a shortfall of a couple of thousand rand. It is not complete for the three months, as was proudly announced. Are you

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in a position to explain that, or could it be, perhaps, that tax reductions had not been factored in or expected? I appreciate the fact that you say Sars played a crucial role. That is a further feather in the cap of the Minister of Finance.

The MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Chairperson, indeed, that might be one of the reasons why people didn't receive what they expected. However, at times, it has become very difficult to calculate. It is just a gratuity. It is a reward. It is not like your retirement savings where you know how much has to come your way.

We are factoring in issues like tax directives, and it differs from one person to another. Some people owe R50; others owe R50 000. Others, I can tell you from the 2011 administration ... I know that some of my colleagues then didn't even receive a cent out of this particular provision.

An important question was asked by a member. I am very sorry that I couldn't cover it. The question was on the sustainability of this provision. The Independent Commission for the

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Remuneration of Public Office Bearers has issued its opinion on the matter. The commission is very clear on their concern about the sustainability of this provision because of the economic conditions our country face.

The argument from our side and, I know, from the sector broadly is that if it stops for councillors, it would definitely affect all public representatives. Councillors should not be treated in isolation from the broader sector of public representatives. So, there is that particular recommendation made by the Independent Commission for the Remuneration of Public Office Bearers. That particular recommendation is currently being processed. Thank you very much.

**CONSIDERATION OF 2017 FISCAL FRAMEWORK AND REVENUE PROPOSALS AND
OF REPORT OF STANDING COMMITTEE ON FINANCE THEREON**

Mr Y I CARRIM: House Chair, the finance committee is done together with the NCOP committee; the framework report is in our ATC this morning. So, I will just deal with the quick overview -

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lastly, what I am saying is covered in that report. I will just deal with some of the observations and the recommendations.

I want to start with section 5(1) of the Report, which I would like to read verbatimly:

As noted in the committee's previous reports, the timelines to finalise the Fiscal Framework and fulfil other aspects of the Money Bills Act are far too onerous and undermine the committee's effective processing of the Budget and need to be urgently reviewed. The committees have begun with this process and will seek to effect appropriate amendments to the Act by the third quarter of this year. It is intended that this will be the last year in which the Fiscal Framework Report is finalised in such haste. I hope the Minister is listening.

In fact, this year, apart from the tax Bills, the amendments to the Money Bills Act will be the main priority for the committee - I hope the chief whips are going to support us in this regard.

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The majority of committees welcome government's commitment to radical economic transformation which it understands to be, as defined by the President guided by the ANC's. He said in Sona; it's a "fundamental change in the structure, systems, institutions and patterns of ownership, management and control of the economy in favour of all South Africans, especially the poor the majority of whom are African and female". So, there it is. It is inclusive, but it recognises that certain classes and certain strata will inevitably disproportionately benefit, and so it should be, given the inequalities in our society.

The committee sees the key theme in the budget, the Minister, presented - to use his words - as transformation for inclusive growth. In his Budget Speech the Minister said: "Our growth challenge is intertwined with our transformation imperative. We need to transform in order to grow, we need to grow in order to transform. Without transformation, growth will reinforce inequality, without growth, transformation will be distorted by patronage."

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The committee broadly agrees with the National Treasury's approach to the interrelationship between growth and transformation as part of radical economic transformation as set out in the Minister's Budget Statement and budget documents. However, there seems to be a lack of understanding or agreement with National Treasury's approach to radical economic transformation from important role-players in government, the state and civil society. The committees strongly recommend that National Treasury engages with the relevant role-players on this approach.

The committees noted that the differences among stakeholders who made submissions on the budget hearings this year are wider than is usually the case and believe that it may reflect an understandable polarisation in South African society given the current economic and political climate. While some of the differences may be inevitable, around class and our divided society. The committee's Parliament in general and other relevant structures should seek to do more to engage more effectively with a cross-section of stakeholders to secure, at

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least, a minimum degree of national consensus on the country's goals on economic growth, job creation and development.

The committee believes that in view of the slightly better global and domestic circumstances identified by National Treasury and others, the 2% growth rate set for 2018-19 can be achieved. However, this will need the government to work together to implement the necessary structural reforms; the active implementation of the programmes being funded in the Budget; and the vigorous oversight by Parliamentary committees, among many other considerations. In other words, subjective factors will be very important in reaching the growth target, even if the 2% is below what the country needs.

The committees - in our case - are deeply concerned about the decline in private sector investment. We know that investment growth was 2,6% in 2015 as compared to 26% in 2006, and government investment has replaced private investment in conditions of declining government revenues.

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More over the committee recognises that work being done by the National Treasury and government in this regard, but believes that government needs to do more to induce business to invest. The committees note the decreasing revenue from Corporate Income Tax, CIT, as a percentage of total tax revenue over the past five years, representing 17%.

However, we think that the private sector is not investing in the South African economy. If business continues to abstain from significantly investing in the economy, the committees recommend that the National Treasury consider its reluctance to increase Corporate Income Tax, CIT,

The committee is concerned obviously - like we all are presumably - about the largest revenue underperformance in 18 years, projected at about R30,4 billion for 2016-17. The committees note the standard considerations that the revenue shortfall could be explained by lower growth than forecast, lower wage increases which led to lower personal income taxes being collected; and reduced imports leading to lower import duty being collected.

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There has been a significant change in the tax buoyancy ratio from 1,4% to 0,86%. Minister, as a former tax commissioner you would be able to explain this much better than I, so I left that to you if I may ask you on behalf of Parliament to explain the technicalities but I must say that one of your department officials - probably in the mid 30s - gave us such a nice explanation. Such a nice explanation may be you can just quote him.

We note the suggestions by some stakeholders that the revenue shortfall and the uncharacteristic tax buoyancy may have been partly due to calculated delays in processing VAT refunds in 2015-16 in order to claim success. There are also claims that diesel refunds have been withheld. The committees also note the National Treasury's suggestion that the shortfall is also to be explained by Sars underperformance and Sars public rejection of this.

National Treasury and Sars need to provide a much more comprehensive explanation for the reasons for the R30,4 billion revenue shortfall; and importantly, what is being done to

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address this. This process will be taken further at the March Quarterly Review Briefing that we have; in fact, it is set for two weeks from now.

The committees welcomes the proposed National Treasury's improvements of tax administration and tax collection aimed at clarifying the powers of the Minister to make regulations prescribing the duties for those who administer the VAT and Income Tax Acts and regulations governing the reporting of information to ensure tax administration and tax collection of Personal Income Tax, PIT, Corporate Income Tax, withholding taxes and VAT.

The committee would like the Davis Tax Committee - if appropriate - to provide a report within six months on progress in respect of its investigation into tax administration, including the implementation of the new operating model, at Sars.

The committee note the support by some stakeholders of further fuel increased in order to raise additional revenues for fiscal

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consolidation. However, the committee believes that the National Treasury needs to take more account of the regressive impact that an increase in fuel levies has on the poor and lower-income earners who spend the most, obviously, on transport as a percentage of their monthly income - 22% of South Africans use mini-bus taxis to commute.

Given the polarised views on the issue of possible VAT increases, the committee urges the Minister to consult widely on any decision to increase VAT in the future and if VAT is to be increased, to opt for a model that would protect the poor and low-income earners far more than currently is the case. The committees recommend that the Nation Treasury consider reviewing the basket of VAT consumer goods that are zero-rated to be relevant and appropriately targeted to cushion the poorer people. Poor people also need to be educated about zero-rated goods. National Treasury should explore the possibilities and efficiencies of higher VAT on luxury goods.

Based on two public hearings we jointly held with the health committees so far, it seems that there are differences within

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and across political parties on the sugar-sweetened beverages tax, SSB tax. The committee believes that the many advantages of an SSB tax, as it is called, has to be balanced, particularly with the disadvantages of job losses and the consequences for emerging African sugar cane growers. The committees welcome the decision of National Treasury to process these and other related SSB tax issues through Nedlac and strongly recommend that the Nedlac process be finalised before the relevant clause of the Bill is brought to Parliament.

The committee recommends that the National Treasury and Sars do far more to reduce illicit financial flows, IFFs through aggressive tax avoidance and evasion.

Just one figure - the global financial integrity report states that South Africa suffered illicit financial outflows of over R122 billion between 2003 and 2012. It noted that South Africa is amongst the top ten countries in the world. We want far more comprehensive report in our quarterly briefings both from Sars and National Treasury as well as the next joint sitting of our parliamentary committees meeting, and so on, next week.

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[Interjections.] The budget is very balanced and progressive ...

[Time expired.]

Mr D J MAYNIER: Chairperson, two weeks ago, the Minister of Finance tabled the main Budget in this Parliament with both hands tied behind his back and with very little political space, fiscal space or policy space to give hope to the 8,9 million people who do not have jobs, or who have given up looking for jobs and who live without dignity, without independence and without freedom in South Africa.

The Minister tabled the Fiscal Framework outlining government's revenue, spending and borrowing projections over the medium term. This envisages economic growth recovering to 2,2%; revenue of R1,66 trillion, or 30,1% of GDP; expenditure of R1,81 trillion, or 32,7% of GDP; and most importantly, a budget deficit of R145,8 billion, or 2,6% of GDP, by 2019-20. Whatever the case, the central fiscal policy objective of government is to stabilise net loan debt, which is projected to reach R2,67 trillion, or 48,1% of GDP, in 2019-20.

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To illustrate the magnitude of the debt, consider the fact that net loan debt of R2,67 trillion is the equivalent of a debt of - wait for it - R47 000 per person in South Africa; or a debt of - wait for it - R6,68 billion per Member of Parliament.

[Interjections.] It is staggering! Because of the debt mountain, debt service costs are now the fastest growing expenditure item on the Budget and are projected to reach R197,3 billion in 2019-20.

To illustrate the magnitude of debt service costs, consider this. In three years' time, we will spend more on debt service costs than we will spend this year on Health - R170 billion - on Defence, Police and Justice - R190 billion - on Higher Education - R68,95 billion - and, most importantly, on Social Protection - R164 billion. It is staggering!

The fact is, however, that government has a slow bleed and simply cannot stabilise net loan debt. We were told in the main Budget of 2016 that net loan debt was going to stabilise at R2,19 trillion, or 46,2% of GDP, in 2017-18. Then we were told in the Medium-Term Budget Policy Statement of 2016 that net loan

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debt was going to stabilise at R2,63 trillion, or at 47,9% of GDP, in 2019-20. Now we are told in the main Budget of 2017 that net loan debt is going to stabilise at 48,2% of GDP, but only in 2020-21. That is why we believe it is time that government considers implementing a debt ceiling in South Africa, and we will be making proposals in that regard, this year.

The root cause of the slow bleed is stagnant economic growth, which is projected to average 1,83% between 2017 and 2019. It is simply not enough to stabilise our public finances. Due to a moderate recovery, the economic growth projection is 1,3% for 2017, up from 0,3% in 2016. However, this is insufficient to reduce unemployment. The moderate economic recovery is not only insufficient to reduce unemployment, it is also insufficient to generate the required revenue, because, to borrow a phrase from the former Minister of Finance, Nhlanhla Nene, "without economic growth, revenue will not increase. Without revenue growth, expenditure cannot increase."

The Minister pencilled in revenue of R1,41 trillion, or 29,8% of GDP, for 2017-18. However, because of lower-than-expected

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revenue collection due to stagnant economic growth and poor tax administration, the Minister was forced to announce tax proposals to raise an additional R28 billion in 2017-18.

Of course, what the Minister chose to emphasise was the formation of a new super-tax bracket for personal income tax payers with a taxable income of more than R1,5 million. This will be taxed at a new marginal income tax rate of 45% to raise an additional R4,4 billion in 2017-18. What the Minister chose not to emphasise, however, was that an additional R12,1 billion would be raised from personal income taxpayers as a result of limited relief for fiscal drag; and an additional R3,2 billion would be raised from the general fuel levy in 2017-18.

What this means is that whether you are rich and taxed directly or whether you are poor and taxed indirectly, the Minister will reach into your pockets and help himself to R28 billion to plug the fiscal hole in 2017-18. That is why it is such a pity that government seems to have abandoned the sale of nonstrategic assets to raise revenue.

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The former Minister began the process of selling nonstrategic assets and made a good start by selling government's stake in Vodacom. This raised R25,4 billion in 2015-16. The fact is that substantial revenue could be raised by disposing of nonstrategic assets. This includes the sale of government's stake in Telkom, for example, which could raise about R14,7 billion. That is why we propose that government reconsiders its position and starts selling nonstrategic assets to raise revenue that could be used, for example, to fund infrastructure in South Africa.

The Minister pencilled in expenditure of R1,56 trillion, or 33% of GDP for 2017-18. However, because of lower than expected revenue, the Minister announced that the expenditure ceiling would be lowered by R10,2 billion and that expenditure of R16,9 billion would be reprioritised in 2017-18.

We welcome, of course, the R151 billion that will be spent on social grants and the R77,5 billion that will be spent on higher education. However, new spending pressures loom in the form of the public sector wage bill, which will consume a staggering R550,3 billion in 2017-18. In addition, irregular expenditure

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has skyrocketed, reaching an all-time high of R46 billion in 2015-16. The Minister of Mineral Resources, Mose "waBenzi" Zwane, became a powerful symbol of the let-them-eat-cake style of wasteful expenditure when, days before the Budget was presented, it was revealed that he had purchased a new Mercedes Benz E400 at a cost of R1,35 million, in violation of cost-containment measures implemented by National Treasury.

[Interjections.]

We have to get on top of reducing expenditure, but the Minister employs a fragmented arsenal of fiscal tools to contain spending. These include an expenditure ceiling, cost-containment measures, procurement reform and performance and expenditure reviews - a bit of this and a bit of that.

Mr P J MNGUNI: House Chair, on a point of order ...

Mr D J MAYNIER: We need to do things differently.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Maynier, please take your seat. Yes, hon member, on what Rule are you standing?

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Mr P J MNGUNI: Chairperson, I rise in terms of Rule 85. The hon member has cast clear aspersions on the Minister.

[Interjections.] The Minister, he has clearly said, was in violation and therefore he should do so by a substantive motion because violation cannot be condoned. Therefore, he must do so through a substantive motion, hon House Chair. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you. Hon Maynier, unfortunately, I couldn't get the statement in which the casting of aspersions is questioned. I will come back to that. Thank you very much. Continue, hon Maynier.

Mr D J MAYNIER: Thank you, Chairperson. We need to do things differently and implement a comprehensive spending review. That is why we will propose that government considers implementing a comprehensive spending review, which has proved successful in many other countries, including Australia, Canada and the United Kingdom.

Of course, there has been considerable fiscal slippage, with the fiscal deficit of R149 billion, or 3,1% of GDP, being pushed up

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by R1,9 billion; and net loan debt of R2,2 trillion, or 47% of GDP, being pushed up by an eye-watering R17,1 billion, in 2017-18. The root cause of the slow bleed, of course, is the fact that government is unable to achieve its central target because, at the end of the day, private sector investment has collapsed in South Africa.

You have to ask yourself the following. Who, in their right mind, would invest when President Jacob Zuma ditches his own policy of inclusive growth, as set out in the National Development Plan and inspired by Trevor Manuel, in favour of radical economic transformation, inspired by the likes of Hugo Chávez?

Who would invest when you have an aspirant Deputy Minister of Finance, the hon Sifiso Buthelezi, who seems to believe that corporate income tax should be increased in order to punish the private sector for not investing in South Africa?

Mr P J MNGUNI: Hon House Chair, on a point of order: I rise in terms of the principle that members may refer to each other in a

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dignified manner. [Interjections.] The hon Buthelezi is not any aspirant Minister. This is derogatory and therefore he must withdraw that. Thank you. [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Maynier ...

The CHIEF WHIP OF THE OPPOSITION: House Chairperson ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Maynier ... May I address the matter, hon member? I will come to you. Hon Maynier, you referred to the hon Sfiso Buthelezi as the Deputy Minister of ... [Interjections.] ... Did you refer to him as the Deputy, aspirant Deputy Minister of Finance?

Mr D J MAYNIER: Chairperson, I did not refer to him as the Deputy Minister of Finance. I did refer to him, however, as an aspirant Deputy Minister of Finance, which is what I hear virtually every week from members of that caucus.

[Interjections.]

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The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, thank you very much. Continue. I don't think that's a point of order. Thank you. [Applause.]

Mr D J MAYNIER: Thank you, Chairperson.

Who would invest when you have another aspirant Deputy Minister of Finance, the hon Brian Molefe, who is committed to destroying the private sector, or what he calls the "monstrous beast", in South Africa?

We cannot stop the madness, but we can start doing our job. For that reason, we will propose that this Parliament establish an ad hoc multiparty committee to provide scrutiny and oversight of the implementation of the structural reforms necessary to boost economic growth and create jobs in South Africa. The establishment of such a committee will give hope to the lost generation of young people who do not have jobs, or who have given up looking for jobs in South Africa.

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When we look back, the Minister did not apportion blame for government's failures. What he did do, however, was apportion the burden for government's failures - in the form of a R28 billion tax hike in 2017-18. The fact is that, last year, the Minister reached into your left pockets and helped himself to R18 billion. This year, the Minister has reached into your right pockets and helped himself to R28 billion.

All this is because President Jacob Zuma and his cronies, inside and outside the ruling party, are reaching into your back pockets and helping themselves to billions and billions of rand in South Africa. [Applause.] That is why, unless the corruption and waste stops in this country, it will not be long before people say, "We are prepared to pay our fair share but only this far, and no further" - and we are then going to have a tax revolt on our hands in South Africa. I thank you. [Applause.]

Mr N F SHIVAMBU: House Chairperson and Minister of Finance, South Africa's revenue structure is inherently incapable of responding to the county's developmental challenges. If the past 10 years, year-on-year's growth of the revenue is anything to go

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by, we would permanently be incapable to respond to developmental challenges of our homelessness, landlessness and so many things of access to education. There has not been radical expansion of the revenue base in a manner that would be able to respond to all South Africans developmental challenges. We are going to talk to how we must then begin to usher in some structural legislated reforms in terms of taking our country and broadening the revenue base in a manner that is going to be inclusive.

Before that let us make some few remarks on the Budget. We welcome the dividends withholding tax and within that it must grow towards 40% from the current 20% that has been announced. We welcome the increase in the income tax of those who earn above R1,5 million and we believe that we should have increased the corporate income tax as well because as a component of the revenue, corporate tax is declining. It is 17% of the entire revenue that is collected by the state and it should play a critical role. But we are not here to dwell much on the analysis, the economists and the political scientists will deal

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with that. We are here to speak on the way forward in terms of what should happen - what is to be done.

We think that as part of the interventions that have to happen we must legislate three forms of laws in South Africa. We must legislate three broad categories of economic laws that will result in economic inclusion and also in broadening the economy in a manner that will satisfy everyone. The first set of laws must be about facilitation of black participation in the current economic interests. We must agree in principle that in all economic interests in the banking sector, insurance sector and in all sectors we must have a minimum of 50% black ownership. So we must have black economic ownership act that must facilitate black ownership of the economy. The content of that Act must constitute worker-control and ownership in terms of how it should.

The second set of laws that we must pass must be legislations that set aside certain business interests for black people, in particular the workers and the poor. We should agree in principle that a certain number of business licences for banking

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sector, insurance sector and asset management sector are set aside for black companies.

Also, we must have the third category of laws that will speak to procurement by the state making sure that at least there is localisation on those that provide services to the state machinery. If apartheid was legislated to economically exclude the black majority, we can utilise this moment to legislate enforceable legislations that must include black people into the economy. That is part of the things that we must be talking about. If there was a degree of sophistication in the liberation movement that is what you were suppose to conceptualise as radical economic transformation, but you do not have any sense of sophistication so we must give you guidance in terms of what should happen.

Now we stand here to start a debate, a discourse that is going to lead. [Time expired.] I am sure on 14 March when we deal with these issues in the Standing Committee of Finance and the portfolio committee we will deal it far more substantially. This

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is the way in which we can broaden economic participation and include everyone.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you, your time has expired. I am going to switch off your mic, hon Shivambu, your time has expired. Thank you.

Mr M HLENGWA: Hon House Chairperson, this year's Budget was delivered in the utmost turbulent and uncertain political environment ever experienced since the advent of our young democracy. Minister Godhan had the thankless task of providing real and pragmatic financial solutions whilst navigating a hostile environment of political turmoil and severe fiscal constraints courtesy of South Africa's current lacklustre economic growth which is not expected to exceed 1,3% in 2017. Only yesterday it was reported that our investor confidence is at an all time low because of the current political instability and that of course would in all likelihood compromise our economic recovery and growth projections for 2017.

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The fiscal framework before us proposes us to give effect to the present so-called radical social economic transformation agenda. This is includes being proeconomic growth and development, job creation and the expansion of the tax base whilst at the same time taking inequality and poverty alleviation. Once again a pragmatic balance will have to be struck when dealing with competing priorities. Needs before wants must be the approach as the opportunity cost of government's current wants before needs will only exacerbate further socioeconomic disorder and retard our growth.

The IFP reiterates the need for the fiscal systems that are to be in pace to be strong enough to withstand the storm that will encompass the ruling party's politics this year. During such a period of uncertainty criminal elements will take advantage of the chaos and our fiscal checks and balances must be strong enough to repel such advances on the fiscus.

Efforts must be to combat transfer mispricing and strengthen mechanisms which protect our tax base must be commended. The escalation of our national debt and the ever presence spectre of

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the credit rating agencies downgrades remain a concern, especially in light of yesterday's release by the statistics office which measured growth at just over 0,3% last year. Therefore, it remains trite but more certainly still the utmost of importance that the fight against corruption, fraud and maladministration at all levels of governance must be intensified.

The IFP will continue to call for the establishment of a corruption court which deal specifically with the transgressions of the Public Finance Management Act, PFMA, Municipal Finance Management Act, MFMA, and other treasury legislations and regulations in both the public and private sector.

We remain of the firm believe that through fostering a domestic environment in which the strategies of self-help and self-reliance can flourish, the only solution to fight and eradicate poverty in South Africa.

In conclusion, we call for the fostering of a better working relationship between the Treasury and the SA Social Security

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Agency, Sassa. It will never be in the national interest when these two state entities are at odds with each another. I thank you.

Ms T V TOBIAS: Hon Chairperson, today I have a reason to keep to my notes because I listened carefully when hon Maynier wasted 30 minutes to use the opportunity to address the masses on key and important issues related to the economic growth, from 0,3 to 1,0%. I am going to give an illustration before I go to my notes.

Firstly, hon Maynier is worried about the imposition of marginal tax rate on the top bracket earners. Who are those people? The rich! Who are they protecting? The rich! Secondly, hon David Maynier is worried about Corporate Income Tax. Who owns businesses in South Africa? The rich white people!

Thirdly, hon Maynier wants us to dispose of strategic assets Telkom included. Why? The constituency he represents wants government to take away these money-making institutions from the

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people to the rich. That is all that hon David Maynier could say.

He also spoke about the Dividends Tax but said nothing whatsoever suggesting how we should grow the economy. Therefore, I'll stick to my notes, hon Chairperson.

Let me do this. Hon members, in their book *China's Economy*, Wu Li, Sui Fumin and Zheng Lei wrote that China's basic economic systems and policies underwent transformation from the 70's obsolete systems and transcended to socialist market economy. I want hon Shivambu to listen. They further reiterated that the system developed unique set of characteristics.

In juxtaposing this statement with the South African economy, I should hasten to say, having inherited a dying economy in 1994, as the ANC-led government, we implemented an economic policy that realised growth and redistribution; and later had to face competing needs of growth *vis-a-vis* distribution. Those are the hard facts.

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I decided to refresh my mind by reading Phillip Mohrs's book *Understanding the Economy* and specifically looking at economic policy. Phillip Mohrs explains that every country's government tries to improve the performance of the economy by indicating the necessary implementation of transformation charters. Our Minister stood here and pointed that out; the need to implement transformation charters. That, you'll never support because that will benefit the poor and black people in particular. That is why we agree with you Floyd on that one.

The fundamental question is: How do we achieve? Do we take shortcuts? I then decided again to source an answer from the Chinese model.

Ms H O HLOPHE: On a point of order: Why is the hon member on the podium calling our Deputy President by name?

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you very much. Hon member, will you please call the member correctly!

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Ms T V TOBIAS: My hon member, hon Floyd Shivambu. Chair, did I save my minutes?

The HOUSE CHAIRPERSON (Ms M G Boroto): The clock is stagnant, waiting for you to continue.

Ms T V TOBIAS: I then decided again to source an answer from the Chinese model from these two writers. A mixed ownership structure dominated by public ownership is the answer to growth and distribution. They explain that after 1949 China entered a new democratic economic society consisting of five economic sectors namely, socialist state-operated economy; semi-socialist cooperative economy; individual economy of farmers and handicraftsmen; private capitalist economy; and state capitalist economy.

Therefore, hon members, as we discuss radical economic transformation, we'll have to borrow from practical models with South Africa's characteristics. Whist on transformation, the Minister asked a fundamental question as to what should be done to address poverty. He mentioned the following elements: one,

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the creation of new assets; two, the introduction of new technologies; diversification of our products and markets; addressing collusion and cartels; and that our cities must be shaped by transformation.

Mr D J MAYNIER: Chairperson, I rise on a point of order.

The HOUSE CHAIRPERSON (Ms M G Boroto): On what Rule are you rising, hon member?

Mr D J MAYNIER: On Rule 92, Chairperson. The hon member is misleading the House. The hon member has clearly read Phillip Mohrs's beginners' guide to the economy.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Maynier, please take your seat! Continue hon Tobias.

IsiZulu:

Nk T V TOBIAS: Kukhonkothwa ehambayo Sihlalo. Kukhonkothwa ehambayo.

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English:

... and applying a range of policy measures. The aim is to achieve objectives such as economic growth, price stability and full employment. Hon Chairperson, on 14 March 2017 the Standing Committee of Finance will engage stakeholders to take stock of the policies of government with regard to the practicality of our economy in addressing basic needs. When we do so, we will take stock of the fact that, in his Budget speech our Minister of Finance indicated that economic growth is slow in the current fiscal year.

In the same vein, we'll take stock that, in his state of the nation address the President indicated the need for economic emancipation. He further said there is a need for fundamental change in the patterns of economic ownership with specific biasness to black people and women in particular.

When we engage on these fundamental policy matters, let us first report about our economic performance. In his Budget speech, the Minister of Finance reported that the economy has been growing at 1,0% per capita over the past 10 years. He further indicated

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that globalisation benefited between 1 to 10% of the top bracket. That is a fact! Over the past 10 years only the rich benefited and not the poor whom you do not represent in this regard.

The Minister of Finance further elaborated on the need to balance the structure of our ownership and control, strengthen the rule of law, and avoid chauvinism and populism. I then again consulted the book by Marianne Abib-Pech on *How to lead effectively and get results*. Marianne quoted Steve Jobs when he said:

Leadership is about having courage to make difficult decisions, and leadership is also about change and decision-making.

As we discuss this fiscal framework, we may either choose to be realistic or populist in our approach, as we saw what David did here. We are going to be tactical ...

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The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, please refer to hon members in a respectful manner. Can you do that?

Ms T V TOBIAS: I apologise, hon Chair. Because I am losing time, let me also borrow from Karl Popper's book, *The Arguments of the Philosophers*. In the chapter Reason and Society, he says:

We may choose some form of irrationalism, even some radical or comprehensive form. But we are also free to choose a critical form of rationalism, one which frankly admits its origin in an irrational decision and which, to that extent, admits a certain priority of irrationalism.

I call upon members from all political parties to provide leadership as our government is trying to have a balance between commitments and available funds. If we continue with nominal growth, we will head towards a fiscal cliff.

We also need to address the challenge of contingent liabilities. Our economic growth was revised downwards; the fiscal space is becoming lesser; manufactured goods have fallen; and we need to

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avoid a fiscal drag. Some will waste their time on forecasting and net-borrowing patterns like we've heard now.

We need to be sensitive in our analysis and do policy costing. We also need to urge government departments to achieve targets. Policy shifts should be introduced through a phased-in approach and we need to benchmark for higher economic trajectory.

As I conclude, let me remind of the following, as the Minister said: we need to reform social structures perpetuating poverty; boost investments, land distribution and transformation; increase production; and invest in sectors which create jobs. Again, let me remind you that leadership is the courage to take stock of practical conditions on the ground. The soil is fertile for transformation. Thank you. [Time expired.] [Applause.]

Mr M L SHELEMBE: Chairperson, we acknowledge that the hon Minister of Finance had to produce a poor Budget under tight fiscal constraints and commend him for it. The NFP believes that the full impact of this Budget will be felt for many years to come because it heralds a deviation from the fiscal path of

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recent years, with a significant shift towards accommodating the social-driven radical economic transformation initiative announced during the President's state of the nation address.

When taking a holistic view of the Budget, the NFP appreciates the almost two-thirds of the Budget is allocated to functions which are dedicated to giving effect to constitutionally-mandated social rights such as education, health, social security and housing. Our society is still crippled by historical inequality and we believe that prioritising social spending will contribute to addressing this inequality.

Unfortunately, with this emphasis on transformation, there is little in the Budget to stimulate growth and boost economic confidence in the future of our country. In particular, we are concerned that the Budget is silent on how the GDP is going to be lifted in South Africa.

The NFP agrees with the committee that government will have to work closer with business, labour and civil society to ensure economic growth. We believe that without inclusive growth, with

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the emphasis on growth, it will not be possible to implement the radical economic transformation initiative in any noticeable degree of success.

The NFP shares the concern of the committee about the levels of infrastructure underspending. We are excited by the prospect of a new financing facility for large infrastructure projects that will project beyond the current three-year MTEF cycle. Such large-scale infrastructure projects could be meaningfully incorporated into government's expanded public works framework and generate much needed employment opportunities, particularly in our impoverished rural area.

The NFP also remains concerned about the cost to the state in remunerating our bloated public service. The salaries of South Africa's nearly 1,3 million public servants nearly doubled between 2008 and 2016, with an average of 1,8% point increase above CPI inflation. The cold hard reality is that more than 44% of government expenditure goes towards the salaries of civil servants. This expenditure, combined with the significant portion of expenditure allocated to servicing government's debt

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is diverting much needed resources away from the social upliftment of our people.

The NFP supports the recommendation as contained in the report.

I thank you.

Ms P S KEKANA: Today we celebrate the International Women's Day; and let me join the global community and wish all women a happy International women's Day. The day is celebrated under the theme "Be Bold for Change."

The 2015 United Nations Commission on Status of Women Conference highlighted the concern that global financial instability is a threat to the economic progress of women. The Commission indicated that gender responsive budgets by governments can contribute in addressing inequality.

Implementation of commitments towards gender equality requires allocation of resources in a way that contributes to advancing gender equality and women's empowerment.

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National Treasury has presented 2017-18 overall budget therefore it is the responsibilities of various departments to have detailed gender responsive budgets. The budgets must have targeted gender based expenditures focused on equal employment opportunities.

Parliament portfolio committees must be "Bold" and advocate for gender based budgeting by various departments. One element to look at whilst providing oversight is to demand accountability on how much was spend by departments to advance gender equality.

On this very significant day for women and gender rights, our committee commits itself and - please note hon Minister that - we will be far more active in ensuring greater gender sensitivity in the budget, and we commit also to working with the Portfolio Committee on women on this is a more structured way.

The ANC led government is "Bold" in its decisions to eradicate any form of gender oppression in South Africa. Through the NDP,

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government is planning to eradicate inequality by 2030. It is our duty as law makers to work towards this goal.

International Women's Day is celebrated in recognition of women and their achievements and rallying point to build support for women's rights and participation in the political and economic arenas.

In dealing with the Fiscal Framework and Revenue Proposals of the 2017 budget, the principles which underpinned the drafting of the Women's Budget in the 1990's is as relevant today as it was then. How we budget for the massification and education of society, how the budget interfaces with dedicated legislation and how it finances the tools to economically empower women are critical indicators of whether we are making progress as a nation and society or not.

Whether we are creating through the budget the conducive working environment for working women to have the space and time to cultivate and develop themselves has everything to do with the

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regulatory environment and what support is given to this through the budget.

Institutional mechanisms for the advancement of women in society have everything to do with a budget that is redistributive and a budget that is inclusive for the growth of women in the economy as workers and as managers.

This year's theme for our fiscal framework is Transformation for Inclusive Growth. It is important to clarify what this means in the context of women and the most vulnerable in our society. In terms of what the Minister presented to Parliament:

The budget gives effort to our transformation action agenda by financing programmes which ensure that many more people live in dignity; radically improve access to services and economic participation across all racial lines - and there I have included gender; energise growth and create jobs and increase investment and development.

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The budget is highly redistributive to poor and the working class, the pillars of which are women. The budget alone cannot achieve our transformation goals. Although South Africa's expenditure continues to be redistributive, it is important to continue to communicate how this benefits women so that we do not lose sight of what we want to achieve as we construct the National Democratic Society.

Economic Transformation without women will be narrow and will widen inequality. Transformation which is the mechanism of a National Democratic Revolution is about fundamentally dealing with the contradictions of race, class and gender.

During the Committee's public hearings, there was hardly any submission and discussion of the interaction of the budget with gender issues. Does this not reflect the need for wider societal reorientation?

As a country we collect 72% of our revenue from the top 10% of taxpayers and companies, which are controlled by expatriate monopoly capital and national monopoly capital mostly white and

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male, and we spend 59% on social spending that 50% of the population who are mostly black and women and from whom we collect only 4% of the country's revenues.

We, however, need to move beyond this phase of speaking of women's issues in reference to social spending and social grants.

Ours is a developmental state in which women are a central and integral. This developmental approach places empowered women at the centre of growing and inclusive economy.

We are talking about a society where women should own productive assets, where they should be majority shareholders in banks, insurance companies and all sectors of our economy.

The 53rd National Conference of the ANC in respect of economic transformation states "We must ensure the mainstreaming of women in the economy across all sectors as a deliberate commitment to increase their access to finance, employment and assets."

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Only then, we could proudly say the country's transformation is inclusive. There is a strong need, therefore, for gender mainstreaming of government plans and programmes across all institutions of state so as to evaluate their impact in bridging the gender gap.

Hon Chair, as I conclude, the 2017 Fiscal framework and revenue proposals call for decisive action to be the cornerstone of government interventions. This must go together with further improvements in existing monitoring and evaluation systems. The strategic levers at the disposal of the Developmental State which include legislation, regulation, licences, charters and codes, State-Owned Entities, SOE's and Development Financial Institutions, DFI's must be optimally used.

Greater Government coherence and coordination in implementation is necessary. The review and alignment of relevant legislation, regulations, charters, accords and codes that are geared towards radical economic transformation need to be undertaken so as to ensure intended realisation of decisions.

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Focus must be directed towards identifying the potential of the job drivers of our economy. And as the ANC has determined, radical economic transformation denotes a fundamental change in the structure, systems and patterns of ownership and control of the economy.

Amandlaness!

Mr M L W FILTANE: The UDM supports the budget but, rampant corruption has corroded and crippled our economy. Imagine a Christmas tree of a million rand in a small town called Butterworth in the Eastern Cape under ANC rule.

We appreciate that the Minister has always tried his best, notwithstanding the difficult circumstances occasioned by the bold call from the President for a budget that responds to the envisaged Radical Socio-Economic Transformation in the space of the economy. This was a very difficult expectation given the hard fact of a government which is wrestling with an unprecedented national debt challenge post the dawn of democracy.

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Consequently, and with respect to the land question, the budget failed to create hope for a speedy transfer of land to its rightful owners. This was further exacerbated by the fact that the ANC subsequently refused when the EFF proposed expropriation of land without compensation and even with the added qualification from the UDM that compensation should only be considered for improvements.

There was no budget for extension of land expropriation beyond the Constitutional limit of 19 June 1913. Had we agreed to amend the Constitution, we would be talking a different story. The fact is that land lies at the heart of the economy of the blacks of South Africa.

Although the Minister had difficulty to manoeuvre for a radical budget, he has however confirmed that our monies as South Africans are in good hands - we appreciate that. That is what all good citizens of this country at least want, in particular during such a difficult time when the economy is struggling to grow. People are jobless, poverty is on the rise and individual debts are the order of the day.

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This therefore brings an urgent challenge to the Minister, his colleagues in the Executive, the Industry, Civil Society and Citizens in general, to ensure that our economy grows and reduce the ratio between the revenue base and debt.

Taking advantage of, amongst others, Corporate Income Tax; government, working with industry should consider financial awareness campaigns at schools and communities in general. When society has an economy that is not growing, and citizens are heavily indebted, then that creates a deeper crisis and possible collapse of the entire economy.

The UDM believes that it is possible; still, to provide free higher education.

The ongoing reluctance of the private sector to invest in our economy is a clear statement of no confidence in the government of the day. Think on these things and you'll be able to take South Africa forward.

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Lastly, the austerity measures that were announced are welcome. However, government must implement these without compromising on the delivery of basic services to the poorest of the poor. Thank you.

Mr P P MABE: Hon House Chair, maybe, let me start by echoing the words of the late liberation fighter and former President of the people of Mozambique, Samora Machel, whose words best personify our continued defeat and fight to collapse monopoly capital when he said: "For the nation to live, a tribe must die."

Sepedi:

Bagologolo ba boletše ba re, "Le ge o ka e buela leopeng, magokobu a a go bona."

English:

When the DA spoke here, they were fully representing the interest of white monopoly capital. They are saying that we are not going to be able to transform this country. They are even dealing away with the notion of radical economic transformation. They are trying to speak out of procurement reforms when

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procurement plays such a central role in supply chain to make sure that those who have been disadvantaged can ultimately play role in the mainstream of the economy. You are saying that our own cost containment measures which were necessary to try and propel forward better planning and predictability on the side of the state should be done away with so that we could be able to priorities some of the things that are not going to assist take South Africa forward.

At least, we agree with the EFF on this one that economic inclusion must facilitate greater participation by the black majority in this country. This means that we must work and fight hard to make sure that our people play in the space of the economy where they were previously excluded. So you are saying that we must not talk about radical economic transformation. You are saying that we must not even consider corporate taxes because you are spokespersons of capital. You are not here to stick on behalf of the majority of South Africans, people who are found in squalor and people who depend on the many programmes that the ANC-led government has introduced.

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Next week on 14 March we will have public hearings here. It is important that you come and listen to what our people want to see us doing to try and transform this economy. [Applause.]

Maybe it is important that we must remind the DA that it is also corruption to tell lies. It is corruption not to acknowledge that there is a lot that is happening today in this country. It is corruption not to acknowledge that we have created an economy that is all inclusive. In the past we never had an economy that was inclusive. It was only a specific race which could participate in the economy.

Today, regardless of the colour of your skin, you could still participate. Some of the compromises we have made were to even make sure that those who have even been participating before as the part of the sunset clauses could still participate. We did not take over power and chase people away. Something that some of you want to do on this other side. That is why you will never be a government in this country. [Applause.]

The reason why the DA wants us to sell nonstrategic assets is because the DA is obsessed about not employing the majority of

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people in this country, because some of the assets that they regard as nonstrategic in their own imagination are the ones that are creating jobs for a lot of people in this country.

If you listened carefully to Minister Pravin's budget presentation you will have realised that there are areas where we have made progress. We have been able to create jobs in a number of sectors. We are increasing budget, for instance, in the ... [Interjections.]

Mr L J BASSON: Where?

Mr P P MABE: No, you will say where because you do not know. We are doing it already through the black industrialist programme. Monies are being set aside there. We are creating opportunities, for instance, for the majority of our people even through the Expanded Public Works Programme, EPWP, something that did not exist when you were in power. We are trying to make sure that we create a strong co-operative movement in this country so that our people can participate in the economy.

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We have said that we are not going to be increasing value added tax, VAT, without broader consultation. Those of you who sit in the Finance committee will know that before we arrive at a conclusion or conclude on a matter we shall have consulted broadly with the people that are affected. We are doing it with the sugar tax. We will do it with VAT and all of that. We do not just wake up tomorrow and say no, we are going to adjust VAT without consulting the people affected. Where we introduce taxes in sectors we are doing so because we want to facilitate movement in the economy. We have already done so with the environmental levy, a good progress that has been realised by this Fifth Parliament. We did so to make sure that we could allow our people to also participate, yet, again in the economy.

Ms T STANDER: That is nonsense.

Mr P P MABE: You see these things as rubbish because where you come from they eat rubbish. We are doing our best.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, continue.

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Mr P P MABE: If you eat rubbish at home you will believe that what people say is rubbish because our people are being fed lies everyday.

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

Mr P P MABE: Like I have said before, it is also corruption to tell lies. You have been telling a lot of lies to our people. You have projected yourself as an alternative government and, yet, you want to denounce the notion of radical economic transformation. You are using black as your voting foddors. You do not represent the interest of our people. Thank you, House Chair.

The MINISTER OF FINANCE: I take a bow, hon Mabe. Chairperson and hon members, this is a debate about the Fiscal Framework and the Revenue Proposals, just in case we forget. Let me make a few introductory comments in response to what hon Carrim and others have contributed to this debate. I want to thank the committee

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and the committee from the NCOP for the good work they have actually done.

The first point that we need to make is that our fiscal strategy which is reflected in the Budget is a very careful balancing Act, as we have pointed out repeatedly, between revenue raising, expenditure cutting, borrowing carefully and at the same time ensuring that we don't damage economic growth in a negative way, and continue with the processes of finding savings, but ensure that our Budget remains essentially redistributive. It is a symbol of social solidarity in South Africa and an expression of the support that the better offs in South Africa give to the less well-offs in South Africa.

I think it is important in that context to remind hon Maynier that debt shouldn't be made a bogey. Having debt is a normal thing in a household and for an individual provided that you do it in a reasonable way and one understands the limits that one has to work with. The rating agencies and our own investors would say that we have the ability and willingness to pay, something that South Africa has been able to demonstrate over

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the last 20 years of democracy. Nobody doubts our ability and willingness to pay our debts. So, be careful not to make it a bogey. Very few countries in the world survive without some level of debt or the other. The only question is how we manage that.

The second point we need to make is that without inclusive growth, the accompanying transformation of our economy and the participation of all of our people in our economy, we will not grow this economy. If we don't grow this economy we will not generate revenue and if we don't grow revenue we will not create the fiscal capability that is required to meet either the support for the economy or continue with the social support that we have been giving to our own people over the period of time. I would recommend to all the parties here that let's really have a serious conversation on how to get growth going. I think hon Shivambu has his ideas. But in doing so, let us also not specialise in slogans because that is not helpful. Let us talk about what will work given South Africa's history which we should all admit that it is quite a divisive one - one which has created massive inequalities in our society and leaves the

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majority of our people behind. On the one hand, also understand our current context and what are the limits and opportunities that we have and how will we seize those opportunities through innovation creativity but above all by building consensus amongst ourselves. If we don't do that, we will neither get the radical transformation that we are asking for nor meet the requirements of our people as well.

The third and essential point around transformation is that transformation needs to be directed to the vast majority of our people in the lower classes - the working class and the poor. They must be the principal beneficiaries. It is nice to have billionaires and millionaires, but the principal beneficiaries over the next 10 years must be our own people who find themselves in despair. The real genius that we need to generate is how do we address their concerns, how do we increase wealth in their hands and how do we increase assets in their hands so that intergenerational poverty ends with generation. That is the key challenge that we actually have amongst ourselves.

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Related to growth, is a question of private investment. A number of hon members have addressed this question. We will not get private investment if we keep battering people. You get private investment if, firstly, there are opportunities; secondly, somebody will make a profit; thirdly, if we create the right level of confidence and the policy environment; and fourthly, if we create the necessary consensus as required to generate the kind of optimism that our country is very capable of if we put our heads and hearts together. The choice we have is whether we continue to make negative noises or we try to work across party lines not withstanding political and economic constraints that we have, we try to meet some of the demands that we have on our society, create conditions for the private sector and indeed for the state itself to become a key investor in our economy.

One of the appeals that I would like to make is that, in our debates we should not sacrifice a key principle or set of principles, as hon Kekana would say, in our Constitution that of nonsexim and nonracialism. We are tending towards and moving towards creating greater divisions amongst ourselves perceived or otherwise. I think let us focus on the issues before us and

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ask ourselves how do we work with each other in order to get some of these dynamics going.

Hon Carrim, the Money Bills Act is a Parliament's Act and I hope that you, your committee and others in Parliament will bring about changes that will make it comfortable for committees to process the Fiscal Framework whilst we accept that we need to engage with the various stakeholders who make presentation to your committee. We must accept it as you pointed out that if you come with a different paradigms and a different philosophical outlooks, then we are going to have differences. What I have observed from what I have read from your report is that we have too many traditionalists coming to the committee who as well put forward traditional views as opposed to creative views that addresses the kind of concerns that we have in South Africa at this particular point in time.

On the question of tax administration, one of the things that we need to discourage is the idea that there is a personality issue here, no, there are not. The very simple and fundamental constitutional issue here is that the head of an entity is

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accountable to the Minister, end of story. We need to make sure that we get the kind of accountability as the committee recommends in its report including the manner in which we have generated huge concerns amongst the public about refunds, the way they are managed, the way they are being held back and whether this begins to influence revenue numbers and the kind of confidence we can place on those numbers as well. However, we will continue to work on some of those issues.

On the question of a debt ceiling which hon Maynier proposes, some countries have them, some countries don't and some countries created them and got rid of them. Those are the economic environment and dynamic changes. Our Fiscal Framework needs to be on the one hand providing certainty and on the other hand has an element of flexibility in it as well. I think that is the balance that we are aiming for and have been aiming for as the ANC government for many years.

On the question of not emphasising fiscal drag, well, it is there. South Africa has the most transparent Budget in the

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world. I am afraid, hon Maynier, we are not hiding anything. It's a question of whether one wants to read about it or not.

On the question of sale of noncore assets, I think it is clear. If we are not growing the economy and not generating the economy that we require, we have to mobilise revenue either from the sale of noncore assets and or get resources from other sectors of society that actually have them and create the environment in which those resources create the dynamics that we require in the economy itself.

On the question of whether we need an ad hoc committee, I leave that to Parliament to decide. Hon Shivambu, I think the ideas that you have are interesting for a debate. I am not sure whether and how raising dividend tax to 40% or some of the other ideas that you have will begin to make an impact on some of the challenges that we have, but we will avail ourselves for the discourse that you speak of. We agree with your objectives that economic inclusion and participation on an urgent basis is something that all of us would agree with.

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Hon Hlengwa, you made a very valid point that when we are going through periods of global turbulence and perhaps some levels of noise in the South African context, it is important to keep the fiscal ship as steady as possible and to ensure that whilst we go through these political breezes sometimes they might become gale force winds, and we should not let the fiscal ship down and sacrifice the future of our own population in the process.

On the question of corruption, a number of hon members have raised that as well. Once again, unless we create a social movement in South Africa which preaches all of us to become more accountable about the way in which we either oversee the spending of public money or actually spend public money and hold both ourselves and our administrations to account, we will not make much progress in this particular regard.

Hon Shelembe, the Budget Speech is full of ideas on growth. The question is how do we take ideas and make them practical and how we get implementation going in South Africa and create the condition for that. That is the challenge that we need to take up.

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Finally, hon Filtane's point about financial awareness campaign is a very important one and I hope that Parliament can agree on some kind of campaign with us and other departments as well to generate far greater financial literacy amongst our population. Once again, thank you for your various thoughts and you are welcome to come and debate those with us. Thank you very much.
[Applause.]

Debate concluded.

The CHIEF WHIP OF THE MAJORITY PARTY: Hon House Chair, I move:

That the House adopts the 2017 Fiscal Framework and Revenue Proposals and the Report of the Standing Committee on Finance there on.

Motion agreed to (Democratic Alliance dissenting).

2017 Fiscal Framework and Revenue Proposals, and the Report of Standing Committee on Finance accordingly adopted.

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UNPARLIAMENTARY LANGUAGE

(Ruling)

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members, on 23 February 2017, Thursday, during the declarations on the Report of the Ad Hoc Joint Committee on Appointment of Board Members to the National Youth Development Agency, hon T Rawula of the EFF, rose on a point of order requesting hon Mkongi of the ANC to withdraw his statement that hon Shivambu had chawed the money from the National Youth Development Agency, NYDA, and requested the House Chairperson to Rule on the remark.

According to the unrevised Hansaerd, hon Mkongi said, and I quote:

Thank you Chairperson, by the way, personal attacks do not deter me and they do not demoralise me. The previous board cleansed out the mess done by hon Shivambu and his friends when he was in the Youth League. They chawed a lot of money of the NYDA and they think that this NYDA is going to do the very same mess they have done previously.

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I undertook to study the Hansard and return to this House with a ruling on the matter. Having studied the unrevised Hansard, I would like to rule as follows:

Rule 85(1) requires that no member may impute improper motives to any other member or cast personal reflection upon a member's integrity or dignity or verbally abuse a member in any other way.

Further, Rule 85(2) requires that any member who wishes to bring an improper or unethical conduct on the part of another member to the attention of the House may do so only by way of separate substantive motion comprising a clearly formulated and properly substantiated charge for consideration.

The statement by hon Mkongi reflects on the honour and dignity of hon Shivambu and is therefore unparliamentary. I will now ask hon Mkongi to stand up. Hon Mkongi, will you please stand up? Hon Mkongi, I will ask you to withdraw the remarks.

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Mr B M MKONGI: House Chairperson. No, I unreservedly withdraw.

[Applause.]

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

Mr N F SHIVAMBU: You must never repeat it, Mkongi, never!

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Shivambu, please, please!

Mr N F SHIVAMBU: You must not repeat it. You must never do it again.

UNPARLIAMENTARY LANGUAGE

(Ruling)

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members, order! Order! On Thursday, 23 February 2017, again during the declarations on the Report of the Ad Hoc Joint Committee on Appointment of Board Members to the National Youth Development

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Agency, hon P J Mnguni raised a point of order during the declaration by hon B M Mkongi. In response to comments made by hon Mkongi, the hon Shivambu said, and I quote:

So, the alcohol of Mkongi must not make him to come and lie here. Don't bring your alcohol problems here, chief, please.

Hon Shivambu, will you please seat. Hon Shivambu! Anyway, I will continue.

Hon P J Mnguni then rose on a point of order to enquire whether such remarks were parliamentary.

After having had an opportunity to study the unrevised Hansard, I would like to rule as follows: I would like to draw the attention of the House to the Assembly Rules, Rule 84 and Rule 85 which provide that, no member may offensively abuse, insulting disrespectful unbecoming or unparliamentary words or language and that no member may impute improper motives to any other member or cast personal reflections upon a member's

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integrity or dignity or verbally abuse a member in any other way.

The assertion made by hon Shivambu that hon Mkongi used alcohol and that he was lying was clearly in contravention of the two Rules which are meant to protect the dignity and honour of our members. Any remarks meant to tarnish this are in contravention of the Rules.

I will therefore ask hon Shivambu to withdraw. Unfortunately, we are all witnesses to what has just happened. Without going further, the processes to this behaviour will be reported to the relevant offices. Thank you very much. [Applause.]

The HOUSE CHAIRPERSON (Ms M G Boroto): What is it, hon member?

Mr L G MOKOENA: No Chair, the hon ...

The HOUSE CHAIRPERSON (Ms M G Boroto): No, no, no! What are you rising on?

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Mr L G MOKOENA: On a point of ...

The HOUSE CHAIRPERSON (Ms M G Boroto): Order! Order members! Members I am still here, please, members. Allow me to do my work. On what Rule are you standing, hon Mokoena?

Mr L G MOKOENA: I am standing on a point of privilege, Mam. I wanted to explain that the hon Shivambu has an important meeting that he is attending to.

The HOUSE CHAIRPERSON (Ms M G Boroto): No, no, no, I have ruled on this matter and the processes will be followed. Hon member, please, take your seat.

Mr L G MOKOENA: No, no, I am just saying.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, please, take your seat. Hon members, that brings us to the end of today's proceedings and the House is adjourned.

The House adjourned at 19:28.