

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 1

WEDNESDAY, 7 JUNE 2017

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 15:03.

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

QUESTIONS FOR ORAL REPLY

CLUSTER 5: ECONOMICS

Question 87:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Speaker, I repeat, when there is a question of who is that, it is me, Lindiwe Zulu. [Interjections.] I am the Minister of Small Business Development. [Applause.]

The SPEAKER: Order, hon member!

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 2

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Speaker, I thank the hon member for the question and upfront, in celebrating Oliver Tambo, I would like to indicate the steps that the department intends to take in practice to provide the majority of black persons ... My three years experience in the department has clearly indicated to me and everybody else that black people would like to work and create wealth for themselves as much as everyone else, as citizens of the country.

I would also like to say that OR Tambo worked very hard for us to get South Africa to where it is today. Therefore, what the ANC stands for right now is to make sure that the struggle and that life which was spent by OR Tambo ensuring that we have the South Africa we have today, will be continued by the government of today. That includes me as the Minister of small and medium enterprises, as well as co-operatives.

I would also like to say, upfront, that it is very difficult for the majority of our small and medium enterprises, and co-operatives - particularly those that are black; that are women owned; and that are youth owned - to enter into the space

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 3

because the economy of South Africa, whether we like it or not, was locked long time ago, allowing only a few to flourish.

Therefore, this department of Small Business Development, especially in the current year, is targeting 641 beneficiaries to the value of R256 million for Black Business Supplier Development programme and the Co-operatives Internship Scheme has targeted 302 beneficiaries whose projects are valued at R78 million.

The Enterprise Development Incubator programme is allocated R49,7 million. The national Informal Business Upliftment Scheme is allocated R99,4 million for the current financial year. The Small Enterprise Development Agency, Seda is allocated R743,1 million in this financial year.

I would like to say upfront, that this is a far cry if you consider the kind of demand and assistance that our people need overall to make sure that they earn their living through growing their businesses, but also ensuring that their businesses are successful. As part of our ambitions to bring in the majority of black persons who have been excluded from the economic

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 4

activities during the apartheid years, the 2019 aspirations that we set ourselves to realise are: to ensure growth in the contribution of SMMEs to GDP from 42% to 45% because this is what we see globally - the contribution of small and medium enterprises to the GDP in developed countries is quite high, including in the African continent; and increase the number of SMMEs and start-ups from 2,5 to 2,56 million.

I must say that start-ups in South Africa are the ones that suffer most and in particular, those that I have indicated - the previously disadvantaged. They do not have the money and access to finance. Therefore, many of them end up depending on access to finance and nonfinancial support only through government programmes.

We will co-ordinate the R15 billion in small business support in various pockets of government to ensure a greater return on investments. This is very important for us as the department because we are aware of the fact that, in almost all the departments, some budget which is targeted at supporting small and medium enterprises sits there. Therefore, when we see

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 5

R15 billion expenditure by government, we see this as an opportunity and we will co-ordinate and make sure that other departments give small and medium enterprises an opportunity. Thank you, hon Speaker. [Time expired.]

Xitsonga:

Nkul X MABASA: Xipikara na n'wina Holobyenkulu Zulu, hi ri karhi hi tekela enhlokweni leswaku leyi i nh'weti ya vantshwa ya Khotavuxika na ku tsundzuka leswaku vantshwa hi vona va khumbekaka swinene hi ku pfumaleka ka mitirho, xana mi ta tiyisisa njhani leswaku vantshwa va kota ku pfuneka ku fikelela ntshuxeko eka swa ikhonomi?

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Speaker, the month of June is very important not only to us as the Department of Small Business Development, but also to all South Africans. I have been speaking to young people as far as I possibly could, and this is what I have had to say to them. The generation of 16 June 1976 did what they were supposed to do, and that was to liberate South Africa politically. I have said to young people, nobody can take that away from the 16 June 1976 generation, many

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 6

of whom sit in this House and in particular this side of the House.

I say to the young people of today, we have delivered and ensured that South Africa is free and democratic, and has the relevant institutions to defend that democracy. What the young people of today have to do is to do what the 16 June 1976 generation did, but focus on economic transformation and take advantage of all opportunities that are presented by this government. It is for this reason that we boldly introduced a system of mainstreaming of programmes to ensure that 50% of our products support enterprises in township areas; 50% to women-owned enterprises; 30% to youth-owned enterprises; and 30% to enterprises operating in rural areas.

In this financial year, we are planning greater emphasis on youth-owned enterprises. We would like to call on all departments to not only just celebrate young people today, but to open up the value chain of the opportunities so that youth-owned enterprises begin to feel that they are becoming part and parcel of the mainstream economy of South Africa. I thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 7

Ms D CARTER: Minister, junk status and the economic recession are conditions that are not conducive to small business development. I would like to take you to the travel agency industry this afternoon. The travel agency industry is a multi-million if not multi-billion rand industry which gets business and government tenders. However, travel consultants that ticket R1,5 million a month are more than capable of actually going on their own.

The industry and those capable include youth and women, including black women who really do have capabilities to go on their own. However, the requirement set is so high and those requirements can only be achieved by multi-billion rand companies. For example, to get a license, they need a licence or deposit which needs to be paid with a minimum of R250 000. If they make R1,5 million turnover a month, they need a credit card with that R1,5 million credit available. It is almost impossible for previously disadvantaged people to ever get to that level. What can we, as government, do to assist our capable agents to enter the space that is run by multi-billion rand companies and even get government tenders? Thank you, Speaker.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 8

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Speaker, one of the reasons why, as government in general, we are looking into the structure of the economy of South Africa; and why we are looking at decentralisation of the economy of South Africa is to basically make sure that we create the conducive environment for the travel agencies that you are talking about. I am aware that not only our department - one of the things that I am very much aware of is what the Department of Tourism in particular ...

We just came back from the Tourism Indaba which took place in Durban. Travel agencies which were exhibiting at that indaba clearly indicated that government needs to do more but it cannot just be government alone that does more to open up that space. We cannot also run away from the fact that travel agencies in the main deal with tourists that come from all over the world. My experience in the department is that most of the travel agencies and particularly the white-owned travel agencies which have always been there have a very strong network which is very difficult to be penetrated by black-owned travel agencies.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 9

Therefore, we believe that, first and foremost, working together with other departments, we need to make sure that both legislation and regulatory environment become conducive for them. But also, it is about using the current agencies that are actually making it because the number of tourists in South Africa is growing and that means the opportunities for those travel agencies will also probably grow. Therefore, we need to break this monopoly of that sector.

Thank you for the question, hon member. I am also aware that part of the European visitors who come to South Africa also demand so much from the travel agents and rightfully so because, when they come to South Africa, they want to make sure that everything is done in order. But, as a department, we believe that this is not the area in which we must work alone. It is the area wherein we have to work with all the other relevant departments to make sure that we simply create a conducive environment for travel agents across the board to enable them to take advantage of what I can call a 'bumper crop' of the number of people who come to South Africa.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 10

I have realised that one of the weaknesses in the system is that many travel agencies, especially our own, have language problems. Of the many people who come from the African continent, some are French speaking while others speak something else. I can see that the Chinese come to South Africa a lot. When I was addressing some of those travel agents in Mpumalanga, I said to them:

You must not behave as though life begins and ends here.

You need to look for all other opportunities so that when visitors or tourists want to come to South Africa, they can feel the comfort and can also communicate with you better.

Thank you, hon Speaker.

IsiXhosa:

Nks N V MENTE: Mphathiswa kukho izinto ezibulala ushishino lwabantu baseMzantsi Afrika, ingakumbi abantu abantsundu ezifana nokurhwebelana namazwe angaphandle, ingakumbi ezivela eChina nokuvela kwamadederhu eevenkile ezindawonye (Malls). Ingaba Mphathiswa ukunye noMphathiswa woRhwebelwano noShishino ninawo

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 11

kusini na umgaqo-nkqubo wokuqinisekisa ukuba oosomashishini abasakhasayo bakhuselekile kwiimpahla ezinexabiso eliphantsi ezivela kumazwe angaphandle ezifana nemicinga yokuvungula, iibrashi zokuxukuxa amazinyo nezinye izinto ezincinci abathi bakwazi ukuba bazivelisele ngamandlana abanawo?

Okwesibini, lama dederhu eevenkile afika abulale oosomashishini abasakhasayo abasele beqhuba iziphaza nezikroxo zokuthengisa utywala (tarvens) kuquka naba baneevenkile ezinkulu ezilokishini (General Dealers). Ingaba ninawo kusini na umgaqo-nkqubo wokukhusela aba somashihini?

Okokugqibela Mphathiswa, kule minyaka mithathu ulapha kweli sebe ingaba unawo kusini na amanani okanye uluhlu lwabantu onokuthi ulukhankanye owathi walunceda ezilokishini? Ungakwazi kusini na ukuba usikhombise iivenkile ezinkulu onokuthi zama ngenxa yokungenelela kwakho? Enkosi.

English:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Thank you very much hon member for your question. I will start by saying that it is

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 12

very important for us to have common understanding when it comes to the issues of the malls. As the department, we have identified this as a very serious problem particularly because malls are replacing your old general dealers. To that effect, we are having discussions with relevant departments but we think our focus must not just be at departmental level. Our focus must also be at the local and provincial level because most of these licences for the building of the malls are given at that level.

I can just make one practical example. In Welkom for instance, we had a discussion about an upcoming mall and I said: Look, we are here as the Department of Small Business Development supporting small and medium enterprises and informal sector some of whom are selling something like this. We said the problem is that, if you go to the mall currently, you will not find this. If you find it, it is at a price that is unbelievable because the women who are producing this do not have the opportunity of direct supply. There is somebody in-between who has to do that.

Therefore, as a matter of principle firstly, as a department, we believe that the whole issue of the malls that are cropping up

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 13

everywhere including even in the most rural areas, have to come to a stop. The only way that it can stop will not be by us, as the department alone. There has to be an understanding on the side of government in all the three spheres of government that, if you don't stop this, jobs are being taken away from our own. Opportunities of building their own businesses are not going to happen.

Lastly, we also think that we must engage those which already exist. What is happening is that people are unable to pay the rent at the malls. Therefore, we believe that it is our responsibility to engage. Again, I'll go to Welkom because it is at Welkom where we engaged some of the producers of this. Now, you'll find them in certain areas of the mall but unfortunately, the rent that they still have to pay is very high. We therefore believe that the engagement in turning that whole thing around needs government overall.

We'll gladly submit to you the statistics regarding almost all the people we have helped. Remember, when I was answering hon Mabasa, I spoke to the national informal upliftment strategy

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 14

that we have and how much money we are giving. This is one of the most critical areas for us because we must stop the majority of our people who are selling out in the streets from being pushed around and not given space to work. Let us then engage at provincial and local level to make sure that, that space is created for them. However, it is not about creating just an empty space. It is about ensuring that they have all the necessary facilities just like you would find when going to other places.

Therefore, we will submit to you the statistics of the people we have helped so far. I must say to you, upfront, as I said earlier, that it is still a far cry when you think of how much people need to be assisted. It is the local economic development structures as well as the provinces that we must engage to make sure that our plans are implemented. We are at head office and are not like other departments which have provincial connections. Therefore, we are linking very much with the MECs for Economic Development and local development offices to make sure that, what was raised here is the way to go if we are to support small and medium enterprises. I thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 15

Ms S J NKOMO: Madam Speaker ...

Xitsonga:

... "hi khensile boti Mabasa" ...

English:

... for such a highly informative and charged question. It could only come from one of my own. [Interjections.]

Xitsonga:

Hi khensile, Holobye.

English:

Hon Minister, how will your department be targeting the specific industries that are causal to the recession the country finds itself in, with respect to the promotion of entrepreneurs in this industry, specifically the trade and manufacturing sector? Thank you.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Speaker, we are very conscious of the effects and impact of our current economic

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 16

challenges. The first thing that we did immediately when we realised that, as the department we decided to form a team that was going to look at the impact on small and medium enterprises. We are hoping that ... We must do a short research but something that will give us the facts and the figures as to how exactly that is going to have an impact. But we also believe that, collectively as a government, we really have to do everything we can to make sure that we turn around the misfortunes right now. If we don't do that, the people who will suffer most are the small and medium enterprises that you are talking about including the co-operatives. Also, having done that work, we must then be able to develop mechanisms to cushion them from what is happening.

I think that once that report comes out, we can be able to come back and say, this is the plan that we have in place. But overall, what we think needs to happen is the understanding of the importance of small and medium enterprises, and co-operatives in general, not just what we believe as the department, but the general understanding of their importance with regard to addressing poverty, unemployment and inequality.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 17

This is a task that needs to be carried by all the departments. By the way, we have also included Treasury in this discussion that we are having around the impact so that there is an overall discussion that will help us to develop systems and mechanisms to assist us.

Small and medium enterprises must not just sit back and say, well the economy is not looking very good. I know, as a matter of fact, that many of them are doing the best that they can to take advantage of all opportunities so that they can be able to grow. I thank you.

Question 89:

The MINISTER OF RURAL DEVELOPMENT AND LAND REFORM: Hon Speaker, the strengthening of Relative Rights of people working in the land is currently implemented as a pilot programme and the target was to deliver 50 projects by 2019. To date, the department received 91 applications from farmers in particular, thus commercial farmers, and 20 have so far been approved and 11 of them are operational already. These projects have to date leave out 11 303 hectares, benefitting 606 farmworkers who have

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 18

become like Mr Nduli was saying, owners and managers of the farms, their challenges, too many challenges. The first one is that capacity of farmworkers is a key development challenge. We have engaged the National Empowerment Fund and they are helping us in this regard, in deal making and training farmworkers, particularly in business management, governance, marketing, balance sheet reading, trade and market analysis. The programme will hand forth prioritise training of farmworkers along these lines. Lastly, yes, that's covered. Thank you, hon Speaker.

Ms P C NGWENYA-MABILA: Hon Minister, viewing the challenges that have been experienced with regard to the implementation of the Strengthening of Relative Rights, SRR, what plans have been put in place to address those challenges, and also in this financial year, is the programme going to be rolled out to other areas? Thank you.

The MINISTER OF RURAL DEVELOPMENT AND LAND REFORM: Hon Speaker, as I said earlier, the National Empowerment Fund is our partner. They had once who have been training but because the volume of work is increasing, we have now discussed, we have entered into

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 19

an agreement with Industrial Development Corporation of South Africa, IDC, and Land Bank to join the training team. That's really the crux of the response, Chair. I must say, Chair, that in some instances, we are finding that part of the challenges is a cultural one, more than being the technical and managerial skills et cetera because you have this old culture that the farmworker is just been a labour on the farm but now we have a company that's own by farmworkers and the former owner of the farm in some instances and those now are the owners of the business on the land because the land belongs to the state. So, this is a cultural thing that they use to being bosses, others being just employees. Thank you very much.

Mr K P ROBERNSON: Hon Minister, the most pertinent question to land reform has been asked by the nation today is who beneficiaries of land reform ever get to own on land? Minister, you are talking about this pilot projects. Do these pilot projects as referred to, transfer ownership of land to beneficiaries, if not, when will the land ownership be transferred? Thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 20

The MINISTER OF RURAL DEVELOPMENT AND LAND REFORM: Hon Speaker, I have raised this question before in this House, I repeat. It is a matter which the opposition keeps coming to. The opposition thinks that ... The DA, I am talking about the DA. The DA thinks that you can only do business if you own the land. We own the land as the state. The reason they want it Speaker, I can tell you why, because they own the banks. [Interjections] When our people are unable to service a loan then the banks reposes the land. We are not going to allow that until our people are firmly on the ground, they can manage that, we will own the land. Thank you. [Applause.]

INKOSI R N CEBEKHULU: Hon Minister, what is your department doing in order to address the increasing consolidation of farms into larger units of ownership as this is skewing the distribution on income amongst the few rather than many in this sector?

The MINISTER OF RURAL DEVELOPMENT AND LAND REFORM: Hon Speaker, that's a big question because with the regulation of Land Holding's Bill. Thus coming to this House soon because we have

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 21

now done the public comment stage. We have received 300 objections to that Bill. It is actually addressing this question. That's a ceiling, people are objecting and the owners of land in South Africa today are objecting to the ceilings. Our people are saying; the large scale viable commercial must not be more than 5 000 hectares. We have people, individuals and businesses for institutions that own vast stretch of land. That's where the challenge is now. That Bill is coming to this House. We are hoping that it will be supported in this House so that our people can get the land because the land above those ceilings will buy and distribute to our people. Thank you.

Mr M L W FILTANE: Hon Chair, of the over 600 beneficiaries, hon Minister, how many have shown indications of a clear economic impact, which is on the positive to show that they are really benefiting from the programme? Also, would you kindly consider using that opportunity for placing the unemployed agricultural graduates as technical support to those farmers because we all know that in a number of cases, the farm owners or previous farm owners do not always prove to be honest partners and we have a

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 22

large pull of graduates who need employment and who can learn technical support to those farm dwellers? Thank you.

The MINISTER OF RURAL DEVELOPMENT AND LAND REFORM: Thank you very much, hon Filtane. That's what we are learning as well. It's true; we are going in that direction. Thank you, sir. Thank you, Madam Speaker.

Question 95:

The MINISTER OF TRADE AND INDUSTRY: Madam Speaker, first of all on the process in terms of the regulations - the Public Finance Management Act and Treasury Regulations - the National Treasury in 2015 approved that the Department of Trade and Industry could create a transfer payment line for the black to support activities of the Black Business Council. Over the last three financial years an amount of R7 million was allocated under this line as appropriated in the Adjustments Appropriation Act. R5 million of that was appropriated in the 2014-15 financial year, R1 million each in 2015-16 and 2016-17.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 23

These amounts have been reported in details in the last two annual reports. The border background is that in the recent past organised business was fragmented in South Africa and the Department of Trade and Industry played a facilitated role in the major of business structures to form business unities in South Africa. The formation of this was important to government because it created a platform for government to engage more unified business community.

As part of this we committed to fund business organisations during the run-up to the establishment of Business Unity South Africa, Busa, and in fact, an amount larger than we've dispersed to Black Business Council, BBC. In 2011, Busa split and the department deemed it necessary to continue to provide funds and support to organise business now in the Black Business Council. As a new formation they carried the interests of its membership and were directly linked to the economic transformation mandate of the Department of Trade and Industry.

On the back in this the BBC approached the department to present areas of collaboration and requested funding for specific

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 24

projects that relate to black economic empowerment and the then developing Black Industrialist Programme. Before any consideration for funding was made, the department requested the BBC to present a business plan details in projects and costs. Thank you very much.

Mr D W MACPHERSON: Hon Speaker, through you to the Minister, after the explosive revelations contained in the Guptaleak emails, which detail the capture of the state by this dastardly family, do you not agree with me that it is highly unethical and morally wrong to fund an organisation like the BBC, which for all intents and purposes is a front for the Guptas to attack Treasury, which they have done through puppets like Jimmy Manyi, with public funds, considering they have no clear deliverables or requirements in return for the money and have no audit trail for that money? Minister, will you publicly apologise today for this transfer?

The MINISTER OF TRADE AND INDUSTRY: No need to apologise because I don't think there's anything to apologise for. The BBC was required to provide reports on the funding which has been

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 25

dispersed to them and also to provide audited financial statements. Therefore, I am satisfied about the money which is, in fact, very small amount of money, which was used for purposes that also coincide with the mandate of the Department of Trade and Industry and that it is not being used for any unwarranted purposes. Thank you.

Mr J A ESTERHUISEN: Hon Speaker, through you to the Minister, in your own words you said: "We want to make sure that we are targeting the right kind of people. A dedicated forum of officials will be created that will be responsible for funding or sponsoring decisions. We want to make it very clear that this is not an opportunity for someone who is ... [Inaudible.] ... connected to manufacturing. Minister, on what substantive basis then did the BBC qualify for this R7 million sponsorship if the money was not yours or the Department of Trade and Industry's to give, but the taxpayers'? Thank you.

The MINISTER OF TRADE AND INDUSTRY: First of all I think that this was a subject for approval from the National Treasury, it is not the first time as I was pointing out that the Department

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 26

of Trade and Industry has supported business organisation in South Africa around a specific projects. The quotation that you are referring to, I was speaking about the Black Industrialist Programme, the BBC helped in the preparatory work for the Black Industrialist Programme. However, I am very happy to be here with you stand up and hold my head high and say that everybody who have approved under the Black Industrialist Programme is really industrialist contributing to the development of the real productive economy in this country. Thank you very much.

Mr I M OLLIS: Hon Speaker, on a point of order, our hon member Cachalia has pushed his button very rarely and you are purposefully ignoring him. Why are you doing that?

The SPEAKER: Why I do that is that I don't take two people from the same party following each other. I move to the next party and, therefore, I call upon hon Khubisa from the NFP.

Prof N M KHUBISA: Hon Speaker, through you to the hon Minister, I wanted to find out whether there are any other councils, provincially and locally, that you have funded as a department.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 27

Are there specific areas that you focused on and will they really be assisting the country? Thank you very much.

The MINISTER OF TRADE AND INDUSTRY: Well, as I pointed out in my main answer that we had previously supported organisations that became part of Business Unity South Africa. That happened in the past. If you want, that was part of the process of supporting the unification of business in South Africa around defined projects that have been carefully thought through and which are subject to the normal Treasury rules and all the requirements of reporting. Therefore, you can see the further details in our annual report. I have already said that this money has been there before. It is not the first time that we support the business organisations; other business organisations have received money, in fact, more than the paltry R7 million which we have provided in this case.

Ms E N NTLANGWINI: Hon Speaker, through you to the hon Minister, we have written you a letter and asking the beneficiaries of the Black Industrialist Programme. Since when state money is a secret and why are you simply ignoring us? Why don't you want to

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 28

answer and come back as to who is the beneficiaries of this Black Industrialist Programme? As well, Minister, shouldn't this money rather been directed to families in Khayelitsha, Langa and Thembalethu in George area rather than to give to this Black Business Council? I thank you, Speaker.

The MINISTER OF TRADE AND INDUSTRY: We recently did indicate how we will report on the recipients of the Black Industrialist Programme. There is a process where we approve a grant and then there is a grant dispersed. Once a grant is dispersed, we will report in the annual report and we will provide a list of people that have received this money. That we are happy to do and that will happen on the Black Industrialist Programme. Therefore, I think that there is nothing to hide. We are very happy to do so and I am sure that everything is perfectly above board. Thank you very much.

Ms E N NTLANGWINI: Hon Speaker, on a point of order. So, the Minister agreed that what in the next hour he will give us the list of the beneficiaries. That is what he said.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 29

The SPEAKER: That is not a point of order, hon member. We come to Question 112 asked by the hon Paulsen to the Minister of Science and Technology. The hon the Minister!

Question 112:

The MINISTER OF SCIENCE AND TECHNOLOGY: Speaker, yes, the department has research programmes that seek to address the provision and delivery of water, sanitation and electrification as services.

We don't carry out these programmes directly as a department; we do so in partnership with various research institutions, including science councils and universities, and research councils of cognate departments, such as the Water Research Commission, with respect to water. We demonstrate the technologies in partnership with the relevant line departments such as the Department of Water and Sanitation in the context of water and the Department of Energy on electrification. On successful demonstration, it is then the responsibility of the cognate departments to take up the technologies and ensure that

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 30

they spread and use these technologies in a range of communities.

We have a comprehensive water research development and innovation roadmap, which is a high-level framework on innovation in the water research and innovation domain. Under the roadmap, we have a Water Technologies Demonstration Programme, Wader, which is a partnership between the Department of Science and Technology and the Water Research Commission. Through this, we have begun to introduce the piloting of innovative technology as solutions, particularly for clean water delivery systems in a range of communities. We have allocated funding of around R140 million toward other initiatives directed at improving service delivery, particularly within rural communities through the innovation for rural development programme where R143 million has been made available to support the piloting of technologies in the 27 priority rural district municipalities.

We also have introduced alternative energy resources through piloting these in schools, using solar technology, as well as

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 31

hydrogen fuel cells. We will be installing further innovative technologies in schools in the North West Province in the coming months, as a continuation of these innovative demonstration opportunities. Thank you very much.

Mr N PAULSEN: Speaker, I thank the Minister for the response. Minister, especially in informal settlements, access to clean water and sanitation is a serious challenge. We have as many as 30 families using one tap or one toilet. Have you measured the impact of this research compared to the amount of money we are putting into it and how many people are benefiting from it? Thank you very much.

The MINISTER OF SCIENCE AND TECHNOLOGY: Speaker, I thank the hon Paulsen for the question. As you would be aware, we have been testing innovative sanitation technologies with the support of funding from the Bill & Melinda Gates Foundation in the Eastern Cape district area of Cofimvaba, and we have seen very positive take-up of the technology and support by communities.

[Interjections.] However, what would not be done by ourselves is to ...

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 32

IsiZulu:

Yebo, aniyazi ngoba anilaleli. Lalelani.

English:

What would happen would be that, should the municipality or the province believe that the technology is of a successful nature, they would then be the ones who have a responsibility for introducing it to a broader range within the community. So, ours would be to pilot, and it would be taken up beyond that.

Ms C KING: Speaker, through you to the hon the Minister: The Department of Science and Technology took the lead in the innovative partnership for rural development in the small-scale hydropower for rural electrification programme. How many rural communities are currently benefiting from this programme?

The MINISTER OF SCIENCE AND TECHNOLOGY: Speaker, I thank the hon King for the question. As she is aware, the introductory pilot was in the Eastern Cape in the area I have just made reference to, and we are expanding the programme to an area in the North West, to a number of schools. We have also begun with

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 33

introduction to health clinics in the Gauteng province, so we will be looking at further expansion.

However, our first prize is that, once there is proof of concept, it is the responsibility of the government spheres at local or provincial level to take up the technologies. We have begun to see some success with respect to the energy sector. For example, I have made reference to hydrogen fuel cells, but even with the photovoltaic solar technology, the Gauteng government is looking at it very positively with respect to their housing delivery programme. So, we are seeing now recognition of the need to pay attention to pilots that we support, as part of a proof-of-concept research initiative so that then the authority with the resources and responsibility would take on the obligation of wider introduction.

To answer more crisply, we are responding in the Gauteng province, as well as now in the North West Province, as from August this year. Thank you very much, Speaker.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 34

Mr M HLENGWA: Speaker, through you to the hon the Minister: South Africa finds itself at an economic crossroads, particularly because we also have to militate against the looming nuclear deal, a massive project of corruption that is about to befall the country if not stopped. Therefore, alternative methods of electrification are needed in the country.

Given that there is an appetite to spend so much money on nuclear, what projects are the department embarking on to innovate newer electricity-generation models to ensure that we do not find ourselves the victims of nuclear? So, specifically around electricity, what concepts are in the pipeline, and what is the vision of the department in finding those newer alternatives? Thank you, Speaker.

The MINISTER OF SCIENCE AND TECHNOLOGY: Speaker, there is a range technologies in the renewable sector that we are investing research time in. I have made reference to solar technologies because, as you know, whilst there is already some development in the solar sector, we haven't quite got to the edge of

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 35

efficiency that we need in terms of storage, in terms of provision of energy resources for longer duration than currently available. So, there are opportunities for that in the solar space.

With respect to the South African context, particularly that focus of wanting to look at how we can utilise value addition and beneficiation to respond to some development challenges, the hydrogen fuel sector, with platinum as a catalyst in that energy solution, is an area we are devoting a great deal of resources to. I also think more interest is now beginning to be paid to hydropower and what we might do there. So, what you really are looking at is developing a range of energy solutions and not limiting yourself to one.

Nuclear is part of an energy mix. It is not a sole focus of the government. So, I think we shouldn't make it more than it is. I am not aware that there is a "looming deal", as you would term it. I would think 2030 or so is not quite "looming", but since you are very young, perhaps it seems to be. From my perspective in the Department of Science and Technology, there are, I think,

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 36

many exciting areas that we should look at in innovation in the energy space. I think biomass, for example - there is hardly a conversation about it - and its conversion to energy is an exciting opportunity which also could have labour-intensive and skills-development links to it.

So, I think we shouldn't neglect the range of opportunities available as we look at what form of energy mix we should have, and certainly in our research portfolio, we have stretched as wide as is possible. Thank you. [Applause.]

An HON MEMBER: That is going to be a Rolls Royce question!

Ms J L FUBBS: Speaker, it would have been related to the earlier one. Thank you.

Mr N J J van R KOORNHOF: Speaker and hon Minister, we can all agree that innovation is the key to development and that the Water Research Commission is there to help municipalities. In light of the severe drought in the Western Cape and, in particular, Cape Town, has there been any request from the City

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 37

of Cape Town to your department to assist with possible solutions to improve the situation in future? If not, hon Minister, will you intervene and make sure that they do get assistance?

An HON MEMBER: They are building it in Saxonwold! You know that!

The MINISTER OF SCIENCE AND TECHNOLOGY: Speaker, I thank the hon Koornhof. I am afraid I would not have the detail as to the various municipalities that approached the Water Research Commission, but I am aware that the roadmap is providing assistance to a number of municipalities that are facing water challenges, including responding recently when some of our provinces confronted very serious drought.

The support being provided includes knowledge and technologies on the quality and quantity of available water resources. For example, the research has focused upon alternative sources of water, such as groundwater – what quality of water we may have in groundwater – what form of technology we might utilise to improve the quality of wastewater because there are recovery

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 38

mechanisms that might be useful. So, many municipalities are looking at wastewater management and treatment, and there are technologies available that have already been tested by the Council for Scientific and Industrial Research and by the Water Research Commission.

So, the Water unit at the Water Research Commission is looking at these different technologies and is working with municipalities to ensure that, as we respond to challenges, we actually respond through evidence-based assessments to inform the decisions that municipalities make. We are particularly excited, as the science and technology sector, that increasingly municipalities are looking for evidence-based solutions and are looking to research institutions to support them in deriving that which will inform their policy decisions.

Question 88:

The MINISTER OF SMALL BUSINESS AND DEVELOPMENT: Hon Speaker, my apologies, I didn't hear, which question you were referring to.

The SPEAKER: It is question number 88

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 39

The MINISTER OF SMALL BUSINESS AND DEVELOPMENT: Okay, thank you very much. I need my spectacles. Hon Speaker, the department is working closely with all spheres of government to ensure that an integrated approach is adopted in line with the Inter-governmental Relations Framework Act. We are also engaging with the municipalities to ensure that priority programmes are integrated into the plans and budget of the municipalities, through the Integrated Development Plans, IDPs, of the municipalities.

I would like to say that, an integrated approach to support the Small and Medium Enterprises, SMEs, as I have referred to, much earlier, is very important. I also would like to say that, as the department which does not necessarily have a direct link at local and provincial level as the other departments have, we have to work very closely with the municipalities and the MECs so that, our strategy and our plans speak to each other.

We have recently reviewed all our programmes in the department and its agencies, to ensure that they speak to the felt needs of

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 40

the public, and respond to the challenges they face, as we have enhanced our programmes in this regard. The programmes were also reviewed to focus on the co-ordination role of the department, in order to harness our collective efforts at local, provincial and national level.

I have already met with the MECs for the Economic Development of Mpumalanga, Free State, Gauteng and the North West provinces, and I will soon be meeting with the other MECs of the other provinces. I thank you.

Ms N R BHENGU: Deputy Speaker, can the hon Minister for Small Business Development explain to this august House, how does the Department of Small Business Development, in its co-ordinating role in championing the development of the Small, Medium and Micro Enterprises, SMMEs, and co-operatives, facilitate the alignment of budgets and programmes of various departments and the spheres of government, to ensure that that there is an integrated development approach to achieve maximum results by using limited resources, in view of the fact that we have to create 9,9 million new jobs by 2030? I thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 41

The MINISTER OF SMALL BUSINESS AND DEVELOPMENT: Deputy Speaker, I must upfront say that, one of the biggest challenges of creating a properly co-ordinated approach, is the fact that, many a times, the government at all three spheres operates sometimes terribly in silos, and we are of the belief that if we can be able to get a buy-in from all the three spheres of government to appreciate and understand that working together, especially because, there are systems in place that are supposed to help us, we can be able to achieve this.

The department has made contact with the district municipalities to facilitate the integration of the SMMEs and co-operative development through their planning processes. The expectation from this approach is that the various departments at all spheres will align their plans and budgets to achieve the desired results of creating 90% of the 11 million jobs by 2030, through small business and co-operatives as articulated in the National Development Plan, NDP.

Hon Deputy Speaker, the issue here is that, there's got to be an understanding that the creation of these jobs that we are

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 42

talking about, is something that we need to co-ordinate as the department, in as far as specifically supporting the SMMEs and therefore, it should not be seen to be a responsibility of a national department, but it has got to be something that is understood by all the three spheres of government.

It is for this reason that we are saying that, strengthening the local economic development offices by giving them enough budget and ensuring that the people who work in those offices are people with common understanding of what support is needed to be given to the SMEs. I thank you.

Mr R W T CHANCE: Deputy Speaker, Minister, it is clear from your appearance before the portfolio committee this morning that your department is on the defensive. In fact, we know that your department is frantically invisible to 97% of businesses in this country. Last year, your department only had contact with roughly 80 000 of the roughly 5 million businesses in this country. It's the invisibility, I might even say that irrelevance, is one reason perhaps why South Africa is now

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 43

entering recession with growth of only of minus 0,7 in the last quarter.

So, when will you recognise, Minister that your department has to step out of the narrow confines of the small scale programmes that you've been running for the last three years, and instead take a lead in calling for fundamental reforms in labour, tax policy and other incentives that are necessary to raise the growth rate to the levels where the economy can actually grow and that the small businesses can create jobs?

The MINISTER OF SMALL BUSINESS AND DEVELOPMENT: Deputy Speaker, I do appreciate and I do agree that we do need to step up in supporting the SMMEs. I do agree, and I did indicate in the very beginning when I was tabulating how much resources are in our kitty and how many of the SMMEs and co-operatives we have supported. I indicated in the very beginning that it is a far cry from what we are supposed to do to be supporting the SMMEs.

Also, may I say that I can never be in defense of something that I think is not operating. I have indicated to the portfolio

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 44

committee as we were meeting today, the areas where we have been successful and I also the areas where we have not been successful. On top of that, we also did make an undertaking as the department and the ministry that where we feel that we are falling short, we need to step up. However, about the 80 000 businesses that the hon Chance is talking about, there has to be also an understanding that it cannot just be the 80 000 businesses that is referred to, that was supported by our department.

We should look overall in the government supporting all the SMMEs and co-operatives that are supported by all other departments. We have requested that, every time the different departments are planning and are looking at the budget they have, we are asking the questions: How much of that is going to go to supporting the SMMEs; how much of that from the department are going to open up opportunities for the SMMEs in the value chain. So, I would like to say to hon Chance that, we hear you and we don't argue with you when we know that some of the things that you talk about, we do have a responsibility to make sure that they happen... [Interjections]

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 45

Mr S C MNCWABE: Deputy Speaker, hon Minister, to what extent does technology feature in the plans to develop small businesses, and what impact has the Small Enterprise Development Agency, Seda, Technology Programme, STP, in particular had, in furthering the aims of small businesses development, especially in the rural areas? Thank you.

The MINISTER OF SMALL BUSINESS AND DEVELOPMENT: Thank you very much hon Mncwabe for that question. First and foremost I would like to say that, technology is the way to go, not only for the people who are in urban areas, but also for the people who are in rural areas. So, the first thing that I would like to say is that, the creation and the access by the SMMEs to current technology, is very important for the department. Not only is it important for the department, but it is important for the SMMEs themselves.

Hence, when we talk about the STP, remember that Seda is the one that is responsible for the nine financial support of our programme. This programme is spread throughout the country in order to first and foremost say to people that, they shouldn't

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 46

be afraid of technology, and that they should make technology their friend, in order for it to make it easy for them to do their businesses.

We are also looking at the experiences of the other countries, and one of the countries from which we have noticed that technology is used very much by its SMMEs, is Kenya. We believe that, from their experience and what the STP has been currently rolling out through the country will assist in ensuring that the SMMEs grow. But at the end of it all also is that, education should be at the center of supporting our SMMEs. I agree that, the future is going to be through technology. I thank you.

Question 79:

The MINISTER OF TOURISM: Deputy Speaker, on Zithabiseni Resort in Mpumalanga the department has invested R30 million in upgrading the resort. The renovations were completed in December 2013. During the construction phase, about 200 people were employed and received accredited and nonaccredited training. The resort is currently operational and under the management of

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 47

Mpumalanga Provincial Department of Economic Development and Tourism.

On Mangwazi and Huttington Village tourism project in Mpumalanga, the department invested R10 million for the development of this accommodation facility. The facility was handed over to the Bushbuckridge Local Municipality in May 2016. In terms of the handing over agreement, the municipality is the owner of the project and is responsible for, amongst other, the management, maintenance and operations of the facility.

The department is aware that the facility is not operational and has raised concerns with the municipality. The plans afoot for Zithabiseni Lodge are that the Mpumalanga Provincial Department of Economic Development and Tourism is to commercialise the resort. About two months ago, they issued an advert looking for private sector partners and investors. The provincial department can be contacted; I have details that I can forward. As the national Department of Tourism, we do not run operations.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 48

For Mangwazi and Huttington Village, in April 2017, the department submitted their concerns about the state of the facility to the Bushbuckridge Local Municipality. The municipality has not really given us tangible responses, but we do have the contacts of the municipality. Thank you.

Mr R N CEBEKHULU: Madam Minister, were the people identified as beneficiaries of these projects approached and/or were these projects officially handed over to them as you have just mention perhaps? Were the beneficial communities consulted on identification of these projects or were the projects decided for them?

I am asking this question, Madam Minister, looking at the proximity of these projects. They are far aware from the settlements and, obviously, people find it very difficult for them to walk that distance. When we were out on oversight, not a single person of the locality ever attended when we were there. We would be sure that these are the people who are beneficiaries.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 49

It is only for the chalets that people were there, but even they seemingly appeared to have no interest in running the chalets. For them it was just an opportunity employment. What is the department doing perhaps about allowing people an opportunity to identify projects that they want to serve on or to service them? Thank you.

The MINISTER OF TOURISM: There are several categories of applications that we have been receiving as a department. Some were from individuals. As part of our application assessment, we would check on the feasibility and all of that in terms of the project. When that has been identified, we would then fund the project.

As you may also be aware indeed, some of these facilities would be next to the sea, which is far away from the actual communities. So, we would not really find a situation where there would have been a direct contact or consultation with communities. That is a historic thing. However, in terms of our projects as we would have been financing as part of our Expanded Public Works Programme, it has been now a part of our

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 50

requirements that there would have been proper consultation with communities.

We would understand the sustainability of such a project and also the long-term kind of sustainability would form part of what constitutes our funding formula. What then happens is the fact that there needs to be awareness that gets created by a product or product owner within that community. So, those depend on who owns the product: Whether it is the municipality or us, we come in at a stage where we look and see if it meets such requirements.

Due to our people's background and the lack awareness about tourism, especially in rural areas, tourism has not been as much to our standards or kind of what we would have thought of. It is still part of what we are doing to create awareness much more.

[Time expired.]

Ms E K M MASEHELA: Hon Minister, thank you so much for the replies that you have just offered. Given that the primary responsibility for maintenance and functioning of these lodges

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 51

reside with the province: What are the multiple sources of financial and regulatory support that are available to provinces and municipalities to ensure the success of tourism ventures? Thank you.

The MINISTER OF TOURISM: Learning over the years as we have been implementing the Expanded Public Works Programme which is now called Working for Tourism, we have developed a support programme where we assist municipalities through provision of training and technical support for tourism development at local level. Other support mechanisms by the department include where we provide market access and as well as grading support through our Tourism Incentive Program. We also expose staff to training programmes that are facilitated by the department. Currently, with the newly created tourism transformation fund, we will also be providing funding for operational and capital expenditure. Thank you.

Mr J VOS: Minister, according to the latest report on the Social responsibility Implementation Programme, a substantial number of projects amounting to more than R50 million have been placed on

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 52

hold as a result of poor management and also because many of these municipalities do not have the capacity to fulfil their mandates to oversee the successful implementation of these projects.

It is such a pity because these projects could have been wonderful in those rural areas to contribute to the tourism economy. Specifically listening to your response today, in those areas, tourism it is much needed. It is also very concerning that some of these projects' investigations date back to 2011. To date, the results of this audit have never been made public to Parliament or to our portfolio committee. Will the Minister confirm what is being done to get these issues resolved; and furthermore, would the minister agree to refer these cases to the Special Investigations Unit so that these monies can be recovered? Thank you.

The MINISTER OF TOURISM: Indeed, it is also our concern because when applications get made, there is every indication that the project is in line with the requirements. In terms of our report, some of those elements that we could pick up - of real

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 53

fraud and corruption - we have referred as such. However, there are those where we could see that it is a matter of having to make a decision to continue or to discontinue based on the shift.

Whether the project is still as viable or not, it is a decision that the department is still going to take. We take cognition of the sentiments and we will fast track to make sure that we finalise the matters, be able to revert back to the respective projects and also advice the committee on the results.

Mr T RAWULA: Minister, this is not only the case for Mpumalanga province. Across all nine provinces, many of these resorts were built with taxpayers' money, with budgets coming from the national and provincial government. Today they are left to municipalities to operate and maintain without necessarily providing adequate resources. It is not only resorts but also community halls and sport facilities.

Now the question is: Given that local government is allocated only 9% of the nationally raised revenue from the tourism

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 54

perspective, what has your department done to ensure that municipalities have sufficient budget to operate and maintain tourism sector in the local government?

The MINISTER OF TOURISM: Indeed, as I was trying to respond: It is not only when it comes to Zithabiseni and the other project, it cuts across as hon Vos was indicating about the other facilities we are talking about. We are building more and more on our relationship with local government to ensure that they prioritise tourism and that they also understand it.

We also give training support to be able to take up issues of tourism because it can turn their financial situation around. The matter is not leaving it to municipalities because we are not only talking about those facilities whose assets are directly under municipalities, we are talking also about those that are private facilities which are not sustainable or are not operational.

We are in a process where we are working with municipalities to really look into how we can identify areas where we can work and

develop notes through which we can then look into a packaged kind of intervention that will look into training, product development, market access and all the features that are required so that we can see how it works, be it in townships, in rural areas and everywhere in the smaller municipalities.

It is not in our reach to be able to fund municipalities, as you know the budget that we have. It is not feasible to do that but we can assist them. We can make sure that municipalities prioritise. With the work that we are doing, we think we can assist to move better.

Question 110:

The MINISTER OF RURAL DEVELOPMENT AND LAND REFORM: Hon Deputy Speaker, the number of land claims settled is 804 according to the question here, 2016-17, against the target of 615. The number of land claims finalised is 672 against the target of 454 and the number of phase projects approved is 75 against the target of 76. Furthermore, the number of claims lodged by 1998 to be researched is 1 558 against the annual target of 1 530 and

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 56

as at 31 March 2017, the number of outstanding claims is 6 607 as.

We have appointed the research unit at the University of Zululand to finalise the outstanding claims, hon Deputy Speaker. They have given us until the end of June this month to finalise that so that we could settled the rest of them. Thank you very much.

Mr N M KHUBISA: Deputy Speaker, hon Minister there is no doubt that the number of the outstanding claims is huge. However, let us go beyond the claims that have been finalised. There is no doubt that the department needs to continuously and radically change the patterns of land ownership control and management in order to make a meaningful contribution to economic growth and transformation. The question is, hon Minister: Does the department have other models of a community that is enterprising or communities that are enterprising like the Ravele community, in Makhado Local Municipality in Limpopo, that is making profit and funds university students with bursaries and sponsorship, and also basic education gives bursaries to learners in basic

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 57

education; and also employs local people as the way of ploughing back to the community. Do you have models of such enterprising communities? Thank you very much.

The MINISTER OF RURAL DEVELOPMENT AND LAND REFORM: Hon Deputy Speaker, Ravele community is presenting a unique situation. I was surprised as well when I went there three weeks or so ago. I know that on 12, 13 and 14th there is the Eastern Cape delegation from Ncorha, they saw that on television, they are going there to see how they can learn and adapt for their own circumstances. The uniqueness of that model is that the traditional leadership is chairing the Communal Property Association, CPA, instead of having this dual between the traditional council and the CPA. Therefore, we hope that there will be more of such situations moving forward. However, at the moment is an outstanding one. Thank you very much.

IsiXhosa:

Nks T M MBABAMA: Sekela Somlomo, Mphathiswa Nkwinti, owam umbuzo ulula gqitha.

UNREVISED HANSARD
NATIONAL ASSEMBLY
WEDNESDAY, 7 JUNE 2017

Page: 58

English:

Why does your department insist on patronising rural people by denying them the responsibility of title to their own land?

[Applause.]

The MINISTER OF RURAL DEVELOPMENT AND LAND REFORM: Hon Deputy Speaker ...

IsiXhosa:

Umhlonitshwa ebekhe wawubuza ke lo mbuzo ngaphambili, ndawuphendula. Mandiphinde ndiwuphendule. Siyaxoxa apha sivane nabantu ngento yokuba masibe nayo indlela yokukhusela amalungelo abantu ngokubanika iziqinisekiso zobunini bomhlaba. Sivene ngaloo nto. Ngakumbi apho bahlala khona abantu abathi xa beyibiza u-13%. Ingxaki ekhoyo yile, khumbula kaloku ukuba siza kuhamba loo ndlela kufuneka sicinge kakuhle kuba loo 13% wayezi Bantustan ingamaphandle. Abanye bababantu sele benazo iziqinisekiso zobunini mhlaba. Ngoku ke indlela esifuna ukusebenza ngayo kukuthi bonke abantu abaphaya abanemihlaba bazifumane iziqinisekiso zobunini mhlaba kodwa kufuneka sizikhusele ukuze abantu bangathi xa besiya ebhankini baboleka

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 59

imali bangakwazi ukuyihlawula, ibhanka iyothatha umhlaba.
Sixakeke yiloo ke ngoku. Enkosi.

INKOSI R N CEBEKHULU: Deputy Speaker, hon Minister it is good that you have given the figures of the claims that have been settled and those that are still outstanding. If I may ask, Minister, does the number of claims settled include the number of partly settled claims that is farms that were split up and therefore only partly processed?

IsiZulu:

UMnumzane uzasibekaphi kuleyo yomhlaba owawucelwe ukuba ubuyiswe uwodwa bese ubuyisa yena amaqanyana ahlukahlukene.

English:

THE MINISTER OF RURAL DEVELOPMENT AND LAND REFORM: The challenge here is that ...

IsiXhosa:

... ngamanye amaxesha into eyenzekayo yeyokuba abantu bayabanga abanye baphinde babange phezu kwabanye. Into eyenzekayo xa ngoku

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 60

nisombulula eli bango sele nisithi niyaligqiba kuvele esinye ke ngoku okanye imihlaba yahlulwe ngabanini. Abantu abamhlophe bathe emva kokuba bewuthathele kubo umhlaba bawahlula kwakho isahlulo sokuqala nesesibini sale fama inye. Bekuhlawulwa isahlulo sokuqala sigqitywe kusale esinye isahlulo kodwa naso sizakuhlawulwa sigqitywe ukuze emva koko sinikwe abantu. Sinethemba lokuba xa sibuyisa, le nto yenzeke kakhulu kwela thuba lokuqala lobango. Kukho abantu abasele ngaphandle abazama ukungena xa besivula. Sinethemba lokuba siza kuyisombulula yonke le nto xa sele iphinde ivula ngoku. Enkosi.

English:

Mr M L SHELEMBE: Deputy Speaker, could the Minister indicate what plans and programmes are in place to ensure that productive land, which is given back to the people as part of the land reform initiative, will remain productive. Are the recipients of the land given guide lines on how to maintain and increase productivity? Are there any conditions said for recipients to ensure continued productivity of the land and what follow-up measurers are taken to assess whether the land productivity is maintained? I thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 61

The MINISTER OF RURAL DEVELOPMENT AND LAND REFORM: Hon Deputy Speaker, there are a couple of things here. The Department of Rural Development and Land Reform does not have a mandated of developing land. Let us be clear on this. We have done that by simple taking 25% of the baseline budget to assist the farmers because we observed this problem which the hon is articulating correctly here. They will use that money to recapitalise and develop farms. I want to start from 1995; I want to repeat this, we don't want to be seen to be shifting blame to agriculture but that is exactly what agriculture should be doing. Over the last 18 months, to emphasise this point, every time we settle land, we send copies of the land to each premier across the country, all the premiers to the Minister of Monitoring and Evaluation in the Presidency to the Minister of Women in the Presidency. We send to all the Minister of the Department of Agriculture, Forestry and Fisheries to say here are the farms which have been settled in your province so that they should then follow-up and develop the land and ensure that what the hon has articulated does not happen. We do help but it is not our mandate. Thank you very much. [Applause.]

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 62

Question 83:

The MINISTER OF TRADE AND INDUSTRY: Deputy Chair, there is a rather longer answer, which we can provide in writing to the hon member. Let me try to summarise. Since 2015, we have been facing a global glut of steel, which has led to dumping of steel across the world, which led to industry closures, unemployment, job losses and loss of capacity across the world. The short answer is that the work of the departmental task team on steel is not yet complete. Up to now, the outcomes that we are working on have included the following: An increase in the general rate customs duty on primary steel products in return for reciprocal commitments on investment job retention and pricing; a tariff review on implementation of a number of new tariffs on a range of downstream steel products as well as the deployment of rebates; agreement on a set of principles for flat steel pricing in South Africa that is priced appropriately to ensure the steel dependent industries are competitive while simultaneously ensuring that upstream steel remains sustainable; changes in local procurement by government including amendments to regulations requiring the use of locally manufactured primary steel in infrastructure built and designation of downstream

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 63

steel in terms of construction steel products and components; the settlement of the Competition Commission issues with ArcelorMittal South Africa; the establishment of a R1,5 billion steel development fund to support downstream steel sectors; investment support through the section 12I tax incentives and incubation support for small-medium enterprises.

Remaining work has been outlined in the industrial policy action plan for 2017-18 to 2019-20. It includes: monitoring and evaluation of these interventions and the reciprocal commitments; engage in Eskom and Transnet proudly South Africa strategic infrastructure project on the demand for steel and steel products; working with the Department of Economic Development, International Trade Administration Commission, ITAC, and Sars on better policing and categorisation of steel imports; finalising a proposal to National Treasury for an export tax on scrap metal; engage in associations and industry to focus on upgrade in innovation and high value-added steel products for export into regional construction and mining sectors; and finally to continue participating in the G20's global forum on steel access capacity.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 64

It is an ongoing challenge. Work has been done and work is continuing. Thank you very much.

Ms J L FUBBS: Hon Deputy Speaker, let me thank the Minister for the comprehensive response. I am very pleased to hear and I think we all are happy about the support you are giving to downstream steel industry. What would wish to learn is: What support measures have you put have you put in place to support the value-added steel products that are being exported regionally for construction and the mining sector towards a more sustainable path in the current situation? We really welcome the R1,5 billion steel development fund that you have put together. Thank you very much.

The MINISTER OF TRADE AND INDUSTRY: We have long seen that the jobs and the deeper manufacturing capacity do exist in the downstream industry. That has always been a focus of our attention. As the hon Fubbs has indicated and as I said in my answer, we are engaging industry associations, we do see some real opportunities for the production of steel products for use in infrastructure and mining projects in the southern African

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 65

region. We are engaging with the industries on those. This is not an easy exercise because if we do not have primary steel manufactured in South Africa and we did at one stage risk the loss of that, not only would we have a situation in which we would regress to adjust the production of iron ore, which would be a disaster for our efforts to move up the value chain. We don't even have the port capacity to import all the steel that will be needed for the downstream steel industries.

It has to be a balancing act between sustaining primary steel manufacturing and simultaneously ensuring that downstream steel manufacturers are not adversely affected by the measures we take to support primary steel making. Thank you.

Mr J A ESTERHUIZEN: Deputy Speaker, from all the things that the Minister has mentioned that they are being implemented, China still sits with more than R200 million metric tons of overcapacity. The tariff protection of 10% - the maximum if I am not mistaken, allowed under the World Trade Organisation, WTO rules is simply not enough. Won't a safeguard duty be a more

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 66

effective form of protection as this has no upper limit? Thank you.

The MINISTER OF TRADE AND INDUSTRY: Well, indeed it is the case that the maximum bound rate for steel products is 10% under the WTO rules. So, we can't raise the general tariff about that but in fact, there is a consideration that's been given. Work is being done by ITAC; consideration has been given to the deployment of some the trade remedies because we do have an abnormal situation around the world. I also mentioned that the work of the G20 steel group is important because we are trying to find a way in which we can deal with the source of the problem. The source of the problem is that there is overcapacity of steel and low priced steel products are being dumped all over the world.

It has created more havoc in other markets than they have South Africa might end where we would actually see steel plants closed and a loss of thousands of jobs. Thanks.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 67

Mr D W MACPHERSON: Sorry, Deputy Speaker, the hon Cachalia pressed this button by mistake. I am supposed to take the question. I am hon Macpherson.

The DEPUTY SPEAKER: And who are you?

Mr D W MACPHERSON: I am hon Macpherson. Can I proceed?

The DEPUTY SPEAKER: Proceed!

Mr D W MACPHERSON: Deputy Speaker, the fact of the matter is, Minister, that you have treated AcerlorMittal with kid gloves, bending over backwards to a badly run monopolistic business when they increased their prices to downstream manufacturers despite tariff protection being granted to them, seemingly in violation of agreements not to do so. Just last month, you would have read the opinion piece by downstream manufacturers criticising your inaction and non-support towards them.

We know that downstream manufacturers are bleeding jobs because of AcerlorMittal's, AMSA, pricing. Minister, why are you so

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 68

determined to place AMSA's interests, one company ahead of that of the downstream sector?

The MINISTER OF TRADE AND INDUSTRY: The point that the hon member is making is nonsense. We are not trying to place the interest of one company above the others. We have long seen more jobs and capacity in downstream. As I said earlier on, if we don't have primary steel making in South Africa, we don't have downstream steel industries either. That is why we have had to seek a balance, which requires some tough choices to be made. We made these choices and there have been commitments that have been made on pricing policy and that doesn't mean there will never be an increase in the price of steel but that there is a new pricing programme in place. As I already said, there are a number of measures in place to support downstream steel manufacturers. I think the issue for government as opposed to opposition that wants to quantificate is to find between the interests of the different parts of the value chain and not just to go with the flow of members of their value chain, who have indeed been accommodated by the latest amounts of the

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 69

R1,5 billion programme to support downstream steel making. Thank you.

Ms E N NTLANGWINI: Deputy Speaker, as early as 2014, we have been saying as the EFF that instead of the knee-jerk reaction to protect the steel industry is simply to protect jobs, something that is being done without considering the durability of these solutions. Minister, don't you think it's far much more practical and sensible measure to renationalise Iscor for a much broader purpose, which is industrialisation? Thank you.

The MINISTER OF TRADE AND INDUSTRY: I think in the first instance the durability of the solutions is that we have to ensure that there is primary steel making that carries on in South Africa. The questions about the long-term ownership of steel making and all of that, I think these are things we can debate in the fullness of time but right now we had to ensure that there was no crash of the companies that are making steel in South Africa. We had to ensure that that happens in the interest of saving jobs and I think that's what we have done.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 70

I don't think it's widely realised that if we allowed primary steel making to just disappear in South Africa, not only would we be regressing back down the value chain but we don't have the port capacity to import all the steel that is needed it would have a major contraction effect on the downstream steel making as well. Thank you.

Question 84:

The MINISTER OF TRADE AND INDUSTRY: Deputy Speaker, several sectors and all products have - to date - been designated for procurement from locally manufactured sources under the Preferential Procurement Policy Framework Act, PPPFA, in order to leverage government spend to create a sustained and aggregate demand for locally produced products.

The key sectors that have been designated include rail, rolling stock power pile lines and substations' structures, structural steel, conveyance pippins, steel construction materials, valves, rail signalling transformers, cables, furniture and clothing and textiles.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 71

The main challenge in the implementation of localisation programmes across all of the designated sectors relate to non-compliance by some procure entities, which in most instances are fuelled by lack of knowledge and/or misinterpretation of the prevailing National Treasury instruction notes applicable in those cases. In some cases there's also a level of misrepresentation by bidders in the declaration of local content.

The department, in collaboration with industry, has been developing and implementing mechanisms with their own teething problems to detect non-compliance by procuring entities and as such, the department has been able to intervene timeously in a number of cases to ensure that non-compliant tenders are withdrawn and/or re-issued with localisation requirements.

The department is also offering training ... the second part of the question is that in accordance with the guidelines, all incentives offered by the Department of Trade and Industry, DTI, requires compliance with applicable Broad-Based Black Economic

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 72

Empowerment prescripts of which compliance with employment equity is an element.

Mr A J WILLIAMS: Hon Minister, is local procurement one of the conditions for receiving the incentive money? If so, to what extend? And if not, why not?

The MINISTER OF TRADE AND INDUSTRY: Well, I said that local procurement is ... once it is translated into a practice note by treasury is no longer an option, all organs of state at all levels of government are required to procure from locally manufactured sources, according to the prescripts of the instruction note. So, it's a requirement that resides in legislation and we are - as I said earlier on - seeking to ensure greater enforcement of this. I can just give one example, sometimes tenders are given on the basis of percentages of localisation and sometimes if they are given to more than one entity we find that the same products are not localised; people of the same percentage requirement but they don't localise the same products. We are trying to deal with matters like that; as well as - I said earlier - with wilful non-compliance and if hon

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 73

members know any instances where there's wilful non-compliance, we'd be more than happy to hear because we want to seek enforcement of the relevant legislation.

Mr T RAWULA: Minister, we have said this before and we'll say it again, and this is something that you do not know or have no knowledge that is the only way that South Africa can successfully localise any product, is when those products that are currently in the market are not there anymore. Because if they continue to be available at the price at which they are, there's no way any industry can be built in such a competitive space when other have had more 300 years to build industries.

Everyone, including those that are well industrialised, are protecting their industry. Why are we not protecting our industry? America has just proven now, it has taken a corner from globalisation to localisation. Why are we not localising?

The MINISTER OF TRADE AND INDUSTRY: I think that the fact is that the answer to the question - earlier indicates that we are all localising and we are using policy to localise. Maybe not to

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 74

the extend that you think we should, but we are and we are trying to improve the enforcement of that and then we are bound by World trade Organisation, WTO, rules that prevent us from doing the same in the private sector but we are seeking to use other policy tools and other means including engagements and social dialogue, to encourage the private sector to do the same. I'll give you one example there; we reached a number of agreements for the mining houses about localisation of mining equipment, which I think it is to the good of job creation and industrial capacity building in South Africa.

Mr J A ESTERHUIZEN: Minister, you said we are all localising, the DTI's Director-General Mr Lionel October said that localisation can be a game changer for South African manufacturing industry. What example does State-Owned Entities, SOEs, set - your own entities for that matter?

How does the preferential procurement policy framework affects the gross abuse of localisation when the Passenger Rail Agency of South Africa, PRASA, imports many many units, whole locomotives - for that example - that doesn't even fit on our

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 75

tracks here in South Africa, which must or could have been done locally?

Why do we - maybe not your department - import boilers for millions and millions of rands for Medupi and Khusile that also could have been done on this country? Why do the DTI enforce the regulations they made themselves?

The MINISTER OF TRADE AND INDUSTRY: Let me say that we are doing what we can to increase the enforcement of localisation. I said that this is something where we see teething problems, we are trying to develop a number of mechanisms - I can't announce all today - but we are developing mechanisms to ensure great enforcement.

Indeed, let's take locomotives - and I'm not saying that there are no slippages on issues in particular procurement - through the localisation regulations that were enforced for the procurement of locomotives for Transnet, four companies that were given the tender include General Electric. I met with the General Electric executives in New York, they told me that

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 76

General Electric does not manufacture locomotives outside of the United States and the first time they did so was when they came to do so for the South African procurement. The local executives of General Electric will tell you that they've had a fantastic experience in South Africa and indeed that the localisation in South Africa has become the model for their localisation also in India.

So, localisation is happening, yes there are slippages, yes there are problems; we are trying to jack those up, we are trying to jack up the enforcement as we also go along and localise more products because we know that through localisation, it's a very important policy tool for industrial development.

Mr G K Y CACHALIA: Minister Davies, we now know from the Gupta-leaked emails that China South Railways was awarded a large chunk of the rolling stock tender after they paid nearly six billion in kickbacks to the Guptas. I have constantly requested, we have constantly requested that local content certificates for all manufacturers of rolling stock, particularly that of China

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 77

South Railways, but we still today do not have these, I do not believe that these exist. How many more trains could have been built with that six billion Gupta kickback and how many more jobs could have been created?

Additionally, I was pleased to hear you talk about local content. With regard to this, I'd be intrigued to know if you classify the six billion kickback to the Guptas as local content. [Laughter.] [Applause.]

The MINISTER OF TRADE AND INDUSTRY: I think that there are allegations of things that have happened or shouldn't have happened, those allegations should be referred to the law enforcement offices; those allegations are the things that have to be the subject of various inquiries. What I can say is that where we are standing, where we are sitting, what we are seeking to introduce is effective localisation.

I'm quite interested to see that the DA has now come out as the champion of localisation; that's a new piece of new news to me

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 78

because I think it has nib rolls; you tend not to support these kind of measures. Thank you very much. [Applause.]

Question 105:

The MINISTER OF PUBLIC WORKS: Deputy Speaker, from the onset let me clarify one aspect of this particular question. Firstly, we are not on record, there is ourselves, the Department of Public Works having said to the portfolio committee or any other platform that there is no collusion between parties in so far as the issue of the Expanded Public Works Programme, EPWP, is concerned. Understandably so because the Department of Public Works has an overall national co-ordination function and responsibility. However, what is true about this question is that from time to time as a department, we do receive complaints of party political manipulation or personal patronage playing a role in the selection of EPWP participants in the recruitment process. In such cases, such matters are then reported and are followed up by the EPWP branch. In many instances, such cases turn out to be either based on rumour or generalised accusations. With specific reference to the issue of eThekweni Metropolitan Municipality, they responded stating that there was

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 79

no collusion in the handing out of work opportunities under the EPWP. [Interjections.] On our side, the EPWP workers, we have encouraged them at all material times to enhance their skills and apply for permanent work opportunities for which they would compete with the other applicants in the markets.

We have also made it quite clear that there has been no promise of permanent jobs. In this regard, we do encourage Deputy Speaker, hon members and any member of the public that should they come across such allegations, we would appreciate receiving them so that we could essentially follow them up and attend to them accordingly. The Department of Public Works is only one among literally hundreds of public sector entities involved in the EPWP. On municipalities, all provinces with dozens of provincial departments and many national departments are the actual implementers of EPWP. With an overall EPWP of this size, involving some 300 000 EPWP workers out in the field every single working day with its multisectoral and multisphere complexity they are, of course, risk and challenges.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 80

It is illegal hon members to pervert the selection process and we must stamp it out, to assist public bodies with the process of selecting workers through a fair and transparent process. Our branch EPWP has now issued a detailed EPWP recruitment guidelines insisting on transparency and prioritising community participation. Four universal principles have been introduced in the EPWP phase 3 and adopted for adherence by all public bodies implementing the programme. The first principle is that workers are to be recruited through a fair and transparent process. The second principle calls for adherence to a minimum wage. The principle emphasises on the work done at a community level has got to enhance public goods and or community services. Lastly, compliance with minimum labour intensity appropriate to the sector. Thank you very much, Sir.

Ms D KOHLER: Through you Deputy Speaker, fire pool reports are coming in from every province where DA colleagues are laying criminal charges against the ANC ward councillors, who demand ANC membership before they will hand over the EPWP work opportunity. [Interjections.] In eThekwin, the Mayor is involved in perverting the system. She said they will keep these

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 81

jobs until they become permanent jobs. That is not what ...
[Interjections.] You probably don't know much about it yet.
That's what the EPWP is about. It is time Minister that you
should consider a judicial commission of inquiry to look into
the deeply entrenched undeniable corruption of this multimillion
rand system. [Applause.]

The MINISTER OF PUBLIC WORKS: Deputy Speaker, I have already
responded to the question in so far as eThekweni Municipality is
concerned, precisely because when we received this particular
issue arising out of this question. We had to take the issue up
with them as a Municipality. They have responded to say that
there hasn't been such a case or cases of collusion and for them
promoting permanency in for far as the EPWP kind of jobs are
concerned. Of course, it's a known fact policy wise that EPWP
as a programme does not offer permanent jobs. It is an
intervention in so far as the issue of poverty alleviation.
Thank you very much, Sir.

IsiZulu:

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 82

Mnu K P SITHOLE: Mhlonishwa Sekela Somlomo, Mhlonishwa Ngqongqoshe bengicabanga ukuthi ngoba sikesayikhuluma le nto ye-EPWP yokuqashwa kamalungu ka-ANC kuphela. Bengithi uzothi uNgqongqoshe ikhona enye indlela abayenzayo ngoba asikhulumi ngaseThekwini kuphela. Njengoba ngikhuluma nawe nje, eTshwane ewodini 105 kanye nasewodini 133 kunabantu abasala ngonyaka odlule ngenxa yokuthi babengawaphethe amakhathi ka-ANC ukuze baqashwe. [Ubuwelewele.] Manje ke engicela ukukwazi mina ukuthi uNgqongqoshe ngoba eMnyangweni njengoba esangena kuwo, zikhona yini izindlela yena azozisebenzisa ukuvimba lesimo esibhekene naso ngoba into esikhuluma ngayo ye-EPWP isimo sokuthi kuncedwe abantu abahluphekileyo kodwa ngokohlelo olukhona nje ngamanje akwenzeki njengoba kufanele kwenzeke. ... [Kwaphela isikhathi.]

UNGQONGQOSHE WEZEMISEBENZI YOMPHAKATHI: Ngiyabonga kakhulu Sekela Somlomo, bab 'uJobe asibeke kanje. Zivamisile ukuba khona izinsolo zokuqhamuka kwabantu bethi baqashwa ngokuthi bathi bakhiphe amakhadi athizeni nani nani. Kodwa njengoba sengike ngabalula phambilini, cha kuyabaluleka futhi nakuNkatha ngakwesinye isikhathi bayabaleka nabo ngokunjalo. Lolu hlelo uhlelo lukahulumeni lokunceda abantu abahluphekayo, kuleyo ndawo

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 83

siyavumelana mina nawe. Manje ke ngaleso sizathu angeke kuhlupheke abantu abathile kuphela beqembu elithizeni. Abantu bakithi bonke ikakhulukazi baleli bala esiyilona thina bahluphekile. Ngakho lolu hlelo uhlelo lwani. Sithi ke thina esikushoyo njengoMnyango uma kunezinsolo eziqhamukayo qhubekani njengamalungu nina omphakathi ukusibikela lezizonsolo ukwenzela ukuthi silandele indaba yemikhondo efana nale. Njengoba sikwenzile nalapha eThekwini ngiyocela ukuthi nakulezi zindawo ozibalulayo usibhalele, usazise ukuthi kukhona nalokhu kwezinye izindawo okwenzakalayo ukuze sikwazi ukuthi sikulandelele futhi nako.

Nk H O HLOPHE: Ngiyabonga Sekela Somlomo akuzona izinsolo lezi ezishiwoyo. Ewadini 18 eNsikayethu Eastern Cape kunjalo, ewadini 52 eThekwini, ePhoenix amalungu amane ..

English:

... are the ANC branch members who are members of the EPWP.

[Interjections.] Now ...

IsiZulu:

UNREVISED HANSARD
NATIONAL ASSEMBLY
WEDNESDAY, 7 JUNE 2017

Page: 84

... lama lungu ayahamba aye emsebenzini abuye ekhathele,
ahlukunyezwe yi-branch executive members ye-ANC ukuthi ...

English:

... if you are not coming to attend ANC meetings now because we
have employed you.

IsiZulu:

Sizokukhipha emsebenzini. Akuzona izinsolo.

English:

I am also a member of ward 52 branch there, I stay there. So,
those members were recruited by the ANC councillors there.

IsiZulu:

Uthini bgalokho Ngqongqoshe ungakhulumi ngenzwabethi.

Singabahlali baseThekwini ewadini 52. [Ubuwelewele.]

English:

We can even tell you the names of those people who are members
of the EPWP there.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 85

IsiZulu:

UNGQONGQOSHE WEZEMISEBENZI YOMPHAKATHI: Mina Sekela Somlomo, ngiyakholelwa ukuthi udadewethu useyixazulile futhi le nkinga. Ake ngifanekise nje. Uthi wena uhlala ewadini 52, mina angihlali ewadini 52. Manje-ke ewadini 52 ninalesipiliyoni eninaso sokuthi kuthiwa kuqashwa abantu ngendlela ethizeni. [Ubuwelewele.] Cha, mina ngisho njalo ngoba nina nibikela mina. [Ubuwelewele.] Hhayi bo! Asizwaneni bantu benkosi. Mina ngizwa nina nithi kunjalo. Ngithi-ke mina into engcono esizayo kulezi zinto uma kusuke kunje. Cha, saziseni phela nisibhalele nathi ukuthi ewadini 52 nampa abantu benza ukuthi nokuthi, nisinikeze nale mininingwane enithi ninayo. Bese kuthi ngalanga lithile uma kungukuthi anisizakalanga nibuye nifika lapha nisukume nithi: Sabika udaba lokuthi ewadini 52 noma wadini 18 kwenziwa ngalendlela kodwa uMnyango wakho Ngqongqoshe awusisizanga. Naku, naku ezinakho kube ukuthi sesiyakhuluma uma senza kanjalo. Ngiyabonga.

English:

Dr M Q MADLOPHA: Hon Deputy Speaker, eThekweni Municipality has established EPWP as an approved socioeconomic development and poverty alleviation programme ... [Interjections.] ... which

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 86

sustainable exit strategy that maximise small, medium and micro-enterprise, SMME, development, employment creation and skills development led by EPWP task team group champions. eThekweni Metro has consistently been the best performing in many South Africa's margin Metros and has become the recipient of many Kamoso Awards for its EPWP work in a number of sectors. It has also become the best Metro performed in terms of full-time equivalent jobs in EPWP ... [Interjections.] ... whereas the City of Cape Town is the worst performing Metro, in this respect. Hon Minister, don't you think that this practical and real empowerment that is taking place in eThekweni Metro can be extended to the other municipalities to the success of EPWP outcome? Thank you.

The MINISTER OF PUBLIC WORKS: Deputy Speaker, I certainly do think, hon members, that there is best step practice kind of examples that we can tap into. As a matter of principle, I think, we do need to combine all manner of forces to be able to activate society towards the question of the EPWP programmes and particularly, because we have a six million job target for 2019-2020. Therefore, you require that you need all necessary kinds

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 87

of societal structures to be mobilised towards this particular direction. Therefore, I agree with hon Madlopha, for an example that if eThekweni has a particular programme which is a working programme, as a municipality and they think that it's a best practice kind of example that can also be looked into, and be tapped into in a South African context. Therefore also organise and mobilise other municipalities to also follow suite. We will certainly support that. Thank you very much, Deputy Speaker.

Question 82:

The MINISTER OF TRADE AND INDUSTRY: Deputy Speaker, the work of the Poultry Sector Task Team is ongoing. It is led by the Department of Trade and Industry, DTI, and includes the Department of Agriculture, Forestry and Fisheries, the Industrial Development Corporation and representatives of the poultry industry. The collaborative effort between government and stakeholders is, however, not limited to the work of this task team. Government has actively engaged as many stakeholders as possible, including the importers of poultry products.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 88

Market conditions in the poultry sector have improved somewhat and no further production facility closures or lay-offs that government is aware of have taken place. The outbreak of highly pathogenic avian influenza, HPAI, in certain European countries has meant that imports from these countries have been reduced because they are prohibited by the Department of Agriculture, Forestry and Fisheries.

The answer to the second part of the question is that government will deploy a full suite of policy interventions in collaboration with the private sector to protect the domestic poultry industry; to ensure that the interests of consumers, especially low-income earners for whom chicken is an important part of protein, are protected; to prevent job losses and factory closures, at the same time as supporting the private sector to become more competitive where there is room to do so.

The work to enable risk-free application of local public procurement of poultry products is near to finalisation. It should be noted, however, that poultry products, while they are not designated for local content or production at present, the

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 89

DTI has invoked Regulation 8(4) of the 2017 Preferential Procurement Regulations to support local procurement of poultry products. This regulation facilitates local procurement in nondesignated sectors or as yet-to-be designated sectors or products or commodities.

Finally, the Department of Trade and Industry is working closely with the private sector to support an export effort in existing and new markets. Thank you very much.

Ms S R VAN SCHALKWYK: Hon Chairperson, I thank the Minister for the comprehensive response to the question. [Interjections.] I furthermore want to establish from the Minister what the current status is of imports; and are we addressing the cost of inputs such as grain and labour that has been a consistent challenge and problem that we've experienced and identified? Thank you.

The MINISTER OF TRADE AND INDUSTRY: Chairperson, the current status of imports and why this is a particular challenge is that there is a very abnormal situation in poultry trade. In broad terms, developed countries consume more of the white meat and

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 90

they have by-product that is not saleable in their markets, of what is called brown meat, or bone-in portions, as it's known in the trade.

There are two options. Either they can sell it into the developing world or they can turn it into pet food. The difference in the value is quite high. So, there's a lot of pressure to open up markets in the developing world and we are subject to a lot of that.

At the same time, the very same markets are very often using sanitary and phytosanitary regulations to stop the export of white meat from our country. So, actually, the poultry industry often says - and I think they do have a case - that if it was whole bird to whole bird, our production costs are quite competitive. However, they cannot compete against the dumping into our market of the spare parts. That is the challenge that we are constantly facing.

As for the issue of grain and feed and those costs, that is part of the raising of the competitiveness. It is part of the work of

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 91

the task team to try and make the industry more competitive. However, I think we have a situation of abnormal trade and also, as I have already said, we are trying to open up markets. For example, we are trying to engage the United States and the European Union on the removal of the sanitary and phytosanitary regulations which they impose, while at the same time, they demand that we take their brown meat, their spare parts.

That is the kind of market situation that we're engaged in. It's a very difficult arena, but I think the task team's work is delivering us some useful results. Thank you.

Mr G K Y CACHALIA: Chairperson, Minister Davies, we know that the poultry producers suffered a major setback when they could no longer brine chicken up to 60% and can now only do it to 15%. This, no doubt, hit their bottom line significantly. Do you think that consumers should be forced to pay for the shortfall in corporate profits, particularly when poultry is a desired, primary source of protein, particularly for the poor?

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 92

The MINISTER OF TRADE AND INDUSTRY: Chairperson, the issue of brining has been an issue. It is an ongoing issue between government and the poultry industry. We, of course, are seeking to reduce and that is why the regulations were in place. However, I think the question and the issue is as I described it earlier on. It's not brining, only, or the price of grain, only, that is the source of the strain that is being taken by the local poultry industry.

The fact of the matter is that we have imports of very low-priced, spare-part products. Look at countries that have been forced to open up to these products, countries in West Africa. We have seen the decimation of the poultry industries in Ghana, Cameroon, and countries like that, in the early 1990s. We are determined not to follow them and to resist the pressures for us to simply open up to what are not competitive products but which are dumped products because they are simply the spare parts sold at a price which is below the price that could be sold in their countries of origin markets. They are unsaleable to human consumers in those markets. Thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 93

Mr M L W FILTANE: Hon Chair, hon Minister, I put it to you that the African Growth and Opportunity Act has come to bite us. It was entered into without much foresight into what the potential impact on job losses in South Africa would be. I will also add that, because of the situation in which we are, it looks like there was very little use of technology in the industry, locally. Firstly, would you consider, therefore, that, as this task team is still busy with its work, as you put it earlier, would they consider making sure that all jobs that were lost are resuscitated, otherwise we are going to have families with nothing to feed themselves?

Secondly, would it consider stretching the value chain horizontally as well as vertically to make sure that all people who are interested in the poultry industry do get a place in which to put their shoulder on so that ... [Time expired.]

The MINISTER OF TRADE AND INDUSTRY: Chairperson, under the African Growth and Opportunity Act, we faced overwhelming pressures. Either we made a concession on poultry imports - and imports, in particular, in bone-in portions - or we lost the

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 94

one-way trade preferences under the Act. We had to make a choice. We negotiated. I might say that some parties in this House said we should just do whatever the Americans said we must do. We didn't. We negotiated and we negotiated a quota.

However, that quota was underfulfilled, last year and so, I think the truth is that it has not been the imports from the United States that have been the problem. It's been the imports from the European Union. As I have mentioned already, there has been the outbreak of HPAI in the European Union. That has led to some reduction right now.

Of course, we see - and the work is being led by our colleagues in the Department of Agriculture, Forestry and Fisheries, but it is part of the Agricultural Production Action Plan - that the poultry sector has the potential for job creation. For empowerment, the opportunities for entry by small companies are quite high. It's a sector where there are opportunities. We have to make sure we insulate ourselves from unfair trade, while, at the same time, try to open up our products to real opportunities

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 95

that may exist in other markets, and at the same time, address all the competitiveness issues.

So, that's what the task team is trying to do. It's trying to enlarge the space for local poultry production in South Africa because that is where we can get more jobs. We are not going to allow our industry to be decimated as other industries were decimated, however much pressure is put on us. It certainly is not going to happen as long as I'm sitting here. Thank you very much.

Mr Z R XALISA: Chairperson, Minister, the service provider that provides food for chickens here in Parliament sources their chickens from Canada. [Interjections.] It is a fact. This is the case with many other departments and state-owned entities. When the commander-in-chief and incoming president, Julius Malema, wrote to you in February, one of the things he strongly recommended was that we engage all government and state-owned companies to only appoint service providers who source their chickens locally. Why is this not being done? [Interjections.]

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 96

The MINISTER OF TRADE AND INDUSTRY: Chairperson, I have already said that we are working on a designation for poultry products not in place yet. In the meantime, we are using Regulation 8(4). At the moment, it is to try to encourage the local sourcing of products like that. If there is a case like the one you speak of, there is the Chair up there. Let him take it up!

I do think that not just our designated products but where we can exercise a policy choice in favour of the purchase from locally produced sources in the interests of Proudly South African, we should do so. However, I would encourage Parliament to procure local chickens, rather than imported chickens, and if they're not doing that at this point in time, let's engage the parliamentary authorities. You will have my full support in that. Thank you very much.

Question 85:

The MINISTER OF TRADE AND INDUSTRY: Chairperson, the Department of Trade and Industry is engaged in the Department of Energy; the National Energy Regulator, Nersa, and the Electricity Supply Commission, Eskom, on a framework for a discounted energy tariff

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 97

for industrial users. Industrial consumers can contact Eskom and invest South Africa in this regard.

In terms of the Interim Framework Agreement under the Electricity Pricing Policy, Eskom does offer short term incentive pricing to targeted consumers to support economic growth. The Department of Trade and Industry has made it a point that the beneficiary should not and include energy and carbon intensive users but also labour intensive and valuated manufactured enterprises where sharply escalated and bunch stop electricity prices have contributed to higher operating cost for those companies. In respect of part B, in order to address the issues of electricity pricing we are working with the above mentioned departments and agencies as well as with the municipal infrastructure support agency and other intergovernmental departments to address concerns of manufacturers around the issue of electricity pricing to provide a stable reliable source of electricity for them over the long term. Thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 98

Ms P T MANTASHE: Chairperson, and especially now that we have removed the DA from the Mogale city I can ask that question happily. [Interjections.]

Administrative pricing has long been a pain of severe criticism by the governing party, stakeholders across industrial sectors, public institutions which have to absorb these costs and the public which is forced to absorb these costs either directly or indirectly. What has happened to the Policy Review Process that was envisaged to deal with administrative pricing as surely this will help the manufacturing sector to be more productive?

The MINISTER OF TRADE AND INDUSTRY: Chairperson, I think that the answer to the question is that this is working in privacy. It is quite right what the hon member says that we have said that high administrative pricing are actually quite a source of the problem for the manufacturing sector. But, I think that what you can see that what we are engaging the authorities in the electricity earlier on, is to try to extend not just into those that are high energy users but, also into other energy priority sectors so that the electricity price and price increases do not

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 99

become a burden to them. Whenever there is a set of Nersa hearings the Department of Trade and Industry is always there to make sure this issue is firmly taken into account so that while we recognise that we cannot offer ultra cheap electricity like we did in the past at the same time we ensure that electricity pricing is a source of continuing competitiveness in the South African economy. Thank you.

Mr D W MACPHERSON: House Chairperson, just to let the hon Mantashe to know this just for the weekend. [Interjections.]

Minister, Independent Power Producers, IPP, have proven to bring down the cost of electricity and are more reliable than Eskom on their worst day. If we want to reduce electricity cost to manufacturers why then are you sitting on your hands while Eskom refuses to sign new Independent Power Agreements completely ignoring the Cabinet resolution of August 2016? Why are you not pushing the Cabinet to make sure that Eskom implements its IPP, agreements and why are you putting at risk R59 billion worth of investment into this sector?

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 100

The MINISTER OF TRADE AND INDUSTRY: Well, first of all let me indicate that the issue is not the IPPs per say it is what is called the Power Purchase Agreement that follow after the awarding of the IPPs are in renewable energy. Indeed, we have raised this matter. It is a matter that is receiving attention. We are not directly responsible for the decisions that are made by Eskom. But, let me just assure the hon member that the matter has been raised on our side repeatedly. We are aware of the importance of following up the IPP awards with the Power Purchase Agreements. Thank you very much.

Ms E N NTLANGWINI: Chairperson, the manufacturing sector is not expanding and the Bantustan Industrial Areas complexes have closed down. What is the basis of your so-called over supply of electricity; for whom and for what?

The MINISTER OF TRADE AND INDUSTRY: Just on what you said that the ... I presume you mean by Bantustan Industries you mean some of the industries that find themselves into some of the industrial parks, I should indicate that we are involve in a very ambitious programme proceeding through stages to revitalise

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 101

a number of these industrial parks, and we find that there are a quite significant number of industrialists including black industrialists that were active, even the last one that we went to was in Babelagi in Gauteng and North West. Then to say ... why there is a reduction in demand by industrial customers in South Africa as a result of their economic conditions as well as by domestic consumers; this means that there are now opportunities for us to secure contracts that have preferential terms for industrial clients as a way of boosting industrial activity. Thank you.

Mr J A ESTERHUIZEN: Chairperson and Minister, now that you have much to do with generation of electricity in this country; the Financial and Fiscal Commission, FFC, reported that for the last seven years municipalities have spent less than 60% of the money allocated from National Treasury for electricity, infrastructure and maintenance, this is with the bench mark of R10 billion a year. Then how can you as a Minister of Trade and Industry ensure affordable electricity as this is again clearly mismanagement and corruption from the ruling party at the expense of the ordinary citizens and consumers?

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 102

The MINISTER OF TRADE AND INDUSTRY: I think that you know - the challenges with the energy sector are not all at the door of the Department of Trade and Industry we are trying to deal with the implications of some of these issues on industrial production in our country. I think some of these questions you should be directing at people responsible for the electricity policy and the electricity utility. Thank you.

Question 102:

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES: Thank you, Chairperson. There is an emerging trend in many parts of the world to introduce Wholesale Open Access Network. The Mexican approach was initiated through the implementation of constitutional reforms and changing the legal framework of the telecom sector with the objective of giving the Mexicans access to better and cheaper telecommunication services and to raise the competition in the economy.

Although in our engagement with the South African ICT and investment sector, we have not gone into details of the Mexican open access network. I wish to share some of my experience I

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 103

have had with my engagement with the Mexican government. The introduction of the 2012 telecommunication reforms included, of course, it gave a positive impact in the Mexican economy in the first three years of implementation.

Firstly, the GDP of the ICT sector grew from 2% to 11% in those three years; the telecommunication prices had decreased about 25%. There also has been an increase in competition in this market, for example, the biggest operator, American mobile user prices were slashed down by 25% in the mobile sector, and 40% to 50% in the fixed sector.

The backgrounds to the success of the Mexican reforms are as follows: the early reforms in the early 90s which introduced privatisation and competition didn't have any positive impact. There were six fix operators and four mobile operators but the net result was that the market was dominated by private former state-owned enterprises, SOE, Telmex having 70% of the share of both the fixed and the mobile market.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 104

In 2011, the government of Mexico commissioned the Organisation for Economic Co-operation and Development, OECD, study which revealed the following: Firstly, there were high levels of concentration and market dominance; secondly, the prices were high and low uptake of the ICT services; thirdly, there was poor infrastructure development particularly in rural areas, and fourthly, there was inefficient regulator regime that could not address the market problems.

In 2012, the Mexican government accepted this study and started implementing these reforms: Firstly, there was a constitutional reform and agreement by all parties that the citizens of Mexico will have a right to universal access to ICT; secondly, they developed these shared networks with the allocation of all sub-1 GHz spectrums to this new network.

There was the establishment of a new regulator with full access to all information of the operators and there was establishment of special courts with judges who were specialist in ICT matters and were able to fast-track the legislation. So, the net result, Chairperson, is that there were stricter regulations and all

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 105

dominant players with more than 50% market share had to give free termination rate and national roaming rates to the smaller ones. And they started rolling out the broadband to all communities of Mexico.

So, the net result is that there was a lowering of cost through these radical reforms which were introduced in 2012. Thank you.

Mrs M R SHINN: Thank you, Chairperson. Minister, I asked a specific question to which you have gone to great length to avoid. While there were many benefits, I asked specifically about the Wireless Open Access Network, I didn't ask about the five years of history before it was established.

While there are many benefits from the multi-stakeholder wholesale wireless network idea, such an introduction had no impact so far on reducing the cost to communicate. In May, Minister you told the portfolio committee that your bench mark in visit to the Mexican government on 7th and 8th December was to understand how it dealt with this formation of the new wireless open access network.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 106

You said the Mexican government told you the network was working and that it had reduced the cost to communicate. This answer puzzles me. You see, Minister, the 20 years concession to build the new network was only awarded to the winning bidders on 18 November, three weeks before your visit. The Mexican government only signed the public private partnership for the network on 25 January this year, six weeks after your visit.

Tenders for network components have only recently been published. The network is only due to become operational by 31 March 2018; that's ten months stalled away. The impact of the yet to be built network of our reducing communication cost cannot yet be calculated.

So, Minister, either you knew so very little about what was happening with the Mexican network that you didn't challenge the information that was given to you; or you have gone to great length to fabricate the networks unproven benefits to justify your hardly contested wholesale policy network. Why did you fabricate this answer, Minister? [Interjections.]

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 107

AN HON MEMBER: Ya! Why do you fabricate your answer?

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES:

Chairperson, as a norm, the ANC never fabricates anything.

[Interjections.] As I have said to Mrs Shinn before, the problem is that when we go we communicate with governments. We communicated with the government of Mexico, and they brought their regulator; they brought the people who are using this new network in their operations. They gave us documents and they did not only talk but when I meet another Minister, I have got no reason not to trust that Minister.

For your information, the cost has come down since 2012 when they started with the regulation. The first thing they did was to regulate the legislative reforms. [Interjections.] In 2013, yes they put up the tender for the open access network, but what was good about the Mexican, because their open access network was a public-private partnership, PPP, to protect their spectrum. The spectrum was allocated to the state side of their PPP, so that if they meet problems people don't run away with their spectrum. So, I have got no reason to doubt governments

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 108

and their institution when we meet them and they give us their documents.

Ms V KETABAHLE: Thank you, Chairperson. Minister, #datamustfall came and went. A lot was said and your department made presentations to the portfolio committee, all Jive Network companies were called to make presentations and they did. Before we move all to this complex, and possibly long-term solutions to drive down costs to communicate, as it was clear during the presentation after #datamustfall campaign, why are the cost not yet reduced, as it is clear that South Africans are paying too much money; what did you do since #datamustfall campaign?

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES:

Chairperson, as I have said before, last year I issued a policy directive to the regulator which is Icasa, to specifically focus on the broadband market to see whether there is effective competition, if not, so that they can introduce measures and regulations to ensure that there is regulation.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 109

Unfortunately, the regulators have not completed their study, but they are doing it. During our budget vote, because I was not satisfied by the pace, I also asked the Minister of Economic Development, Patel, and the Competition Authorities to also do another parallel study to check at the level of competition – because the challenge with the South African market is heavily concentrated and dominated by two players who are dominating the market share.

There has been no effective competition at services which would bring the prices down. So, some of the measures were put such as open access network which allow many operators, even small operators, new operators, black operators to come into this market and give services to our people. That is what will drive the prices down. Thank you.

Ms D R TSOTETSI: Thank you, Chairperson. Minister, in light of the fact-finding mission to Mexico, is there a need to revisit Mexico; if yes, will the Minister consider emulating the Mexican approach, that is, the Red Compartida model. And going forward, how will it enhance the pace to reduce the cost to communicate

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 110

in South Africa and make life better for our communities in South Africa – for poor communities?

Lastly, in your opinion, Minister, do you think DA will ever support any programme towards transformation in the ICT sector, to improve the quality of life of the previously disadvantaged?

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES:

Chairperson, hon Tsotetsi, as I have said, what I would recommend to Ms Tsotetsi because she is the Chairperson of the committee now, is that she must encourage Members of Parliament to take a study there. I would specifically encourage the so-called the right wing alliance which is lead by the DA, EFF and the FF Plus, that they are made specifically to be part of the delegation ... [Interjections.]

Ms H O HLOPHE: On a point of order, Chair.

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, what's

[Interjections.] Hon Minister, will you take your seat. What's the point of order member?

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 111

Ms H O HLOPHE: Chair, EFF is guided by Marxism-Leninism theory. It can't be a left wing party! [Interjections.] No Chair, he must withdraw! [Interjections.] No, no, no, no, no, I can't allow him to call us the right wingers. No, Minister Cwele, you are out of order, chief. No!

The HOUSE CHAIRPERSON (Mr C T Frolick): Order! Order! Hon member, that is not a point of order. Please take your seat.

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES: Okay, I was saying that ... [Interjections.]

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

Ms E N NTLANGWINI: Hon Chair, this guy who did not even know that his wife was selling drugs but he says the EFF is the right wing. He must never say it because he didn't even know that his wife was selling drugs.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 112

The HOUSE CHAIRPERSON (Mr C T Frolick): Order! Hon member, take your seat; you are now completely off the mark. Hon Minister, will you respond to the follow-up questions.

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES: Yes. I will encourage them to do that because they are in alliance.

[Interjections.]

Ms H O HLOPHE: But Chair, you are not protecting us, Chair. The ANC voted with DA ... [Inaudible.] ... but you are not mentioning that as well!

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

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES: I would encourage them to do that because in Mexico much as they have got different parties but when it comes to the poor Mexican and rural Mexicans, all the parties have national interest, that they should all be connected to these modern technologies.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 113

The challenge we have in South Africa is that some of the parties, particularly the DA, they focus on rich suburbs. If you connect rich they are satisfied. They are not worried about what is happening at Mahlabathini, in my village in the rural area. In that respect, we can learn valuable lessons. Because to them to even change the constitution and agree that they should put the right to ICT as a right to all citizens of Mexico. That is what has made the radical changes in that country.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members of the DA, those who are blocking my way to the hon Mackenzie, will you take your seats please.

Mr C MACKENZIE: Thank you, Chairperson I hope you can see this good looking face now uninterrupted.

The HOUSE CHAIRPERSON (Mr C T Frolick): It looks a bit better now. [Laughter.]

Mr C MACKENZIE: Minister, you have so far declined to respond to request put to you during the budget debate for a secret

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 114

agreement between mobile network operators and other ICT stakeholders to be posted on your department's website. This agreement supposedly focuses on the allocation of spectrum for the network and its implementation yet there is no public sighting of this agreement, so no one is left to speculate why this is so, and what this agreement entails.

However, Minster, as the midwife of this agreement ...

[Laughter.] ... that was reached outside of the legal policy-making processes; can you tell us whether it was at all informed by your department's feedback from the Mexican visit or from your visit the previous year to Rwanda where it's wholesale wireless network is in danger of collapsing as network operators seek to withdraw from it? Thank you.

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES: Thank you, Chair. There is no secret agreement between my department and the operators. Those meetings are held in the public, and are organised by the national ICT forum, which is a formal consultation structure. We are consulting with them because they are the major investors in this economy, so that when we

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 115

finalise our implementation plan, we take into account the issues they raised because they are the ones who are going to run these networks.

So, the policy of South Africa was not informed only by Mexico but we are learning from Mexico. It was not only informed by the Rwandans experience but we are informed by it. Just last month I was in Rwanda on an AU meeting. It is working; that is why it is going to be imported. There is no operator who is withdrawing. They are not withdrawing; it is run by South Korea which is the leader of Telkom's. Others are just using it and we met some of them who are South African operators who are operating here and are using that network. Thank you.

Question 86:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Finally, Chair another question. You know we want to answer all the questions on Small Business Development; because we do believe that small business, for really, is going to the future in the economy of South Africa.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 116

Chairperson, the role of the Department of Small Business Development, DSBD, is to guide and co-ordinate work of various intergovernmental relations that focuses on the empowerment of small business development is aligned to the mandate of the DSBD. We have signed transversal agreements with other department, for instance, the Department of Public Enterprises, Tourism, Social Development, Defence, Rural Development and Land Reform, traffic infringement agencies, Telecommunications who has just presented now - and as a department also Minister you know that we are engaging with yourselves because for small and medium enterprises, data must fall, it's got to be cheap - Department of Labour, Johannesburg City Park Zoo, Department of Public Works.

The department was unable to migrate the incubation support programme that was part of economic competitiveness support programme package under the Department of Trade and Industry. The department then established the enterprise incubation programme which was implemented from 2016-17 financial year. Thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 117

Mr S D BEKWA: Thank you, House Chair. Minister, what is the department's plan to tap into the R15,5 billion government expenditure on small business development?

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Thank you, hon Bekwa. Yes, that is quite a sizable amount of expenditure by government and it is important that the small and medium enterprises take advantage of this - and I think it would be important for those who are hauling across there to the DA - to let them know that it is actually this government that is supporting the small and medium enterprises more than your friends in the big business who are actually monopolising, capitalising and blocking small and medium enterprises.

The department has adopted an approach of co-ordinating all government spending aimed at developing small business and co-operatives which enables us to monitor the R15 billion expenditures aimed at supporting small business and co-operatives.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 118

Chairperson, to the haulers again it would be also very interesting to get them to speak to their friends who actually who actually made an announcement sometime back that they were going to be investing R1,5 billion into supporting small and medium enterprises. We are still yet to see that happening rather than you making noise.

Go and talk to those big businesses, you friends who are monopolising the economy of South Africa and ask them where is that fund; when are the small and medium enterprises going to see that?

Lastly, Chairperson, I would also like to say, you know those haulers across there, one of the mistakes that they make is that they are blocking the opportunity for all others to see us as the government of the ANC and small business development being a Ministry for everybody. Not just a Ministry of black people.

Those ones who are making noise about the Guptas they also have to come here and tell us as to what else are they doing about

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 119

the billions that are sitting there with your friends you've been making noise about the Guptas, go rest. [Time expired.]

Mr R W T CHANCE: House Chair, Minister, we have an anomalous situation where the budget for the small enterprises finance agency which is being under your nominal political control for over a year. It is actually controlled by the Department of Economic Development through the Industrial Development Corporation, IDC.

Now, the Small Enterprise Finance Agency's, SEFA, last annual report stated that it failed to collect 67% of the direct loans that it made to small business, which under normal circumstances would result on this unit being closed down immediately.

So, what discussions are you having Minister or have you had with Minister Patel about Small Enterprise Finance Agency dire financial performance? And when will your department acquire full control of the Small Enterprise Finance Agency's budget to get it back on track; and possible establish it as an independent entity under your direct political control?

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 120

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, thank you, hon Chance for that question. First and foremost I would like to say that we don't work in isolation. Therefore, as the Department of Small Business Development and Co-operatives we continuously engage with the Department of Economic Development and all other department.

Secondly, I would also like to say, remember and recall that when we started in this department three years ago, there was already an existing memorandum of understanding, MOU, between the Departments of Economic Development as well as Small Enterprise Finance Agency, SEFA.

Therefore, we are in collaboration and discussion with the Department of Economic Development to say that ultimately, when these departments have the full capacity, in particular to manage some of these things. Because my belief was that it wouldn't make sense for us to behave like a bull in a China shop, to just come in and say that we are going to take over everything. We do need to develop our capacity so that the accountability part is also taken care of.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 121

The other question that you raise around Sefa, that Sefa is not able to collect from the loans. Let us start from this point of view: My view is that when agencies like Sefa behave like banks it becomes very difficult in supporting your small and medium enterprises.

We must discuss things in context of the fact that we are a developmental state firstly; and secondly, the majority of black people who get the loans and subsidies and assistance where the state of their businesses are, I don't think we should have approached from that point that we give you the money and we want the money back.

My experience in the department and working with Sefa is that many of our people do want to pay back the money but the conditions and the closure of the access to the value chains to ensure that their businesses work is very difficult. We are not saying that money must not be paid back but we are saying let us remember that we are giving loans to people who never had an opportunity in the past. Therefore, how we develop the system of

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 122

assisting them to get the loans and bring the money back we must make it easy for them and don't behave like banks. Thank you.

Mr N S MATIASE: House Chair, Minister, look the integration processes of certain functions is something else, what is key here is whether your department has a strategy in place to ensure that whatever developmental goals and deliverable set for your department is in place.

I am raising this because the late Secretary General of the Communist Party, Chris Hani said; one of the things that must be done is to overcome the huge divide between rural and urban economy. And in doing so lift up the rural and urban people from the slumber of economic neglect; now the question is whether your department is geared towards realising the objecting of lifting up township economy and integrate it to the main stream economy; are you geared towards that or you are simply playing?

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, hon Matiase look at me and tell me if I look like a person who is just playing and wasting government money? The one thing I can

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 123

assure you is that those ones who are making noise over there, especially that side, while we were struggling to change the lives of South Africans – we didn't start it yesterday. We started it way back.

Mr C MACKENZIE: On a point of order, Chair.

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

Mr C MACKENZIE: Chairperson, on a point of order, the hon Minister knows better than to refer to members of this House ... [Interjections.]

The HOUSE CHAIRPERSON (Mr C T Frolick): In terms of which rule?

Mr C MACKENZIE: Rule 63 ... to refer to members of this House as hon members, not those ones! Thank you, House Chair.

The HOUSE CHAIRPERSON (Mr C T Frolick): No, hon member, you know you refer to Rule 63, and Rule 63 doesn't deal with what you

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 124

have said. [Laughter.] Rule 63 is something very serious in terms of freedom of speech and the Rule that you are quoting then actually allows the Minister to say what she said.

[Laughter.] Continue hon Minister.

Mr C MACKENZIE: So, House Chair, I rise in terms of Rule 61.

[Laughter.]

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

[Laughter.]

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, we never even took chances in as far as the struggle and liberating South Africa is concerned. So, we are not taking chances even now. We know exactly what we are doing; we know exactly why we are doing it; and the hon member here knows. I have said it even in answering one of the questions that the focus of our department is to ensure that the rural enterprises that are in the rural areas must be developed.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 125

We also have said that our focus on the townships is critical and important. Here is the issue, Chairperson, had we not had a situation where rural areas were reserves, where townships were not created for reserves we would not be at this stage of trying to correct the imbalances of the past.

We are in this space where we are today because the great grandfathers of those ones, who are across there, created the situation that we find ourselves in. Therefore the responsibility to change this does not only lies this side, it also lies with you that side by ensuring that what your great grandfathers did to us does not repeat itself. [Applause.] Thank you.

Question 91:

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES: House Chair, South African Post Office, has not submitted any request for a bailout. South African Post Office did an assessment of their funding requirements when they submitted the 2016 corporate plan. At that point they already had an existing R1 billion long-term loan and R270 million overdraft facility.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 126

It was envisaged that an additional R3,35 billion funding would be required. The National Treasury only allocated R650 million capital injection in that financial year and the R2,7 billion funding shortfall was secured through additional long-term borrowing. This results in SA Post Office having consolidated long-term borrowing of R3,7 billion.

SA Post Office subsequently requested R2,7 billion funding in the 2017 Medium-Term Strategic Framework, MTSF, process. This was intended to pay off the loans as the reliance on dept fund is not sustainable especially given that they come at a high cost. Unfortunately, there was no funding allocation this financial year. In the 2017 Budget Speech, the Minister of Finance indicate that the proposal of putting the capital structure of the Post Office on a sound footing will need to be agreed upon and he had hoped that this could be dealt with in the adjustment budget later this year.

SA Post Office is currently reassessing their funding requirements. Upon completion of these assessments, submissions

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 127

for funding requests would be made. That is what is happening. There is no current bailout which has been requested. Thank you.

Mr C MACKENZIE: House Chair, no rules. Thanks for the answer, Minister. We know that there has been no budget allocation to the SA Post Office. Given that the SA Post Office has borrowed R3,75 billion from the private sector, with dept service costs running into hundreds of millions of rands every year, which together with the fact that the SA Post Office is losing around R100 million a month from its normal operations, it is clear that the entity would run out of other people's money before the end of the year. If the Minister would not bailout the SA Post Office, what steps will he take to ensure that the entity has enough cash flow to fund its operations for this year and the next?

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES: House Chair, I have said that the Minister of Finance did mention SA Post Office in the Budget Speech. We are working on the adjustment estimate to look whether there will be some fund allocation under this difficult conditions. The problem is that

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 128

the cost of borrowing is too high and that is one of the things which are crippling the operations. If you check, for instance, our dept service costs are R360 million for only one year. It is very expensive. That is why the company needs capital injection to implement a turnaround. Thank you.

Mr M HLENGWA: House Chair, one of the envisaged programmes for the SA Post Office would be the South African Social Security Agency, Sassa, takeover, Minister, as we all know the disaster that took place at Sassa, such as failure to manage and all sorts of wrong things and corruption. So, is the Post Office in a position to takeover the grants payouts? Can you give us the assurance that timelines are in place and that the necessary funding will be made available for the Post Office to takeover this all important task and when do you envisage at the very least the Post Office beginning to takeover certain aspects of this because the bottom line is that we don't want those bunch of crooks, NET1 Cash Paymaster Services, CPS, paying the money as of the 1 April next year? So we need surety that the Post Office is ready to ensure that they pay out grants in a manner which induces the confidence that is required. Thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 129

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES: House Chair, I would like to thank hon Hlengwa for the questions. We have publicly said that the Post Office is ready to assist the Sassa to takeover pension payouts. What has happened in the recent months is that we have made several presentations to the Sassa and the department showing the state of readiness of the SA Post Office to takeover the payments on behalf of the Sassa. But because the function rests with the Sassa, we are hoping that the Sassa will finalise its processes soon because we need a transitional period. You cannot just takeover those pensions in one month. There must be a handover process so that poor citizens aren't affected. We are working much closer with the Sassa and the Department of Social Development to ensure that there is a smooth transition but we are dependent on the finalisation of the procurement processes from the Sassa, which I hope would be done quite soon.

Ms H O HLOPHE: House Chair, I will take that question. In post offices there are workers that are called delivery agencies whose contracts are described as private or independent contractors. So, we have cases of people who have been employed

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 130

for 14 years and getting paid per letter. A letter can pay as little as 20 cents. A case in question is that of Miss Malanga, who has been working 14 years and hardly takes home R1000, 00 per month. Minister, when are you going to review these contracts because this is exploitation?

The MINISTER OF TELECOMMUNICATIONS AND POSTAL SERVICES: House Chair, we are busy dealing with the matter you have referred to, hon member. The challenge we have as you correctly mentioned, these people are not employees of the Post Office. They are contractors. [Interjections.] I am trying to answer you. They have signed contracts. I have seen these contracts. I am not happy with those contracts.

The challenge is that when they signed these contracts, the volumes for letters were high. Even if it was 20 cents per letter to deliver, if you deliver 5000 letters per month, you still get a reasonable living salary. Because the letter volumes have gone down and people still have one area they are operating in, that it what is affecting them negatively.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 131

We are engaging the SA Post Office to see whether this system is valuable. The case of a lady you referred to is true. She is taking home about R1000 per month because the letter volumes have gone down. No, not for 14 years, in the recent years the letter volumes have gone down. The lady has taken SA Post Office to the Commission for Conciliation, Mediation and Arbitration, CCMA, and because she is not an employee but a supplier or private contractor, the CCMA refused to take the case.

We understand the plight of our people that they can't make ends meet with those kinds of salaries. Thank you very much.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, the time allocated for questions has expired and outstanding replies received will be printed in Hansard. Hon members, I wish to make the following ruling. Will you take your seats, please? During the debate on the Presidency Budget Vote, which took place on Wednesday, 31 May 2017, a number of points of order were raised in response to certain remarks made by the hon Plouamma and the Deputy Minister in the Presidency, hon Manamela. At the time of these remarks, I indicated that I would study the Hansard and

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 132

revert to the House with rulings. Having had the opportunity to look into the contested remarks and the Rules of the House, I wish to make the following ruling: Since the hon Plouamma is not in the House, I will wait for the next opportunity when he is present to deal with the ruling that pertains to him.

In the second instance, the hon Manamela said, the hon Leader of the Opposition went to Zambia to and I quote: "Implement regime change". The hon Chief Whip of the Opposition subsequently rose on a point of order to enquire whether such a remark parliamentary in terms of Rule 85. The concept of regime change has different connotations but is usually intended to mean the replacement of one system of government by another especially through force or other means.

It is common course that Zambia is a democratic state. In this regard one can conclude from the remarks made by the hon Deputy Minister, that he was asserting that the hon Maimane intended to undermine the democratic system and government. This is indeed a reflection on the hon member and is therefore unparliamentary. I ask the hon Deputy Minister to withdraw the remark. [Applause.]

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 7 JUNE 2017

Page: 133

The DEPUTY MINISTER IN THE PRESIDENCY: House Chair, I withdraw.

[Applause.]

The House adjourned at 18:105.

UNREVISED HANSARD