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THURSDAY, 19 OCTOBER 2017

PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 14:01.

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

QUESTIONS TO THE DEPUTY PRESIDENT

Question 37:

The DEPUTY PRESIDENT: Hon Speaker, the issue of corruption in state-owned enterprises, SOEs, is one of the most serious challenges with regard to effecting governance in our country, today. It constrains the growth of our economy and the development of our people. We are only now becoming aware of the devastating effect that such corruption has had and continues to have on the financial and operational performance of key state-

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owned enterprises. [Interjections.] With all the information that is coming out in the e-mails, this is becoming clearer. [Interjections.]

In addition to the theft of public resources ...

The SPEAKER: Hon members, order! Please listen to the answer.

The DEPUTY PRESIDENT: ... on a massive scale ...

[Interjections.] Should I keep quiet, Madam Speaker?

The SPEAKER: No. Please just proceed, Deputy President.

[Interjections.]

The DEPUTY PRESIDENT: In addition to the theft of public resources on a massive scale, corrupt practices undermine the ability of public institutions to meet their important developmental and economic mandates. [Interjections.] As more information becomes available in the public domain on the depth and the extent of corruption in such entities, there are several lessons that government and the broader society must draw.

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An HON MEMBER: Where were you?

The DEPUTY PRESIDENT: The first of these is that state-owned enterprises need to be managed by skilled and experienced professionals who are committed only to the wellbeing of the institution and the fulfilment of economic and development management. While government is responsible for determining the mandate of these entities and holding them to account, neither elected officials nor public servants should be involved in the management of these entities.

Now, the important lesson here is that there is always a temptation for people who are not the officials of state-owned enterprises to meddle and get involved in the management of these entities. Some even go further and also meddle in procurement processes. [Interjections.]

I have found that the best way of managing enterprises is that the members of your board should just focus on oversight and strategic overview. They should never, ever get involved in management issues or, more particularly, in procurement issues.

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If we can, we should heed this lesson in our state-owned enterprises, where there is a clear separation of tasks; where board members, from the chairperson down to the others, should never interfere in management issues. This should also include elected public officials, like politicians. [Interjections.]

Secondly, the appointment of state-owned enterprise boards and the executive needs to be done on a more rigorous, consistent and transparent basis. In other words, when we choose board members, we should conduct our own, thorough due diligence on board members who should be appointed. To this end, Cabinet has adopted a guide for the appointment of SOE boards and executive officers. This should set a new standard across all SOEs. It is critical that this guide be applied for all appointments, going forward.

Thirdly, the allegations of corruption that have surfaced over the last few months underline the critical importance of building credible and capable law-enforcement agencies. The criminal justice system needs to have skills, resources and effective leadership, but more importantly, the independence

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that is required to investigate each and every credible claim of corruption and to prosecute those who are responsible.

The fourth lesson that we should learn from this experience, with regard to the experience that we have had, is that the existing measures to ensure ethical conduct in the executive among public representatives and in the Public Service are not adequate. Government needs to consider instituting lifestyle audits of all senior political leaders and government officials as a matter of urgency. [Interjections.] [Applause.] If we were to have lifestyle audits right across the board, we should be able to minimise temptation and incidents of corruption.

Our efforts to grow the economy are heavily dependent on entities like Eskom, Transnet and Prasa to provide goods and services, efficiently and affordably, to citizens and business, alike. It is therefore essential that we act boldly to root out corruption in all these entities and return them to financial and operational effectiveness.

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The extent and nature of this problem means that it cannot be achieved by government alone. It requires the involvement of institutions right across society. This includes the Public Protector, the Auditor-General, law-enforcement agencies, civil society groups, political parties, and Parliament. This is a challenge that we should all take up.

We are hopeful that all these efforts on various fronts will succeed in ending corruption. Let us admit that we have learnt important lessons with regard to the corruption that has been raging across our country. What we now need to do is to buckle down, learn from these lessons and pursue those who have been involved in corrupt acts. Thank you very much. [Interjections.] [Applause.]

Ms D Z RANTHO: Hon Speaker, I thank the Deputy President for the response. Yesterday, we had a witness at the enquiry who said we took too long to attend to the corruption that is occurring in the entities. As Chairperson of the Interministerial Committee, IMC, on SOE Reform and a member of the Cabinet of South Africa,

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why did you not do anything about the corruption in the SOEs?

[Applause.]

The DEPUTY PRESIDENT: Madam Speaker, as I said in my initial input, these incidents of corruption are only now spewing out in a manner that all of us have become aware of them.

[Interjections.] To this end ... to this end ...

[Interjections.] ... If you will listen, to this end, the various parliamentary committees have now been set up to go through all these. The admission that will be made will be yes, as news has been coming out about what has been happening in our various state-owned enterprises, we have delayed and taken too long to act against those who have been involved in all these acts.

The IMC that has been set up and which I chair is an IMC that is looking at policy parameters on, for instance, the share-ownership architecture.

An HON MEMBER: Do you want some cream with the waffle?

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The DEPUTY PRESIDENT: It has been looking at issues such as the appointment to boards, how board members should be appointed, how remuneration to state-owned enterprise executives should be organised, and indeed, how the Presidential Review Commission's work should now be implemented. [Interjections.]

We have relied on the criminal justice agencies to get down and investigate all these, as they get information. In some cases, there have been lapses. For instance, when it comes to Prasa, it had to take the board members to take the National Prosecuting Authority, NPA, to court to ask why they were not investigating some of the issues or cases that have been presented to them. There have been lapses, and the lapses have been across the board. To be correct, however, the Public Protector has also conducted quite a number of investigations and she has made a number of recommendations, as well. The Auditor-General has also found a number of flaws in all of these.

What this calls for is that all of us must now be involved in a massive effort to root out corruption in all state institutions. [Applause.] That is why we are saying it should also even start

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here, at the level of elected political office bearers. They must be the ones to do these audits so that we can declare, more directly, precisely what our interests are.

That is why I have also said when it comes to state-owned enterprises, there needs to be a clear separation between what the board is entitled to do and what management can do. Where there has been failure, it has been where board members have mixed their roles with executive members; where they've meddled and got involved in operational matters; and where they have second-guessed the role of executive members. That is where we need to start and effect a clear separation of the roles that we should have in all these state-owned enterprises. Thank you, Madam Speaker.

The SPEAKER: The hon Esterhuizen?

IsiZulu:

Mnu M HLENGWA: Somlomo, kube yiphutha eliqonde ukucindezela mina, angazi kumele ngiqhubeke yini?

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USOMLOMO: Qhubeka bhuti.

Mnu M HLENGWA: Ngiyathokoza, Somlomo.

English:

Hon Deputy President, I like the admission that you are only realising this now. I would imagine that you speak for this side of the House, because we have a President, who the ANC elected, with 783 charges of corruption hanging over his head.

[Interjections.] You were silent then.

HON MEMBERS: Yes! Yes!

Mr M HLENGWA: The Scorpions were disbanded. You were silent then. [Interjections.] The law-enforcement agencies have been captured. You are silent - albeit the warning signs were there all along. Your silence has aided and abetted the prevalence of corruption in this country. [Interjections.] So, why should we believe you now - that there is political will - when the country is already in the gutter?

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When we said these things, we were accused of politicking. You say you must start here. The opposition started here, raising these matters many years ago but you kept quiet. [Applause.] So, this is now a face-saving exercise in the face of crisis. Why should we believe you now when, all along, you have run away from the realities we presented before you? [Applause.]

The DEPUTY PRESIDENT: This is not the time for finger-pointing. [Interjections.] This is the time for action ... [Interjections.] ... and I welcome ... [Interjections.] ... no, no, no, listen. I welcome your enthusiasm.

The SPEAKER: Order! Order, hon members! [Interjections.]

An HON MEMBER: Where were you?

The DEPUTY PRESIDENT: I welcome your robust enthusiasm with regard to this matter. We welcome it because what you are displaying and, indeed, what all of us are displaying is that we abhor corruption, we want to root it out from South Africa in our state-owned enterprises. [Interjections.] This is a message

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and these are voices that must raise their decibels so that it becomes very clear that we want a corruption-free South Africa. We want to rid this country of corruption. [Interjections.]

As I said in my main input, rather than sit screaming and shouting as many of you are doing on the other side of the House, let us buckle down and work together to root out this corruption. That is what we should be doing, and especially the lady who is pointing fingers. This is the time where we should act together. Thank you very much. [Interjections.]

Mr N F SHIVAMBU: Madam Speaker, Deputy President, the reality of the situation is that we are witnessing looting at a mega-industrial stage and form in South Africa. As a result, state-owned companies owe an excess of R250 billion of guaranteed debt. If the lenders were to withdraw that money, it would have to be the responsibility of the state and it would collapse the whole fiscus.

In the recent past, when there were allegations that were, later on, proven and cleared by the board of the PIC, Mr Gigaba

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commissioned a forensic audit on the PIC. However, there is a prima facie case here of Eskom, of R500 million that has been paid to Trillian Capital Partners for doing nothing, absolutely nothing. That has been confirmed by the board and everyone else concerned, including the former CEO of Trillian Capital Partners, a Gupta-linked company. They are saying they received R500 million for nothing.

Why hasn't there been a forensic audit commissioned on Eskom? You are responsible for state-owned companies. Why hasn't government done anything? Yes, as Parliament, we are doing something. Why hasn't government done anything about the R500 million that was paid to Trillian Capital Partners? Why is there no forensic audit? Are you scared of the Guptas?

Lastly, are you going to be removed as Deputy President? Your friend said you were going to be removed as the Deputy President of South Africa very soon, possibly this week, or even tomorrow. [Interjections.] Please clarify that.

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The DEPUTY PRESIDENT: Madam Speaker, let me start off with this R500 million. My information, hon Shivambu, is that there has been an investigation and the investigation is ongoing. I am on record as saying that any amounts of money that were unduly paid should be returned, should be paid back, because that money belongs to all of us, as South Africans. So, any amount that has been paid out unduly and particularly, monies that have been paid out without any invoice, without any work having been done should be returned and should be returned immediately.

[Interjections.]

I have heard responses from companies like McKinsey & Company saying that if a court of law says they should return it, they will return it. I am saying that that is going to delay this matter unduly. Those amounts should be returned and they should be returned immediately. If any court has to rule, the money should now be in the coffers of Eskom because it belongs to the people of South Africa. [Interjections.] By the way, those who are responsible for dispensing all this largesse and these monies should be brought to book. They should be investigated, and our law-enforcement agencies should be on the case

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immediately to make sure that they account for what they did. Anybody who gives out money without having received an invoice or without regard for work that has been done should actually be taken to task.

In relation to the statements that have been made about my removal, I must tell the hon Shivambu that when I was appointed Deputy President, I accepted the appointment because it is the President's prerogative to appoint or remove anybody on the executive. [Interjections.] If the decision is to remove me, I will accept that as a decision that will have been taken by the President and I will continue serving the people of South Africa in one form or another. That's all I can say on this matter. [Applause.]

Ms N MAZZONE: Madam Speaker, Deputy President, given what you've just said about meddling in state-owned entities, I hope you're going to use your influence to make sure that no one meddles in the Public Enterprises Committee while we execute our constitutional mandate of oversight, as we look at our public enterprises. I think, more than ever, we are going to need you

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to stand up, man up and make sure that that committee is left to do their business and be protected.

Given the gross financial mismanagement at these state-owned entities, specifically those that fall under Public Enterprises, would you agree that it's now time for Minister Lynn Brown to be removed as Minister, given the implications of her dealings with possible corruption, with overseeing entities that are quite clearly involved in state capture, gross financial mismanagement, such as Denel? I think the time has come for Minister Brown to be removed from her position, someone more capable to be placed in her position to take over and look after these entities, and start leading them in the right direction. If you don't agree with me, Deputy President, I would like to know why. [Applause.]

The DEPUTY PRESIDENT: Speaker, let me immediately say to the hon Mazzone that Minister Brown, like me, is appointed at the pleasure of the President. [Interjections.] I am appointed and so is she. If I were to be fired, it would be at the pleasure of the President. Similarly, anything that could happen to Minister

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Brown would also be at the pleasure of the President. So, it is not for me to say who should be appointed and who should be fired. I am also part of those who are appointed and fired. I would like to suggest to you, perhaps, that you pose that question to the President, who does all these hirings and firings himself. Thank you very much. [Laughter.] [Interjections.] [Applause.]

The SPEAKER: Thank you, Deputy President. Before I proceed to the next Question, I wish to welcome the pupils from Bloemhof Girls' High School, in Stellenbosch. They are in the Grade 10 and 11 Economics classes. They are here with their teachers, Ms Lizanne van Rooyen and Ms Anne-Marie Klink. Welcome! [Applause.]

Question 38:

The DEPUTY PRESIDENT: Madam Speaker, just to say to the girls from Bloemhof High School, I am sorry you come to Parliament when I am being grilled. The current global and economic downturn has seen a contraction in investment flows globally and our own country has not been immune to the contraction. The global trend in relation to foreign direct investment flows is

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to invest domestically and also in the traditional developed markets of the world and big emerging economies such as China and India.

South Africa's drop in the World Economic Forum Global Competitiveness Report ranking from 47 to 61 is attributed to an increase, as they said, to corruption, crime, theft and government instability. That means that we need to decisively tackle corruption and address the governance challenges as a matter of urgency in our country. At the same time, we need to strengthen our efforts to promote investment. The government has established the Investment Management Certificate, IMC, on investment to oversee our overall investment policy, alignment co-ordination and improve investment climate.

As part of this approach and in consultation with the private sector, we have established an intergovernmental clearing house which we call Invest South Africa as a one-stop shop approach to investment. To counter negative perceptions, Invest South Africa meets with investors on a number of platforms to discuss investment opportunities and to discuss the concerns that

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investors may have about investing in South Africa. In view of the slowed growth and the decline in foreign direct investment, Invest South Africa is intensifying its effort to do a number of things. One of those things is to find ways of attracting foreign and domestic investment in our country. It has also formalised the relationship with the World Bank to address South Africa's ranking in its annual ease of doing business survey and overall investment climate issues over the medium to long-term.

This entity we call Invest South Africa, continues to do a wonderful job with regard to marketing South Africa and to market it as a lucrative and attractive investment destination. For the first two quarters of this year, Invest South Africa has achieved a quite wonderful feed in that it has achieved an investment pipeline of a whopping R42,7 billion. More broadly, government massive infrastructure programme is improving conditions for investments as foreign investors can see that the government is prepared to invest in its own economy. Incentive programmes like that in the auto industry are continuously attracting new investments and are encouraging companies to expand their operations as we would have seen with a number of

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these companies investing more money to expand their operations and to raise their productivity.

Despite the challenges investors see South Africa as an attractive investment opportunity and destination as well as a viable long-term investment place. However, if we are to realise our economic potential, we need to meaningfully address the problem of corruption and stability in government. Once we have done that, I am certain that investor confidence will improve in South Africa and we will be able to once again move up, hon Meshoe, in the global competitiveness rankings. I have no doubt that the dip that we have had is a momentary one, we will rise again. Thank you very much.

Rev K R J MESHOE: Speaker, failure by government to effectively deal with persistent high levels of crime, corruption, state looting and government instability is one of the main reasons why the triple challenges of poverty, unemployment and inequality continue to haunt us. President Jacob Zuma's latest Cabinet reshuffle after seven months since the last one seriously undermines any effort to restore and inspire business

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confidence which we need to improve our prospects for economic growth.

Deputy President, there are unconfirmed media reports that you could be the next to be reshuffled by the President because you are being accused of being a spy for the western capitalists. This speculation creates even further uncertainty. How will our government improve our global competitiveness and inspire business confidence when government instability and political uncertainty are being exacerbated by unwise decisions such as the latest Cabinet reshuffle by the President and talks of more reshuffles that would even target you, Deputy President. Thank you.

The DEPUTY PRESIDENT: Hon Speaker, the issue of instability has been raised by those who rate us globally. When they have looked at us, they see all those issues are referred to, namely, corruption, crime as well as instability. Truth be told, as we do a number of things and as we act like, for instance, the recent Cabinet reshuffle, we must admit that it has added to the narrative of instability. Largely, it is because the changes

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that have been effected were effected only a few months after the last change.

Now, the one that you are positing about my removal, as I indicated earlier, it is a matter that I cannot comment anything about because I am not the one who decides on these matters. If I were to be removed, it will be at the pleasure of the President. Whatever its impact would be would be something that will have to be analysed by a whole number of people. I am not able to analyse what the impact is likely to be. But it is the President's decision and the President exercises his prerogative on matters like these as he takes his decisions. Clearly, he must have his own reasons why he appoints and removes people which we are not privy to. Thank you very much.

Mr M L W FILTANE: Hon Chair, good afternoon, hon Deputy President. I would hope that your body language doesn't tell us that you are tired. Thank you very much for sitting up. Deputy President, tourism is under attack. We are all well aware of the frequent attacks on people who come into the country intending to stay for two weeks and yet they go back the very following

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day. That definitely has a negative impact in so far as reliability of our security force is concerned. Time and time again we sit with reports indicating that departments are being so poorly run with irregular expenditure, fruitless expenditure and underexpenditure. This dampens enthusiasm of any potential investor especially when they are considering coming in as partners to government when the other party is not running its own businesses well.

Now, criminality is on the high resulting in social instability where investors would want more stability. Lastly, incompetent and inappropriately qualified labour force does not augur well for a country that is looking to attract investors because you end up with people who cannot do the basic things that need to be done in economic circles. What is your response to that?

Thank you.

The DEPUTY PRESIDENT: Hon Speaker and hon Filtane, as I indicated earlier, some of the key challenges that face our country indeed are corruption as well as criminality. The issue that you raised about tourism being under attack is one case in

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point where tourists for instance arrived from Holland in a bus and were attacked. Some of those who attacked them we are told happened to be police officials. That is a matter of serious concern hence we have dropped in our global competitiveness rankings. These are matters that are clear indicators to us on what needs to be done because we need to root out corruption and criminality also within the state sector where we have deployed people who are supposed to perform their tasks to the best of their ability.

Where we find that people are not performing their tasks and are not serving the people of South Africa, they should be removed from those positions. We should, following great due diligence, make sure that we appoint people who are able to perform the tasks that they are supposed to be given. We should not just appoint people for the sake of them being in positions to please whoever. We should appoint people who are ready, willing, able and capable of serving the people of South Africa. This is what is important and this is what will get us to resolve the challenges that we face. If we are to do that and we are to do that doggedly we will be able to reduce corruption in our

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country and to reduce criminality. If we can do that, then you will see that we become a very attractive nation to the world and people will continue streaming to our shores. Thank you very much.

Mr J A ESTERHUIZEN: Madam Speaker, I apologise we had a little problem with the buttons here today.

The SPEAKER: You do look like Mr Cebekhulu. [Laughter.]

Mr J A ESTERHUIZEN: He's just faster on the button. Hon Deputy President, apart from the global competitive index you also mentioned the World Bank and currently we are rated 125 out of 190 countries, 79 overall, which doesn't make a good reading at all.

Also the question about what are the additional steps for the government - the National Development Plan, NDP, Phakisa, the 14-point Plan and the 9-point Plan? They will not deliver more on target unless they are overseen by a dedicated Ministry, and this is not happening. Political decisions and matters that have

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economic consequences will literary affect investor confidence - decisions like our most recent self-serving reshuffling of Cabinet.

I know it must be very difficult for you, Sir, but how concerning for you as Leader of Business which is under your watch, that this government is cornering itself into irrelevance while at the same time setting fire to business and investor confidence in this country. So, where do we go from here? How do you propose we overcome this? Are we not more concerned about damage control than rooting out the rot? Thank you.

The DEPUTY PRESIDENT: Hon Speaker, clearly, we have our challenges and we have our work cut out for us. These challenges that we face should not tell us that we should run away or give up. What these challenges should tell us is that, we must buckle down and do the work that needs to be done. In my book there are really four determiners. The first one is how you allocate your resources in any undertaking, and that is what is important, and how you make sure that those resources are well used and well

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managed. That would address the question of utilising our resources properly and also avoiding corruption.

The second one is who do you place in certain positions to make sure that you execute your objectives. We need, as I said earlier, to appoint the right people to do the job at hand.

Thirdly, is to make sure that there is implementation.

Implementation means that there must also be accountability and consequence because if there is no consequence then we are going nowhere. On an ongoing basis we must be able to monitor what we are doing.

If we were to combine all of these, having set out what our objectives are, we should be able to have all the way we thought the instrument to address all these. Now, if we now know where we are, our ranking on a number of fronts has gone down, but the wheels have not come off. The wheels have not come off there is still the pillars - the pillars of our democracy and the pillars of what has made up this South Africa we live in now are still in place. The foundation is there. All we need to do is to realise that we are now going down and we are hitting rock

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bottom and the only way is to go up and address these challenges, root out corruption, have the right people in the right positions and implement the plans that we have.

If we can do that, hon member, this country will start rising in the world rankings and we will become the jewel that our people would like South Africa to be. That is where we are headed. We now know what the real challenges are. We can only go one way and that is up and get better and better at everything we do. Thank you very much.

Ms H O MKHALIPHI: Deputy President, one of the mentioned reasons for decline in global competitiveness index is state looting, right? You are reported to have mentioned the issue of state capture in various platforms and you correctly identified the Gupta family as element to the whole problem of the state capture. But one of the Gupta brothers said that you are misinformed about the family and he challenged you to back up the claims that the family is using and abusing the public funds.

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Now, Deputy President, can you put it on record here and assure the public that you are not part of the state capture? Why do you say that the Gupta family is abusing public funds? Thank you.

The DEPUTY PRESIDENT: Hon Speaker, when you say that I am not part of state capture I hope you are not saying that I am also capturing because I am not capturing and I am not captured. That should be clear on the record by whoever - foreign forces or Guptas or whoever. I am not captured and I am absolutely clear about that. In my own conscience and in my own heart I have never been captured by anyone. Having said that, the evidence that is clearly coming out through what we are reading, the emails and so forth does in the end give a lot of evidence. Some of it might be circumstantial and some of it might be direct evidence that that family is in one way or another involved in all these.

Therefore, it is for this reason that we have called for a commission of inquiry and that family should welcome the appointment of such a commission so that they should have an

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opportunity of also clearing their own names. They must subject themselves to the commission and we are hoping that this commission should be appointed soon. The President, I know for a fact, has been busy at it and working out precisely how this commission should function. We should all look forward to this commission of inquiry being appointed so that it can do its work. Thank you very much.

Question 39:

The DEPUTY PRESIDENT: Madam Speaker, the reduction of poverty and inequality is the central objective of our government's economic programme. The most effective way to reduce poverty is through the creation of jobs and the development of skills. Since 1994, we have used a combination of instruments to tackle poverty. This include, the reprioritisation of the budget towards a pro-poor expenditure, social security measures, provision of services and facilities and the redistribution of assets and creation of employment.

Budget spending continues to favour those areas that have the greatest impact on poverty. As we worked to grow the economy and

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overcome the legacy of apartheid inequality - a process that will take quite a number of years, our social security system is critical to improving the lives of the poor people in our country. The number of social security beneficiaries has continued to grow as does the value of the various social assistance grants.

Since 1994, the government has been firm in its resolve to improve access for the poor to other social services, such as health services, food security; nutrition; transport; housing; electricity and education.

Now, if you look at all that whole sweet, it's because the government has been very concerned about the poor in our country. It is important that our citizens receive the support. They need to chart their way out of poverty. Key in this regards are government policies on land reform, the delivery of housing; the reform of water rights; infrastructure development and meeting of energy requirements.

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Through the implementation of the public employment programmes, particularly the Expanded Public Works Programme, many poor households are able to receive a stipend that goes a long way in alleviating poverty. We are counting hundreds of thousands of South Africans who are benefiting in this programme every year. In fact, we count up to a million a year.

Additionally, we have seen services being delivered through labour intensive methods while creating assets and effecting training to people who are less skilled and who need skills to be able to get on with their lives.

In conclusion, there are a number of strategies that the government is employing to combat poverty, some involve the provision of basic services such as health care as I have indicated and all these programmes are meant to make sure that our people do live in a situation where their dire conditions are alleviated.

One could ask, are all these having an impact? I would like to believe that they are making an impact much as the statistician-

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general's report indicated that poverty has increased in our country, but in the main, we have been able to reduce poverty over the many years and we need to do much more than what we have been doing in the past. Do we have plans in place to do so? Yes, the government is determine on an ongoing basis to look after poor people in our county and not only look after them but to give them the tools the way with all to be able to get out of a position of poverty. Thank you, Madam Chair. [Applause.]

Ms H H MALGAS: Hon Deputy President, having observed International Day for the Eradication of Poverty on 17 October, which acknowledges the call to action made on 17 October 1987, to break the silence of poverty and to act in solidarity to put the end to poverty and to build the path towards peaceful and inclusive societies. These requires all nations to hit the calls made by the UN and honour human dignity of people living in poverty and to continue to fight to end discrimination they suffer.

My question, Deputy President: could you elaborate on the plans the government has in place in relation to create jobs, improve

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local economy and promote and empower Small, Medium and Micro Enterprise Business in impoverish areas? I thank you.

The DEPUTY PRESIDENT: Hon Speaker, hon Malgas, the government continues through a number of initiatives and interventions to seek ways of addressing the situation of poverty in our country as I indicated through a variety of programmes. The policy thrust of our government is pro-poor. We are determined to make sure that we eradicate poverty in our country and nearly every programme that we embark upon is aimed at addressing the situation of poverty, inequality and unemployment. This triple challenge that our country continues to face is a clear focus of our government and the prioritisation of our budgetary process is aimed at precisely addressing these three challenges.

Now, when it comes, for instant, to localisation - empowering people at the local levels so that there is inclusive growth, that's one area that we are focussing on to make sure that the economic interventions that we embark upon are aimed at precisely addressing this.

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This past week, we were in an area in the Free State where we were looking at the public employment programmes that we have there. The pleasing thing is that even through these types of public employment programmes, we are focusing more and more on localising the participation of people we know, for instance, we were at a road building initiative or intervention where our government in the Free State is building or constructing a road of some 13 kilometres and what they have sought to do is to use local labour, is to use local materials as much as possible and have dispensed with the notion of having big construction companies. Now, this is helping the people at a local level to become economically active. They participate in this project on their own. Small and Medium Enterprises are being formed. Training is taking place. So, through a plethora of initiatives, we are giving life and meaning to the concept of inclusive growth through localisation.

On the Small and Medium Enterprise side, our government is committed to supporting Small and Medium Enterprises to grow them, to nurture them and to give them access to markets and through the set asides that we are putting in place, these Small

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and Medium Enterprises should be able to thrive and to be successful. So, these are the initiatives, hon Malgas, which we are putting in place. They are aimed at addressing precisely the challenge of poverty that our people are facing. Thank you very much.

The CHIEF WHIP OF THE OPPOSITION: Deputy President, I am delighted to have the opportunity to put a question to you today because of the briefings from within your own party are to be believed, this could be your last oral questions session as Deputy President. Sounds like the only buckling down you are going to get towards packing your office.

I am sure the Deputy President will agree with me that social grants, although insufficient, are one of the key measures to alleviate the suffering caused by poverty and unemployment.

Now, yesterday, Deputy President, the Minister of Social Development, Bathabile Dlamini and her department failed to show up at the portfolio committee were they were supposed to give a progress report on the Constitutional Court order for them to

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give their monthly update on the social grants crisis. Does the right hon Deputy President agree with this no-show and do you approve of it? If not, as the Leader of Government Business, what do you intend to do to compel the Minister of Social Development and her department to respect the Constitutional Court and respect this Parliament, or do you intend to continue to sit on your hands, as you have done the last two-and-a-half years, as Ministers disrespect this Parliament? Thank you.

[Applause.]

The DEPUTY PRESIDENT: Hon Speaker, if that eventful day ever happens, that I need to pack my office and vacate, hon Speaker, I hope you will allow me to engage the services of Mr Steenhuisen to come and pack up in my office. [Laughter.] I will lay out the boxes and he will pack up my books and I hope that he will be ready and willing to carry them out and load them in a van and drive me away. So, I hope he will be willing to do that.

Now, coming to this question with regards to the hon Minister, Bathabile Dlamini, this is clearly a matter that I have to

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discuss with her because I have often taken time rather than stand on public platforms, speak to the gallery to discuss with colleagues that I serve within government about all of us, not only herself but all of us living up to the responsibilities that we have. If indeed, she did not appear and attend to the parliamentary committee process, I will have a discussion with her and we will do it in the quiet of my office and we will make sure that, indeed, all of us as members of the executive do live up to what the public and indeed to what Parliament expect us to live up to. I hope hon Steenhuisen does not find that unacceptable. He is nodding his head, meaning that he finds it immensely acceptable and very supportive. [Laughter.] I thank him for that. Thank you very much.

Mr M HLENGWA: Hon Deputy President, unfortunately I don't find it acceptable because we are on the brink of a crisis. The Constitutional Court had to intervene this year to correct the shortcomings of Minister Dlamini, who is dismally failing to manage the transition from the corrupt Cash Paymaster Services, CPS, to SA Post Office, Sapo. She was supposed to appear before the portfolio committee in the morning and at Standing Committee

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on Public Accounts, Scopa, in the evening. She was nowhere to be found.

So, the direct question, hon Deputy President, is in the face of this crisis which threatens the sustainable livelihoods of millions of our people, particularly the poor. Do you think that the Minister is competent enough to perform the duties presented to her and if you were the President would you keep her on as Minister? Thank you.

The DEPUTY PRESIDENT: Hon Hlengwa, I am not the President as you well know and allow me the opportunity to have this discussion with the Minister. There is possibly a reason or other why she did not come to the committee and to Scopa.

Now, I would like to have that discussion with her as I do with many of my colleagues as the Leader of Government Business. In the end by the way it is not really entirely my responsibility as the Leader of Government Business because it is the responsibility ... No, listen to this. It is your responsibility

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as Parliament to hold Ministers or members of the executive to account. It is your responsibility. [Applause.]

Now, if I were ... Listen to this. If I were not to be accountable and you were generous enough, you agreed that I should answer questions today instead of yesterday; I requested that leeway because I had to be in Lesotho for their dialogue process. Now, I requested. Now, if I was to bunk all together and not even appear here, it is nobody else's responsibility but yours as Members of Parliament because I am accountable to you. So, when I say that I will have a discussion with her, let it be clear that in the end I am not like a head prefect. I am not a sibonda [village headmen]. I am going to be doing so as member of the executive, as Deputy President.

Mr M HLENGWA: Hon Speaker, but I think you must be fair to us as members as the Speaker. When the Deputy President says, we must them accountable. They are never here. You, as the Speaker know that on our behalf. So, I put it to you, Speaker; tell the Deputy President that we want to do our jobs but the Ministers are never here to...

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IsiXhosa:

USOMLOMO: Lungu elihloniphekileyo, Hlengwa, ndicela uhlale phantsi bhuti.

Mr M L W FILTANE: Hon Speaker, there we go again, hon Deputy President. The Gini-coefficient still demonstrates that the gap between the haves and the have nots is forever widening in our beloved South Africa. There is no stable and sustainable employment being created even less so by the government.

Instead, mines are shedding jobs by tens of thousands on a regular basis. Even the Expanded Public Works Programme, EPWP, spearheaded by Public Works is unable to offer stable and sustainable jobs. Less so, the community programmes run by the Cogta is so unstable with serious unexpenditure. Ongoing underexpenditure by government departments results in the slowing down of the socioeconomic advancement of the poor.

Now, I challenge you, hon Deputy President, here and now, to pronounce to us how you are going to effectively localise contracting. I will give you two examples to show that it is not happening. Only last month, we were in the Eastern Cape Public

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Works. A contract of R101 million was awarded by Public Works to a Pretoria base company to construct Mthatha High Court. A Pretoria company, I am not concerned about the colour of the company. An amount of R42 million worth of road works ...

IsiXhosa:

... ukukrwela ugalele nje irhexe endleleni?

English:

They couldn't find a single black company in the Eastern Cape to do the job. Your government, how do you localise it? In Fort Beaufort, a school with a contract of R54 million has been awarded to a Port Elizabeth company. How do you practice what you are preaching? Tell us and tell us now.

Mr H P CHAUKE: Deputy Speaker!

The SPEAKER: Yes, hon member.

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Mr H P CHAUKE: Speaker, we have school children in the gallery please, Filtane must just try and reduce down his voice volume because it's just going to scare kids here. [Laughter.]

The DEPUTY PRESIDENT: Hon Filtane, I will surprise you. I rather welcome the examples that you have put forward because they go to testify precisely what I was saying earlier, that our general thrust with regard to addressing the challenge of poverty and disempowerment, generally, is to make sure that there is localisation, proper empowerment of our people, shared economic participation and growth.

Now, you have given three very good examples and I want to check on that. I was telling you earlier and I went on this oversight visit with Deputy Minister, Jeremy Cronin, Inkosi Holomisa and a number of other Deputy Ministers. We were all together, Deputy Minister Madala Masuku and a number of others. We were out there in the Free State and we saw something that is really exemplary and all of us as we saw this had this great feeling that if this was to be spread throughout the county.

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The Free State one has its own challenges because the costs structure of constructing the roads with local participation and local materials are a little higher than what it should be. But that is a challenge that can be addressed. But the pleasing thing is that it is the project that the community as a whole owns. They feel that this is their project. It has created up to 80 odd jobs in the area, men and women in our country wake up every morning to go and work on this road, which they have been constructing. [Applause.]

Now, I would have wanted to see that as well in the Eastern Cape. I would have wanted to see it in the area that you were talking about. It is certainly something that should start growing on us. It doesn't just fall from the sky. It's something that we should be socialising more and more as we get our various government structures to become more *au fait* with what localisation actually means and also to address some of the challenges that we saw in the Free State and find a clever way of addressing precisely those. I mean, I tell you, we saw how women and men are putting up brick by brick to construct a main road on which busses and big trucks travel. They are

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constructing the road as the Romans did many centuries ago. These are durable roads, beautifully built roads and that's precisely what we want to see spread throughout our country.

In KwaZulu-Natal and in some parts of the Eastern Cape, we have women maintaining the roads of our country stretches of kilometres of road. So, this localisation process is growing on us. Let us encourage it to continue. Where we find incidents where outside companies from the local area are being brought in, we must ask those role-players to halt to see to what extent those companies can work with local companies to transfer skills to make sure that the wealth that is generated remains in the area rather than be exported to Pretoria, for instance. So, I will take what you have said to heart and I will want to follow it up as well. Thank you very much. [Applause.]

The SPEAKER: Before going to the next question, it is again my pleasure to welcome pupils, learners from Amamfengu Primary School, in Tsitsikama, Eastern Cape. [Applause.] They are 14 and accompanied by their three staff, welcome.

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IsiXhosa:

Mnu N L S KWANKWA: Mama uxolo torhwana, sicela amagama ootishala babo nabo kaloku besibabizile kwesiya isikolo ukuba awukhathazeki. [Kwahlekwa.]

The SPEAKER: We have Mr Ngeni, Mrs Mdoda and Miss Gugushe.

[Applause.] Those are the staff members. [Applause.]

The SPEAKER: We now come to Question 40, from the Leader of the Opposition. The hon President! The Deputy President!

[Interjections.]

The DEPUTY PRESIDENT: Deputy President, hon Speaker!

The SPEAKER: Deputy President, indeed!

Question 40:

The DEPUTY PRESIDENT: The Interministerial Committee on State-Owned Enterprises Reform is in the end responsible for the implementation of the key recommendations of the Presidential Review Committee on state-owned enterprises, SOEs. These

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recommendations relate in the main to the design of our SOE landscape and the policy measures required strengthening the ability of these critical entities to fulfil their developmental mandates.

The interministerial committee does not have a mandate to deliberate on the funding requirements of specific SOEs. The decision to transfer funds to SA Airways from the National Revenue Fund was therefore not placed before the interministerial committee for consideration. I thank you, Madam Speaker.

The LEADER OF THE OPPOSITION: President ... I mean, Deputy President, I am sorry: There is just too much reshuffling that takes place. What I wanted to highlight, Deputy President, is that recently I was in the Eastern Cape and I met a young woman who told me of a story of how she depends on welfare - social grants. I reflected at length about that story and realised that in fact four children die every day in South Africa, thanks to malnutrition.

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Now, I struggle to understand, within that context and within that women's life: Why would we take R3 billion of South Africa's taxpayer's money and help the rich fly on SA Airways? So, Deputy President, it has already been proven that the bailout that the Minister of Finance put to SA Airways was in fact was in contravention of the Public Finance Management Act. There is a Medium Term Budget Policy Statement being tabled here that will adjudicate some of these funds.

I want to know, Deputy President: Is it not time for all of us as South Africans to be real about what our needs are, especially for poor South Africans. We could sell off some strategic routes on SA Airways or sell off the airline, because quite frankly: Why are we subsidising rich people to fly at the expense of poor people. So, is it your view to support the bailout or to support poor people? [Applause.]

The DEPUTY PRESIDENT: Hon Speaker, the Leader of the Opposition knows very well that the Medium Term Budget Policy Statement is going to be delivered by the Minister of Finance next week. In his delivery of that statement, he is going to address precisely

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some of these issues that have to do with SA Airways and how this funding of SA Airways is going to be effected.

I couldn't think of a better opportunity when we finally discuss and debate the Medium Term Budget Policy Statement: When Members of Parliament will have that opportunity to dig deeper into the statement that the Minister is going to make; when they begin to dissect even the propositions and engage on all the issues that will be embedded in the statement that the Minister of Finance is going to put. So, I would like to suggest, hon Maimane, that we should look forward to this statement being put to Parliament. Once that statement has been put forward, we would engage with it.

You raised the issue of SA Airways and you have been actually saying that SA Airways should be sold. That is a policy platform on your party's side. You say: Sell it off - and sell it off right now - because you are subsidising the rich at the expense of the poor. On this side we are saying: This is a state resource ... [Laughter.] [Interjections.] This is a state

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resource and what we are committed to doing is to address the challenges in SA Airways.

Today, certain announcements were made about SA Airways, the changing of the board and looking forward to a clear strategic approach that SA Airways should have. When the Minister finally addresses us, he will tell us what the money is going to do, what conditions he is attaching to the money and how he is dealing with all these other regulatory structures that we have, like Public Finance Management Act and all these other various sections.

The Minister, in addressing that, gives us an opportunity. Clearly, it should never be in anybody's mind to doubt our commitment to the fortunes and the interests of poor people. This side of the table has been always pro-poor people, hence the policies that we have adopted. [Interjections.] We have adopted the clearest policies. And, you know what? These days we are finding that that side of the table is learning quite a lot. [Laughter.]

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They are learning from the policies that this side of the table has been instituting. [Applause.] [Interjections.] Now, we thank you and we want to encourage you to continue your learning process because we have great policies that you can pick and choose from to enhance your own policy capability. I would like to invite the Leader of the Opposition, very respectfully, and say that: Let us engage with this issue.

In fact, it might also be a useful thing for all of us to engage in a real robust debate as Members of Parliament about the positioning of our state-owned enterprises. For instance, I would want to get into a thorough-going debate with the Leader of the Opposition, not only on SA Airways, but on a whole range of state-owned enterprises so that he - if he can - sharpens my intellect, and I wholesomely sharpen his intellect. Thank you very much.

The SPEAKER: The hon Leader of the Opposition! [Interjections.]
Oh, the hon Shivambu!

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Mr N F SHIVAMBU: Deputy President, towards the end of June, the National Treasury withdrew R2,3 billion from the National Revenue Fund and gave it to SA Airways. Then, towards the end of September, the National Treasury withdrew R3 billion and gave it to SA Airways and a portion of that was allocated as working capital. Their withdrawal of those monies was not as per normal appropriation process. They used section 16 of the Public Finance Management Act which says that you can withdraw money when there is an emergency. So, that section of the Public Finance Management Act speaks about use of funds in emergency situations.

Do you rationally believe that taking money from the National Revenue Fund to allocate to working capital of SA Airways, to bail out on things that we have cautioned you about throughout, falls within the ambit of section 16 of the Public Finance Management Act? You just go and withdraw money, and you say it is an emergency, when we have been telling you that there is a crisis: Dudu Myeni can never get SA Airways right!

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Do you rationally think as Cabinet that it is sensible and legally permissible to just take money from the National Revenue Fund that is meant for emergency to bail out SA Airways which is badly managed? Then the quick issue is that you were given justification. You said you are going to speak to the truant Ministers who do not come here, and you will engage them to come here. However, there is a Member of Parliament who was sworn in recently, called Nkosazana Dlamini-Zuma. Where is she? Do you know where she is? Maybe you will tell us because she has just been sworn in and she is not here in Parliament. Please!

[Applause.]

The DEPUTY PRESIDENT: Hon Speaker, the question that hon Shivambu has raised in relation to utilising the National Revenue Fund and/or utilising section 16: A legal opinion was obtained. Also, as I am informed, a legal opinion was also obtained by the Parliament Legal Officers. This is a matter which in the end the Minister of Finance is also going to address when he addresses us next week.

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The SA Airways, being a state-owned enterprise, was facing serious difficulties. Part of the money had to go towards servicing debt because of that had not been done, it would have called or resulted in the lenders of SA Airways all coming in a rush - in a most catastrophic way - to demand payment for the debt that is owed to them.

So, quite a lot of juggling had to be done. There was nothing in my view that was illegal. It was all done very openly because we were trying to avoid something that could have had even a bigger - a much catastrophic and bigger - impact on the country as a whole. We were trying to show up for something that could have resulted in a flood.

Clearly, utilisation of section 16 of the National Revenue Fund is a matter that will be addressed. Some view it as illegal; others view it as something that has addressed something of an exceptional nature. In the end, this matter will be properly outlined and clarified by the Minister of Finance when he does his Medium Term Budget Policy Statement.

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In the end, the issue of the attendance of hon Dr Nkosazana Dlamini can be addressed by the Chief Whip who is willing and able to address it because he is the one who is in charge of the attendance of members on this side as Members of Parliament. So, hon Speak, if you allow that, the hon Chief Whip is willing and able to address it. Thank you. [Applause.]

The SPEAKER: At the right time! The hon Kwankwa!

Mr N L S KWANKWA: Deputy President, or should I call you President: I don't know; we seem to be confused. You see, this question is broadly about the reform of SOEs and it cites SA Airways as one example of the challenges we are facing so far as SOEs are concerned. I want to take you back to the question which was asked early, especially by hon Rantho, because it links to this very well about Eskom.

For instance, there were reports in the past that Ministers who were in charge of that Public Enterprises, in particular, were giving inconsistent instructions to the board of Eskom -

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inconsistent with the rules of corporate governance. What did you do about that issue?

Recently, Professor Anton Eberhard did a presentation and testified in front of the Portfolio Committee on Public Enterprises inquiry into Eskom. One of the things he spoke about was the fact that the Minister of Public Enterprises, Lynn Brown currently, and members of the Board of SA Broadcasting Corporation undermined - they took steps to undermine the Eskom War Room which they were given a mandate to oversee. Right?

Not only did they undermine, but they made it impossible for that Eskom War Room to financial turn around Eskom. What have you done as a person who was charged with overseeing that process to make sure that those things don't happen and that Eskom isendleleni elungileyo [is on right path]?

The DEPUTY PRESIDENT: Hon Speaker, I did say that in the end, the ideal position is that the corporate governance processes and procedures should be adhered to: Where the executives of any entity are given the right to run the enterprise as best as they

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can, without any undue influence and interference from those who are not members of the executive; and they should be accountable to their board.

Their board should be a board that will have oversight and give strategic direction to the enterprises. Now clearly, there have been lapses, there have been omissions and there have been some commissions in a way where all these processes were not truly adhered to.

When it comes to the Eskom War Room, the Eskom War Room was given a task. The task was: Deal with the problem of load shedding that we were experiencing; deal with it as quickly as possible! That is what a war room is all about: Deal with the current challenge. The Eskom War Room was able to make headway in dealing with that challenge. Clearly, there were quite a number of other processes at management level, at board level, at the Eskom War Room level and also the Ministries level.

It was in this regard that I actually went to the President, and I said: Let's close this Eskom War Room and let us allow those

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people who are given the absolute right through various fields - either the law or corporate governance - to be the ones who are going to run with the challenges that we face and resolve it.

It was to this end on the Eskom War Room that some of us really recommended that you should now put in place a CEO who will be able to turn Eskom around. Clearly, because there too many entry points, we were seeking to end this whole confusion that was going on. There was quite a lot of confusion because the Eskom War Room would come to a particular conclusion and thereafter management would be doing something else. The board would be instructing management to do something else.

It was so confused and some of us felt that: You shut it down, particularly at the point when load shedding was now becoming a thing of the past. We felt that we had achieved the objective that the Eskom War Room was set up for; it now required a focused management and a focused CEO to take the process forward. I think the Eskom War Room in the end, in part, did achieve its objective. Thank you very much.

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Mr M A PLOUAMMA: Hon Deputy President, your answers are more like forcing us to drink castor oil. [Laughter.] The Minister of Finance and his deputy are busy chocking the Treasury and the Presidential Infrastructure Commission, PIC, in order to fill the bottomless pit of SA Airways which has become a house of plunder and theft. Why are you not standing up to these misguided solutions, Deputy President? Why do you allow the President to turn the Treasury into a Ponzi scheme?

Hon Deputy President, generalising and philosophising is not enough. Why don't you free yourself from this voluntary bondage? Before we can declare you an accomplice of this shameful betrayal, why do you allow them to use your image to achieve nefarious ends? The Minister of Finance is raking havoc with the blessings of the President. Deputy President, is this Minister of Finance ... [Interjections.]

Mr B A RADEBE: On a point of order!

The SPEAKER: Yes, hon Radebe!

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Mr B A RADEBE: I am rising on Rule 85: The member who is on the floor has cast aspersion on the Minister of Finance and the President by ... [Interjections.]

The SPEAKER: Go on, hon Radebe!

Mr B A RADEBE: He has just cast aspersions on the Minister that they are in for the nefarious ... They are looting this thing - the Treasury!

The SPEAKER: The hon Plouamma, do you want to withdraw that?

Mr M A PLOUAMMA: No, no, no: What I have said is true!

The SPEAKER: No, hon Plouamma, what the hon Radebe is point out is that you are not raising an issue in the appropriate manner, as you know how the Rules require you to.

Mr M A PLOUAMMA: Okay, hon Speaker, I hear that.

[Interjections.]

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The SPEAKER: Hon Plouamma, I am saying withdraw.

Mr M A PLOUAMMA: Alright! Hon Deputy Speaker, I withdraw.

[Interjections.] Hon Speaker, I withdraw. Hon Deputy President, is this Minister of Finance better than the former Minister Pravin Gordhan?

The DEPUTY PRESIDENT: Hon Plouamma started off by talking about castor oil. I last took castor oil when I was a very young boy. Now, I don't know what its effects are on an adult. Maybe hon Plouamma can tell us what the effects of castor oil are on an adult person like himself. I don't know what it does.

Hon Plouamma is often quite flowery in his language because he also refers to Treasury as a Ponzi scheme and all that. All those things are unknown to me. What I do know is that we have got a Treasury which is highly respected throughout the world. Our Treasury is one of our best-performing departments in government.

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Now, you also want me to make a value judgement on my colleague and compare him with another colleague who is no longer a Minister of Finance. I am not going to pleasure you by making that type of value judgement. [Interjections.] What I do know is that our Minister of Finance is doing his work. He just came back from Washington at the annual meetings of the IMF and the World Bank, where he represented our country with a great deal of capability and ability. We thank him for that! [Applause.]

Our Minister of Finance is obviously in this very difficult economic circumstance dealing with a very difficult challenge. More than anything else, you should be wishing him well for next week when he delivers his very first Medium Term Budget Policy Statement. I would like you, with your usual flowery language, to be heaping a lot of not praise but encouragement to him as he delivers his statement. That is what he needs so that he has vision, wisdom and ability to steer our economy in the right path. Thank you very much, hon Plouamma.

The SPEAKER: We now come to Question 41 ... [Interjections.]

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Mr H P CHAUKE: Speaker! Speaker!

The SPEAKER: Who is calling?

Mr H P CHAUKE: Speaker, something has happened next to hon Plouamma. Can we get some assistance, please?

The SPEAKER: We will get somebody to come and help.

Mr M A PLOUAMMA: Hon Speaker, can we declare Mr Chauke that he is sick, he needs help?

The SPEAKER: It sounds like we need a clinic in the corner there.

The CHIEF WHIP OF THE OPPOSITION: Madam Speaker, I wouldn't worry too much, I went to have a look: It was the ANC Manifesto lying on the floor. [Laughter.]

Question 41:

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The DEPUTY PRESIDENT: Hon Speaker, the challenges that face our young people require urgent and sustained action by all social partners. Our blueprint in seeking to address these challenges, clearly, is the National Youth Policy 2020, which proposes a range of interventions, including interventions to support youth absorption in employment, providing work exposure and developing and supporting youth enterprises and co-operatives to facilitate economic participation by young people, as well as ensuring support, guidance and provision of education and training for young people.

Now, these multisectoral interventions to support young people run across quite a number of issues, including things like substance abuse amongst the youth, better co-ordination and implementation of the National Youth Service and broadening sports and recreational opportunities for young people. These are just some of those interventions.

Now, different government departments and agencies drive specific youth-empowerment programmes. The Department of Small Business Development has incentives for youth owned co-

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operatives and the programme on business development for young people. The expanded works programme also has a number of interventions. The Department of Higher Education and Higher Education and Training also has a number.

But in the end, government cannot address all these challenges that are facing young people alone. Strategic partnerships with the private sector and civil society groups are critical in unlocking empowerment opportunities for our young people. One of these key initiatives that we have been able to reach an agreement with business on, an idea which came up when the Presidential Business Working Group met we asked the business community and challenged them to help in creating jobs, internships and learnerships for young people. We said that we are facing a huge unemployment challenge amongst young people and we need everyone in our country to respond to this challenge, particularly the biggest job creation effort which is in the private sector. We said that we would like them to respond positively and having been challenged they came back with a programme or project which is now called the Youth Employment Service which is going to see that up to 1 million

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unemployed young people over the next three years being offered an opportunity to get into the world of work through internships, learnerships and be able to be economically active as key participants in our economy.

For us this is a huge achievement and we are hoping that this programme will be rolled out on a pilot basis later this year and on a more focused basis early next year when we will be able to absorb. At the moment up to 330 000 young people just next year and we are hoping to bump it up to at least half a million young people through the length and the breath of our country who will be able to get into this programme. This for us is an important project and we hope that young people will be able to take it up.

What is it going to offer them? It is going to offer them an opportunity to get into employment. It is going to offer them an opportunity to learn the world of work and be actively involved in it. Now a number of other NGOs are also involved in assisting young people to deal with the ongoing challenges faced by young people. In Botshabelo last month, through an NGO we launched

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another programme which is called a Thari Programme and which is going to assist young people to be actively involved after school in a safe area. This NGO is launching safe parks where young people from school particularly basic education, will go to parks like these and be able to be helped with their homework, be able to participate in various other past times or areas of activity improving their capability in schools and so forth.

The Department of Health has also launched as we all know a programme which is called She Conquers campaign and all these programmes are aimed at making sure that we address the challenges and the problems of young people all around the country. Now recently when it comes to basic education, we were all saddened when we heard about the challenges that young girls experience in a school in Soweto where 87 primary girls were allegedly sexually abused by a security guard. These are matters that government is determined to address on an ongoing basis so that we minimise and lessen the challenges that our young people are facing on an ongoing basis. Some of them are on substance abuse and drugs.

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We have a plethora of initiatives and interventions that are aimed at empowering our young people. But I would say that one of the key ones as I said earlier is economic one. We would like the majority of our young people to be actively involved as key participants in the economy of our country and we continue to lay out a number of opportunities and we are calling on young people to come forward. Those who are tempted to get out of school should stay in school as we will be offering assistance with bursaries and all that.

In the end hon Mahlalela, the opportunities that we are laying out for young people in our country are quite extensive. This is a government that is determined to make sure that the youth of our country, and I am particularly pleased that there are so many young people here today, the youth of our country are as empowered as they possibly can get. To this end, spending so much money up to 215 of our of our budget on education and empowering young people, means that this government is really committed to making sure that young people in our country get a better life than their parents so that they can participate as

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active participants in the economy and drive this country forward. [Applause.]

Mr A F MAHLALELA: Hon Speaker, let me take this opportunity to thank the Deputy President for his comprehensive response on this important matter which has the potential to affect the future of our people and that of our country.

Siswati:

Njengobe nesintfu sisho nje kutsi bantfu labasha bangumliba loya embili.

English:

As you have reflected, Deputy President that drugs and alcohol abuse in South Africa is said to be alarming and a cause or a contributor to many social ills, health and economic problems affecting the population in general and the youth in particular. This results in crime, interpersonal violence, rapes, sexual behaviour. This is a challenge that is denying this population group an opportunity to fully participate in the socioeconomic development of our country.

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Hon Deputy President, may you share with this House and the people of South Africa the extent to which these plans and/or strategies have been effective to create window opportunities, creativity, innovation, talents and energies to these young people of South Africa? Thanks.

The DEPUTY PRESIDENT: Hon Speaker, I can testify to the fact that we found that quite a number of these initiatives are having a positive impact on the many young people whose lives are touched by these interventions and we found that quite a number of young people are participating enthusiastically. When we get them involved in these initiatives, they search forward and they want more, they want more of these initiatives because they are seeing great benefit. It is actually a joy to see some of these young people participating in our public employment projects. Many of these projects have young people as participants and of course others have women as participants. But the young people who are participating in these, use them as a stepping stone and a ladder to accede to higher levels of economic activity. We find that many of those who participate do

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in the end find jobs as they move away from work opportunities to jobs.

As we deal with some of the social issues that have to do with drug and substance abuse, we are finding that young people do finally realise the challenge and the problems we are in. I had occasioned to be in Soshanguve the other time and found that the nyaope challenge is quite a big one, but we also found that many young people are amongst themselves taking initiatives to reduce the further attraction of young people towards the scourge of substance abuse and they need assistance. They need to be assisted rather to be pulled away from all these activities.

This Thari programme that I was talking about earlier where an NGO is creating safe parks in a number of areas; it is young people who are driving this. This are driving this and getting skills and our government is doing very well in training young people as counsellors, mentors with a view of assisting other young people. This is having an impact but clearly we need to massify it. We need more of these initiatives and we call upon NGOs and all other role players to participate in this effort of

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empowering young people in our country and positioning them to be active participants in the development of our country in many ways than one. Thank you very much. [Applause.]

Ms B S MASANGO: Hon deputy President, do you accept responsibility for the increase in poverty levels where we are sitting now at half the country's population during your Deputy Presidency are living in poverty? If you are not accepting responsibility who do you think should?

The DEPUTY PRESIDENT: Hon Speaker, all of us as leaders should accept that we do have a responsibility to lead, come up with policies, strategies and initiatives that will lead our people out of poverty. It is all very well do say do you as the ANC accept this, including myself. The DA is also the government of the Western Cape, now there is poverty here in the Western Cape and let us never run away from that. There are people who are living in poverty here. Now, what is our responsibility as leaders rather than pontificate and point fingers, we should say that this is a collective and common problem for all of us as leaders of our people in South Africa. We, as we were all voted

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into this Parliament, we were voted to help our people have a better life and we all as we were voted for, embraced a National Development Plan and a plan which we all subscribed to. Our responsibility therefore is to see this plan implemented and reduce poverty, reduce unemployment, the plan says that by 2030 we should have reduced unemployment to around 6%.

We have our job cut out for us instead of wasting time, pointing fingers at one another we should just get down and do the work that our people expect us to do. So, who is responsible? We are all responsible. We are responsible to lead our people out of poverty. Thank you very much.

Ms L L VAN DER MERWE: Speaker and to you Deputy President, it is a fact that three out of four young people cannot find a job and therefore many poor families rely on a social grant. You will also be aware that your government in the next five months must be ready to payout social grants yourselves as per the Constitutional Court directive. But this week in a report to the Constitutional Court, the Constitutional Court appointed task

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team comprising of the auditor-general and a panel of experts have said the following about Sassa. They say that:

The measures taken so far by Sassa together with the proposed deadlines are unlikely to enable a seamless transition to a new system by 01 April 2018.

My question to you as the hon Deputy President, as a leader of government business are you not concerned about the slow concern between Sassa and the Post Office which is again putting at risk the lives of the most vulnerable citizens in our society and as a vocal advocate for the future success of the Post Office. Can you give us the assurance that there are no deliberate attempts within your government to sabotage the Post Office and therefore keeping the back door opened for CPS to come back as a service provider to pay social grants?

The DEPUTY PRESIDENT: Hon Speaker, yes I think that all of us should be concerned and be able to keep this matter on our radar screen because it is important that what the Constitutional Court ruled on should be implemented. Therefore I am as equally

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concerned as you are if this is not going to happen. So, we must therefore ensure and work that it does happen. I am not aware of any plans or machinations within government to make sure that the Post Office does not succeed and it fails. I am not aware of that. I am hoping that all these efforts that are being made, are being made with the view of implementing what the Constitutional Court ruled or declared. So I think that we should base our conviction and belief in making sure that that happens. If somehow that it is suggested that it will not happen it has not reached my ears and we will certainly look into it as well. Thank you very much.

Mr N S MATIASE: Thank you so much, Speaker. Deputy President, the spread of HIV and Aids is directly linked, in the main, to two factors: high levels of illiteracy among young people and lack of access to educational opportunities especially for working class and peasant children; and, secondly, because of the lifestyle of some leaders and patterns of conduct of sugar daddies, blessers and paedophiles in society, especially among members of the ANC ... [Interjections.] ... particularly the President who is not a good example when it comes to matters of

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HIV and Aids. Now, the question is: Are we ever going to roll back ...

Mr B A RADEBE: Point of order ...

Mr N S MATIASE: ... the spread of HIV and Aids ...

[Interjections.] ... in an environment in which there is no ...

The SPEAKER: Hon Matiase, just hold on. There is a point of order.

Mr N S MATIASE: ... free, quality ... [Inaudible.] ... education.

The SPEAKER: Yes, hon ...

Mr B A RADEBE: Hon Speaker, I am rising on Rule 85.

[Interjections.] Member Matiase has just cast aspersions on the President of the Republic - that do not deal with issues of ...

[Inaudible.] [Interjections.] ... in the proper way, as he is promoting that. Please, could he withdraw that because this must

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come in the form of a substantive motion, if there is such a thing?

The SPEAKER: Hon Matiase, you know that it ought to come in the form of a substantive motion.

Mr N S MATIASE: Madam Speaker, I never said "Members of Parliament". I said "members of the ANC". Some of them are not here. [Interjections.]

The SPEAKER: Uh-uh, hon Matiase. [Interjections.]

Mr N S MATIASE: I said "members of the ANC" ...

The SPEAKER: No! No!

Mr N S MATIASE: ... not "Members of Parliament".
[Interjections.]

The SPEAKER: No. No. Hon Matiase, could you withdraw?
[Interjections.]

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Mr N S MATIASE: Withdraw what, Madam Speaker?

The SPEAKER: Withdraw your reference, in a derogatory manner, to the President of the ANC. [Interjections.] Just withdraw.

Mr N S MATIASE: I want to understand: what should I withdraw?

The SPEAKER: I'm saying your reference, in a derogatory manner, to the President of the ANC.

Mr N S MATIASE: All that I referred to the President of the ANC is that he is not a good example.

The SPEAKER: No, hon member. You know you went further.

Mr N S MATIASE: That's all that I said.

The SPEAKER: You went further.

Mr N S MATIASE: And in that line, what is it that I must withdraw?

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The SPEAKER: You went further.

Mr N F SHIVAMBU: Hon Speaker, I don't think it is fair to ask a member ...

The SPEAKER: No, hon Shivambu! Please take your seat.

Mr N F SHIVAMBU: ... to say he must withdraw that the ...
[Inaudible.] ... example.

The SPEAKER: Take a seat. I will look at the Hansard and then I will come back and tell you what you said.

Mr N S MATIASE: Can I proceed? Given these two dominant factors, do you think that it is possible for us to roll back the spread of HIV and Aids in this environment and if government fails to usher in free decolonised and quality education; is there any chance that HIV and Aids can be brought down? Lastly, do you have the courage, Deputy President, to tell Mr Zuma to release the report on the Commission on Fees for Higher Education, to make it possible that we do a massive dent on the levels of

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illiteracy and lack of access to higher education in this country, to roll back the spread of HIV and Aids?

The DEPUTY PRESIDENT: Hon Speaker, yes, clearly one of the key strategies that this government has embarked upon is to address some of those social ills y=that the hon Matiase is talking about through education. We have developed a very clear intervention through the Department of basic Education on, for instance, HIV/Aids which is being rolled out in our various schools and our Deputy Minister Surty was here, would be able to talk about that in terms of the effectiveness that we foresee this type of programme having on the reduction of HIV/Aids, particularly amongst young people.

When it comes to the courage to tell the President to release the report, courage is always there and it does not even require courage. The President is going through the report as we all know and once the President has appointed the commission of enquiry the report is first given to him to study it, go through it and therefore he is able to release the report and as he releases the report he will then be able to deal with the

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recommendations as government and say this is how government is going to respond to the various recommendations in the report.

So, it does not require courage, the President will do the job that he has to do as the President of the republic of South Africa. Thank you Madam Chair.

Question 42:

The DEPUTY PRESIDENT: Hon Speaker, the office of the Deputy President does not procure any auditing services or other entities that report to the office of the Deputy President.

On the broader question I'm informed by the Minister of Finance that there is no intention from the Minister of Finance to retrospectively review the work done by KPMG.

Since government entities confirm the appointment of Audit Firms annually at their annual general meeting, AGMs, the statement was to give guidance that they consider the factor surrounding this Audit Firm when they do so because they have to do so themselves

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at their annual general meeting and therefore guidance statement was issued.

The objective is to protect the integrity and standard of accounting systems which are international and global accounting systems. The announcement was to ensure that good governance is not compromised going forward. Thank you Madam Speaker.

Mr M P GALO: Thank you, Chair of Chairs. Deputy President, I'm satisfied because I also wanted to check as to whether you are going to support the Reserve Bank when supporting Absa and Standard Bank on this issue, but I'm satisfied. Thank you.

The DEPUTY PRESIDENT: I'm happy to respond to the statement of satisfaction. I am here to give satisfaction. So I'm here that the hon member is satisfied. Thank you very much. [Applause.]

Mr M N PAULSEN: Eh, I don't think there is anyone in the ANC that can satisfy me. Deputy President, through you hon House Chair, the EFF has warned the ANC about a number of things that are taking place and only months later you will discover that we

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were correct, on 2015 we spoke about illicit financial flows; we spoke about how certain organisations have undue influence on government; we spoke about the McKinsey and KPMG's involvement in corruption.

Furthermore, we have a warning about another thing now, since the hon Galo pose his question and gave a really sweetheart response to your response. I'm asking you now, what is the sense in taking 26 Wards from Matatiele, incorporate it into the KwaZulu-Natal, which is over 800 Wards, when you have taken it away from the Eastern Cape, which is about 708 Wards? What is the sense in that? The EFF is warning you again, it is a big mistake, don't do it.

The DEPUTY PRESIDENT: Eh, I don't know whether Matatiele has anything to do with KPMG. Hon Paulsen, we hear the warning and we noted and this is a process that is underway but because you have anointed yourself as a prophet and I don't know who is the greater prophet, whether it is yourself or hon Shivambu because he often comes up with this prophetic words. So but we note what you are saying. Thank you very much.

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Ms D G MAHLANGU: Thank you Chairperson and thank you hon Deputy President for the answer. Deputy President, given what happened in the KPMG case, what is the government doing or one can say what is the government's approach regarding good governance, especially on financial governance in both the private and public sector. Thank you very much Chair.

The DEPUTY PRESIDENT: Thank you, hon House Chair. Government clearly would like strict adherence with accounting standards; with proper governance processes, particularly when it comes to matters that have to do with the money of the public.

We want to insist that as we manage government or the people's money we should do so in strict adherence and conforming to clear best practice rules, governance processes and procedures and the accounting standards that are often of an internationally recognised nature.

So government will be making sure that as we address the whole question of the governance of our state-owned enterprises, and indeed government departments, we adhere to all this and we make

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sure that as much as we possibly can, we do adhere. Now, this is where the Auditor-General also plays a key role, the Auditor-General gives a lot of attention to lapses in adherence to financial standards, financial procedures, and we are hoping that the Auditor-General particularly in the light of what has happened, now with companies like KPMG, McKinsey would be focusing more attention on making sure ...[Interjections.]

Mr I M OLLIS: Bell Pottinger.

The DEPUTY PRESIDENT: Yes, Bell Pottinger - on making sure that there is strict adherence, and if there ever was a time when our country has gone through a process where we should look at our self, this is the time. This is the opportunity and the moment where we now need to have learnt important lessons.

Because all that has been happening in our country now should not just be something that has happened in vain, it should be something that gives out good and important lessons for us so that we never ever, ever again go through this type of

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challenges, problems and corruption. Thank you very much.

[Applause.]

Mr T J BRAUTESETH: Thank you, House Chair. Deputy President, you are aware obviously from obvious questions that there is quite concern about KPMG, in particular the Matatiele branch which is known as "keeping promises made to Galo".

In this light Deputy President, will you answer the following question: Will the Deputy President ensure that the Sars Commissioner immediately releases the now discredited KPMG Rogue Unit Report for public scrutiny, and will the Deputy President here and now on behalf of the South African government publicly apologise to hon Pravin Gordhan for the damage this report has caused. Thank you. [Applause.]

The DEPUTY PRESIDENT: Thank you, hon House Chair. What you are asking for is within the purview of the Minister of Finance as the person who has oversight over Sars. The same issue has to go with the apology that you seek, and I can say that the report clearly is something of public interest. We will need to look at

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the efficacy of having that report being released because it is a matter that concerns the public and the public is interested in it.

Flowing from that we should then be able to examine precisely what this report says; but from optically looking at it, from where I stand, it is quite clear that the report itself was grossly, grossly, unfair to former Minister Pravin Gordhan. Indeed, the apology that should be forthcoming should be forthcoming from an appropriate quarter, which will be dealing with how we should manage this whole report.

So I don't want to flippantly say now that this is what we are now going to do or say, but it is a matter of great concern because it is a very controversial report that has led to a number of consequences, which were undesirable.

So therefore we need to look at it very carefully and judiciously, judiciously not in the legal sense, but in terms of just being very precise and careful in terms of what we do, but thank you very much for raising it. Thank you.

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The HOUSE CHAIRPERSON (Mr C T Frolick): Thank you hon Deputy President. Hon members that conclude questions to the Deputy President, I wish to thank the hon Deputy President...

[Interjections.]

Mr B A RADEBE: Hon Chair, I'm referring to the ruling of the Speaker, where she said she is going to look at the Hansard. I will request that she looks at the entire input of hon Matiase. Thank you, that's what I'm requesting.

The HOUSE CHAIRPERSON (Mr C T Frolick): Well the Speaker is not in the Chair now, so we will - the Table will convey to the Speaker. Order hon members! Hon members, that concludes the business for the day and the House is adjourned.

The House adjourned at 16:10.