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MINI-PLenary - OLD ASSEMBLY CHAMBER

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PROCEEDINGS OF MINI-PLenary SESSION OF NATIONAL ASSEMBLY - OLD  
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Members of the mini-plenary session met in the Old Assembly Chamber at 14:00.

The House Chairperson (Ms A T Didiza), as Chairperson, took the Chair and requested members to observe a moment of silence for prayers or meditation.

**WELCOME**

The HOUSE CHAIRPERSON (Ms A T Didiza): Minister, Deputy Minister, senior officials of the Department of Public Enterprises, board members of the various entities, guests of the Minister in the gallery, who are now the guests of Parliament, good afternoon and happy Africa Day to all of you. [Applause.]

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I have a few housekeeping rules, particularly for our members - well, not really members, but our guests in the gallery. As you are now our guests, there are certain Rules that apply to you, as well. You are allowed to smile if the Minister, Deputy Minister or any of the members says something that's exciting, but you are not allowed to use your hands, for example, for clapping. I did just allow you to clap for Africa Day but you are not supposed to do that during the debate.

If something is said by any of the members on the floor that irritates you, you are not supposed to boo or to use gestures to show your irritation. You may just use your facial muscles to indicate that you are not ... [Laughter.] If you are a supporter of any other party no matter how excited you are, particularly the DA, you are not supposed to clap; or the UDM - you are not supposed to do anything, lest we have a Nelson Mandela Metro situation occurring here. [Interjections.] Otherwise, you are all welcome. I hope the debate will be exciting, but peaceful; robust, but respectful.

**APPROPRIATION BILL**

Debate on Vote No 9 - Public Enterprises:

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The MINISTER OF PUBLIC ENTERPRISES: Hon Chairperson; hon Ministers and Deputy Ministers; Deputy Minister of Public Enterprises, Ben Martins; chairperson of the portfolio committee; hon members; the director-general of the department; chairpersons and board members of state-owned companies, SOEs; chief executives and senior managers of state-owned companies; distinguished guests; family; ladies and gentlemen, it is a great privilege for me to present Budget Vote No 9 on Africa Day.

Among the legacies of colonialism that have most hindered the development of the continent are the infrastructure deficit and the disconnect between African countries. It is often easier to send products right across the world than across the river to your neighbour. In 2015, intra-African trade amounted to less than 18% of total continental exports. Yet, since 2008, Africa has seen an average of 5,3% annual GDP growth. The continent is one of the fastest growing economic regions in the world.

Two years ago, my department challenged state-owned companies in its stable to develop Africa strategies to pursue commercial opportunities on the continent, either with other state-owned companies or the private sector. A few weeks ago, at the World Economic Forum on Africa, Transnet revealed a taste of the

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opportunities that exist on the continent when they invited representatives of companies they have been dealing with in eight countries to join them for a tour of the Port of Durban. Transnet is currently negotiating to develop port, rail and pipeline infrastructure in Senegal, Liberia, Ghana, Togo, Benin, Nigeria, the Democratic Republic of Congo and Kenya. Africa is on the rise.

According to the International Monetary Fund, IMF, last month, the world's economy is set to lift off. They stated:

The global economy is gaining momentum, but further progress hinges on policies to support the recovery, lift productivity growth, and enhance resilience ... Working within the multilateral framework, countries should strive for strong and more balanced growth and to provide economic opportunities for all. To this end, they should anticipate the effects of technological progress and economic integration, equip their populations with tools to reap the benefits, and put in place domestic policies to share them more broadly.

This year, the ruling party, which I represent here today, is holding its policy and elective conferences. It does so in the context of a socioeconomic environment characterised by extreme

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levels of inequality, poverty and unemployment. As the late ANC president, O R Tambo, remarked in 1981:

The objective of our struggle in South Africa, as set out in the Freedom Charter, encompasses economic emancipation. It is inconceivable for liberation to have meaning without a return of the wealth of the country to the people, as a whole.

Thirty-six years later, delivering his state of the nation address in February, President Zuma defined the need for radical socioeconomic transformation, when he said, "We mean 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." State-owned companies in the Department of Public Enterprises portfolio, Eskom, Transnet, Denel, SA Express, Alexkor and Safcol - you see, I only have six; I have been accused of having others - have been given their marching orders to deliver on this mandate.

The larger companies in my department's stable are among the key economic levers available to the state to give effect to its transformative, developmental agenda. While many private companies have been forced into their shells over the last, almost 10 years of

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economic sluggishness, state-owned companies have undertaken massive infrastructure and job-creating projects. Contrary to the popular narrative being sown out there, the overwhelming majority of goods and services supplied to Eskom, Transnet and Denel - our Big Three - are not supplied by black-owned or black-empowered companies. Eskom's power stations, for example, still receive about 90% of their coal from only white-owned companies ... [Interjections.] ... some of which have built giant business empires on the back of the guaranteed cash-flows these contracts have provided.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order!

The MINISTER OF PUBLIC ENTERPRISES: Therefore, there is enormous scope ... [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Order! Hon members, remember your Rules. You cannot use language that is unparliamentary. [Interjections.] Order, on both sides of the House! Can we allow the debate to proceed? I said it must be robust, but respectful.

The MINISTER OF PUBLIC ENTERPRISES: I am hearing a mumble, only. Remember, I can respond to you, but I am only hearing a mumble.

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Be a little clearer so I can heckle you back!

There is enormous scope to transform the profile of suppliers, bring in new companies, and convince owners of existing suppliers to enter into profit-share arrangements with workers, among other measures. Our greatest short-term challenges are to confront and overcome the cloud of allegations that, I suspect, are coming from that side of the House ... [Interjections.] ... and counter-allegations relating to corruption in state-owned companies ... [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon member! Heckling is allowed, but making a noise is not.

The MINISTER OF PUBLIC ENTERPRISES: ... and to set about our transformative journey in a climate of the highest ethics and responsibility ... [Laughter.] ... and very quickly ... [Interjections.] ... and thus contribute to the rating agencies reversing their recent decisions, in the shortest possible time. Let me repeat it: To set about our transformative journey in a climate of the highest ethics and responsibility, quickly, and thus contribute to the rating agencies reversing their recent decisions, in the shortest possible time.

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In 2007, South Africa first experienced load shedding.

[Interjections.] I was not the Minister, then. Since then, there have been at least seven investigations into alleged maladministration and corruption at the utility. Several were commissioned by Eskom's Board. These culminated in the publication of the State of Capture report, six months ago. Of course, Eskom's reputation has been torn to shreds ...

An HON MEMBER: I wonder why!

The MINISTER OF PUBLIC ENTERPRISES: ... and the company has been reduced ... [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Hon members, can we allow the debate to go on? Heckling is allowed, as I said, but a slanging match across the benches doesn't help. Can we allow the Minister to proceed? [Interjections.]

An HON MEMBER: Can she tell the truth, for once?

The MINISTER OF PUBLIC ENTERPRISES: I don't know if you'd understand the truth if I told it to you. [Interjections.] The company has been reduced to a symbol of state-owned malfeasance. The reputations of



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companies ... It's always easy to shout in a group. It would be very nice if you could talk to me individually - which none of you can do! [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members! Minister, can you please wait? Hon members, can I repeat, again? No unparliamentary language should be used in the House.

[Interjections.] Order! Hon members, can we allow the debate to continue? I will ask the Whips who are on duty on both sides of the House to ask their members to be disciplined. Proceed, Minister.

The MINISTER OF PUBLIC ENTERPRISES: The reputations of companies and individuals named in reports have been placed in infinite limbo, as if they have been convicted of crimes in court. While the opposition bays for the public execution in the town square of Eskom's "guilty", there have, as yet, been no prosecutions, no convictions and no due legal process. [Interjections.] For those of you who will cry about the law, I will do nothing above the law. We have to work within the law. So, little bits of gossip, madam, cannot stand.

The facts of Eskom's financial turnaround, that it has used only R200 billion of its R350 billion government guarantee; that the build programme delay has been recovered and it is ahead of its

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revised schedule; that it is making do with a 2,2% tariff hike; and that memories of load shedding are fading, are totally lost to the discourse. [Interjections.] I have instructed my department to draw up the terms of reference for a broad-scope inquiry into affairs at Eskom since 2007-08. The constitution of the inquiry has yet to be finalised.

I have taken the views Adv Swartz raised with me in a previous discussion, into looking at the Special Investigating Unit, SIU. The department, fortunately, has a memorandum of agreement with the SIU. So, I would like the SIU to review the contents of all the reports into alleged wrongdoing at Eskom, conduct further investigations into, particularly, procurement and governance issues raised, as necessary, and report to a retired judge. I would like the judge to consider the SIU's report and make recommendations on remedial action to me. [Interjections.] I will brief the National Prosecuting Authority, NPA, on the recommendations. Let me repeat: I will brief the NPA on the recommendations. I will announce further details in the coming days. [Interjections.] I expect sexism from that side, Madam; I expect many isms from that side. They know no better.

The debts of large SOCs are linked to the sovereign credit ratings.

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Investors monitor shifts in the political environment of a country and within days of an incident perceived to be negative, ratings agencies can decide to downgrade the sovereign. They do not only monitor the political environment, however. It is good to be able to speak in a normal tone. They also monitor state-owned companies.

[Interjections.] That's your opinion - and I fought for your opinion, let me tell you. You're at least a third of my age. I fought so that you could have a democratic voice ...

[Interjections.] ... in a South Africa which you know nothing about.

[Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Minister, can you proceed with your speech?

Mr H P CHAUKE: Chairperson, on a point of order: I would like to bring your attention to Rule 63, which allows members of the executive to speak freely, without harassment, without fear ...

[Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon member, can you take your seat?

Mr H P CHAUKE: I would like to make this proposal, that ...

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The HOUSE CHAIRPERSON (Ms A T Didiza): Order!

Mr H P CHAUKE: ... the absence of the EFF in the House ...

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon Chauke!

Mr H P CHAUKE: ... cannot be substituted by the DA. [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Chauke, can you take your seat? [Interjections.] Order! Can you take your seat?

Mr T RAWULA: Chair ...

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member, can you take your seat? Hon members, that was not a point of order. [Interjections.] Can we allow the member ... and actually, the EFF is in the House! Proceed, Minister.

Mr T RAWULA: Chair, on a point of order: That member must regain his sobriety. The people that are drowning the speaker are the very same ANC people, so he must regain his sobriety.

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The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Order, hon members! Can you take your seat? Order! Hon members, I think all of us here appreciate that this is a debate. Your responsibility as members, particularly those who debate and all of you, here, are supposed to hold the executive to account. In part, this is what they are doing through their Budget Votes. You will have an opportunity, as you engage on the debate, to do so. As I said, heckling is part of the parliamentary process, as is filibustering, but it's not done in a manner that drowns the speakers. The way you are actually conducting yourselves, as public representatives, is not what it's supposed to be - on both sides! There is no shaming of one or the other. All of you, equally, must be disciplined. Hon Minister, can you please proceed?

The MINISTER OF PUBLIC ENTERPRISES: Thank you very much, Chair.

The credit ratings agencies monitor the political environment. They also monitor state-owned companies. They regularly flag as risks low economic growth, a need for structural reform and poor governance of SOCs when assessing their ratings.

The SOC Reform Project and development of a shareholder policy, led by the department and chaired by the Deputy President, will

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implement recommendations of the Report of the Presidential Review Committee on SOEs. It is focused on improving the performance of state-owned companies. It is clear that improvement in the performance of state-owned companies is non-negotiable and that structural reforms must be accelerated to improve efficiency and strengthen government's role as a shareholder. The principles of the shareholder policy were approved by Cabinet in November 2016 for further consultation. The project plan anticipates that the legislative programme for 2017-18 will see the introduction of the draft Bill on Shareholder Management.

Cabinet has approved a new SOC Remuneration and Incentives Standards for Non-Executive Directors, Executive Directors and Prescribed Officers. The guiding principles ensure that performance is transparently linked to incentives. Much of this financial year will be spent on implementation.

Allow me, now, to brief you on progress in the year under review and plans for the year ahead. The departmental realignment process, led by the director-general, is gaining momentum. The department is being repositioned to become more agile, responsive and efficient in fulfilling its oversight and monitoring roles.

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The Department spent R253,8 million of its 2016-17 budget allocation, or 94,7% of the total budget. I commend the department for spending 99,4% of its Goods and Services budget. The underspending of R14,1 million is primarily due to vacant posts. The director-general has presented a plan to expedite the filling of these positions.

The department has been allocated a budget of R266,7 million, in 2017-18; R277,2 million, in 2018-19; and R296,5 million, in 2019-20. The department's focus over the medium term will be largely on enhancing its capabilities in performing its mandate.

Before focusing separately on the companies in the department's portfolio, I'd like to give some feedback on two important initiatives I mentioned in my Budget Vote speech a year ago. Firstly, as regards the Design Initiative, Transnet has partnered with the Design Institute of the South African Bureau of Standards, SABS, to establish the Transnet Innovation and Design Research Centre. This partnership promotes a culture of innovation and entrepreneurship. Through its Moving Ideas concept, more than 1 200 young entrepreneurs were invited to submit life-changing, innovative ideas that would provide solutions to challenges in their communities and some of Transnet's operational challenges.

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Secondly, as regards the Skills Development initiative, between them, the six state-owned companies in the portfolio have enrolled 8 931 trainees, as at 31 December 2016, in various scarce job and critical skills programmes. A total of 10 655 trainees in various disciplines graduated from a variety of institutions and programmes over the past year, 607 of whom have been employed. A total of 1 779 learners has received bursaries for the current financial year. So, let me take this opportunity to welcome some of our state-owned companies' beneficiaries and trainees, who are sitting in the gallery up there.

If I may, I will now briefly focus on company performance highlights, beginning with Eskom. Two years ago, Eskom was on the brink of financial collapse and load shedding was the norm.

An HON MEMBER: What's changed?

Mr T RAWULA: Chairperson, on a point of order: One of the major beneficiaries was the Gupta family. I want to check if they are in the gallery.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon member! Had you listened to the Minister, you would have heard her referring to the



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training programme. So, thank you very much. [Interjections.]

Proceed, hon Minister. Order, hon members! Hon members, can we allow the debate to proceed. Hon Radebe.

The MINISTER OF PUBLIC ENTERPRISES: Today, we have generation reserves - that means, excess electricity - of 3 000MW, and Eskom's managed to keep plant energy availability over 77,34%, up from 60% in 2014. A total of 153MW of renewable independent power producers, IPPs, went into commercial operation in December 2016. This will bring total contribution of the renewable IPPs to the national grid to 4 180MW.

Government, led by the Department of Energy, will finalise the Integrated Resource Plan, IRP, which will outline the final energy mix for the country. Part of that process will be to affirm decisions about the economic life of a power station. In that regard, concrete decisions on the closure of power stations will be finalised by then.

Because Eskom is a strategic role-player in the economy, government continues to support the completion of the build programme. The Government Framework Agreement, which was due to expire - or had to expire - in March 2017 was extended to March 2023 to enable Eskom to

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tap capital markets to fund the build programme. The new build programme is delivering. Ingula is in full operation, at 1 333MW; Medupi Units 5 and 6 are in full operation, at 1 600MW; and Kusile Unit 1 is in commercial operation, at 800MW. Eskom is expected to record a profit at the end of the 2016-17 financial year and will continue to enhance its financial sustainability by unlocking cross-border trade to boost declining local demand.

Eskom's asset base increased to R691,7 billion in the third quarter of 2016 mainly due to the addition of the Ingula Pumped Storage Scheme. [Time expired.] [Applause.]

Ms D Z RANTHO: House Chairperson, hon Minister, Ms Lyn Brown, hon Deputy Minister, Mr Ben Martins, the department officials, hon Members of Parliament, my committee members, comrades present and distinguished guests - happy Africa Day.

It is not only an honour that I stand here before you South Africans but it is a privilege that was fought for many decades ago. It was through intensity and dedication that was waged against systems of oppression, not only by men but women of all ages and classes.

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The fight was directed to the apartheid regime; a system of oppression and discrimination which crumbled and a shared vision of our nation was formed. The ANC, my political home to which I have dedicated my life to, afforded us this freedom. [Applause.]

Before I expand more on my ANC, House Chairperson, please allow me to take this moment and call for an end on violence against women and children. Violence against young women and children is woven into the fabric which depicts a broken society where those victimised feel at fault.

We should also take note of the fact that perpetrators of violence against women and children think that any form of violence is acceptable in our society. In a country where choices are shattering before ourselves as women, the spate of violence limits our ability to make choices about our lives.

Today House Chair, I want to give men a choice: In this world, imperfect as it is, there are two types of men; those who are cowards and those who stand up for women's rights. The choice is for all our males.

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The ANC-led government was elected by the majority of South Africans in a hard fought election in 2014. Despite many setbacks, the ANC won the general elections with majority. It was the Independent Elections Commission, IEC, that declared those elections as free and fair.

South Africans gave the ANC a huge mandate to carry their aspirations and dreams. They did so because they believe that it is only the ANC that understands the plight of the poor. They believe that the ANC will champion their hopes and dreams. They have hope that under the leadership of the ANC, poverty, [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Hon members.

Ms D Z RANTHO: ... inequality and unemployment will be reduced.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order!

Ms D Z RANTHO: They did so because they know that...

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member can I? Hold on hon members, order! Hon Radebe, take your seat - I heard. Let me just say that Nquthu's elections have been won and let us all celebrate.

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[Applause.] Order! Hon members, I don't think we are going to be hearing about Nquthu now but I just want to indicate ...

[Interjections.] Order! Hon members.

Unfortunately, in pronouncing the name of the place used ...

[Interjections.] No! hon members. Hon Sbu, the member might not have been aware that in the pronunciation it says something else.

[Laughter.] So, I forgive the member for not knowing...

Mr G S RADEBE: Order House Chair.

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Sbu!

Mr G S RADEBE: Hon Van Damme must apologise for insulting us.

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Sbu! Hon Radebe, we allow the Chair to conclude before raising a point of order. For now I have clarified the matter of your concern because I also heard and that is why I was assisting you. I will not repeat it - we will do some Zulu classes at a later stage. There is no withdrawal that you will receive because it was not intentional. Proceed, hon Rantho.

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Ms D Z RANTHO: ... they have hope that under the leadership of the ANC, poverty, inequality and unemployment will be reduced. They did so because they know that a united ANC is a united South Africa.

The ANC has declared this year as a year dedicated to our late ANC former President, Oliver Tambo - #TheYearOfORTambo - a visionary leader of the movement left the ANC with a huge task. Among those tasks that Tambo gave us is a task to strengthen the functioning of our state-owned companies. That is why we say all entities have a role to play in a quest to build a developmental state.

The Department of Public Enterprises has presented its Annual Performance Plan for 2017-18 financial year. It would be of great importance to remind my fellow South Africans that the department plays a pivotal role in both government and the state-owned companies.

The Department of Public Enterprises is a shareholder representative of government at the state-owned companies. Its mandate is to fulfil an oversight responsibility by ensuring that state-owned companies play a fundamental role in helping government in achieving the objectives of the National Development Plan, NDP, and the realisation of the National Democratic Revolution.

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The key question that this Budget Vote has to answer is: Has this department, through its oversight, ensured that its state-owned companies have contributed to the national economic development through the mobilisation of domestic and foreign capital and other social capital formations? Has this resulted in a sustainable partnership for the future?

State-owned companies are very crucial in driving the state strategic objectives of creating jobs and enhancing equity and ultimately transformation. The National Development Plan Vision 2030 underlines the key aspects in pursuit of a developmental state in order for us to build a professional public service and a state capable of playing a transformative and developmental role.

The National Development Plan requires us to promote collaboration between all sections of society and strong leadership, particularly in the state-owned companies. State-owned companies are fundamental pillars in our pursuit for developmental state and it is therefore of paramount importance that their state of governance is sound. In fact, state-owned companies must be headed by strong leaders and competent executives.

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Despite numerous setbacks with the state-owned companies, there are however sterling improvements made by state-owned companies over the past few years. This is to say that they must remain in the hands of government in order to respond effectively to the developmental goals of the ANC-led government.

Fellow South Africans, particularly young women, should form an integral part of state-owned companies' plans and programmes. Indeed state-owned companies such as Denel have contributed significantly in the drive to transform young women's lives. Denel has multitude of programmes targeting young females at school level and encouraging them to enter their field of work. It has put into practice models focusing on leadership and talent. Their career outreach programmes in place, in the given year, trained a total of 355 first year students, not withstanding the shot course offered to students too.

As part of Denel employee volunteerism programme, more than 1000 high school learners from Free State - Lejweleputswa and Xhariep district incorporating Trompsburg, Fauresmith, Zastron and Olien - were offered extra classes by Denel engineers and technicians.



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Denel pays salaries to extra teachers from three primary schools here in Bredasdorp so that the schools can accommodate more learners from the area to avoid commuting of learners.

Eskom - a multibillion company - has over the years contributed significantly to the country's fight against the stubborn unemployment rate. Eskom alone has 47 000 employees, as per their annual report. This is an improvement since 2014 despite our ...

The HOUSE CHAIRPERSON (Ms A T Didiza): You have two minutes.

Ms D Z RANTHO: Sorry, two minutes? Hayibo! [Interjections.] Let me also reiterate my words that I spoke the last time. It was on this very podium when I said that load shedding is not a problem but means of maintaining what we have. Today, load shedding is a thing of the past and we are not acknowledged as the ANC-led government for that.

SA Express has young pilots. As much as there are problems within the entity, we have young pilots who went through various trainings and now they are fulltime pilots at SA Express.

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In pursuit of good governance and transforming our society, the department has given the committee more reason in line with the Public Finance Management Act and National Treasury prescripts to stand behind the proposed Annual Performance Plan of 2017-2018 financial year.

In making sure that the ANC continues to carry the dreams and aspirations of the majority of the poor and young women, we have resolved to support the Budget Vote of the public enterprises as ANC.

Chair, I just want to say to the communities of South Africa, the entities of the Department of Public Enterprises deal exactly with young people. We need more young people to enter into the space. There are programmes in all the entities of public enterprises that are focused on young people. So, young people of South Africa, take advantage of this and make yourselves very valuable in south Africa. Thank you very much. [Time expired.] [Applause.]

The HOUSE CHAIRPERSON (Ms A T Didiza): We welcome the young pilots, I can see them in the gallery. [Applause.] Well, hon Deputy Chief Whip of the Majority Party, I though you were joining the pilots.

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Ms N W A MAZZONE: House Chairperson, Members of Parliament, ladies and gentlemen, good afternoon and a very happy Africa Day. Today I dedicate my 2017 Budget Vote speech to the brave men and woman of South Africa, who, despite facing tremendous pressure, potential job loss and alienation from certain sectors, have boldly spoken out against and exposed corruption, state capture, nepotism, cronyism and mismanagement. To you all, I say thank you, on behalf of South Africa, for your determination to look after the South African coffers, and for your relentless patriotism in the face of serious opposition from the highest echelons of power. Your names will go down in history as true South African heroes.

Our state-owned entities are not just in a state of chaos, they are in fact in a state of capture. Every single morning, another scandal breaks in the media. If we are not dealing with Gupta-associated businesses being given tenders, we are dealing with children of employees being given multimillion rand deals or, most recently, resignations, no wait, retirements, no wait, retrenchments, no wait reappointment of CEOs to our boards. Minister Brown will never be able to recover her credibility after this fiasco. Her own caucus has accused her of perjury.

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The Public Protector has certainly had her hands full with the DA requesting multiple investigations into the SOEs. We have asked the Public Protector to probe revelations in the unfolding nepotism scandal at Eskom, involving the then acting CEO, Matshela Koko, his stepdaughter, who he did not really know or did know, Ms Choma, and a R1,7 million donation that was paid from Choma's company to the ANC. I quest she really was a "choma" to the ANC. The DA has asked the Public Protector to include this new, shocking allegation of a massive donation to the ANC, into an already established investigation into Koko and Choma, as requested by the DA in March 2017. It now appears that Koko did not only allegedly improperly award tenders worth R1 billion to Impulse International, a company in which his stepdaughter is a director, when he was head of Eskom's Generation Unit, but the arrangement was used as a conduit to siphon money to the ANC. The Public Protector must now investigate and expose what the relationship between Koko, Choma, Impulse and the ANC really is.

It cannot be accepted that public money was allegedly improperly directed toward family insiders of the acting CEO of Eskom, only to land in the hands of the ANC. This latest revelation, including the intimidation of journalists who have exposed this scandal, shows the

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lengths to which those with much to lose are willing to go to cover up.

Eskom has been reluctant to release the Denton report that contains details of widespread corruption at the parastatal, and it seems that this corruption scandal and others are increasing under the current leadership.

The DA welcomed Public Enterprises Minister Lynn Brown's rejection of an exorbitant and unjustified R30 million golden handshake or pension payout or whatever it was to the disgraced Brian Molefe.

Indeed, after leaving Eskom under the most swirling clouds of state capture allegations, and close collusion with the Guptas, and then being rewarded with an ANC seat, albeit a back seat in Parliament, Mr Molefe does not deserve one single cent from the South African public.

Our joy was, however, very short lived, as we soon learned of the return of Brian Molefe to Eskom. This was a monumental disaster for the power utility, which is currently in a dire state and is surrounded by a wave of Gupta-linked corruption allegations as a result of Molefe's tenure.

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The return of Molefe to Eskom will see the Gupta hand return to the power utility and most likely to the forthcoming nuclear deals. This is something that South Africa cannot accept. We do not want the Gupta family involved in our state-owned entities. [Applause.] It was clear in the Public Protector's damning State of Capture Report that Molefe was seriously compromised in his position at Eskom. He, himself, on leaving Eskom, when he resigned, cited the interests of corporate good governance as his requisition for leaving.

The State of Capture Report details the close relationship between Molefe and the Guptas and how key decisions were taken by Molefe, as the head of Eskom, for the ultimate benefit of the Gupta family. Molefe called Ajay Gupta a total of 44 times and Ajay Gupta called Molefe a total of 14 times in eight months. Molefe can further be placed in the Saxonwold area on 19 occasions between August 2015 and November 2015. Importantly, the criminal charges that I have laid against Molefe still stand and are actively being investigated by the South African Police Service. Let's hope they can also find the shebeen.

The ANC has themselves come out and said that Molefe is unfit to return to Eskom. To the ANC I say: You are correct. Eskom has not had his name been cleared yet. This is somewhat ironic, given that

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just the other day, the very people who said that he was not fit to serve at Eskom, had him in their back benchers in Parliament. You should be very, very embarrassed.

The damning allegations by the former Minister of Mineral Resources, Mr Ramatlhodi, that Eskom's then CEO, Brian Molefe, and chairperson, Ben Ngubane - and yes, that is the same Dr Ngubane, who was also the Chair of the SABC Board - tried to force him to withdraw Optimum Glencore mining licence in a bid to help the Gupta's take over Glencore mines. These allegations are astounding and deserve a full-scale investigation. I am most pleased that the Committee on Public Enterprises has stood firm and agreed that a full parliamentary investigation will begin into the shenanigans at Eskom. [Applause.]

I advised the Minister on Tuesday, and I will repeat myself today, please suspend the Board of Eskom with immediate effect. [Applause.] Send a full team from the Department of Public Enterprises to Megawatt Park and collect all the documents pertaining to the reappointment of Brian Molefe as well as all documents related to alleged corruption charges, so that we know they are safe and are unable to be destroyed. We cannot afford any further "load shredding".

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Denel has had their fair share of scandals involving, of course, the family that is causing our SOEs to be in the current state that they are, the Guptas. To this end, Denel will be called to appear before the committee, together with National Treasury so that, once and for all, we can get to the bottom of capture allegations. Perhaps the next the time they appear, they will be better prepared to answer our many questions.

South Africa is not for sale. Our SOEs cannot and shall not be bought by the Gupta family with the help of number 1. As the web of state capture starts to unravel, so will the stranglehold that this unwelcome family has over our country. The time is now to put a stop to corruption and state capture. South Africa is not for sale. Not on our watch. [Applause.]

Mr T RAWULA: The EFF celebrates the 54th anniversary of Africa Unity as signified by the founding of organisation of African Unity in Addis Ababa. The adopted charter of the founding of Organisation of African Unity noted amongst others that: It is our responsibility as Africa to harness the natural and human resources of our continent for the total advancement of our peoples in all spheres of human undertaking. Long live African Unity, Long Live!



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The EFF rejects Budget Vote 9 of the Department of Public Enterprise. We stand here as the EFF to warn the South Africans. We want to want to warn the country before it is too late; we want to warn the country before the lights are out and Eskom has collapsed; we want to warn the country before SA Airways flights are grounded and cannot fly anymore; we want to warn South Africans before our ports of entry for goods are closed and Transnet is nothing but a shadow of its former self. The EFF stands here to warn the South Africans before Denel is no longer a state-owned entity, but an entire Gupta-owned entity.

They have already started taking it piece by piece and the corrupt joint venture between Denel and 21 years old Atul Gupta's nephew is just the beginning. As the EFF, we have question the existence of this department and correctly illustrated why it should not exist. But let's deal with the nonsensical state of affairs or circus at Eskom. On the 14 October 2016, the Public Protector released the state of capture report and big part of it deals with corrupt deals between Brian Molefe and the Guptas.

On the 11 November 2016, Brian Molefe resigned as the Chief Executive Officer, CEO of Eskom, citing the state of capture report, and he said that he wanted to clear his name, and he has not done

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that. On the 11 of November 2016, the Minister accepted the resignation of Brian Molefe and it was accepted as such. On the 30 November, the Minister approved the acting CEO, Mr. Koko, citing the resignation of Brian Molefe.

There was never any confusion around Brian Molefe's resignation and it was beyond reasonable doubt, clear as the day. The Minister must not come here and try to mislead Parliament. Please respect the Parliament and the people of South Africa, lest we accuse you of lying. And let us remind South Africans why Brian Molefe resigns. On the State of Capture report, the Public Protector found that the proximity between the Guptas and Brian Molefe was extremely uncomfortable and toxic. This is the same relationship which led to the Gupta's company, Tegeta, awarded contracts worth billions, and Brian Molefe is not disputing the funding.

Now, we stand here as the EFF to call for the Parliament's thorough enquiry into Eskom board because they have failed in executing their mandate. The enquiry must also subject some of the matters that Eskom and Mr. Molefe has not objected nor disputing.

[Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members!

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Mr T RAWULA: But at a much more strategic level, we call for dissolution of the Department of Public Enterprise and entities that fall under the department must be moved to line function department. The SAA and Transnet must go to transport; Eskom must go to energy, and all other entities to the respective line function departments. And let's do away with this nonsense! There is no amount of crocodile tears of Brian Molefe that will fool us. We are told he is going to cry again. He worked for 18 months in Eskom and he resigned, yet he demanded a 30 million pension fund ...

*IsiXhosa:*

Hayini bethuna kanti siphil na apha? Nifuna sithini kubasebenzi baseMarikana ababulawelwa ama-R12 500 kuphela? Sithini koomama basemakhitshini abahlawulwa i-R1 200 ngenyanga, kubasebenzi basezifama abahlawulwa ama-R900 nexamba lomgubo wombona, koodade bethu abasebenza kooKentucky Fried Chicken, ooSpur nakooMacdonalds abahlawulwa ngokuphiwa imali ngabathengi? Brian Molefe notata uNgubane ninesibindi.

*English:*

We reject the Budget Vote. Thank you.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members!

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Mr N SINGH: Hon Chairperson, I will start by reminding hon members about Rule 63, which is 'Freedom of speech'. The IFP campaigns using a winning slogan 'Trust us'. We cannot take these two words very lightly because you have to instil trust and confidence in the people that you are speaking to. That is exactly what we did yesterday at Nquthu where we had a landslide victory of 58%, trashing the ruling party; the ANC and taking away four wards from them.

Halala to Nquthu, Halala!

Now, why do I raise this? I raise this because can we put the same faith and trust that the people of Nquthu had as members of Parliament in this Department of Public Enterprises, in the ministry and in the state-owned enterprises, SOCs, that fall under them? The simple answer to that is no.

The challenges facing this department can be succinctly summed up as primarily being the continued lack of oversight and the holding of SOC's to account. SOCs unfortunately, have become the cash cows and Automatic Teller Machines, ATMs, of certain well connected individuals and families. Whenever you want money, you go to the ATM

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that you don't even have to put a card and the money comes out for them. That is what is happening to with our SOCs.

The Electricity Supply Commissio, Eskom, has been the poster child of the poor governance at our SOC's for at least the two terms of this Parliament. It remains such to this day. On Tuesday the Minister and Chairman of the Board of the Power Utility appeared before the portfolio committee to answer to the reappointment; re... whatever word you want to use; re-emergence of Brian Molefe as the CEO. The meeting was a comedy of errors. We left that meeting knowing no more than we had before we got there. Now, the question is why? Why do such things have to happen? Why does the glorious organisation, like the ANC that fought for liberation has to put itself through such shame and disgrace? But, what we admire is that the ANC has come out strongly and condemned the reappointment of Brian Molefe. Well done to you for doing that! [Applause.]

I also want to say on 12 May, I wrote in as a member of the committee to the Speaker for the appointment of an ad hoc committee to enquire about what is happening at Eskom. Because a lot is wrong and there is prima facia evidence of that in the State of Capture report. Hon Minister, I have heard you saying that you are

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appointing some commission of enquiry; too little - too late. Money has been looted and continues to be looted under your watch.

Let us look at other state-owned enterprises. Let us look at Denel, - I mean we also had a briefing with Denel and the connection with the VR Laser Asia draw. I mean, it shocking that these kinds of things can happen where you get a middle man who would try and steal millions from the state and from taxpayers of this country.

Look at South African Express Airways. To-date they have still not submitted the 2015-2016 annual financial statements. Look at Alexkor. The are reports that Alexkor still causes division amongst the communities in Alexander Bay. Look at Safcol. The CEO and CFO of Safcol both resigned in 2016. To date the positions of the CEO and the Chief Operating Officer, COO, are in an acting capacity.

The Government Shareholder Management Bill which is still on the table and we don't know ... there is no time frame when it will be done?

In all good faith, the IFP cannot support this Budget Vote. We have done it continuously in the hope that there will be proper oversight over public enterprises, we do not see that happening and we would

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also suggest that these public enterprises fall under line function departments. Eskom must go to energy; Alexkor to diamonds and mineral resources, Safcol to agriculture, then may be there will be better oversight there.

In saying this, there no disrespect to the Minister and the new Deputy Minister, but we who have responsibility of oversight of all government departments and state-owned enterprises, have to do this in the interest of the South African public. Thank you [Time expired.] [Applause.]

The HOUSE CHAIRPERSON (Ms A T Didiza): I am very happy about this patriotic spirit. I have been hearing the DA, but I did not hear the EFF saying 'Halala Nquthu', but it is very interesting.

[Interjections.]

Mr M L SHELEMBE: Chairperson, as the NFP we reiterate our policy position that the government should not be financially involved in any enterprise which is not directly aligned to its development obligations. For us, entities that contribute directly to service delivery are the only entities which should be government sponsored and managed. All others should be relegated to the private sector where they could become economically viable and add to the state

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revenue through taxes, rather than being the financial drain and burden which they currently are.

It is our considered opinion that this Department of Public Enterprises should be dissolved altogether. Alexkor, Denel and the South African Forestry Company should be sold off to become fully-fledged private sector companies as none of them are directly linked to the government's development obligations. South Africa Express Airways should be merged with South Airways, Transnet and Eskom can be restructured and moved to the Departments of Transport and Energy respectively. However, be that is it may, as the shareholder representative of government in the state-owned companies, the Department of Public Enterprises is supposed to ensure that SOC's fulfil their developmental goals in as far as they are linked to the National Development Plan, NDP.

To enable the Department to execute its mandate, an amount of R266,7 million has been allocated for 2017-2018, which is a slight decrease from the R268 million allocated in the previous financial year.

The question we have to ask, however, is whether the department is fulfilling its mandate. The answer is no, and the return of Brian



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Molefe to Eskom is a fine example of the department failing to execute its mandate. Minister Brown's lack of leadership to oppose the reappointment of Mr Molefe as the CEO of Eskom is an example of just how ill advised she is, despite the department making provision for Legal Governance in Program 2 of its budget plan.

We cannot continue to have to rely on the courts to ensure transparent and accountable government in South Africa. The time has come for our Ministers and senior government officials to do their job properly as is expected of them. Millions of rands are wasted every year on defending legal actions against the state which could have been avoided if government Ministers and officials were properly advised, and if they took decisions in the interest of accountable and transparent government.

As the NFP, we say that the time has come to take action against incompetence in government and nobody should be immune from accountability and being an ANC cadre deployee should not be shield from accountability any longer. And let me add that the time has come for Parliament to strengthen its oversight too; for we are the representatives of the people and owe it to the people to ensure that government adheres to our constitutional right to be governed lawfully, and in an accountable and transparent manner.

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In conclusion, the NFP does not support the report on Budget Vote 9.  
I thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chairperson, hon members, hon Minister Brown and other esteem Ministers and Deputy Ministers present, Chairperson of the Portfolio Committee, Director-General of the Department, Chairpersons and Board Members of State-Owned Companies, Chief Executives and Senior Managers of State-Owned Companies, distinguished guests, ladies and gentlemen, good afternoon and happy Africa Day.

The Department of Public Enterprises oversees six state-owned companies, namely, Elektor, Denel, the SA Forestry Company Limited, Eskom, SA Express Airways and Transnet. The state-owned companies form an integral part of the SA economy, and their performance has a direct impact on the economies, competitiveness and performance.

As a shareholder Ministry acting on behalf of government, the Ministry ensures that the department carries out its mandate to ensure that state-owned companies under its remit are focus on priorities outcomes.

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The department strategic objectives thus include, amongst others, the following: firstly, the promotion of the independent financial sustainability of state-owned companies and the commercial viability of their operations. Secondly, the promotion of transformation in their value chain and their suppliers to actualise broad-based black economic empowerment through the creation of jobs, skills development and inclusive growth. Thirdly, the creation of enabling policy regulatory and operating environment for state-owned companies.

Whilst we share the Ministerial responsibilities in a collegial manner, Minister Brown has entrusted the shareholder oversight of Denel, Safcol and Elexkor to me. Elexkor is a diamond mining company operating primarily in Alexandra Bay and the Greater Namaqualand region. Its operations include both Marine and land mining.

During the current financial year, the department completed a desktop study of the Regtesgeld Diamond deposit. This study confirmed that it is possible to extend the lives of the Elexkor pulling and sharing joint venture with the community beyond its current estimated 19 year life span.

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Elexkor experience operational challenges during the 2016=17 financial year. It did not meet its current production targets set for the year under review. However, its diamonds revenue increased from 386, 5 million in 2015-16 to 758 million in 2016-17. Additional economic opportunities for the community of Regtersveld and its environment is expected as mining operations expand in the next two to three years.

With regard to the Denel, the portfolio committee at its meeting of 24 May 2017 resolved to hold a meeting at the earliest opportunity with the board of Denel and officials of National Treasury to resolve issues pertaining to Denel Asia. Pursuit to the resignation of the former group chief executive officer and financial officer in 2015, the Denel board has finalised the recruitment process for both positions and made recommendations to the Minister.

Denel continues to grow its revenue. Its acquisition of the land systems, South Africa will in all likelihood enhance its capability to design and manufacture multipurpose armed vehicles that will enable it to compete in the lucrative international market.

Furthermore, according to a report in hand, the development of the small African regional aircraft is proceeding according to plan.

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Denel's arrow structures delivery on the airbus A4 400M contract continues on time and on specification deliveries.

With regard to Cooperate social investment, Denels physical science and mathematics outreach programmes to schools in indigent communities continues to yield excellent results as the 2016 matriculent results in the Free State province attest for example. [Applause.]

A casery facksheet of this SA forestry company limited reveals that it managers and develops commercials forest. Its activities include timber harvesting and processing. During the 2015-16 financial year, the department conducted a review of Safcol financial position. Safcol has a sound balance sheet that can support its capital expenditure programme over the medium term. The changes however in the companies executive committee had a negative impact on it. The board of Safcol was reminded by the Ministry of its responsibility to speed up the process of employing a chief executive officer.

Except for Denel, all the state-owned companies are under the remit of the Department of Public Enterprise are established in terms of their own enabling legislation, which set out the purpose mandate and objectives for which they were founded. All these state-owned

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companies are in cooperated as companies in accordance with the provisions of the Companies Act of 2008.

The responsibilities of the Ministry and the department are to be ensuring effective shareholder oversight of this state-owned company by ensuring continues alignment between shareholders strategic intent and the objectives of state-owned companies. The objectives of the department are: Through state-owned companies to meet South Africa's goals of reducing unemployment, fighting poverty ensuring that the economy growth and that the objectives of the National Development Plan are met.

The challenge however, is to achieve this without let and hinderers of private or public sector corruption. The Ministry and the department further have a duty of supporting state-owned companies to deliver on their shareholder compacts and cooperative plans.

The conundrum of the able career public servant Mr Brian Molefe's exit and return had Eskom has starkly for grounded the need for the Ministry and the department to sharpen their approach to shareholder oversight.

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Furthermore, the vast matter concerning Tugeta, a company associated with the Guptas family was also raised in the meeting of the portfolio committee addressed by the Minister of Public Enterprises and the Chairperson and board members of Eskom on Tuesday 23 May 2017.

The Standing Committee on Public Accounts will on the 30 May 2017 consider the price water coopers report on the supply of coal to Eskom by Tageta. Fairness, transparency and justice demand full disclosure on this matter, namely, that the veil covering coal purchases be lifted to expose all the names of all the companies, the terms and nature of the contracts, the volumes they supplied and the monetary payment they received for it since 1994 be reviewed.

[Applause.]

Mr N L S KWANKWA: Chairperson and hon members, state-owned enterprises, SOEs, are instrumental in the South African economy as vehicles to support economic development.

In 2015 alone, SOEs made infrastructure investments amounting to R160 billion in the South African economy, which is up from a mere R25 billion in 2005. It is however important to note that Eskom and

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Transnet account for more than 56% of this, which is about R90 billion.

Think about the saying that, to catch a thief, you have to think like a thief. [Interjections.] For Mr Zuma and his cronies, the opportunity cost of keeping a useful Brian Molefe as a backbencher in Parliament was Eskom tenders. For any brazen thief, this is a price too high to bear. The whole business around the scandalous reappointment of Brian Molefe as Eskom chief executive officer, CEO, can be viewed largely in this context. It is also an indication that Mr Zuma and his cronies or a faction of the ANC have lost their sense of decency and are running helter-skelter, searching for grubby instruments at their disposal in their effort to loot state resources in the shortest possible time. Unfortunately, hon Minister, no amount of spin can change this fact.

What I cannot comprehend, however, is how the so-called official ANC - remember, we now have an official ANC and an unofficial ANC - allows Mr Zuma and his cronies to go about his illegal activities with brazen assurance. You quite frankly seem to be at your wit's end. Don't worry. That is why we are fighting for a secret ballot after the debate on the vote of no confidence. [Interjections.] Once we have removed him from power and stripped him of all his ill-



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gotten wealth, we will leave it up to you to exclaim and say, "But the Emperor has no clothes!"

Chair, you are aware that most of our SOEs have, over the years, experienced major governance failures due to weak accountability, over-bureaucratisation, excessive politicisation, and unclear objectives. It is common knowledge that, in South Africa, SOEs absorb a substantial amount of resources and actually impose a heavy burden on the fiscus. For proof, one has to look no further than Eskom, SAA and others that were mentioned here. These challenges occur despite government initiating a comprehensive review of state-owned enterprises in 2012. There is also a challenge where SOEs are used as a dumping ground for ANC cadres who could not be deployed here in Parliament or in the executive. [Interjections.] Otherwise, how would you explain the promotion of Dr Ngubane from the SABC to Eskom when he is responsible for the mess in which the SABC finds itself today?

For these and many other reasons that were mentioned here today, the UDM does not support this Budget Vote.

*IsiXhosa:*

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Kunini sithetha ngoMthetho oYilwayo woLawulo lwaBanini-Zabelo  
bakwaRhulument

*English:*

I remember, for instance ...

*IsiXhosa:*

Sihleli kunye ...

*English:*

... hon Mazzone and other colleagues last year trying to tell you to set timelines to some of the things you recommend to these departments. We sit there and craft these recommendations, and they do absolutely nothing about them and then, come the following year, we have to sit and discuss exactly the same issues again, as if we had gone crazy.

*IsiXhosa:*

Sicela nilungise aba rhulumente benu, niyeke ukulawula into engekhooyo apho, kungenjalo siza kubathatha; la masela!

[Kwaqhwatywa.]

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Adv A de W ALBERTS: Chairperson, the Minister's department has become the feeding ground of a small but ferocious group of public employees and their private sector connections that, like piranhas, are eating away and stripping public and private assets. This was already the case when you became Minister but has now, under your watch, escalated to a level that makes the horror movie by the same name look like a Sunday school picnic.

*Afrikaans:*

Minister, onder u toesig, het ons die mees bizarre en blatante vorme van staatskaping sien ontvou, en dit speel steeds voor ons af soos 'n swak riller.

*English:*

If we dare watch this film, we see the usual suspects appear again and again. Gupta-linked Regiments Capital has, after its lucrative broad-based black economic empowerment Capitec shares deal, moved on to nestle itself deep within Transnet. With the help of their connected friend Stanley Shane, they were appointed to perform tasks that Transnet could perform itself. Mr Shane moved on to become the chairperson of the two struggling Transnet funds whose pensioners are in an R80 billion court struggle against Transnet for stripping their funds. Lo and behold, quite coincidentally, Regiments Capital

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is suddenly appointed as the fund manager for the two struggling pension funds. They were recently removed when they were caught performing a transaction in conflict of interest.

On your watch, Minister, these types of actions are taking place whilst you know that thousands of black and white Transnet pensioners live in abject poverty, many of them committing suicide due to their dire financial situation. To no avail, I have begged you to do something for them - now only to learn that you have allowed the Guptas close to their pension funds, the little that is left. It is a disgrace that you are allowing thousands of your former employees to die in poverty on your watch. I ask you again to do something about this, if you have a heart.

Regiments Capital has now taken on a new form as Trillian Capital Partners and, boy, are these partners now raking it in at Transnet. The screenplay only gets better as Trillian is now comfortably nestled in Eskom, with multimillion rand contracts being awarded for who knows what. Of course, the Eskom connection brings us close to a certain individual named Mr Brian Molefe, the CEO or former CEO and now CEO again - or maybe not - of Eskom and part-time Member of Parliament. It is all a little confusing. So, whatever Mr Molefe is and does other than advancing payments to Tegeta, we know this: He

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receives a lot of money from Eskom to hang around, even when he hangs around in Parliament, but he also presided over Transnet when it was discovered that two Transnet pension funds were being plundered and had been plundered for years.

Knowing that those black and white pensioners live in poverty, his only known reaction was to tell them they do not deserve a better life, as they are previously advantaged, and if they were to march to the Union Buildings, he would be there waiting for them.

*Afrikaans:*

Mnr Molefe is baie braaf as dit daarby kom om oumense te dreig. Wel, ek wil vir mnr Molefe die volgende sê: Jy kan in jou "skroef" in vlieg, want ons gaan sorg dat jy en almal wat die pensionarisse bestee het, self bankrot verklaar word en in die tronk beland. Die wiel gaan draai. Die Gupta-tentakels is oral sigbaar, selfs in VR Laser.

*English:*

Minister, the Guptas and their friends are living it up right under your nose. We give you the benefit of the doubt that you are not drinking cocktails with them. If so, now that you know what is happening, please, you must act and clean the system. You must help

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the Transnet pensioners. If not, we will know that you are also captured. I thank you. [Applause.]

Ms D CARTER: Thank you Chairperson. Chairpersons, State-Owned Enterprises, SOEs, are central to advancing our national objectives through providing economic and social infrastructure. Our SOEs play a vital role in terms of the direct services they provide. Their importance is further compounded by the fact that they tend to be concentrated in strategic sectors, such as air, rail, transport, energy and water supply. The nation's access to water, electricity, and transportation amongst others, is almost entirely dependent on the state operating through these corporate vehicles.

In some sectors, SOEs are also benefit from favourable, monopolistic market positions, which hinder rather than promote competition and private sector development. So SOEs can either foster or seriously retard our development. The unfortunate reality is that many of our SOEs are characterized by major corporate governance failures including weak accountability -excessive politicization - chronic under performance with poor returns on government investments and continuous reliance on government support, whether in the form of explicit government guarantees, subsidies or bail-outs.

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Now Minister, if one reads the State of Capture report, if one takes cognisance of the South African Council of Churches, SACCs, Unburdening report, and if one connects the dots, they all spell out; zupta; grand corruption; looting committed on a grade scale with absolute impunity; State Capture and a mafia state; With big red flags over Eskom and Transnet. According to the Unburdening report, our illegitimate President, power elite, undermines and captures the state by; securing control over state wealth through the capture of SOEs by chronically weakening their governance and operational structures - securing access to rent seeking opportunities by using regulatory instruments to make arbitrary decisions - securing control over procurement opportunities by intentionally weakening key technical institutions and formal executive processors - securing parallel governance and decision making structures that undermine the executive.

Madam Minister whichever way you look at it, the dots create a link to you through your actions and lack of action. Thus far, you seem to have adopted what is now referred to as the Zuma defense position, I did not know; I was not aware and nobody told me. The fact is that you are the state's shareholder representative of, amongst others, Eskom, Transnet and Denel. And paraphrasing from the

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SASSA Constitutional Court judgement; You, Madam Minister bear primary responsibility to ensure that Eskom fulfils its function. You appoint the board. The office holder ultimately responsible is the person who holds executive political office – and that's you, hon Minister.

It is the Minister who is required in terms of the Constitution to account to Parliament. Minister it must have hurt deeply when a journalist asked you about an apparent disconnect between the principled Lynne Brown and Lynne Brown as Public Enterprises Minister. Minister, it is time to unburden. COPE calls on you to please dissolve the Eskom and Denel boards. And COPE further supports the calls for the appointment of a full scale parliamentary inquiry into Eskom and Denel without any further delay.

And I have to say as COPE, the only vote that we will support is the vote of no confidence in the President and his Cabinet. Thank you.

[Applause.]

Dr Z LUYENGE: Hon House Chair, the Minister of Public Enterprises, the Deputy Minister, hon members of this august House allow me on behalf of the ANC to declare that we have no choice but to support this important budget for the development. [Interjections.]. We



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cannot take any other direction - We cannot do anything without budget so the prophecies of doom have said everything that they want to say but we will never be deterred and derailed by what they say.

Our recent experience of managing SOEs to make certain interventions, were all aimed at improving the then prevailing situation and these included the adoption of turnaround strategies and the Presidential review of Security Operation Centres, SOCs. Emanating from this Chairperson, we have witnessed improvements in the performance of some companies while others are still lagging behind. For example hon Chair, the implementation of a turnaround strategy at Denel has brought out positive outcomes. Over the past three years, Denel has posted profits, and the trend has remained upwards.

In 2015-16, the company grew its revenue by 41% or R8,2 billion from the previous financial year. Export revenue in that year constituted 58% of total revenue, and net profit was R395 million, an increase of R125 million from the previous fiscal financial year. Denel is one of those examples, which demonstrate how optimising partnership with the private sector can be beneficial for both parties and the country as a whole. Denel has made strides in achieving

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sustainability and has been ranked among the top 100 global defence manufacturers for the past two consecutive years. [Applause.]

We must never allow any regressions in this regard. Congratulations to the board of Denel and that management. However, despite this rapid growth, there are some challenges facing Denel which relates to liquidity and overreliance on foreign markets. In his state of the nation address this year, President Jacob Gedleyihlekisa Zuma announced that the South African Navy also participates in the Operation Phakisa project and is preparing to host the government garage concept for all state-owned vessels in Simon's Town. This government garage concept includes hon members, the maintenance and repair of government-owned vessels, through the newly established South African Navy, Armscor, and Denel partnership.

It is important that the companies should acutely deliver on this important commitment by the government. Pertaining to SAFCOL hon Chair, the company's mandate is to ensure the sustainable management of plantation forests, increase downstream timber processing and play a catalytic role in rural economic development and transformation. The company's financial performance remains under pressure because of slow growth in revenue and a continual increase in costs.

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We believe that the situation warrants expansion through diversification of product offering and access new markets guided by a clear growth and development plan. However, the resumption of its operations in Mozambique is important in realising its African ambitions. As the ANC, we further advise SAFCOL to do more in compensating communities around their operations and work closely with communities to find amicable solutions on instances relating to land under claims. Pertaining to the question of level of investment on strategic SOCs the ANC's guidance as per the 53rd National Conference categorically states that:

Government should strive for balance that supports industrialization, are biased towards job creation, ensure long term stability and sustainable growth and development that bolster the growth of domestic industrial capacity and in making policy trade-offs will select those that favour productive sectors of the economy.

This policy position, therefore, warrants that resource allocation and thus budgeting must favour strategic manufacturing entities of the state such as Denel, Alexkor and SAFCOL, which in turn must bolster the growth of domestic industrial capacity. In this regard,

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we commend the budget increased from R19,7 million in 2016-17 to R22 million in 2019-20, an increase of 3,7% in nominal terms.

In the same vein hon Chairperson, must also indicate that in real terms, when considering population growth and inflation, the budget increase may be marginal and thus make it difficult for these companies to meet the goals we set for the in the National Development Plan. For example, the NDP declares that by 2030, South Africa needs to be served by a set of efficient, financially sound and well governed SOEs that address the country's developmental objectives in areas where neither the executive arms of government nor private enterprises can do so effectively. These companies must deliver a quality and reliable service at a cost that enables South Africa to be globally competitive.

Chairperson, we reiterate that central to all the priorities of state-owned entities for this fiscal year; it must be to ensure the implementation of all the relevant recommendations of the Presidential Review Committee. In particular, we call upon all entities to focus on the three broad sets of reforms to ensure sustainable improvements in the performance as advanced by the NDP. These include; clarity of the mandate, clarity, simplified and straightforward governance structure, and dealing with capacity

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constraints. Moreover, we call for SOEs to ensure that the portion of the budget for the human capacity of the department must be biased towards sector specific specialists required for oversight rather than the administration. Acceleration of transformation programs, promote industrialisation and support small and medium enterprises that are owned by women, youth and people with disabilities. The corporate social investment programs of state-owned companies must adequately reach out to rural and poor communities...

*IsiXhosa:*

... phaya emakhaya.

*English:*

Develop a framework that would prohibit companies from challenging litigation cases which are not winnable. Therefore the ANC supports this budget and says no to privatization and forward to strong SOEs like Eskom, Denel, Transnet and everyone else. Keep it up hon Minister, we are behind you.

*IsiXhosa:*

Umbutho wesizwe usemva kwakho. Ungamameli la mawashawasha.

[Kwaqhwatywa.]

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Mr S N SWART: Chairperson, as the ACDP we join others in celebrating Africa Day and we also as believers share with those who are celebrating Ascension Day today and

*IsiZulu:*

Malibongwe igama lenkosi.

*English:*

The ACDP wishes to commend the portfolio committee as well for the vigorous oversight that it has exercised and did this last week over Eskom. And we know that the Finance Ministry as well as credit ratings agencies have correctly pointed out the fiscal risk that state-owned enterprise, SOE's, pose, particularly where there are significant state guarantees.

And it is time that, we parliamentarians followed the example that we set on the South African Broadcasting Corporation, SABC, inquiry and we from the ACDP fully support a full parliamentary inquiry into the revelations that we have heard about Eskom knowing that Eskom has a R350 billion state guarantee and is the backbone of the country's economy in providing power. It is also the subject of the most intensive state capture according to the prima facie evidence

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available in various government reports and of course the Public Protector's Report, the PWC report, National Treasury's and others.

Now, the explanations surrounding Mr Molefe's reappointment have been raised by other members and are just not credible, but we know the courts will shortly decide on that and so we are considering this whole aspect of the Parliamentary inquiry and at the same time we want to thank you for considering proposals about the involvement of a separate ministerial inquiry involving the SOEs, because when we as the SABC parliamentary inquiry conducted our phase and the benefit is that witness have to come and testify and provide all evidence under the protection of civil or criminal actions.

But then we have a referral to the Special Investigating Unit, SIU, where we need to take urgent action and need to have another parallel process as well with the SIU and the assets forfeiture unit if they can act quickly, because that money is already moving out of the country and is already sitting in the bay. So, we need to take urgent action to investigate what is going around the Tegeta contracts and Eskom and the other contracts.

The prima facie evidence is there and it is also fine as you indicate that there will be no convictions, but at the moment we

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only have one version before us besides blank denials and of course oblique reference to a shebeen in Saxon World. So, we need as Parliament to exercise sufficient oversight to get to the truth of the matter and to find out because as other speakers have said we are in Parliament and our country is not for sale and we see as former Minister Gordhan says the dots are being circulated and drawn together.

And what is significant is the church that is starting to take a stand in this nation. The church is starting to rise, believers are starting to rise. These are your supporters and thanks the ANC is seeing that as well that their supporters are starting to say this is so far can't continue and we need to take a stand in this regard. Thank you so much.

Mr R M TSELI: Chairperson...

*Tshivenda:*

Vho-R M Tseli: Mudzulatshidulo, Muhulisei Ministara na Muthusa Ministara, vhatomphei na vhaeni vhadivhalea nga u angaredza.

Sa dzangano la ANC ri tikedza mugaganyagwama wa Mhasho wa



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Mabindu a Muvhuso.

*English:*

Mr R M TSELI: Claiming to represent the poor but reject the Budget to fund the programmes aimed at improving their quality of life is a very serious contradiction. To my colleagues on my left, shame on you.

State owned Companies have a dual role that ensures that they contribute positively to commercial objectives and the developmental mandate of our country. The National Development Plan, NDP, states that rural communities need greater economic, social and political opportunities to overcome poverty. It also outlines that South Africa needs to invest in a strong network of economic infrastructure designed to support the country's medium and long term economic and social objectives.

The work done by Transnet, through the implementation of its Market Demand Strategy has yielded significant economic benefits for our country. Transnet has a capital investment of R29, 6 billion, bringing spend during the Market Demand Strategy period to R124 billion including intangibles, with expected spend of between R340 billion to R380 billion over the next 10 years.

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It has over 60 000 employees. This remarkable performance is the product of the democratic dispensation and is highly commendable. What is worth celebrating is the recent launch of the Trans-Africa Locomotive unveiled by President Jacob Zuma on the 4th of April 2017 in Pretoria.

In support of the development or mandate and ensuring that investments in skills are made, Transnet partnered with Wits University to establish the innovation and Research Centre for Black Entrepreneurs and Black owned SMMEs.

In terms of skills development, Transnet has been a leader in skilling our people within the rolling stock sector. The women in engineering programme and the artisanship programme undertaken at Trans Engineering, Trans Freight Rail, Transnet Pipelines and Transnet National Ports Authority are just a few examples.

Although the 1064 locomotive project has been extended by three years, concerns have been raised by employees of assembly lines being dominated by Chinese employees from the original equipment manufacturers, we believe that unity on the shop floor should prevail in order to ensure skills transfer and lasting capacity building takes place in the area of rolling stock manufacturing.

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As a committee, we undertook an investigation into investments in localization strategies, in this regard, we made observations that Transnet supports beneficiation through the localization process, whereby local steel production, further processing including manufacturing and machining projects are supported. Total spend to date on localization efforts is estimated at R1, 4 billion with about 5 712 jobs created through the build programme for the current financial year alone.

Unlike Transnet, South African Express has experienced some challenges like financial instability and operational inefficiency which confronts the regional carrier and led to some aircrafts being grounded as a result of non-compliance with aviation standards. These challenges must be addressed decisively if the airline is to achieve its core mandate of making a meaningful contribution towards economic growth and the realization of government's strategic objectives.

The ANC welcomes the finalisation of the whole of State Aviation Policy Framework to bring alignment and synergy among state owned airlines; South African Express, South African Airways and Mango. This rationalisation and the achievement of the 2020 vision is required in order to improve performance and address issues of loss

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making routes and reliance on government for financial support. The committee will closely monitor this process.

The Alexkor linked Richtersveld Land Restitution Claim is one that needs to be treated with utmost care and sensitivity as it impacts on the lives and socio-economic conditions of the people of Richtersveld. The department must ensure that the R45 million owed to the Community Property Association is paid through the correct structures to benefit the affected communities by investing in their educational programmes, entrepreneurship and social development.

The conflict and misunderstandings that has characterised this matter has continued for far too long. In commemoration of Isithwalandwe, comrade Oliver Reginald Tambo, we encourage all the affected parties to espouse his spirit of unity and work together to decisively resolve the issues and restore social cohesion in the area.

Minister Brown and Deputy Minister Martins, you will always have our support as the portfolio committee and we call on you to ensure that all the recommendations of the Presidential Review Committee on State Owned Companies, SOCs, relevant to the department in particular the remuneration standards of State Owned Companies are implemented.

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The need to conduct strict oversight over all the companies cannot be overemphasised, if we were to ensure they effectively execute their mandates.

Once more, as the ANC we have all the reasons to support Vote 9 of the Department of Public Enterprises.

*Tshivenda:*

Vho-Ndo livhuwa.

Mr E J MARAIS: Chairperson, I want to start on a positive note and a word of congratulations to the DA with their excellent win yesterday in the Beaufort West by-elections. Well done. Fore grounded by the NDP, National Development Plan, the objective is to eliminate poverty and reduce inequality by 2030, which is a mere 13 years away. There has never been a need for more haste to rescue South Africa because under the ANC leadership for the past 23 years, South Africans have been left with empty promises, lip service and hopelessness.

If we simply allow them to continue hijacking South Africa at every opportunity available to them what will the state of our nation be in 13 years' time? It is a chilling realisation and I can

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confidently say, the people of South Africa have had enough and are not as ill-informed as the ruling party believes. More and more of our people are realising that the DA is the only party to reignite hope and inspiration and has the will to build a better future for all in South Africa. The Western Cape, Tshwane, Nelson Mandela Bay and Johannesburg have already become testament to this. The aim of this department is to drive investment, productivity and transformation in the Department's portfolio of State-Owned Enterprises to unlock growth, propel industrialisation and most importantly, to create jobs and develop skills.

House Chairperson, how prosperous would South Africa be if the ANC government placed as much effort into proactively achieving this essential aim as they do in protecting the personal pockets of a selected few? There now exists an urgency with which this department needs to function optimally and is not simply reduced to ink in government publications to create a facade of improvement while tax payers money is misappropriated, misused and frankly violated to the detriment of the South African people. House Chairperson, can the ANC in this House truthfully and in good conscience tell the people of South Africa that the R266,7 million allocated to this department for the 2017/18 financial year will be constructively used to give

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effect to the NDP so to achieve the essential aim of creating jobs and providing skills development?

House Chairperson, I pose this question because this is the nature of interrogation from our constituents and because the DA believes in shared prosperity for all South Africans, we have a constitutionally mandated duty to answer them as a considerable amount of South Africans see the DA as the only alternative to the ANC. House Chairperson, it is stated that clear transparent governance combined with stable leadership, will enable state-owned enterprises to achieve their developmental potential. However, this has not been the case. It came to light in April 2016, that the suspended CEO, Chief Executive Officer, of Denel has been officially fired without being found guilty of any misconduct. The timing of his discharge is suspicious and lends credence to the notion that his dismissal was linked to his refusal to broker arms deals with the politically connected Gupta family.

The CEO, Mr Saloojee, the CFO, Chief Financial Officer, and a group company secretary were suspended in September 2015 while the board examined a number of allegations related to irregular acquisitions. However, it is widely speculated that the suspension of these three officials was related to the creation of the new company Denel-Asia

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and the proposed joint venture with VR Laser Asia, a Gupta linked firm. Denel have been in hot water for these dodgy joint venture which has direct links to Duduzane Zuma and the Guptas. Treasury has finally put this deal to bed after many months of back and forth between Treasury and Denel. However, Denel was appealing this decision.

Chairperson, if I may, I also urge Minister Lynne Brown, to be mindful of her oath, the plight of the most vulnerable South Africans, the urgency with which we have to collectively rescue South Africa. This is because our country is dying at the hands of a selected few protecting one, our youth are hampered by hopelessness, the world has lost confidence in the once great rainbow South Africa and we find ourselves in a national despondency. While still in a position to bring about real positive change, I ask you to prioritize the over 55 million South Africans suffering due to patronage politics. I thank you.

*IsiXhosa:*

Nks G N NOBANDLA: Hayi andiboyiki.

*English:*



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Chairperson, hon Minister and Deputy Minister, hon members, Chief Executive Officers, CEOs, the management of our state-owned entities, our distinguished guests, ladies and gentlemen ...

*IsiXhosa:*

... molweni mawethu.

*Setswana:*

Re le seboka sa mokgatlho o o eteleletseng pele puso, re atlegisa le go ema nokeng tekanyetsokabo ya borobongwe ya Lefapha la Dikgwebo tsa Setšhaba.

*English:*

Chairperson, 2017 has been declared the year of Oliver Reginald Tambo and I would like to quote him when he said:

Comrades, you might think it is very difficult to wage a liberation struggle, wait until you are in power. I might be dead by then. At that stage, you will realise that it is difficult to keep the power than to wage a liberation war.

People will be expecting a lot of services from you, you will have to satisfy the various demands of the masses of our people. Be prepared to learn from other people's revolution...

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*Setswana:*

... re bua le ka bona bo maganagobuswa bano.

*English:*

This is appropriate in a sense that the masses expect good governance from us, even the opposition. We must not repeat the mistakes that the government of the apartheid era did, like Absa being loaned R2,6 billion of the states funds and not repaying it or Eugene de Kock's fraud cases and many others. Chair, the mandate of Eskom is to provide electricity in an efficient and sustainable manner, including its generation, transmission and distribution and sales. Is Eskom fulfilling this mandate?

*Setswana:*

Modulasetulo, karabo ke ena:

*English:*

Eskom's financial and operational performance also needs to be commended. So far, the State Owned Enterprise, SOE, remains profitable and sustainable.

*Setswana:*

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Re le mokgatlho wa ANC, re solofela, ebile re na le tshepo gore Tona le lefapha ba tla dira sentle go siamisa ditshiamololo tse di leng teng mo komponeng e. Modulasetulo, ke rata gore re ipotse gore ke go reng maloko a ka fa molemeng ba tlhola ba re digile mowa jaana ka dikompone tse tsa puso; go reng ba sa bue kgotsa gone go opela ka dikgwebo tse dingwe tse di gwebang le puso gone mo Eskom?

Mo morago ga letsatsi, maikaelelo magolo a modumo o o tsositsweng ke gore, Eskom le tse dingwe tsa kompone di rekisediwe bangwe ba dikgorane tsa bone. Ka go re jaalo ra re: Le fa o ka e buela lengopeng, magakabe a go bona.

*English:*

The departments budget decreased by 6,4% which is R268 million in 2016-17 to R246,7 million in 2017-18, and therefore hope that the department will be able to make due with what they have, and we are behind you. Let me say that, as the organisation, we will not be distracted, detracted and deterred; all the ds that you can find, from our mandate of creating a better South Africa by people who think they know what is best for us, but were unable to recognise that more than 30years ago.

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We will not be swayed into believing their false pretences of a sudden consciousness. What is that? Let them practice that consciousness within their structures first, by bringing to book those who are still harbouring the spirit of racism within them. We will not be dictated upon by the wolves in a sheepskin to sell out our hard earned freedom and our country. Our land!

Chairperson, I for one am a product of those men and women who gave up their lives, their youth, their families and loved ones so that I today I am able to stand before you in this august House.

*Setswana:*

Bo mama Ruta, ntate Oliver, bo malome Kotane, bo mama Charlotte Maxeke le ba bangwe ba le bantsi. We will not be moved!

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members! Hon members, let us not drown - now, who was in Germany when one was in Italy or somewhere? Hon members; hon Mazonne and hon Radebe, can we continue our discussion from outside. Continue, hon member!

Ms G N NOBANDLA: Chairperson, I and all the other ANC members, we will not be moved!

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*Sesotho:*

Diya ha Mahlatsi di ya ka bohlae. Nna, ha ke Pitse-mpe se raha monga yona. Ha ke motjodi o tono se se phatswa.

*Setswana:*

Modulasetulo, lefapha le filwe maikarabelo go diragatsa maikarabelo a mokgatlho mabapi le taolelo ya setšhaba. Ke rata gore a re ba rotloetseng go dira tiro ya bona, re ba thekge; re ba thuse gore ko bofelelong rotlhe re le maAforikaborwa re tle re nne le maungo go tswa mo dikomponeng tse. Ka gorejaalo ke botsa gore, madinyana a marabe a bakwa ke eng? Ke bo medubaduba fela, bo masenya diagela, le ba bone. Poloko ya Aforikaborwa e go ANC. Modulasetilo, ke batla go buwa le motl Rawula.

*English:*

In his absence, I would like to say to him that, he must attend the portfolio meetings. He cannot just listen to the radio and TV and come and speak on our issues. Hon Singh, you are part of our committee and you are part of the people who are supposed to do oversight visit on these SOEs. So, I'm surprised about what are you saying when you say that oversight visit is not done? Are you not part of us?

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*Setswana:*

Motl Shelembe, fa e le go dira ditheo poraefete, lo ka se bona, lo ka nona.

*English:*

Hon Mazonni, we know that you have a very intimate relationship with Eskom, we are therefore not surprised. So, you will not get into that issue. That issue is for you and Eskom, and your relationship.

*Setswana:*

Modulasetilo, ka mafoko ano ke rata gore, re le mokgatlho, re ema nokeng Tona ya Dikgwebo tsa Setšhaba.

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon member, I was advised that translation is not available today. So, I just thought that I needed to advise the members.

Ms G N NOBANDLA: Okay!

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Order, hon members! Nobody said that it is not an official language. However, I was just advising members that there is no translation.

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Mr G S RADEBE: Chair, I am standing on a point of order!

The HOUSE CHAIRPERSON (Ms A T Didiza): What is the point of order?

Mr G S RADEBE: The point of order is that, these hon members are slumbering here. They are not even using this translation mike. So, how do they say that they are not translated? They are not even using it!

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Radebe, that is not a point of order! Order! [Interjections.] Hon Chief Whips of the parties, can you please bring order to your members! Please round up, hon member!

Ms G N NOBANDA: Okay! On that note, hon Chair, we as the ANC support the Minister and this department, to ensure that the mandate of the ANC is reached.

*Sesotho:*

Ha e lale. Dikgomo! [Mahofi.]

The MINISTER OF PUBLIC ENTERPRISES: Hon Chair, I would like to thank the hon members for their participation. Under your leadership, hon

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member Rantho, I particularly wanted to thank the ANC delegates, today. I was, in fact, going to complete my speech but the ANC has covered everything in terms of my speech. They prepared for this debate. Thank you very much. [Applause.]

I don't want to be unfair and only respond to the ANC, because that is where the content lies today in this debate. [Interjections.] I can say to you - I mean, look - this study group and portfolio committee gives me a hard time, so I owe them nothing. They owe me nothing but they understand the role that state-owned companies play in this country. Today, the hon member Marais says the youth are hopeless. Let me ask the youth who are beneficiaries of the state-owned companies to rise. [Applause.]

HON MEMBERS: Malibongwe! Malibongwe!

The MINISTER OF PUBLIC ENTERPRISES: Hon members, I say to you that this is just a sample of the training that takes place for young people in this country. Were it not for our state-owned companies, we would not have the cadets, engineers, trainee engineers and specialists that we have here, today. [Applause.] They would not come from Mpumalanga, from Limpopo, from the North West, the Northern Cape. They would be stuck in Gauteng and the Western Cape.



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They come from all over the country. They number more than 10 000 over the last couple of years, and they've been trained by ... That must give you hope.

If I listen to what the opposition has said here, I would have liked to say, dear members, I will take cognisance of what you have said, but they have said nothing about the state-owned companies.

[Interjections.] They are actually trying to derail a more than R1 trillion asset base that belongs to the state, that the state can use to develop its people.

Regarding the continued call about Eskom, that the whole of Eskom belongs to the Guptas, let me make it very clear and let me repeat it: We and the Deputy Minister have said that the investigation we are going to have will include the Guptas' and every other coal mine in the country. You must know that, as I stand here today, 90% of all the resources in this country are given to us by white companies, not black companies.

You know, the issue is that the majority of people in this country are black. The economy is in the hands of a small group of people and this is what they are scared of - that we might, today, radically transform this economy, and so they say it's in one

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family's hands. I will not allow it in one family's hands, and the ANC will not allow it.

Let me tell you a story about V R Lazer. You come here, today, to say that these people were fired because of V R Lazer. Do you know? Do you know that V R Lazer has been in the Denel camp for more than 15 years? [Interjections.] For 15 years, so do not you be economical with the truth here!

Ms S P KOPANE: Chairperson, on a point of order: I would ask the Minister not to shout at us. Could she lower her voice?  
[Interjections.]

The TEMPORARY CHAIRPERSON (Ms A T Didiza): Hon member, that's not a point of order. Proceed, Minister.

The MINISTER OF PUBLIC ENTERPRISES: Let's see if you ask me a question when I walk out of the House. [Interjections.]

The TEMPORARY CHAIRPERSON (Ms A T Didiza): Order, members! Can we allow the hon Minister to conclude?

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The MINISTER OF PUBLIC ENTERPRISES: I want to use this opportunity to thank the hon Deputy Minister, Ben Martins, who is no stranger to this portfolio, for his incredible support over the last six weeks. Thank you very much. [Applause.] I want to thank the director-general and his executives.

The TEMPORARY CHAIRPERSON (Ms A T Didiza): Please round up, Minister.

The MINISTER OF PUBLIC ENTERPRISES: You know, the director-general has to steer a very complex department. It's not an easy department to run. We don't make tyres.

The TEMPORARY CHAIRPERSON (Ms A T Didiza): Round up, Minister.

The MINISTER OF PUBLIC ENTERPRISES: We actually have to manage people who are managing themselves.

I want to thank the portfolio committee, and especially, a mentor who is sitting in this room today, Dr Mhe Lesia. I am most grateful that Mhe has come to listen to me today. [Applause.] Mhe has been a mentor to me and the Chairperson here, since we were about 18 years

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old. So, ladies and gentlemen, thank you very much, family, friends and guests in the House. [Time expired.] [Applause.]

The TEMPORARY CHAIRPERSON (Ms A T Didiza): Thank you very much, Minister. Hon members, this was, indeed, a very interesting and robust debate, even though, at times, it became more than robust. Thank you very much. I want to thank the guests in the gallery who were very, very disciplined. Thank you very much.

Debate concluded.

The mini-plenary session rose at 16:09.