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PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES

The Council met at 14:02.

The House Chairperson: Committees, Oversight, Co-operative Government and Intergovernmental Relations took the Chair and requested members to observe a moment of silence for prayers or meditation.

QUESTIONS 1 AND 2

(Announcement)

The HOUSE CHAIRPERSON (Mr A J Nyambi): ... Before we proceed to Questions, I would like to refer members to Questions 1 and 2 on the Question Paper, asked of the Minister of Finance. These were transferred from Written to Oral Questions, in terms of Rule 249. These Questions have since been responded to and the responses have been distributed to members via their pigeon-holes.

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I now take the opportunity to welcome Ministers and Deputy Ministers. We will now proceed with Questions, as printed on the Question Paper, starting with the Department of Energy.

QUESTIONS:

CLUSTER 4F: ECONOMICS

Question 343:

The MINISTER OF ENERGY: Chairperson of this sitting, hon Chairperson of the NCOP, Ministers and Deputy Ministers, hon members, the answer to the first part of the question is as follows. The money that was received as proceeds from the sale of strategic crude oil reserves was US\$280 756 000.

The answer to the second part of the question is that the amount referred to above has not been paid into the Central Energy Fund, as the whole transaction is subject to an ongoing investigation. The money has been ring-fenced in a foreign currency account awaiting the outcome of this investigation. However, I need to indicate that I have received a preliminary report from the board and the investigators on the contracts reviewed that is part of the scope. I await the final report before the end of November. Thank you.

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Ms B A ENGELBRECHT: Chairperson, I would like to thank the Minister for his reply. During her short term, the former Minister started a process of holding those responsible for selling off the fuel reserves accountable. Do you, as the new Minister of Energy, commit to continue that process - that those responsible for irregular transactions will be held accountable? Thank you.

The MINISTER OF ENERGY: Chairperson, I think our commitment to act where there are instances of wrongdoing, or any other part, the ANC-led government, including the Ministry I hold, will never hesitate to act. However, it would also be prejudicial, at this stage - as I have not yet received a final report and accepted the findings of that report - to start to make suggestions that there are those at whom we can point fingers. I am privy to some of the elements of the report from a legal point of view, as well as the financial aspects of the report. Chairperson ...

IsiZulu:

... ngibona izandla angazi noma ngiphambukile yini.

The HOUSE CHAIRPERSON (Mr A J Nyambi): No, you are protected. You are still in order, hon Minister. [Interjections.] Hon members, order!

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The MINISTER OF ENERGY: Chairperson, once the report is finally received and it has indications of wrongdoing by any person, irrespective of the position they hold or the entity they come from, the recommendations of the report will be implemented in their totality. We will be able to keep the nation abreast of the outcome of the implementation. Thank you.

Ms L L ZWANE: Chairperson, Minister, my follow-up question is: In cases of such activities, where people do not get the legal requirements but they proceed with that kind of activity, as is the case in point with this crude oil, what is the normal procedure? Does the department help to regularise and help those that are involved to get the legal requirements; or does the department have to terminate the contract and start all over again?

The MINISTER OF ENERGY: Chairperson, in terms of such a transaction, there are clear processes that those with the relevant authority and delegation must follow. This includes their going through a board, because there has to be a board decision. However, it is not an easy matter.

When you deal with an energy source, like oil, there are matters of national security. You also need to have a strategic reserve that is

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available, so that when there are particular difficulties, especially when it comes to this resource, the country is able to deal with those. We are not only going to be looking at matters of only the processes not being followed. We also need to consider the issues of national security and national sovereignty. Do we have enough stock? Will you be able to provide it in terms of ensuring there is security of supply; and is it sustainable? These are some of the issues we are looking at.

At this stage, there is an indication of the processes we are undertaking now. However, I want to avoid pre-empting those that have been cited in the preliminary report by saying it's conclusive. At the end of the day, we are saying we'll have the report by next week. Furthermore, we must be able to act immediately because the issue of the strategic reserve, if it is not being addressed under the current climate, has an impact in terms of the prices we are going to pay. It also has an impact on those who are doing business - whether or not socioeconomic activities. Can we guarantee them an uninterrupted supply of this important resource? Thank you, Chair.

Mr O S TERBLANCHE: Chairperson, can the hon Minister tell this House why this crude oil was sold far below market value when the cost of

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replacing it will be far in excess of any funds acquired as a result of the sale? Thank you, Chairperson.

The MINISTER OF ENERGY: Chairperson, the hon member will have to indulge us. When we say that the investigation is not complete, I think it's premature to engage further. As for that matter of the oil being sold at a particular price, whether the price was at the going rate or not, currently, the financial analysis part of it, as you are aware, was being done by a company called KPMG ...

[Interjections.] In light of the developments, KPMG ...

Ms T J MOKWELE: [Inaudible.] [Laughter.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Order, hon members!

The MINISTER OF ENERGY: The most important aspect is that, whatever the decision the Minister makes, we must ensure that there are issues of checks and balances. That work is being verified. In other words, we are doing a peer review using PricewaterhouseCoopers, because one doesn't want to rely on an organisation that has some issues that it still has to answer.

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We should be able to say what the financial implications are. Was the rate the right rate? Were there any undue benefits? However, until such time as I am able to table the report in the appropriate forums, I don't want to speculate, sir. Thank you.

Mr M T MHLANGA: Hon Chair, I think it would be wise for us to acknowledge the response from the Minister, although we, of course, believe we still need to do more following up on this matter. Perhaps the Minister could answer this question: With the lifting of sanctions and normalisation of the international crude oil trade with South Africa, the role and activities of the Strategic Fuel Fund, SFF, changed profoundly. What is its role today; and what are outputs for ... [Inaudible.] ... to the state? Thank you.

The MINISTER OF ENERGY: Chairperson, regarding the role of the Strategic Fuel Fund, its mandate has not changed. When it comes to issues around oil capacity for the country, they have to ensure that the country does have the sufficient capacity that we have. In this way we can know that ... as you know that energy makes the biggest input into the economy. Remember, also, in terms of our energy policy, oil and gas are part of our major contribution.

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Last week, we held Africa Oil Week and we met here in Cape Town. We are looking at issues on how to increase capacity, and how we should deal with the capacity issues found on the continent, while we are actually finding our own. Remember, it is very risky to continue being an importing country when it comes to these issues. Even if you do, you will always be affected by certain political dynamics in the world. There are changes, then. You also have to deal with your own issues surrounding capacity of the refineries that are here. You must have sufficient ones.

Therefore, the SFF remains very critical in terms of an institution. However, we will be paying more attention to issues of governance, leadership and security of supply when we meet with their board. Thank you.

Question 328:

The MINISTER OF ENERGY: Chair, the Department of Energy is mandated to achieve the objective of the Energy White Paper of 1998, which is to achieve 25% of sustainable presence, ownership and control by the historically disadvantaged South Africans of all facets of the industry in the various entities that hold the operating assets of the South African oil industry.

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The department aims to ensure that meaningful radical economic transformation is realised through the implementation of, *inter alia*, the Petroleum Products Act of 1977, as amended by the Petroleum Products Amendment Act of 2003, to effect specifically transformation and of the Petroleum and Liquid Fuels Charter, LFC, agreed to in 2000. This charter is currently being aligned with the Broad-Based Black Economic Empowerment Act.

To date, there is a realisation that the implementation of the LFC's entire scope of application, as agreed to in 2000, has not achieved substantially increased black participation at all levels of our population across the value chain.

Whilst acknowledging that the achievement of black ownership at 25% is unencumbered ownership of Total SA, Sasol and Shell downstream across the value chain, petrol retail and state ownership remain substantially unchanged and are below the 25% target.

The Liquid Fuels Charter compliance audit carried out in 2010 indicated that a large proportion of the previously disadvantaged groups of South Africa's economically active population is underrepresented, as it is also in the retail part of the value chain despite the targets set in the charter for the petroleum

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sector. The representation of women is bad: it is below 10%. We are conducting an audit that will serve as a baseline to inform the interventions required to transform the petroleum retail sector. Transformation is non-negotiable. It has to happen, because this sector can't continue to benefit only a few.

We are also aligning the Petroleum and Liquid Fuels Charter with the BBBEE policy framework - the public notice was gazetted on 13 September 2017. We are envisaging that the draft petroleum and liquid fuels sector code, which has a petrol retail subsector with a scorecard, will be gazetted in terms of section 9(5) of the Act of 2003, and we are going to be receiving the public comments before the end of the year.

We have initiatives that we are looking at: one, site and retail franchise agreements that expire ... are prioritised for black South Africans with more bias on women and young people; two, we are also going to engage the Department of Co-operative Governance and Traditional Affairs, Cogta, and the Departments of Public Enterprises and of Mineral Resources, as well as local government to ensure that municipalities, state-owned entities, SOEs, and mining companies push the question of the transformation of the petroleum sector.

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Three, we will also engage the Departments of Defence and Military Veterans, of Health and of Transport, the government fleet, and the SA Police Service as major users, because we want to use the capability of the state - where the state is taking more - to start to buy it from black people and, more importantly, from women.

Further, we believe that the immediate focus should be on the facilitation of BEE companies by the department to enable them to import sizeable quantities of West African crude oil, which accounts for about 50% of the crude oil imports that we receive as a country.

Therefore the situation does not good. The energy sector, inasmuch as we want there to be security of energy supply, and for it to be sustainable and affordable, as well as environmentally responsive, transformation is going to be at the centre of our work - and building on the aspects we have mentioned here. Thank you, Chair.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Thank you, hon Minister. I now call the hon Nthebe.

Mr B G NTHEBE: Thank you, Chair. Minister, we undertook an oversight visit to Mpumalanga, probably some time last year or earlier this year. We visited one of the stations run by a female operator. As

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you would know - and as you also concluded in your response - transformation seems to be lacking. As you may be aware, almost 80% of our businesses in South Africa do not survive owing to the start-up capital.

Moving forward, for us to be able to secure this 25% physical presence, you're probably looking at empowering the industry charter, the industry-based charter and the various pieces of legislation so that we transform the sector speedily. Thank you, Chair.

The MINISTER OF ENERGY: We will need support from legislators, because the sector will also say that others will not want to welcome new entrants. Government has instruments that we could use. Regarding one of the main instruments, the auditors, we have said that we have looked where we stand - let's finalise the charter and the codes. Remember, the charter and the codes will also be subject to engagement with interested and affected parties. Let's be able to push them.

Secondly, we must be able as a state to provide support mechanisms. A consideration is having a fund so that you can become a start-up. Also, you need to be in a position to deal with issues of the skills

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set, so that you don't have many new entrants falling out of the system. Yesterday, in the morning, we had an opportunity to meet with the new entrants. They shared with us the challenges they face.

The other thing that we need to be able to do is use our ability to issue licences and permits - to enforce, as an instrument, that for those who are actually committed to the cause of transformation there are transformation imperatives. Those businesspeople that are already in the sector and want to open up: we will also have to consider issues of incentives.

Lastly, there is a lot as an oil-importing country: the relationship we enjoy with many countries in the world, especially on our continent. We have had an agreement to say that if any import is going to be happening, how do you actually have a credible database of the new entrants so that they can benefit, because wherever you are going to be actually having the crude oil, deal with that particular issue. Remember there are issues of transport costs. There are issues around the issues about the refinery costs that are there, including the issues of the distribution and the returns that you must be able to manage.

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This is the most important thing, if we can do it - because our sector actually drives the economy. If you have many South Africans participating, you will actually have much less strife and tension, but we need to be able to say the industry does not look good and it does not actually reflect the majority of our people. Even at the two international conferences I addressed over the past two weeks, there was an agreement and an appreciation that the economy must work for all.

Ms Z V NCITHA: Thank you very much, Chair. Hon Minister, in appreciation of the response that you have given the House, I would like to know, in terms of the BBBEE sector, we need to have sector codes and a BBBEE charter council. Are there any sector codes in the petroleum industry? And, has the petroleum cluster council been established to ensure transformation in the industry?

The MINISTER OF ENERGY: As we have said, there is a petroleum and liquid fuels charter ...

The HOUSE CHAIRPERSON (Mr A J Nyambi): Order! Hon Mokwele, order please. Our Minister, you are protected.

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The MINISTER OF ENERGY: We have said that in terms of the legislation: the Petroleum Products Act of 1977, amended in 2003, there are issues of driving transformation and redress, as required by our Constitution.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Sorry, hon Minister. Let me deal with the point of order. What is the point of order, hon Mokwele?

Ms T J MOKWELE: I want to check with the Minister: Was he prepared for this follow-up question?

The HOUSE CHAIRPERSON (Mr A J Nyambi): That is not ...

Ms T J MOKWELE: Because he's now reading ...

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele ...

[Interjections.]

Ms T J MOKWELE: Hayi! Come on.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Order, members!

[Interjections.] Hon members, order! Hon members, order! Hon

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Mokwele, you know very well that that is not a point of order. Could you continue, hon Minister?

IsiZulu:

UNGQONGQOSHE WEZAMANDLA: Uxakwe yilesi sihloko [subject] esikhuluma ngaso Sihlalo ... [Uhleko.] sizothola ithuba lokuthi simfundise.

English:

The issue that the hon member ... [Inaudible.] ... that you are asking ... Let's understand: firstly, there is the policy instrument, which was developed in 1977 during the apartheid regime. In 2003, there was an amendment to the Act itself. Then we included the Petroleum and Liquid Fuels Charter, agreed to in 2003. When we were doing our own assessment, we discovered that that was where we needed to be able to work because there was no alignment with the BBBEE Act. Remember the BBBEE Act came later on.

Then there is the instrument and the institutions that must be created to be able to enforce that ... That's why we had to do the auditing, because, if you have done the auditing, you would know that the instrument itself has a policy working. What are the institutional mechanisms as she is suggesting? This is because all those instruments provide for empowerment to have charter councils,

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which are able to guide whether policies are working or not. Then there are going to be monitoring mechanisms. When we are done with this volume of work, that alignment will be more standard than the other charters that we see. Thank you.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Thank you. That's a supplementary question. I do have a list. It's a point of order? Okay, let me deal with your point of order, hon Koni.

Ms N P KONI: Thank you very much, Chairperson. Could you please check with the Minister if he would gladly take my question.

[Interjections.] [Laughter.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): No. Hon members ... Could you take your seat; I will assist you. Could you take your seat. Take your seat - I will assist you.

Hon members, you are entitled to ask four supplementary questions. There is no need to check with the Minister. You can just indicate. Raise your hand, and then I will note you - recognise you - and you will ask your question. It's as simple as that. Hon Mokwele?

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Ms T J MOKWELE: Thank you very much, Chair. Thanks, hon Minister of purposes ... [Interjections.]

HON MEMBERS: Honourable. [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele ...

[Interjections.] Order, members! Hon Mokwele, could you kindly refer to the Minister appropriately.

Ms T J MOKWELE: "Honourable" Minister.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Yes.

Ms T J MOKWELE: That's what I said. It's appropriate.

[Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Ask your question.

Ms T J MOKWELE: I just want to check with the Minister ... Welcome, hon Minister, to your newly appointed position ... strategically so. I want to check with you ... We acknowledge what you have told us; what you have responded to even though there were ... You know, you, George, ne ... Can I be protected, Chair?

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members ... Hon members ... [Interjections.] Hon members, I don't need assistance. She is correct. She is protected. You are protected.

Ms T J MOKWELE: You must tell him to keep quiet ... to shut up.
[Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): No, I thought it's the one in front. So ...

Ms T J MOKWELE: No, no. It is that one.

The HOUSE CHAIRPERSON (Mr A J Nyambi): You know, you are protected, hon Mokwele.

Ms T J MOKWELE: As always.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Can you ask your question?
[Interjections.]

Ms T J MOKWELE: I want to check the position of the hon Minister in his new appointment as Minister of Energy: How does he take the position and what is so significant that he allowed or he accepted

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the position from a Minister that was appointed ... [Interjections.]
What is your problem?

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members ...

Ms T J MOKWELE: What is your problem? [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members ...

Ms T J MOKWELE: What is your problem? [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele ... Hon Mokwele ... Hon members, I don't need assistance. [Interjections.] I will make the appropriate ruling. Can I allow the hon Mokwele, being protected, to conclude her question? [Interjections.]

Ms T J MOKWELE: So, you'll have to deal with me until the term ends, unfortunately. [Interjections.] You'll have to deal with me until term ends, unfortunately. [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele, as you conclude, your question must be linked to the original question.

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Ms T J MOKWELE: No, you will allow him to answer. It's for him to answer whether is a new one ... [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Conclude your question.

Ms T J MOKWELE: Don't protect him. He must answer. [Interjections.] Why did he allowed to take a position of being a Minister of Energy from a Minister who was just appointed in a less than five months? What is so significant that he allowed to be the Minister of Energy? I have read some article and a book that he is one of the Zuma keepers. So, I want to check whether he is here to fulfil the mission of keeping uBaba ka Duduzane. Thank you.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members, what I am going to say is applicable to all members. Supplementary questions should be linked to the original question. Be that as it may, I will leave it to the Minister, if you want to comment. Hon Minister?

The MINISTER OF ENERGY: No. Thanks, Chair. Remember there are other colleagues here, and we are supposed to account to the nation. I will make time if my hon member wants to be assisted to understand the portfolio ... [Interjections.] ... and how the country's laws make provision for issues of appointment and disappointment to the

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executive. I am not going to venture into that. I'm just offering to be available to have a cup of coffee so that we don't tire to educate. Thank you. [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele, can you take your seat. [Interjections.] Can you take your seat. You are not recognised. Take your seat. [Interjections.] Take your seat. Take your seat. Hon Minister, we now come to Question 348 asked by the hon Gaehler. Hon Minister, Question 348 from the hon Gaehler.

Question 348:

The MINISTER OF ENERGY: House Chairperson and members, as this question is related to the first question, I have received a preliminary briefing from Central Energy Fund, CEF, on the investigation conducted on the sale of the strategic oil stock.

From the onset, I would like to indicate that I consider this to be a matter that requires priority attention. The policy details that the Strategic Fuel Fund, SFF, should have at least a certain volume with regard to the barrels of crude oil as an emergency stock. We know that it was sold to certain parties. As I have said, preliminary investigations were alluding to issues around legalities, whether we have followed certain processes, but also,

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there are issues around financial implications, whether the state was prejudice or not.

Lastly, there are national security issues, whether we have sufficient stock available to fulfil the energy security supply on a sustainable basis. As I have said earlier on, it's a matter that I am going to receive the final report before the end of November. Appropriate actions will be taken in the three elements as I have indicated. Thank you, Chairperson.

Mr L B GAHLER: Hon Minister, this is the same question as the first one. It would therefore be unfair to make a follow up because the Minister has already answered it. Thank you.

Mr J J LONDT: Hon Minister, even though the paper work has been completed, the oil has not yet been shifted. So, are we covering the storage costs of the oil waste at the moment or who is covering the storage costs of the oil at the moment?

The MINISTER OF ENERGY: The member is correct, the oil is still in the country, but as you will know, the oil has been sold and is kept there. There are other issues around financial implication. I am not going to pre-empt the report. As I have said, the financial analysis

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has been done by an entity that we need to do assurance with regard to the work they have done so that when we actually take people to task, we are taking them on basis of a report that can stand our courts or if our decision is being taken for a review. At this stage as I have said, when we come here, we will never only speak about how much did we sell. We will talk about even that period ... to say from a financial and economic point of view what it meant and the other steps that we should be able to take.

But as I have said, the most important issue is that the report is a priority. I, together with the Deputy Minister met the board and the investigators. We have been assured, we are taking certain steps. One of the step that we are taking, irrespective of the legal issues that are there, we must ensure that at no stage this country runs out of fuel because if it does, we would have failed to fulfil our mandate on energy security. That's the main preoccupation.

[Interjections.] Others around wrong doing, then the let's wait for the report as we said, let's just be patient. We should be okay.

Ms T J MOKWELE: Chair, I assume the Minister will have at least an answer with regard to the current situation as it stands now to say: Who is caring the bill of the storage currently as we speak? We know and we understand about the reports and the investigations that you

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are undergoing, but there is a matter that is on the table currently. What is happening with regard to the management of the storage? Thank you.

The MINISTER OF ENERGY: Chairperson, I have given the response and my response is adequate. Thank you. [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Sorry, hon Mthethwa. Hon Londt, what is your ...

Mr J J LONDT: Sorry, Chairperson, before this thing became a whole scandal ...

The HOUSE CHAIRPERSON (Mr A J Nyambi): No, you cannot do that. Can you take your seat? I thought you are rising on a point of order.

Mr J J LONDT: I am because my question has not been answered. When you sign a contract ...

The HOUSE CHAIRPERSON (Mr A J Nyambi): Can you take your seat? Let me deal with it. Let me make a ruling. Take your seat. Hon members, we are almost halfway through our term. I won't be sitting here dealing with Rules. You know the rules. It doesn't necessary mean

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that if your question was not adequately answered, then you can have a second bite. It can't be like that. Take your seat, hon Faber. Hon Faber, if the point of order is not related to my ruling then I can give you an opportunity. But if it's related to the ruling then it will be very unfortunate because you know the procedure very well.

Mr W F FABER: Chairperson, my question to you is just ... we are here to ask questions. I supposed we all agree upon that. But then surely, we must have answers on that. We are not sitting here just to entertain people of South Africa on TV. We are here to ask questions and if it's a valid question, surely, as Chairperson, you must be able to say, Minister that is a valid question.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Faber, I am doing exactly that. I am allowing members to ask questions. But I will never allow a member that has asked a question to have a second bite after a response.

Mr J M MTHETHWA: Hon Minister, we know that this is a burning issue, but you have mentioned that the investigation is completed. When will you be ready to come up with the results of the investigation?

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Order! Hon Mokwele, when you were quiet correctly raising a valid point of order that when you are standing up, you must be protected, equally, when the Minister is giving response, he must also be protected.

The MINISTER OF ENERGY: We want to thank hon Nyambose. Hon Nyambose, we met them last week. They presented the report as I have said. The preliminary legal aspects are nearly complete. The biggest part, which was not part of the preview were issues about financial implications. Sometimes it is difficult for people when they ask and they don't ask something that actually links to the value chain. Remember, there is a price that you sell the stock. Then there is a stock that is remaining there. It has not been lifted. Then there is an issue of storage. There is an asset. If someone was speaking about an asset, I could be able to stock because the asset belongs to the state. Then, in terms of the financial analysis, we would be able to say: Was the state financially prejudiced? If you look at the rate at which it was being sold and the rate at which we are purported that it was a going rate at the market, there is a variance there.

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Secondly, you look at the report, you say, was there an undue influence in terms of process issues that are actually described in law.

The other thing that you must also note is that, we are not only doing an investigation on the rotation of stock. Initially, the terms of reference ... They are looking at about 30 contracts that have been awarded which have certain issues. A scope has been increased to above 50. We are looking them in totality so that when we make a decision, those people that think they can use an asset that belong to communities for their own benefit are going to pay. They will be held accountable.

But at the very same time, I am not going to be irresponsible and get excited. I know what prejudice means. The people that are being accused or involved in the process have rights too. I will not be able to play into the gallery to assist other people who have nefarious political intentions. I am going to say that ensure energy security, anyone who put their hands into till, that till belongs to our people, will be dealt with, including those that are in the private sector because you should not be able to run away from them.

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But as I said, by next week, on 10 October, we should be having the final report. By the end of the November month, we will have processed the report by safeguarding the security of the supply but also bringing those that we think they have a case to answer.

Thanks, Chair.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members, if you are ready to ask supplementary questions, you must also be ready to listen to the responses. Heckling is allowed but drowning a speaker will never be allowed.

Question 330:

The MINISTER OF ENERGY: Hon Chairperson and hon members, the contract between the Strategic Fuel Fund, SFF, and the service provider is part of the on-going contract review that was commissioned by my predecessor. This is about investigation contracts and we have said that we are receiving a comprehensive briefing on the outcome of the contract review in due course; and it is the view of the Strategic Fuel Fund that the said contract referred to has lapsed. However, the service provider is disputing this.

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I have directed the board of Strategic Fuel Fund to strengthen its oversight over subsidiaries; and I am currently reviewing the ethicise of having so many boards within the Strategic Fuel Fund group. I have also made it clear that where there is a wrongdoing, consequence management must be effected; but in the main, contract has lapsed but there are issues of disputes and we should follow the dispute mechanism provided in the said contract, even if it has lapsed because each party, without any prejudice, it can be able to exercise its rights in law; and we are dealing with that dispute.

Mr M RAYI: Hon Chair, the Minister has touched on the follow-up question with regard to the consequence management; but if he can elaborate as to what stage is that process in now?

The MINISTER OF ENERGY: Hon Chairperson, as I have indicated, we have given an instruction, we just met with the leadership of Strategic Fuel Fund last week. What we have directed them is that in as much as there is a dispute on this matter they must be able to deal with those that are being pointed; and we should be able to receive the report. If it's a follow-up we can advise the hon member the details to say at what stage they are; but clear instructions was that whatever wrong-doing happened there can't be left unattended to.

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Ms N P KONI: Hon Chairperson, hon Minister, it is true that you were placed in that position strategically so. The way you answer questions proves everything. Hon Minister, who gave permission if the legal requirements were not met and has this person been investigated and held accountable? I'll be happy if you can answer honestly.

The MINISTER OF ENERGY: Hon Chair, I think the hon member can't impugn the integrity of one and make an innuendo that I should be answering honestly as if I have not been doing so. I am going to request that you act on that insinuation, I know the rules.

[Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members, unfortunately or fortunately the Minister is correct. You can't be dealing with the integrity and character of the hon member. [Interjections.] You asked a question with the unnecessary remarks; it's applicable to all of you, refrain from doing that. Hon Minister, can you deal with the question.

Ms T J MOKWELE: Hon Chair, hon Minister... [Interjection.]

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele, I am not going to allow you. I've made a ruling, the hon Minister is now dealing with the question. [Interjections.] If you have a problem with my ruling, there's a procedure. I am not going to allow you to question my ruling. Continue hon Minister. [Interjection.]

Ms T J MOKWELE: [Inaudible]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Minister ... Hon Mokwele, hon Mokwele, order, hon members. Sorry, hon Minister. Hon Mokwele, I'm giving you a final warning. [Applause.] Can you take your seat? Take your seat. [Interjection.]

Ms T J MOKWELE: [Inaudible.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Take your seat. Hon Minister ...Hon Koni.

Ms N P KONI: I want to put this on record...

Setswana:

...gore re lapile ke go tlhole o dutse o re tshosetsa mo Ntlong eno e kete re tsene mo Ntlong eno ka bogodu. Gore re be re le mo, re

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tlhophilwe, ga re a tsena ka mejako e e kwa morago. Ka jalo, ke kopa gore matshosetsi a o tlholang o a dira, segolobogolo fa e tla mo malokong a EFF, a fele gompieno. Re go itshoketse nako e telele.

Re dirisa melao ya Ntlo eno nako le nako fa re emelela. Re kopa gore o re tseye ka go lekana. Fa o re kgalema mo Ntlong eno, re le maloko a EFF, o re bitsa ka maina a rona mme fa e le maloko a ANC o ba bitsa...

English:

...members, members. Why are you protecting them and not us also? Are you chairing the ANC members only in this House? You must tell us. If you're not protecting us, who must protect us? You must tell us.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members, let me repeat myself. Order, members. Hon members, firstly, I don't need assistance from anybody. Secondly, since presiding this morning - you can go and check the recordings - I've never referred to any political party; I've been consistently referring to members appropriately so. Thirdly, any member will be protected; and if you're raising a point of order you'll be recognised as such.

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Lastly, the decorum of the House is entirely up to us. Hon Minister, can you continue with your response! [Interjections.]

The MINISTER OF ENERGY: Chair, let me assist because the follow-up question...maybe the member might have missed my response.

[Interjection.] When it refers to this particular matter, I indicated that there's a full-blown investigation and its scope [Interjection.] ... Chairperson I think you have to intervene, it's becoming rowdy...[Inaudible.]...to account [Interjections.]

Ms T J MOKWELE: [Inaudible.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Sorry hon Minister, let me deal with hon Mokwele. Hon Mokwele, what's the point of order?

Ms T J MOKWELE: You see? You're dealing with me, you're not dealing with what I'm about to say. [Interjection.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): No, I'm listening to the point of order.

Ms T J MOKWELE: It's obvious that you're going to deal with me as a member. [Interjection.]

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The HOUSE CHAIRPERSON (Mr A J Nyambi): No, I'm listening to the point...raise the point of order.

Ms T J MOKWELE: Hon Minister must not say the hon member missed his response. He did that...

Setswana:

...ka potso e e neng e boditswe ya gore...

English:

...when will the report be submitted to him? He said in November. When the question is asked again, he said they're busy dealing with the contents of the investigation and legal matters. So, we must keep quiet if a Minister is misleading us? When he's busy contradicting himself we must just keep quiet because you, as the Chair, are going to chase us out? The Minister must not undermine hon Koni, please. I'm pleading with you, Chair.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele, hon Mokwele...Hon Dlamini, you are joining hon Mokwele. The two of you have final warnings. [Laughter.] Hon members, hon members, hon members, let's allow the Minister to respond. Hon Minister, you're protected.

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The MINISTER OF ENERGY: Chairperson, as I've said, we're on record, an investigation with the scope around these areas involves 30 contracts, and out of the 30 contracts, when the work was done, the scope has been extended into 50 contracts. It's a repetition and I'm on record that by the end of November we would have received the final report. If members have missed it, I've repeated it, Chair.

Mr M CHETTY: Hon Minister Macloshovic, do any of the companies that bought the crude oil have any connections to Thebe Investments, Glencore...[Interjection.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Chetty, hon Chetty, let me deal with a point of order.

Mr M CHETTY: Whose point of order Chair?

The HOUSE CHAIRPERSON (Mr A J Nyambi): From hon Motara.

Mr M CHETTY: Oh, sorry hon Chair.

Ms T MOTARA: Chair, you have ruled that members must address other members of the House appropriately. The member...Minister is either

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Minister Mahlobo, Mr Mahlobo, Minister of Energy, not the name that hon Chetty has given to him.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Chetty, order, members. What did you say? I missed it.

Mr M CHETTY: Chair, I referred to the Minister as honourable. If you listen to Hansard and come back, I referred to him as honourable, I referred to him as honourable, Chairperson. [Interjection.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): No problem, we'll visit Hansard. I'll make the appropriate ruling. Ask your question.

Mr M CHETTY: Thank you, Chairperson. Listening is a skill, Chairperson. I used honourable, Chairperson. [Interjections.] Do any of the companies that bought the crude oil have any connections to Thebe Investments, Glencore or any other Gupta-linked companies?

The MINISTER OF ENERGY: Chairperson, I have a difficulty when members who are supposed to be understanding the laws of the land... when you say it's an investigation, it's an investigation, it's not complete. [Interjections.] What is your expectation?

[Interjections.]

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And to come and to also mislead...you know to try to single out certain entities, unless the member says he has been furnished with the report. [Interjections.] I don't have a final report.

[Interjections.]

And also to start to insinuate that other companies are owned by certain bodies, we have lost it completely. Go and check the directorship of companies, is Glencore owned by the people you're mentioning? Come here, do your research. [Interjections.] Abide by the laws and make us to account, not in innuendos, make us to account on facts. I will not be able to account to the House, Chair, until I have the final report together with the Deputy Minister and the Ministry. [Interjections.] And we'll be able to do that; rather than the jargon that you're playing. Thank you, Chair.

Question 345:

The MINISTER OF ENERGY: Chairperson, all indications are that the strategic fuel fund followed a closed bidding process instead of an open tender process when the strategic fuel stock was sold. The investigation into the contract as I have said entered into by Sustainable Settlements Facility, SSF. Those ones - about 50 of them - will share the reasons on the functionaries at the time it was decided to follow a closed bidding process. And it is part of the

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terms of reference - why did you go actually for a deviation; who are the personalities that are involved, etc?

As I have said before, I would like to appeal to the House to allow us an opportunity and serve to get to the bottom of this transaction so that we can ensure maximum accountability for any wrongdoing, as well as ensuring that systems are in place to prevent such occurrences ever happening in the future. As I have said in the other responses to 343 that we have received the preliminary report; it is incomplete and indications are that by the end of the month we would have received the final report and acted on it. And as I have said, these are more interrelated. I thank you Chair.

Mr W F FABER: House Chairperson, I would rather not ask why companies like Chevron and these people were not asked to tender; because we also here that apparently they'll also be investigated. So, rather just ask if the Minister will support any actions by the central energy fund; to declare the sale as invalid as procurement was not followed?

The MINISTER OF ENERGY: Chairperson, with the risk of repeating myself ... [Laughter.] and the emotion because members are having ... [Interjections.]

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Order! Order, members! Hon members, let us allow the Minister to respond.

The MINISTER OF ENERGY: When the hon member was asking questions, I never assisted him in putting words into his mouth. The central energy fund that reports to me as an executing authority has briefed me. To jump into conclusion and say that the contract was invalid or not is being dishonourable. What will happen is that when we receive the report and the legal opinions received, it will indicate whether we should declare them null and void and it will follow the due processes of our law because in terms administrative justice Act, you must be able to allow Auditor Mathieu.

However, the most important issue now which is my preoccupation in the Ministry is that stock that is there. Do we have sufficient stock that you can power the nation tomorrow? That is the most important part. But if the member wants to rush I can't be able to assist him and I don't think I have to repeat myself again on this issue.

Mr S G MTHIMUNYE: House Chair, I needed to check with the Minister if the investigation includes in his term of reference the competence of the board because in my view if such things would

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happen under their watch as a board of supply chain finance, SCF, then why are they exonerated from the investigation? Are they part of the investigation?

The MINISTER OF ENERGY: We need to assist the hon member; the issues around board members and their membership or timeframes is there in the website. You want to associate the decision that was made by certain individuals with current board. Allow the investigation and it will point to you and tell who made the decision; the current board that is there now in the Central Energy Fund, CEF, came after these contracts were actually awarded a long-time ago. If you want to get that information it is readily available in the public domain and you will not be able to struggle to find out when was the contract awarded, under what jurisdictions and who are the members that are there? I think we should not be able to cast aspersions ... [Interjections.] Chairperson, I am trying to respond here!

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members, hon members!

The MINISTER OF ENERGY: As I was saying, Chair, the member who gets into the board, what are their terms; when they came in and the time when the contract was made. It will be able to assist you where you want to apportion the blame.

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Ms N P KONI: Chairperson, may I have your attention, Minister ...

[Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Koni, you can't talk to the hon Minister directly!

Ms N P KONI: Through you, Chair, I just want to check if the Minister gets my attention. Hon Minister, please tell us about your position with regards to the nuclear deal. Thank you.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members, it is still part of those questions that supplementary questions must be linked to the original question; but I will leave it to the Minister if he wants to comment on that.

The MINISTER OF ENERGY: Chairperson, we will allow the hon member to put a question, if she wants to put a question send an oral question response or a written response, I will respond. But don't try to smuggle a question under a different question.

Question 329:

The MINISTER OF ENERGY: The National Development Plan, NDP, directs us to have an energy sector that promotes economic growth and

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development, which contributes to socioeconomic equity as well as environmental sustainability. As government, we need to guarantee the energy security by ensuring secure, sustainable and affordable forms of energy. They are available to continuously catalyse the economic growth in our country.

Energy is a central drive of the economic activity in any country, in particular, a commodity-rich country like ours. As South Africa, we have chosen a path of an energy mix policy that seeks to ensure the use of diverse portfolio of energy carriers. In terms of the energy value chain, we have the renewable that includes solar, wind and hydro. We also have as an endowment in our source, nonrenewable nuclear, coal and gas.

The energy sector has not performed optimally in the last few years, due to inadequate preparation for commodities super cycle and the broaden energy access, which eroded the reserved margin that existed at the time. Due to an inability to respond to energy demands, we have experienced a significant bulk of load shedding in the past. Some investments were lost in our economy, and it may be difficult to recover some of them.

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We therefore have to ensure that this situation never revisits our economy through, amongst others, the robust planning. Our immediate plan is to ensure that there is certainty in the sector. We need to take a long term view by ensuring consistency and credibility of the policy. The immediate plan is to finalise the integrated energy plan of our country which will include electricity subsector, as well as the petroleum sector.

In terms of the Integrated Resource Plan, IRP, after I've received the comments as early as March and April, I have directed the team to conclude this matter with the Cabinet and the affected stakeholders with immediate effect, so that we can create policy certainty and boost the investor confidence.

Very importantly, in securing the supply, we should never forget the importance of the reserve margin, which seemingly some are choosing to ignore, that there is a depressed demand. It is in the value of the demand, that the energy balanced sheet indicates what the actual and the focused is, in terms of the investment.

In undertaking all these, we must ensure that the energy mix policy, because it is our source, and there should be no confusion about it, is approved. The IRP 2010 continues to serve as the basis for

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decision taken on the electricity related investment. Remember, that plan has not actually been put aside; it is being reviewed. Its time leg is 2010 until 2030. But because of the developments in our own economy and in the world, adjustments had to be made.

Practically, we need to be clear about the demand that we are planning for, both from the electricity perspective, the petroleum as well as how that demand will be met. We need to secure the supply of energy which is sustainable and affordable. This should not be politicised! On the petroleum side, however, the existing infrastructure capacity expansions need to be taken in the next year.

While upgrading the currently refinery infrastructure implementation to new cleaner fuel requirements, including the blending of biofuels, they need to be taken immediately. We will ensure that we proceed with the expansion of all the existing programmes, including the nuclear, at a pace and scale that will be supportive of our economy.

In the near future, we will also initiate a comprehensive gas-to-power programme. Because of the discovery of gas in our neighbouring state and the agreements that we have signed, we have to be able to

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tap it there because the energy is not infinite. Actually, we should be able to do the planning, to ensure that the next generation will be able to find the energy options that are available.

We will further enhance co-operation between Mozambique and South Africa on national gas, while supporting gas beneficiation initiation in Mozambique. This will include the other issues that we have agreed on last week during the Africa Oil Week. It was an important decision by the African continent to say: How do you power Africa, stimulate their economies by benefiting the people of this continent in terms of the natural endowments? I thank you, Chair.

Ms M C DIKGALE: Chairperson, let me first thank the hon Minister for his response. Minister, I am happy that you touched on Mozambique. As you are renewing the plan with your department, can you not forget the people who are staying in the rural areas, at the borders of Zimbabwe and Botswana? Thanks.

The MINISTER OF ENERGY: Well, we take the guidance and counsel. There is already a programme that we agreed on as the Southern African Development Community, SADC. Remember, President Zuma is the Chairman of the SADC. Therefore, we have agreed on regional economic integration. We have just signed a Memorandum of Understanding

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between Mozambique, South Africa and Zimbabwe, which is called MoZisa. We are also supplying in the region in terms of energy security. Those neighbouring communities are in our plans.

This is the same issue as that of Mpumalanga which has a big gas pipe that goes through the province. The gas pipe cannot arrive in Gauteng without the people of Mpumalanga benefiting from it. The initiative of gas-to-power has to be able to transmit the gas. Another issue that should be considered is the issue of Liquefied Natural Gas, LNG, Programme, because if we don't use the sources that are available sparingly, in a wiser way, we will not be able to achieve our goals trajectory, even for our future generation. But when we are planning, we should plan to benefit the local communities, the black people, women and also supporting the Small, Medium and Micro-sized Enterprises, SMMEs. As part of the charters that we said we should sign, they should always be part of the radar.

Mr F ESSACK: Hon Chairperson, thank you for the opportunity. Hon Minister, in an interview after the 2017 Medium-Term Budget Policy Statement, MTBPS, budget last week ... [Interjections.] ... Yes, of course! An interviewer raised the fact that South Africa cannot afford a nuclear programme. The Finance Minister, hon Gigaba,

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himself stated, and it's on record, that South Africa cannot afford a nuclear programme. This was just last week ... [Interjections.]... Yes, I know!

In your response then, hon Minister, you said that no one has the figures for a nuclear programme. You also said that the government owns the numbers; and this is on record. Please explain to this House and to our fellow South Africans, what exactly did you mean by that? Thank you, Chair!

The MINISTER OF ENERGY: Chair, I think that the hon member should find time and be able to get a podcast of either Minister Gigaba or Minister Mahlobo, rather than to interpret what was said. One of the things that we have confirmed as a country is that, we must not create uncertainty. We can differ politically, but we do have our primary tasks.

With regards to the energy's contribution to the Gross domestic product, GDP, we are contributing above 33%. Energy is a catalyst and it is also an enabler like water, the infrastructure like the airports, rail and telecom. Without them, the investors could never have confidence to invest in our economy.

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Secondly, I was actually trying to educate, hon Chair. Those people who know energy value chain, there is what is called an input, a source. South Africa has only two sources of energy that are called the renewables. What are the elements of the renewables? We have solar. Do we have such intensity in terms of the Ultraviolet, UV, which can capture energy for the whole country? Is it finite or infinite?

We also have hydro. Do we have sufficient water to put power on the power station or not? Why do we doing it? Apart from that, we are also having wind. Have you been able to do the velocity of the wind that is there? It is the renewable component. For the nonrenewable component, we are having gas, nuclear and coal. When it comes to nuclear... [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): I am sorry, hon Minister. Hon Essack, why are you standing?

Mr F ESSACK: Chairperson, through you I am standing on a point of order. I want to direct the Minister to my question which simply implied that he said, no one has the figures for a nuclear programme, and that the government owns these numbers. I asked him

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to please explain that statement. Now, he is telling us about wind. Please ask him to answer my question, Chair.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Essack!

Mr F ESSACK: Yes, Sir!

The HOUSE CHAIRPERSON (Mr A J Nyambi): Let's allow the hon Minister to respond.

Mr F ESSACK: But he's not responding to my question!

The HOUSE CHAIRPERSON (Mr A J Nyambi): Let me recognise the hon Minister!

Mr F ESSACK: Answer the question!

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Essack, take your seat!

Mr F ESSACK: Yes, Chair! I'm listening, Sir!

The MINISTER OF ENERGY: You know what, Chairperson, if you lack depths in terms of understanding the subject, I am responding to the

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country because they have chosen to politicise the matter. The country and the world must know what our policy is. I have to reaffirm the policy so that there is certainty.

Secondly, I'm assisting the member because he doesn't know the energy sources. Actually, you can't speak at the edge tail when you don't understand. The Minister of Finance is here, and I'm also here. We have said that the nuclear build programme is an option that is going to be done at a scale and a pace that we can afford.

What does that mean? When you look at the scale, it will be depended on the balance sheet on how much energy do you have on the balance sheet; what the actual consumption is; which variable is there and what the focus is, in terms of demand? If the economy is going to grow at 5%, of which we said it is going to grow, we are going to determine how big are we going to actually put the energy plant?

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Minister, unfortunately your time is up! Hon Koni, why are you standing?

Ms N P KONI: Chairperson, I am standing on a point of order. The way the Minister of Energy is boring, Minister Nhleko is even sleeping. Can someone give him some water so he can stay awake? Water is life!

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Koni, you are out of order! Let me recognise you, hon Mokwele. I thought you are on the list.

Ms T J MOKWELE: Yes, I am!

Setswana:

Modulasetilo, ke solofela fa motl Tona a tla araba potso ya ka. Pegelo e e tlhagisitsweng ka 2006 go tswa kwa go Khansele ya marang le dipatlisiso tsa madirelo e senolotse gore tlhagiso ya maatla e tlhwatlhwatlase go na le yutlelara.

Jaanong ke rata go botsa Tona gore, go reng lefapha la gagwe le beela kwa pele yutlelara go na le go netefatsa gore re somarela maatla a re nang le ona mo nageng? Ke a leboga.

English:

The MINISTER OF ENERGY: Chair, economics says that there has been a sluggish growth of the economy, because we never planned for the kind of a demand we have experienced. The other sectors of the economy were affected very negatively; they even pulled out their investors. The jobs were also lost. Apart from the economic

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downturn, there was a decline on the boom of the commodity prices. Therefore, this country cannot repeat the same mistake.

This country has growth projections in terms of the NDP. The economy must grow at 5%. The question is: What are the inputs and the sectors that are going to drive that? The infrastructure as the main programme of this government must be there, so that at least the investors can know that they have all the enable conditions.

The issue around whether the investors are going to get the assets at an affordable price, if the return on assets is done, is going to be very important. We have never said that we are prioritising one energy option over the other, Chair. Currently, as we stand, South Africa ... [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): I am sorry, hon Minister. Let me recognise hon Koni.

Setswana:

Moh N P KONI: Modulasetilo, ke kopa gore o mpaakanye fa ke sa bue sentle. Ntlha ya pele ke gore, fa re boelela potso ya tlaleletso, o tsaya tshweetso ya gore potso e re e botsang e kgakala le potso e e tshwanetseng go arabiwa ke Tona. Jaanong, motl Mokwele o boditse

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potso, Tona o fana ka karabo e e leng kgakala le se motl Mokwele a se boditseng, sekgala sa karabo e a fanang ka yona e tshwana le go tswa fano go ya kwa Kurumane.

Ke kopa gore o tshwaele gore motl Tona o tswa taolong jaaka le rona otle o re reye fa re boelela dipotso tsa tlaleletso tse di leng maleba. Karabo ya ga motl Tona ga e a lebagana le se se boditsweng. Potso ya ga motl Mokwele le karabo e Tona e fanang ka yona, ga di tsamaisane.

English:

The HOUSE CHAIRPERSON (Mr A J Nyambi): Order hon members!

[Interjections.] Take your seat, hon Koni! Hon members, it is not the responsibility of a presiding officer to rule on whether the responses are right or wrong. Can you continue hon Minister!

The MINISTER OF ENERGY: Chair, as I conclude, if the member was asking from an informed basis, the policy remains the same. In terms of our resources capabilities and endowments, the two options are there. There is a space for the renewable energy in this country. We are continuing to invest in the base load. When we are investing on the base load, what are the determinants? The price is a

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determinant. Secondly, it is the issue of the uptake, which is a demand. Chairperson, I want to respond but ...

IsiZulu:

... abantu bakho babanga umsindo.

English:

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Minister, please refer to them as the hon members, not as my people. Hon Koni, hon Mokwele has asked a question. Conclude hon Minister! ... [Interjections.] ... You are not recognised, let the Minister conclude!

The MINISTER OF ENERGY: As we conclude, Chair, our policy choices remain to promote the renewable ...

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Koni, to whom are you making a point of order?

Ms N P KONI: He is referring to us as these people.

The HOUSE CHAIRPERSON (Mr A J Nyambi): I have ruled on that!

Ms N P KONI: But he did not withdraw!

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The HOUSE CHAIRPERSON (Mr A J Nyambi): I have spoken to him that he should refrain from doing that!

Ms N P KONI: But after ruling he continued doing it.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Minister, please refer to them as the hon members!

The MINISTER OF ENERGY: Okay, hon member ...

IsiZulu:

... othandekayo! [Uhleko.]

English:

The HOUSE CHAIRPERSON (Mr A J Nyambi): Yes!

The MINISTER OF ENERGY: Chairperson, I was saying that energy is a weighty issue. Our resource capability in terms of input remains the two approaches. We will ensure that the prices of energy in this country are affordable, and we will ensure that we will transform it so that everybody can participate in the issues of their own country.

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The issues of the environment will be taken into consideration. The preoccupation in the dreaming about nuclear has nothing to do with our policy positions; it has everything to do about who gets the tender. I am not in the business of tenders. I am in the business of ensuring that we have energy in our country to pump our economy, and we are not going to be deterred in doing that. Thank you, Chair.

[Applause.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members, allow me to take this opportunity to thank both the Deputy Minister and the Minister for availing themselves to deal with the questions. Thank you!

Question 266:

The MINISTER OF ENVIRONMENTAL AFFAIRS: Hon House Chair, the response to Question 266 is as follows. Mdluli Nature Reserve was proclaimed under the *Nature Conservation Ordinance No 25 of 1965* as a nature reserve and has been managed as such since its proclamation in 1965 under the management of the Eastern Cape Parks and Tourism Agency.

The plan is to retain the land for the protection of ecosystems, which is Mthatha Moist Grassland, which we are protecting there and also for the provision of an open space for picnicking, hiking and environmental education for locals into the future. Infrastructure

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improvement planned by the Eastern Cape Parks and Tourism Agency are an environment education centre, educational trails, upgrading the picnic sites, ablution, entrance gates and the tourism roads.

The municipality has, however, approached the agency regarding the proposal to utilise the nature reserve for residential purposes, given the housing challenges in the municipality.

However, the Eastern Cape Parks and Tourism Agency has indicated its reservations due to the fact that, firstly, the Mdluli Nature Reserve is one of the only provincial nature reserves that protect the Mthatha Moist Grassland which is critically endangered, meaning that there is very little of this vegetation type left, such that any further land use changes could render it extinct. This is due to the fact that only a very small percentage of this vegetation type is under formally protected areas.

The nature reserve is also a breeding site for the endangered crown crane and a habitat for endangered cycads. The Mdluli Nature Reserve is the only green space in Mthatha that is within a walking distance of the city centre. And it therefore plays a *key role as an ecosystem facility* - that is for picnicking and hiking - that serves

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as a green lung for the town as well as the broader role in climate change mitigation and environmental education.

With regard to the last part of the question, there has been no discussion around the possible closure of this reserve that we know of at this stage. Thank you.

Mr L B GAHLER: Thank you, hon Minister, for your answer. I asked you a question - I think it was last year - about the same reserve. If I recall correctly, you promised in this House that you will look at the issue of adding some wild animals there because those that are there are old and so on.

Secondly, in your reply to that same question you indicated that you would attend to the infrastructure of that area. To date nothing has been done.

Is there any budget to attend to the infrastructure and also adding some wildlife because there are very few people who go to Mdluli reserve because there is nothing much for them to see there. I agree with you that it is the only reserve in that area but can you assure this House or the people from that area that there will be something done regarding the infrastructure of that reserve. Thank you.

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The MINISTER OF ENVIRONMENTAL AFFAIRS: Hon Chair, the hon member says, "if I recall well". This is what you said. It would have been very important to recall what we actually said not what we may have said so that we answer on doubtful cases. This nature reserve has been a nature reserve that doesn't have animals. So, there is no way that we would have talked about animals and introducing them in this ... unless they are real antelopes. [Interjections.]

Is it my time to answer the question?

The HOUSE CHAIRPERSON (Mr A J Nyambi): Sorry, let me deal with hon Gaehler. What is it, hon Gaehler?

Mr L B GAEHLER: Point of order.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Okay.

Mr L B GAEHLER: That reserve has some animals, hon Minister, and you have answered in this House that you are going to attend to the animal issue. Don't mislead the House, please.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Unfortunately, that is not a point of order. You are correcting the response of the Minister.

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The MINISTER OF ENVIRONMENTAL AFFAIRS: I am continuing with the response to the question, Chair. I am saying that this is a nature reserve that is under the Provincial Government of the Eastern Cape. The hon member is asking if we have provided a budget, probably from the national Department of Environmental Affairs. I would really have looked for a response to this question for the hon member but I would like to suggest that the hon member requests in the provincial legislature of the Eastern Cape whether there is a budget. For now, we don't budget nationally for those kinds of programmes and I think the hon member knows that very well.

I have already stated in response number two that the infrastructure planned by that entity - the agency - include an environmental education centre - that much I am sure of - education trails, and the upgrading of the picnicking site, the ablution facilities, the entrance gates and the tourism roads. Those are planned and it means that they are budgeted for. I can attest to that.

However, that does not change the status of this nature reserve. It remains the protection of those species that I have already mentioned. Thank you.

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Ms Z V NCITHA: Chairperson, what I would want to know from the Minister, especially from her response that the area is an area where you are unable to build houses, whether is there a plan between the Ministry and the municipality to empower the community to understand that the municipality cannot build houses in that area. Thank you.

The MINISTER OF ENVIRONMENTAL AFFAIRS: Thank you for the question. Hon Chair, I have already indicated that the municipality did approach the Eastern Cape Parks and Tourism Agency regarding this proposal to utilise this as a nature reserve and residential houses. I would take it and would think that the people who were approached went ahead to inform the community of such, because it is quite important. The response was given and probably this response needs to go along with more and more education. It is certainly a requirement and I think that we agree that needs to be spoken about. Because, sometimes, when people see open land like that, that is actually being used for other purposes like being a protection area, they do think that we can build houses there. So, we agree that education is necessary. Thank you.

Setswana:

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Mme T J MOKWELE: Ke a leboga Tona ka karabo ya gago. Potso yaka e mogo rekisiweng ga diphologolo ko Porofenseng ya Bokone Bophirima mo eleng gore go tserwe tshwetso ya go rekisa diphologolo tseo ntleng le go latela melao le melawana e lefapha e e beileng gore diphologolo di ka rekisiwa ka teng. Ke solofela gore Tona o mo maamong a mantle a go tlhaloganya ditiragalo tse di diragetseng kwa Bokone Bophirima. Potso yaka ke gore, ke eng se lefapha le se dirang go netefatsa gore ba ba tsayang maikarabelo a go diragatsa tiragatso e e seng mo molaong ba feleletsa ba bona katlholo kgotsa go feleletsa go diragala eng mo lebakeng leo. Ke batla go tlhola le wena Tona ka gore mongwe wa batho ba ba rekileng diphologolo tseo jaaka re ntse le wena jaaka, ke mongwe wa leloko la Palamente kwa ntlheng e ne ele Meiyara wa Masepala wa Rustenburg. Ke a leboga.

The HOUSE CHAIRPERSON (Mr A J Nyambi): You know very well, but I will leave that to the hon Minister.

Setswana:

TONA YA MERERO YA TIKOLOGO: Bagaetsho ke ikemiseditse go araba go tlala seatla mme ke tla araba fela kamoso. Gompiono ke araba potso ya UDM ka ga Serapa sa Diphologolo sa Mdluli. Go nale balekani ka nna fa, ba ba emetseng go araba dipotso, ere ke ba neye tšhono. Ke a leboga.

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Question 234:

The MINISTER OF ENVIRONMENTAL AFFAIRS: Chairperson, we were asked about jobs that are created in relation to waste and commercialisation programmes that are taking place as well as the policies that are guiding us in that respect. The answer is as follows: The Department of Environmental Affairs follows and implements the National Environment Management Policy of 1997, that emerged from a consultative process that was called Consultative National Environmental Policy Process, CONNEPP, that has taken place in 1996 and 1998 - led to the establishment of finalisation of that policy and the ensuing Act which is the National Environment Management Act 107 of 1998.

The Integrated Pollution and Waste Management Policy of 2000, as well as the National Management Waste Act of 2008; and we do indeed, co-operate with all local authorities in the different spheres of government as well as state departments in implementing these policies. That is in as far as the policies are concerned.

With regards to implementation of the programme, I have together with the Members of the Executive Council for Environment in the nine provinces establish a programme that is called the Recycling Enterprise Development Programme, REDP, which is part of our Cradle

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to Cradle Waste Management Programme which is helping to expand employment opportunities and the commercialisation of waste recycling and waste management.

This programme involves support to new entrance and emerging entrepreneurs. Minister Zulu will be very happy about this and indeed, we are working with her in ensuring that the Small, Medium & Micro Enterprise, SMMEs, and co-operatives are actually incorporated in the programme. But we are also incorporating the informal waste pickers which is about 60 to 90 000 of them that are registered and existing here in South Africa.

Our programme includes youth jobs in waste where there youth through the country is given employment opportunities through waste recycling. This involves co-operation with other departments. Through the National Environment Waste Management Act, NEMWA, the industry waste management plans which I have published in the initial section 28 notice that calls for stakeholders to prepare for submission are also aimed at job creation and enterprise development and divergent of waste from going to the landfill. We want a zero waste, at landfill sites over time from now.

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This is in line with the paper and packaging amongst others - actually the three way stream that we have publicised now for response by industries, is a paper and packaging that includes plastic, electronics as well as lighting. The value chain operations would actually be looked at in this instance, so that we bring back the material into use again and again. There are voluntary initiatives through private sector as well as civil society like bottles, plastics and so on with new technologies that are driving some of these initiatives.

We have also embarked on a new Operation Phakisa lap; six weeks of sitting in the bush, planning up to 3-foot plan of should be done in the chemicals and waste economy in general. The focus is also on job creation, contribution to economic development and diverging of waste form going to landfill sites. This programme is implemented in an integrated manner with other government departments and municipalities. I needed about 15 departments that are all in all involved.

This Operation Phakisa initiative envisages to contributing approximately 127 permanent jobs over the next five years through various initiatives and role-players. The department also participate in the broader Expanded Public Works Programme, EPWP,

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and over time, we are working with the municipalities and the provinces.

We have actually been implementing the labour intensive projects that are meant to address waste management, and infrastructure development ranging from recycling, that's a material recovery facilities, the buy-back centres many of which we have constructed throughout as well as the transfer stations in assisting the municipalities in dealing with composting and disposal, the landfill sites rehabilitation and establishment of new as well as waste management services that have been delivered through this programme.

To date this financial year alone, in the working on waste focus area. We have been able to create 3425 work opportunities and a 1351 fulltime equivalence with biasness towards employing young people which is 65% of them, women 63% and people with disabilities about 2%. I thank you.

IsiXhosa:

Mnu J P PARKIES: Hayi Sihlalo weNdlu andinawo umbuzo olandelayo, ndiyabulela.

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Mr C F B SMIT: Hon Chairperson, hon Minister, tyre waste was managed by Recycling and Economic Development Initiative of South Africa, Redisa, which was liquidated on request of the previous Minister in June 2017. While it was in operation it did not deal effectively at all with tyres from the mining industry.

What measure or mechanisms are in place with regards to the waste removal to ensure effective management of loose tyres in the mining sector?

The MINISTER OF ENVIRONMENTAL AFFAIRS: Chairperson, we began liquidating the Redisa just recently. It was in my time not the previous Minister just this year. And it was for a particular reason. Because indeed, we found out that as we were having high hopes by the way on this programme - which we still have except to say, the manage of this particular waste tyre plan was done in such a manner that it actually siphoned some of the money from government and were wouldn't let that happened.

We were following the money; we had started with the process of liquidation. The first court set, the second one they are now on appeal by the Redisa themselves.

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With regards to the tyre in mining - that's a big one. They had not yet started with that. We are continuing with yet another plan. I have actually advertised again for other role players to come into the space. Anyone who is able to implement the programme of recycling the tyres at the mines - because they are thick and tough who has technology is welcomed to do so and to apply.

Right now as we speak, the call is out there and people can actually respond. Thank you.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Minister, we are now coming to question 256. In terms of our rules the proper arrangement was made and hon Smit will be standing for hon Labuschagne.

Question 256:

The MINISTER OF ENVIRONMENTAL AFFAIRS: House Chair, the question around the science policy - the report that was released by the Department of Science and Technology. Let me hasten to say that the Department of Environmental Affairs works in partnership with the Department of Science and Technology. We work very much in synergy, particularly on the science policy domain of Environmental Affairs and matters that relates to environment, which incorporates climate change as a cross-cutting feature of this work.

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The Department of Science and Technology appointed the Academy of Science of SA to biannual reports on the state of climate change in South Africa. The first one was dealing with this one that has been released, which the hon member is asking about - dealing with where there could be gaps that needs to be filled from a technological point of view. The second report is due to be released or at least to be given over to us in 2019.

That baseline report highlighted three strategic climatic change related challenges anticipated to occur in the South African climate system and in the technology environment that affects or is affected by climate over the next three decades as listed. On that list: The southern Africa will be hotter in all places and drier in most - that is as per the report; that in high scientific confidence, South Africa will continue to become warm at a rate somewhat higher than the 0,15 degree Celsius per decade observed over the 20th century.

In a period up to the middle of the century, warming will occur regardless of the success or failure of the international agreements to curb climate change - that's in a century, such as those agreements reached in Paris, as this report says. Although these agreements have important benefits to the climate in the second half of the century, the mitigation and adaption measure that are there

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must be fully implemented and not only by South Africa but by the whole world, each party that is a party to the climate change. We wish that even those that are not parties should come on board because it is not going to be just a few countries that make this difference.

It also says that by 2050, this would result in the doubling of a number of days of dangerous hot weather over half of the country. The increase in difficulty in sustaining livestock-based and human outdoor activity based on economies in the most affected areas.

The less scientific confidence says in projections of rainfall trend as well as most models project less rainfall on average especially in the west of the country. Previous reports have said so and even the Intergovernmental Panel on Climate Change, IPCC, reports said so. Coupled with the higher water demand due to warmer temperatures, this provides high confidence that soils will be drier in the future over much of the country and water supply for the agricultural domestic use and the industry will be under increasing pressure.

The strongest impact on climate change in South Africa is in the first half of the 21st century. We therefore look at these areas that are going to be very seriously impacted upon - it is in the

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security of fresh water supply to industry, towns and agriculture and in the crop and livestock agriculture which is in favourable growing condition as well as in human health.

An aspect of more extreme weather and floods was also looked at. An area dealing with reduced use fossil fuels as well. In this regard, the report does indicate that the future is very likely to include an increase in frequency and severity of damage causing extreme weather events when coupled with unavoidable sea-level rise of around 300 mm by 2050. The likelihood of flooding especially on the coast will increase the risk of human. Prolonged heat waves and multiyear dry spell will also be more likely than in the past.

All these that I am talking to, do suggest that all of us both individually and collectively should do something to curb climate change. We need to act, including making this House a greenhouse. Thank you very much.

Mr C F B SMIT: House Chair, Minister, how does your department ensure that mitigation measures are implemented by all state departments and the private sector to minimise the risk factors?

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The MINISTER OF ENVIRONMENTAL AFFAIRS: I want to say with confidence that, indeed, South Africans are reacting. South Africans are coming on board both the private sector and the civil society in general.

How do we monitor these? We have several programmes that are ongoing now. Through the South African Weather Services, we have equipments that measure the six green house gases in the country. How they are produced and how they expand. From a day to day measure, we compile a biannual report, which we submit to United Nations Framework Convention on Climate Change, UNFCCC. We have submitted the first report and are currently taking it through the nation yet another report. That monitors so that we ensure that everybody does implement this. There are commitments that have been made by different people in the energy space, which is in the next question. I want to beg your indulgence that we deal with that part when we come to that question. I think the hon member will be listening to what actually is being done in measuring in this space. Thank you.

Question 270:

The MINISTER OF ENVIRONMENTAL AFFAIRS: The Department of Environmental Affairs wishes it could be involved and be dealing with the environmental impact assessment but unfortunately we are not the rightful department that deals with this matter of the dune

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mining that is to be undertaken in the Xolobeni village in Mbizana. In our records we do not have this information and if I had it, I would have shared it but unfortunately it is with the Department of Mineral Resources and they are dealing with it. Because of the one environmental system that we have introduced, the application may have been launched also with the provincial Department of the Environmental Affairs if it predates 2014 Environmental Impact Assessment Regulations. It may be with the Department of Mineral Resources if it was launched after 2014. I am raising these questions so that we remember that post-2014 we gave all the powers to the Department of Mineral Resources to do environmental impact assessment first phase and the desk studies; And thus, leave the work of appeals to the Minister Environmental Affairs who is a last line of defence in this regard. Unfortunately, we do not have it but the department is also not in a position to provide such details at this point in time. We may endeavour to help you and get that information but I think the Department of Mineral Resources will be the right department to get that information. Thank you.

IsiXhosa:

Mnu L B GAEHLER: Masibulele Mphathiswa kwaye siyeva nokuba uthi ikwiSebe lezeZimbiwa. Kula ndawo abantu bayasweleka ngenxa yala nto iqhubeka phaya, kuchitheka igazi. Isicelo sesokuba wena Mphathiswa

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uzame ukudibana neSebe lezeZimbiwa niqwalasele la ntlekele yenzeka phaya. Kaloku nesebe lakho liyachaphazeleka phaya kuba sithetha ngokusingqongileyo. Ndiyayazi ukuba usenokungakwazi ukuyiphendula ngoku kodwa ibalulekile kuba kusweleka abantu bakuthi abahluphekayo. Enkosi. Ndicela uMthetho athule ayeke ukungxola.

English:

The HOUSE CHAIRPERSON (Mr A J Nyambi): He is very close to getting his final warning. [Laughter.]

The MINISTER OF ENVIRONMENTAL AFFAIRS: Thank you very much.

Setswana:

Re a tlhaloganya, bagolo ba me, gore re a romiwa mme fa re romiwa kgotsa re laelwa go raya gore re tla dira boikuelo fela re sa laele lefapha leno go dira se re reng ba se dire ka gonne ga se rona ba ba laelang mafapha a mangwe, re dira mmogo le one.

Jaaka komiti ya Ntlo eno e mekamekana le merero ya Lefapha la Didiriswa tsa Diminerale le ya Lefapha la Merero ya Tikologo, re tshwanetse re bidiwe rotlhe gore re tlhalose tseo re ntseng re di dira.

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Question 236:

The MINISTER OF ENVIRONMENTAL AFFAIRS: Hon Chairperson, the response to that question is as follows: South Africa's First Green House Gas Emission Reduction System Frame Work was approved by Cabinet in 2015. The Department of Environmental Affairs has started implementing the first phase of the system. In other words, we are saying, because we need to fully capture this whole and record the six green house gases on a daily basis as we said we are recording through those stations. But now we are creating a system of reporting where you could actually at any given stage place your finger on a button and get this entire information from the system.

The system is also going to be allocating carbon budgets to companies that we are actually going to be setting up what we call, the desired emission reduction objectives, DEROS, and the development of pollution and prevention plan regulations in relation to the green house gases.

The approach to phase two which is post 2020 is currently being finalised. And the plan is to implement mandatory carbon budgets from 2021. The next step is a finalisation of legal framework to underpin phase two of emission reduction system including carbon budgets.

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With regards to climate change adaptation strategies, which is the most important of these programmes - because if you don't adapt we shall keep on chasing climate change impacts? The national climate change adaptation strategy is being developed and is aimed at outlining the national climate change adaptation objectives and guiding ongoing and future climate change adaptation efforts. It will act as a cornerstone of the adaptations in the future and this will encourage synergy in climate change adaptation efforts at the national, provincial and local level.

With these efforts all contributing to certain shared priorities, it will enable climate change adaptation in any one sector to leverage the work of other sectors. Creating positive core benefits and reducing negative traits of across sectors and a common strategic vision will allow resources to be allocated in a more deliberate way.

The Department of Environment Affairs has had nationwide stakeholder consultations on the draft National Adaptation Strategy. We are right now in the process of reviewing the draft for publication for comments and therefore final adoption.

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This will be one of the first in the world of the adaptation strategies to be formulated by a government.

There are sectoral adaptation strategies, the Department of Water and Sanitation is finalising the climate change adaptation in the water. In the land as well they are doing that. In the space of agriculture they are also doing that and they are finalising all those programmes. We have climate change response policy in place and currently we are consulting on the draft Bill on climate change because we do believe there is got to be an Act that helps us manage this.

With regard to the actions that I said we are implementing pre 2020, it is in the energy space, solar wind and waste to energy that is being generated. We already have more than 6 000 megawatts connected to the grid of Eskom, costing over R200 billion of green energy.

And we are working on the base load as the hon Minister said earlier on. In the transport area, the green transport strategy is under implementation, the green industrial programme that is being implemented, the green rapid transport is in place in Tshwane, Cape Town and Johannesburg. These things that are called "Rea Vaya" they are not accident of life, they are deliberate.

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The green car is already under use in the number processes. The Gauteng in use and reduced a number of cars that are increasing the emissions, the built programme that is going on throughout the country. We are just running short of this one. If we can just win this one as part of the built programme; we shall be somewhere. We are dealing with the solar water heaters and one million solar heaters have got to be implemented by the year 2030. Thank you.

Ms E PRINS: Chairperson, a very detailed response. I don't have any follow up.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Minister, we are now coming to question 257 asked by hon Labuschagne. In terms of our rules hon Smit will be the one responsible for the question. That is the last one in terms of your questions.

Question 236 contd:

Ms T G MPAMBO-SIBHUKWANA: Chairperson, I rise on a point of order. I did lift up to make a follow-up question after hon Prince and you noted me. You nodded your head ...

IsiXhosa:

... into ebonisa ukuba undivile.

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The HOUSE CHAIRPERSON (Mr A J Nyambi): No. Sorry hon Minister. It won't do us any harm. You are recognised. I am sorry hon Minister.

Ms T G MPAMBO-SIBHUKWANA: It's not fair. Don't take us for granted. Do your job ... [interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): I am giving you the opportunity. It was my mistake. I made a mistake.

Ms T G MPAMBO-SIBHUKWANA: Hon Minister, we are witnessing the effect of climate change throughout South Africa beyond the international agreements talk shops that have been there as the strategies on papers that have been there, what plans have been implemented in this regard? Which actual concrete result that can be utilised as best practises or to address our own conditions in South Africa?

Setswana:

The MINISTER OF ENVIRONMENTAL AFFAIRS: Rre Modulasetilo, a o nletlelela go boeletsa karabo e ke e neileng leloko le le tlotlegang? Ke ne ke araba yone.

English:

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I was answering that very same question. Should I repeat? The hon member says no, thank you very much.

Question 257:

The MINISTER OF ENVIRONMENTAL AFFAIRS: Hon House Chair, the response to that question is as follows. Since the inception of the One Environmental System in December 2014, there have been 78 appeals lodged against environmental authorisations issued by the Department of Mineral Resources. I am mentioning 78 as appeals. I did indicate earlier on and I am repeating that now that the Department of Environmental Affairs deals with appeals which are at the ministerial level after the Department of Mineral Resources would have processed the ordinary Environmental Impact Assessment, EIA, applications.

Therefore, the department does not have information on the total number of environmental authorisations. It doesn't mean that we cannot get it for you. It means, because of the nature of time that we have actually had to get this, we can again get in the same manner as which we agreed to earlier on with that department in the same meeting of this committee to actually give this information. But for now, we are giving that which we are dealing with, which is 78.

The National Environmental Management Act as amended, which forms part of the suite of legislation to give rise to One Environmental System for the country, was based on the agreement that all environmental aspects related to mining will be regulated by the National Environmental Management Act and all environmental provisions were repealed from the Minerals and Petroleum Resources Development Act of 2002.

The Minister of Mineral Resources now issues environmental authorisations and waste management licenses - which he was not doing, by the way. The Department of Mineral Resources was not doing that previously, but they now have powers to deal with waste licenses in the mining space so that we don't congest there. They do that for mining then we move in with waste and all other related things.

For mining activities and directly related activities, I am the appeal authority of these authorisations. As part of these processes, the National Appeals Regulations 2014 has repealed the various appeal regulations currently in effect in terms of the National Environmental Management Act and specific environmental management Acts, and provides for a single appeal process under section 43 of the National Environmental Management Act.

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The National Environmental Management: Integrated Coastal Management Act is still an exception at this point in time because the ocean is another story. Even though the Department of Mineral Resources will be involved in getting oil and gas from the ocean, we have not, at this time, introduced the One Environmental System in the ocean.

As a result thereof, I am the appeal authority in respect of the environmental authorisation issued by the Department of Mineral Resources on applications for environmental authorisation received after 8 December 2014 and remains with the integrated coastal management authorisation. Thank you.

Mr C F B SMIT: Hon Minister, why was this criterion not used to appeal cases such as Elandsfontein, Langebaan and Volspruit mine in Mogalakwena?

The MINISTER OF ENVIRONMENTAL AFFAIRS: One day when we get a chance, we will talk about who actually appeals. It is not the Department of Environmental Affairs. We authorise. We are an authority that gives record of the decision after analysing an application which has been done by other people who are developers. They then apply. We get the specialists to investigate and make proposals. They bring that to an environmental assessment practitioner, and the environmental

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assessment practitioner make a decision. Only after an environmental assessment practitioner has made a decision, may somebody else from anywhere - even an hon member from here - appeal. The hon member should have appealed for Elandsfontein if there was an environmental impact assessment, EIA.

From what I know, the issue of Elandsfontein is actually still being dealt with. It is one strategic area in the entire country where we have the second-largest deposit of phosphate. We have a choice to say, do we want to import phosphate and boost our food security in the country in aid of something else or what.

So the jury is still out. We expect people to come with whatever it is that would have been done. I know that the water department is currently finalising the studies. The Department of Agriculture is also doing some work there about phosphate. The Department of Mineral Resources is also doing some work. We will be connecting at some stage to look at all these issues. There is no finality on that matter yet.

Ms E PRINS: I just want to check, Minister, do you think that this One Environmental System will reduce the red tape involved in mining applications? Thank you.

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The MINISTER OF ENVIRONMENTAL AFFAIRS: Thank you, hon Prins. This is actually not even a thought; it is actually a reality. We have had developers having to knock on the door of Environmental Affairs to do an EIA through that process that I have mentioned earlier on and take two years throughout the whole process. When they finish, they knock on the door of Department of Mineral Resources to apply for a prospecting or full license. This takes another two years or even three years. Then they go to the Department of Water Affairs to complete a Water Use Licence application, Wula, and that take another eight or ten months to a year to process.

So, all together, people would to wait for a very long time. We now have our teams sitting in one room and doing the evaluations. This has cut the timelines, has cut the red tape drastically, not ...

Sesotho:

... hanyane; haholo.

English:

And therefore ...

Setswana:

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Hee mma! Ke tla go ruta Setswana letsatsi le lengwe fa o ya ko galona. O tle o reetse, o tle o tlhalefe gannyane. Ke a leboga.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Minister, you are dealing with me. Thank you. Hon members, allow me to take this opportunity to thank the Minister for availing herself to deal with the questions. [Applause.]

Mr C F B SMIT: Hon Chair, on a point of order: I have raised my hand and you refused me another follow-up question. I want to ask, on what basis did you refuse me a second question?

The HOUSE CHAIRPERSON (Mr A J Nyambi): I gave you an opportunity to ask a question.

Mr C F B SMIT: No, its fine, but we didn't exhaust all four follow-up questions.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Take your seat, hon Smit. We are now getting to the Department of Finance. [Interjections.]

Mr C F B SMIT: Hon House Chair, I am sorry, but being dismissed in this way is not appropriate in this House. I have asked a specific

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question and I am asking you for a response. On which basis or Rule did you refuse me another follow-up question? Because we have four follow-up questions of which two were asked.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Smit, I am not going to subject myself to deal with the Rules with you. I am saying that I have made a ruling and if you have a problem with my ruling, there is an order to follow. Take your seat. We are getting to the Department of Finance.

Mr C F B SMIT: Hon chair, can you please be clear because I didn't hear your ruling. Can you please just repeat your ruling?

The HOUSE CHAIRPERSON (Mr A J Nyambi): The ruling is that you are totally out of order. We are now getting to the Department of Finance. When we started I indicated that the first and second question, meaning Questions 305 and 304, were responded to accordingly in writing. So, hon Minister, you are invited to be in that chair.

Mr F ESSACK: Chair, sorry, I apologise, before you commence with the hon Minister of Finance, just give us a clear ruling so that you educate some of us. In terms of the follow-up questions, if my

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knowledge serves me correctly, there are four follow-up questions allowed ... [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): A member can ask a supplementary question.

Mr F ESSACK: Yes, but if only two follow-up questions are exhausted, why can't the other two not be allowed if it's the same member?

The HOUSE CHAIRPERSON (Mr A J Nyambi): I am assisting you.

Mr F ESSACK: Yes, please do educate me.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Essack, a member can ask a supplementary question, not a member can ask supplementary questions, meaning I can recognise a member for the four questions. You distribute them accordingly and I have made my ruling.

Hon Minister, we are starting with Question 318 from hon Terblanche. [Interjections.] Order! Sorry, let me deal with the Chief Whip.

The CHIEF WHIP OF THE NCOP: Chair, we do appeal that, if hon members converse, they should do so while observing the Rules of the House.

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Additionally, I also agree with your ruling that, if members are not happy, there is a process that they can follow to voice their dissatisfaction.

So, as members have appealed for before, can we please maintain the decorum of the House? Thanks.

The HOUSE CHAIRPERSON (Mr A J Nyambi): That's in order, hon Chief Whip. Hon Minister, we are starting with Question 318 from hon Terblanche.

Question 318:

The MINISTER OF FINANCE: Good afternoon to you, Chair, and to the hon members. At the Congress of SA Trade Unions, Cosatu, meeting, I spoke about the importance of supporting the well-governed and managed state-owned companies as a policy lever for the inclusive growth and the economic transformation. I did not speak about any specific plans for specific entities such as the Public Investment Corporation, PIC, to fund the state-owned companies.

In response to a concern raised about the workers' pensions being used to fund the state-owned companies, I made the point that, whilst acknowledging the current challenges as the state-owned

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companies, which the government is committed to addressing, workers should not want to exempt themselves and their resources from supporting them, because of their developmental impact.

Also, starving them of funding would not be in the interest of the workers, many of whom are the members of Cosatu. Even while acknowledging the current challenges, it should be noted that state-owned companies like most big companies, regularly access funding from capital markets for working and the expansion capital. Our state-owned companies have never defaulted on debt in the democratic period.

For this reason, the PIC and the other asset managers continue to provide capital to them, as a low-risk investment offering a not insignificant return on the investment. The Minister of Finance will continue to make the case to all the holders of capital, workers included, that the state-owned companies are a worthwhile destination for their capital, subject to good governance and management being in place, and their co-operate plans and balance sheet showing their ability to repay debt. Thank you.

Mr O S TERBLANCHE: Through you Chairperson, hon Minister, thank you for your response. Minister, we believe that we should be pursuing

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sound financial investments, instead of volatile political investments. You did touch on that, but I just need a little bit more clarity. Should political considerations continue to influence the investment decisions of the PIC?

Hon Minister, on a personal note, let me ask you: Would you invest your hard-earned money in an entity like the SA Airways, SAA? Under what circumstances would the government pursue the use of the PIC funds to support the other investments, with the huge global market fluctuations and bearing in mind that the PIC funds is for people's pension and that it needs to be protected? Minister, how far are you willing to put the people's future at risk? Thank you, Chairperson.

The MINISTER OF FINANCE: Hon member, there is only one answer to your question. The investment strategy of the PIC is not determined by any political considerations. It is determined by whether the investment is worthwhile; whether there will be returns on the investment and whether the entity in which the PIC is investing has got good governance, the credible leadership and that its financial arrangement is in order. That's the only consideration.

That is exactly what the Minister of Finance has said to the PIC and Cosatu, which is precisely the same message that the CEO of the PIC

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said at the now famous interview with the *Sunday Times*. The message is the same. If the PIC must decide, as it is already investing in a number of state-owned companies, whether to invest in the SAA, Eskom or any other state-owned company, those three considerations must be taken into account.

Is the governance in shape; is the executive leadership layer in place and, what is the financial position of that state-owned company? These need to be considered so that the risks which could accrue to the PIC as the result of the investment can be mitigated. Thank you.

Mr M RAYI: Hon House Chair and thank you very much, Hon Minister. Even if the entities have government issues that have been sorted out, because entities have got a dual mandate of development and commercial, from time to time they will need to be recapitalised. I want to check if perhaps you wouldn't consider establishing a fund that will take care of the issues like when there is a need to recapitalise the entities? Thank you, Chair.

The MINISTER OF FINANCE: Hon Chairperson, the dual mandate of the state-owned companies does not necessarily imply operational inefficiency and wastage. What we have found in many instances is

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that, many of our state-owned companies have had a lapse in governance, which then has consequential effects impacting on the executive as well as impacting on their financial position.

What we believe is that, you do not need a special fund for the recapitalisation of businesses because ultimately, the state-owned companies are the businesses that are expected to be operating and functioning as the businesses. That is why we have been making the argument that we need to revise the government guarantee framework policy so that we should stop providing the financial support in the form of recapitalisation or the government guarantees for operational expenditure for waste and in the cases where there has been a lapse of governance,

The bulk of the government guarantee framework must provide for the instances where the government may have asked a particular state-owned company, given a particular challenge or a responsibility the government is entrusting upon it, to expand its capital investment beyond what their own balance sheet can afford. In that case, the normal capital expenditure, capex, of the state-owned companies must be catered for, through their own return on the investments in the revenues that they generate from the infrastructure they provide.

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But in the instance where government says to them that they should move beyond their balance sheet and that through them, the government wants to address the demands in the economy, in that case, the government can say to them that, the government is willing to provide a guarantee to them. This would have applied to Eskom in the past and it would have applied to a number of the other state-owned companies.

It would seem that there has been a tendency to view the use of government guarantees as a perverse incentive, where you provide a government guarantee for operational expenditure, inefficiencies or for waste. We need to address that by changing the government guarantee framework policy, so that it addresses with instances where specifically, we are asking a state-owned company to drive the demand in the economy, to invest beyond what their balance sheet can afford, and the shareholder must be willing to provide support in that regard. Thank you.

Setswana:

Moh N P KONI: Modulasetilo, ke kopa go botsa Tona gore a gompieno o ikana mo Ntlong eno gore a ka se dirise matlole a PIC go thusa ditlamo tsa puso.

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English:

The MINISTER OF FINANCE: Hon Chair, I think that I have answered that question extensively in the first answer. Thank you.

The HOUSE CHAIRPERSON (Mr A J Nyambi): I am sorry, before I continue, let me recognise hon Faber.

Mr W F FABER: Chairperson, I'm a bit confused, Questions 305 and 304 have not been answered. Is there a specific reason why you haven't dealt with them?

The HOUSE CHAIRPERSON (Mr A J Nyambi): I want to deal with them now! The questions that were posed by hon Michalakis are not going to be attended to ... [Interjections.] ... I am saying that it was the first two questions. Instead of saying the last two questions, I said the first two questions. So, we have to deal with Questions 305 and 304. I have therefore made a mistake. It is the last two questions from hon Michalakis that were responded to in writing. So, we are going to deal with the two questions.

Mr W F FABER: Chairperson, we accept that you have made a mistake. Thank you. [Laughter.]

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Minister, the point that is being raised is for the last two questions. It was supposed to be Questions 100 and 101 which are referred to as one and two; those are the last two questions. So, can we deal with Question 305 that was asked by hon De Beer to the hon Minister. I am very sorry for that confusion, hon members.

Question 305:

Ms T J MOKWELE: [Interjections.] [Inaudible]

The MINISTER OF FINANCE: Hon House Chairperson, this hon member, I refused to share my lunch with her [Laughter.] and that's why she has become this petty. This thing is about lunch. [Laughter.] [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Minister Gigaba has never mentioned the name of the hon member. [Laughter.] So, okay, let me deal with the hon member. Hon Mokwele! [Interjections.] Oh, you are the one? [Laughter.]

Ms T J MOKWELE: He invited me to his lunch... [Interjection.]

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Oh, you are the one?

[Laughter.]

Ms T J MOKWELE: He invited me to his lunch and I refused...and behind closed doors. [Laughter.] [Interjection.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Let us not get into the lunch. [Laughter.]

Ms T J MOKWELE: And I refused because I don't want his lunch. [Laughter.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Let us not get into the lunch. Thank you, hon Mokwele. Hon Faber! Let's allow the Minister to deal with Question 305. Hon Faber, we're dealing with 305 and we're done with the lunch.

Mr W F FABER: Yes, Chairperson, may I just remind the Minister that he's been married for three years. [Laughter.]

The MINISTER OF FINANCE: Hon Chair, in terms of section 38(1b) of the Public Finance Management Amendment Act, PFMA, Act no 1 of 1999, the accounting officer of a department is responsible for the

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effective, efficient, economical and transparent views of the department's resources. Section 38 (1c II) of the Act, requires the accounting officer of the department to take effective and appropriate steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. It is clear that the responsibility to investigate the incurrance of irregular expenditure resides with the accounting officer of the relevant department.

Therefore, the National Treasury does not investigate cases of irregular expenditure at departmental level. The National Treasury's intervention is to analyse the incidents of irregular, fruitless and wasteful expenditure, and bring them to the attention of the respective department for corrective action. And I am sure that the different departments and accounting officers can provide relevant details. Thank you.

Mr C J DE BEER: Hon Chairperson, we must applaud the Minister for the brutal honesty when he presented the Medium Term Budget Policy Statement, MTBBS, on Wednesday afternoon at 2 o'clock.

Hon Minister, the Auditor-General in his latest report mentioned the increase in unauthorised irregular expenditure; referring to the root causes of slow response to improve controls and addressing ...

[Interjection.] [Inaudible.] ... instability of vacancies in key positions, inadequate consequences for poor performance and transgression.

The National Treasury forms part of the anti-corruption task team. Is that the processes undertaken by the National Treasury with the relevant departments to recover money lost because of financial misconduct, referring to an example of the section 100 intervention in Limpopo in five provincial departments; that was an exercise done the last four years by the National Treasury and the executive? Thank you.

The MINISTER OF FINANCE: Hon Chair, the first intervention that we had to make in the departments was to insist on the employment of qualified Chief Financial officers, CFOs, in order to improve the financial management of the departments.

Secondly, many departments have started meeting regularly with the Auditor-General in order not to wait until the audit process for the annual financial statements but to engage on a quarterly basis including at an executive level; the meetings between the Auditor-General and various Ministers to help improve the management of different departments.

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But, the number of vacancies in many departments does cause concern and results in some of the financial misconduct and irregular expenditure as indicated.

We need to note also, that irregular expenditure is not always financial misconduct or corruption; in some instances it is the inability to account properly for resources which have been properly used and that result in the classification of that expenditure being regarded as irregular.

We are in discussions with various departments through the office of the accounting-general and the Auditor-General to address these challenges and improve the management and the financial accountability.

But, as I have indicated, ultimately, the responsibility lies with the accounting officers who must ensure that in the instance where there has been money lost through financial misconduct, appropriate action is taken to recover those monies. Thank you.

Mr F ESSACK: Hon Chairperson, hon Minister it's good to see you in the House again. Hon Minister, performance bonuses paid to South African Revenue Services, SARS, executive committees have been

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deemed unlawful and Tom Moyane has reportedly settled to classify this as irregular expenditure - as you will know - as per agreement with the Auditor-General.

Considering that SARS is an entity under National Treasury, hon Minister, and that this type of behaviour improves the probability of a tax revolt by business etc, what then hon Minister, I must ask you, are you specifically going to do to prevent the commission of SARS's Tom Moyane from allowing further irregular expenditure like this to take place in future. Thank you, Chair.

The MINISTER OF FINANCE: Hon Chair, the issues between SARS and the Auditor-General are still to be finalised. There are on-going discussions between the two entities and it would therefore be inappropriate for me to comment on a matter that is not finalised yet. Thank you. [Interjections.]

Mr L V MAGWEBU: Hon Chair, just on that ... Eskom ... hon Minister, I just want to find out if these issues were to be finalised, can you at least give us a timeline because we cannot open-ended. You are the Minister and you should be able to say by January, November, February 2018 I'll be able to say this matter is resolved.

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The MINISTER OF FINANCE: Hon Chair, the hon member knows very well that the discussions on the finalisation of issues at dispute cannot be determined by a proclamation from the Minister. Thank you.

Question 304:

The MINISTER OF FINANCE: Hon Chair, I've an extensive response if you can give me sufficient time. The National Treasury does not have financial consultants. Thank you.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Let me assist you. If you have detailed statistics you are allowed to officially table it and members will have access to the detailed response.

The MINISTER OF FINANCE: The National Treasury does not have financial consultants. Thank you.

Mr L B GAHLER: Chairperson, I am not sure about your response, Minister. Chairperson, can you protect me against Motara she is making noise.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Gaeher, she is hon Motara, but you are correct and you are protected.

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Mr L B GAEHLER: As far as my information is concerned you do have some service providers. The question talks about consultants and also talks about service providers. As far as I know you do have service providers and you can correct me on that one.

The MINISTER OF FINANCE: The question that the hon member asked clearly conflated financial consultants, service providers and consultants. Yah, it conflated those three as one. The very first part of the question referred to financial consultants. We therefore took it that the rest of the question was asking about financial consultants. If the question was asking about service providers we would have answered about service providers, and if it was talking about consultants in general, we would have responded to that, but the question conflated three issues. In so far as financial consultants, we have zero.

Mr F ESSACK: Chairperson, thanks for the opportunity. The hon Minister of Finance, hon Gigaba, will know very well that at the National Treasury there is a budget for consultants. So, hon Minister, to make a blatant statement and say to the House and to fellow South Africans that there are no consultants employed at the National Treasury is very, very surprising indeed for you as the Minister of Finance. But, nevertheless, my question is to remind the

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Minister that the biggest proportion of the consultant budget is allocated for technical support and development - as you might know. This technical support applies to municipalities and public sector capacity building to stimulate growth and employment.

My question in a nutshell is: How does the Treasury monitor and evaluate the performance of consultants? Share a piece of cake, Minister.

The MINISTER OF FINANCE: The hon member will also know very well as he also expects me to, that financial consultants and consultants are two different concepts. If the question was about consultants we would have provided a detailed response in that regard. Having said so, had the hon member listened carefully he would have heard. I repeated twice that the National Treasury does not have financial consultants. I did not say consultants, but I said financial consultants.

The budget for technical support and development does not necessarily address itself to financial consultants. The hon member must not conflate issues. If the question seeks to know about financial support and development provided to municipalities and provinces and how do we ensure accountability for the spent in that

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regard, you need to ask that question so that we can ask the relevant departments to account because we work through various government departments and various tiers. We need to compile that information and bring it here. Thank you.

Mr T C MOTLASHUPING: Chairperson and Minister, thanks for the answer that there are no financial consultants in the department. However, with what the government has embarked on, the fiscal consolidation, with that in mind...[Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon. Essack, when you were asking your question hon members were listening. Accord them the respect that they gave you. You are protected, hon Motlashuping.

Mr T C MOTLASHUPING: Minister, in your speech, and I quote you as you said:

As the shareholder, we are tired of being dragged into crises by those we employ to govern and manage state-owned companies.

It's not related to state-owned companies, but it is related to service providers. Minister my question is: What is it that you are doing to minimise outsourcing. Thank you.

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The MINISTER OF FINANCE: Government had taken a decision that departments need to cut down on consultants as a way of complying with the fiscal consolidation principle. This means that we need to build in-house capacity to be able to implement our programmes, and to this extent we are doing that. There have been many improvements in many departments in terms of developing internal capacity. There are departments which however still report some challenges given that they operate, for example, in extremely technical environments where some of the skills may not be available in-house. Whilst implementing fiscal consolidation we do give consideration to some of the challenges that specific departments can confront. But on a broad scale the various departments have scaled down on consultants and we are all focussing on building internal capacity.

One of the things that we have been ensuring during the course of this is that where you have disposed of consultants and you have capacities that were not able to build in-house, you then recruit those people but within the caps that have been provided for each department because the fact of the matter is that all departments can no longer employ whenever they wish to fill the vacancies that they may have. That is a way of ensuring that departments comply with the fiscal consolidation principles that we are implementing.

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Question 307:

The MINISTER OF FINANCE: As part of the strategic procurement initiatives, the need to improve efficiencies and cost containment, mobile communications was identified as one of the areas with a potential to save costs due to the size of the spend which is estimated at millions of rands for national and provincial governments excluding local government.

It is against this background that a decision was taken to facilitate the arrangement of a central contract on behalf of government to derive benefits out of economies of scale. Prior to finalisation of the procurement process, an advisory opinion was sought from competition authorities who advised against the initiative to conclude a contract of this nature as it might have implications to competition legislation.

The Office of the Chief Procurement Officer, notwithstanding, was of the view that since the contract was going to be procured through an open competitive bidding process, the competition concerns would be addressed and therefore went ahead and accepted the offer made by Vodacom to save government costs. Thank you.

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Ms T MOTARA: Chairperson, to the Minister, noting that the chief procurement officers, part of their responsibilities is to make sure that government as a whole receives value for money on its spend and what you alluded to is a prime example of that.

Will you ensure, going forward, that using the Chief Procurement Office, other sources of government spend will not only adhere to the competition commission or the Competition Act but also in line with the development and empowerment objectives of the country ensure that government spend will not necessarily favour competition but allow for a process where we balance value for money received from government spending and allow for empowerment as well? Thank you, Chair.

The MINISTER OF FINANCE: Chairperson, it is important that whilst we implement the programme of fiscal consolidation, and through the Office of the Procurement Office, we strive to minimise wastage and optimise on economies of scale. We do need to ensure that the empowerment principles are not compromised and we therefore, going forward, as we announced extensively in the Medium Term Budget Policy Statement, MTBPS, we will focus on the continued public procurement reforms that will optimise on the government procurement spent and ensure that through these public procurement reforms, we

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are able to empower many small industries, black-owned, youth and women-owned industries, co-operatives and support the empowerment policies of government as is agreed. Thank you.

Mr O S TERBLANCHE: Hon Minister, I am not clear on this one, I just need to get clarity please. Was the tender openly advertised for getting the services of these consultants and the adjudicator and if so provide the relevant details please. Thank you.

The MINISTER OF FINANCE: As I indicated in my response, the Chief Procurement Officer felt, upon the advice which came indicating that this process or programme of centralised tender would be uncompetitive, that because it would be subjected to an open tender and all other competitors would be able to participate, that it will still comply with the procurement legislation. So, the contract was advertised, there was an adjudication, there was short listing, all the due processes were followed right up to the finalisation of the decision.

I think therefore, the discussion is not about the process leading to the appointment of the relevant contractor but it is about whether it allows for competition and empowerment of other players

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who would have come into the space to participate and offer perhaps even more reasonable prices for the same service. Thank you.

Question 322:

The MINISTER OF FINANCE: The National Treasury and the SA Airways did not agree to any conditions for the extension of the SAA loan. The conditions were set by the lender. Details of these conditions can be obtained from SAA as this is a legal document entered into between SAA and its lender. SAA and the National Treasury met the conditions set by the airlines domestic lenders to extend the maturity dates of the loans to 31 October 2017. Thank you.

Ms T J MOKWELE: Chair and the Minister, firstly I would like to acknowledge that at the end after we have made noise as the EFF that Dudu Myeni Zuma must be removed as a chairperson of SAA, at least you have heard our call and you have acted promptly. Even though, hon Minister, another dark cloud is hanging upon your ...

[Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele, in terms of the rules of the NCOP, I will address you, I will come to your point of order, but I want to assist. Hon Mokwele, in terms of the rules of the NCOP, at all times we say that for the decorum people that

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cannot be in the House to defend themselves, it will always be in order to respect them when referring to them. So, adhere to that. Let me take hon Mthimunya. Sorry, hon Mokwele, can you take a seat; let me take a point of order.

Ms T J MOKWELE: Oh, I must seat down?

The HOUSE CHAIRPERSON (Mr A J Nyambi): Yes. I am taking a point of order.

Mr S G MTHIMUNYE: Chair, I needed to address myself to that particular issue you just made a ruling on now.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Okay. Hon Mokwele, can you continue.

Ms T J MOKWELE: Minister, I am saying that another dark cloud is hanging over your head that you are one of those who are Zuma keepers. Actually you are the mastermind in looting of the state coffers. [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele, can you take your seat, let me take a point of order. Hon Motara.

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Ms T MOTARA: Chair, the member is making insinuations on the character of the Minister and according to the rules that is not allowed.

The HOUSE CHAIRPERSON (Mr A J Nyambi): The point of order is sustained. Hon Mokwele, ask your question without making some insinuations.

Ms T J MOKWELE: Chair, I think that it is within my right to utilise my two minutes allocated to me ... [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele, order members! If you are going to be making some accusations then they must be in a form of a substantive motion.

Ms T J MOKWELE: I said allegations.

The HOUSE CHAIRPERSON (Mr A J Nyambi): No, conclude your question.

Ms T J MOKWELE: Minister, you are the mastermind in terms of looting of the state coffers. Now, my question is ... [Interjections.]

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele, I have made a ruling and now you are not even making an allegation, you are making it as a factual statement. I have made my ruling. Make your question without these insinuations to the hon Minister?

Ms N P KONI: How do you know that it is insinuations? [Laughter.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members, it is the hon Mokwele who is on the floor.

Ms T J MOKWELE: Hon Minister, can I continue Chair?

The HOUSE CHAIRPERSON (Mr A J Nyambi): Yes, I am protecting you because they are disturbing you.

An HON MEMBER: Who, who is that? It's Nthebe.

Ms T J MOKWELE: Chair, my question is that the hon Minister has just said that they are not, as a department, extending the loans to the SAA although the matter will be dealt with today. Hon Minister, I think that for now, let me reserve my question for you and I will come up after today. [Interjections.] But what is your problem? What is your problem?

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members! [Interjections.]

Ms T J MOKWELE: Guys, what is your problem? [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Yes, she is concluding, why are you interfering?

Ms N P KONI: You must call them by their names.

Ms T J MOKWELE: Why are you interfering, what is your problem?
[Interjections.]

Ms N P KONI: Why do you keep on referring to ANC members as members?
Call their names and their surnames.

Ms T J MOKWELE: What is your problem? You know hon ...

The HOUSE CHAIRPERSON (Mr A J Nyambi): I have dealt with them.

Ms T J MOKWELE: No, you did not deal with them, you didn't ...

UNIDENTIFIED MEMBER: You must deal with Motara.

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Ms T J MOKWELE: ... because they will never, especially Cathy. She will never stop this. I don't have a problem of appearing on TV, I don't even want to do that. [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mokwele, can you conclude.

Ms T J MOKWELE: I am saying, hon Chair, that I will reserve my question for now.

Mr S G MTHIMUNYE: Point of order Chair.

Ms T J MOKWELE: Awu Mara!

UNIDENTIFIED MEMBER: Are you awake?

Ms T J MOKWELE: Mara! You are wasting your time, I am free.

UNIDENTIFIED MEMBER: Did you wake up?

Ms T J MOKWELE: You are wasting your own time.

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mthimunye, let me take the point of order.

Ms T J MOKWELE: I have enough energy Mthimunye. I can be here until tomorrow morning.

Mr S G MTHIMUNYE: We are permanently subjected to this psychological torture by the hon Mokwele in this House.

Ms T J MOKWELE: Hee banna!

Mr S G MTHIMUNYE: An English saying ...

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Mthimunye, now you are out of order, I have made a ruling about the issue, it is ...
[Interjections.]

Mr S G MTHIMUNYE: No, I am not out of order.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Can you take your seat.

Mr S G MTHIMUNYE: I have not even made my point.

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Mokwele, I think you have concluded. You have made your point; you are not asking a question. Can you also take your seat.

Ms T J MOKWELE: No, I am not finished. My two minutes is not over.

The HOUSE CHAIRPERSON (Mr A J Nyambi): No, you are not asking a question. You do not have a question.

Ms T J MOKWELE: NO, but I must conclude my statement.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Conclude your statement.

Ms T J MOKWELE: Yes. I am saying, hon Minister, my question will come after today and I expect you to answer it in depth including the allegations of this dark cloud that is on your head. If you can please clear your name that you are not linked to any corruption or allegations of corruption with your name. Thank you very much.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members! Yes, hon Nzimande.

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Mr L P M NZIMANDE: Chairperson, it is a point of privilege. I cannot stand these psychological abuse and torture from hon Mokwele. When the ruling from a presiding officer is made, it must be clear that when people do not have questions but they abuse. She has now spent five minutes telling us nothing. Chair, when we make a point of order that says please let us be protected as well, those of us that are in order. [Interjections.] The presiding officer likewise must protect us and when those people that are causing the decorum affecting the decorum of the House they must be appropriately reprimanded. Thank you hon Chair. [Interjections.]

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members, I am not going to be part of you in compromising the decorum of the House. I am not going to be part of that. Can you take your seat, hon Faber. Hon Minister, that was not a question, it was a comment but I will leave it entirely to you if you want to have a bite about it. I think it is fair to do that.

The MINISTER OF FINANCE: Hon Chair, there is no response from me. The hon member has denigrated me, dragged my name in the mud without any substance whatsoever and I think that it is unfair to allow me to this abuse. [Interjections.]

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members, the issue of the remarks made will be considered in terms of Hansard so that an appropriate ruling can be taken. I can assure all of you of that. Hon Hatting.

Mr C HATTINGH: Thank you hon Chair, the Minister, recently stated in his speech last week. I am quoting the bottom "as the shareholder we are tired of being dragged into crises by those we employ." Actually he should have stated that we deploy because the deployment is part of the problem, 20 years now since 1997. To govern and to manage state-owned companies this must end. The trend of state-owned companies seeking bail outs to finance operational expenditure, inefficiency and waste must also be brought to an end.

Now, given the statement of the Minister and the SAA as per the corporate plan will continue to run at losses until at least 2020. Where will funds be found to enable the banks to be repaid as the loans, and I supposed, there will also be some penalties that will become due before that date. Thank you.

The MINISTER OF FINANCE: Hon Chair, the swipe at deployment is unnecessary and unfortunate because the problem is not the deployment policy. The problem is the people who get employed at

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particular positions. The policy itself has absolutely nothing wrong with it. The DA also applies deployment here in the Western Cape and in other places where they misgovern and nobody complains about it. They themselves do not complain about it when they do it. So, it is double standard to stand up and blame deployment.

Regarding the recapitalisation of SAA, we have explained this many times that when SAA was taken out of Transnet or rather when Transnet was restructured, it was not provided with a capital structure. It was not recapitalised and we now have to deal with a backlog that should have been dealt with at the very first instance when SAA was co-operatised by being taken out of Transnet. That lack of recapitalisation has left SAA without a capital structure and with running R19 billion worth of government guarantees which has created the difficulties that the airline has had to confront in recent years.

What we were doing now is that we were dealing with a problem that is why we did not add on to the guarantees. We did not sign them an additional guarantee. In actual fact because of the absence of the capital structure for the airline, even the lenders we saying that we cannot keep on rolling the loans month after month. We now need some certainty in the form of recapitalisation so that we can know

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that we can deal not only with the debt of the airline but we can deal with how the airline becomes sustainable going forward.

I have then indicated that the R10 billion recapitalisation that has been provided to SAA dealt in large measure with its loan covenants and has assisted us to be able to pay out the two foreign banks that called their loans. Had we not done that there would have been a trigger effect at the airline which would not only have affected the other lenders but it would have affected our biggest risk which is Eskom which could have actually collapsed the fiscal framework and the expenditure ceiling for the year and caused even the financial markets to crash.

What we need to do going forward to ensure a sustainable funding for SAA because we need to provide funding for the turnaround strategy. That has to be provided through the strategic equity partnership. That is why in the MTPS I make mention of the fact that once I have met with the new board. We would then outline plans: Firstly, for the consolidation of our aviation assets, and: secondly, for the engagement of a strategic equity partner. We would provide capital to fund the turnaround strategy as well as private sector expertise to help bolster the expertise that we have already brought into the airline through the new CEO, the new chief restructuring officer

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with extensive aviation experience, the new CFO and the other executive officers who are going to be recruited to deal with the challenges of the airline going forward.

Mr T C MOTLASHUPING: Chairperson, thanks hon Minister for the comprehensive response that you have given. We also welcome the fact that you have appointed the board and the fact that you appointed senior managers is a step in the right direction. Having said that, in your speech Minister you indicated that National Treasury will make proposals that government will ensure that when guarantees are given, National Treasury will give stringent measures in terms of bailouts.

My questions is that when can we as the public without timeframes expect the framework to be given to the public to boost the confidence of the entire society? Thank you.

The MINISTER OF FINANCE: Hon Chairperson, indeed the proposed new measures for the provision of government guarantees will be made public so that the public may be aware of them and to some extent participate in helping us to shape and tighten them. But quiet clearly as we have indicated, we need to be stringent in regards to

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government guarantees otherwise some of the various entities are taking us for a ride in this regard.

It is also important to highlight as we did in the MTBPS that there are state-owned companies that are performing very well and that are the pride of the nation: Acsa; the Land Bank has turned around and is now posting profits; the Development Bank of Southern Africa and to some extent Telkom which also is even able to provide a billion rand dividend to the state. So, some of the state-owned entities are performing very well. I am mentioning only four and there are many others performing very well but the few that are not which expose us to tremendous risks; we need ensure that we make the guarantees we provide them going forward to be stringent. That is why amongst others we have proposed that the Eskom board be changed as a matter of urgency so that a new chairperson who is credible with extensive business experience is appointed and there must be subjected to vetting so that we can be confident of their credentials and we need to ensure that Prasa, Denel and Transnet also have new boards as a matter of urgency. Thank you.

IsiXhosa:

Nksk T G MPAMBO-SIBHUKWANA: Ndicela ukubhekisa phaya kuMphathiswa ukuba njengokuba senza isankxwe ngoDudu Myeni wade wabe uyasuswa,

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ingaba oongxowa-nkulu baye banegalelo kusini na ekususweni kwakhe ukuze ude ube uyeva okanye ibe sisigqibo ozithathele sona ngokwakho? Enkosi Sihlalo weNdlu.

IsiZulu:

UNGQONGQOSHE WEZEZIMALI: Sihlalo, izinselelo ezibhekene nenkampani yezindiza yaseNingizimu Afrika bezingeke zixhazilulwe ukususwa komuntu oyedwa. Yingakho uma sesingenelela njengohulumeni sithathe isinqumo esivulelekile esibanzi esenzelwe ukuthi sikwazi ukuxazilula izinkinga zonke ngokuqala ukukhetha [appoint] umuntu ozophatha izimali siphinde siqoke naloyo ozoba ngumphathi wezindiza uqobo. Siphinde siqoke nalabo azosebenzisana nabo abanamakhono adingakalayo kuloyo mkhamkha wezindiza kanjalo nokufaka ibhodi okuyilona elizobusa inkampani lena yezindiza ngendlela efanelekile. Siphinde futhi sifake nezimali ezizokwenza ukuthi ngakolunye uhlangothi sikwazi ukukhokha izikweletu ukuthi inkampani yethu ingazitholi inenkinga yokuhluleka ukukhokha izikweletu ngoba lokho bekuzoba nomthelela omkhulu. Ngakolunye uhlangothi sikwazi ukuxoxisana nabanye ababoleki ukuthi indlela esizobakhokhela ngayo yenze ukuthi nayo inkampani ikwazi ukuba nezimali ezyizokwazi ukuzisebenzisa izinyanga zonke ukubhekana nezinselelo ebhekene nazo. Sabe sesimemezeka nanesinqumo sokuthi sizokwazi ukubheka izinhlangano

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zangasese ezingakwazi nazo ukuzobamba iqhaza kule nhlango
yeziNdiza yaseNingizimu Afrika.

Lolu hlelo bekuhlelo ebekumele silwenze ngoba ukuba besiphendula ngale ndlela abantu abanye ababekhuluma ngayo, ngabe sivele sathi hhayi asizukwenza konke lokhu esengibubalile makushintshwe nje umuntu oyedwa, uma kuqeda ukushintshwa yena izinkinga zizoxazululeka. Lokho bekungeke kuzixazilule izinkinga ebesibhekene nazo. Kudingeke ukuthi thina njengabaholi sithi nakuba sibeza bonke abantu abakhulumayo kodwa sithathe izinqubo ezibanzi nezijulile ebezizokwenza ukuthi kube khona uguquko oludingekayo kwihlangano yethu yezindiza oluzokwenza ukuthi kukwazi ukuqhubekela phambili. Siyabonga.

Question 315:

The MINISTER OF FINANCE: Chairperson, the macroeconomic system is currently stable. The sound and sustainable fiscal policy strategy together with the inflation-targeting framework and the floating exchange rate support macroeconomic stability in the short and long run. Numerous replies to parliamentary questions outline how government is working in preventing further sovereign ratings downgrades and any sudden withdrawal of capital by foreign

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investors. Please refer to oral parliamentary questions 224, 061, 158, which outline some of these measures.

Sustainable transformational growth requires higher growth levels; in the short term, the government is working to raise confidence and hence growth through the 14 confidence-boosting measures. Over the medium-term, growth policy remains guided by the National Development Plan. Thank you.

Mr F ESSACK: Chairperson, thank you again for the opportunity, hon Minister there has been an ongoing talk of a tax revolt. People feel they are being double taxed. They feel that they are supporting SA Airways, SAA. People don't want TV licences anymore as they feel that the SA Broadcasting Corporation, SABC, has become a poorly run organ of state indoctrination. Energy costs are increasing and we are anticipating another credit ratings downgrade as you well know.

Makwaka is back in SA Revenue Service, Sars, and there is speculation that the President has not submitted his tax returns either. How do you then, hon Minister, plan to be able to address the R50,8 billion budget shortfall, which you announced last week and then still have a functioning state in this current climate?

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The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon members, this thing of a question being linked to the original question, but I will leave it to the Minister to deal with it.

The MINISTER OF FINANCE: The hon member has not supplemented his own question, and has gone on a new tangent. The Medium-Term Budget Policy Statement, MTBPS, highlighted that we are facing R50,8 billion revenue shortfall and because of that, amongst others, we expect that the budget deficit is going to rise from 3,1 to 4,3 and that we, therefore, in terms of the fiscal outlook, see the gross national debt rising beyond 60% of gross domestic product, GDP, by 2022.

What concerns us is that the graph is not stabilising, but it is continuously pointing north. We indicated in the Medium-Term Budget Policy Statement that we will need about R40 billion, which is 0,8% of GDP next year in the budget for us to stabilise the gross national debt and bring it back into line.

On the face of it, 60% to GDP, gross national debt is not a problem, but it becomes a problem in an economy that is growing slowly, that is not expanding, where unemployment is high and there are no new tax revenues. Unless we change course and begin to implement the

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structural reforms, reduce the state-owned companies, SOCs, debts and contingent liabilities and ensure that we can stabilise our gross national debt so that the economy can grow and begin to generate demand whose confidence create jobs, generate new revenues and enable the government to continue spending.

If the current trend of slow growth is allowed to persist, it is going to have an impact on long-term growth. And, that long-term growth will manifest itself in multiple channels by continuously declining employment and the productivity capacity of the country; declining confidence and investment capacity expansion as well as declining resources available for social services and infrastructure span.

We then have one option left - that is what we were saying in the Medium-Term Budget Policy Statement. That you can implement all the fiscal consolidation you want to implement. You can cut more expenditure, you can increase more taxes, but how much more are you going to tax people? How much more are you going to cut government spend in terms of employment and services? We then need to implement one major programme and that is to boost confidence in the economy among business and consumers and drive aggregate demand up which is

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going to open up more investments and get the economy growing beyond the trajectory that we project for the medium-term outlook.

That is what we are focusing on, implementing the structural reforms - a great deal of which we have begun implementing and met our timelines and there are others that need to be implemented which will be critical to boost confidence, such as in the mining the Mineral and Petroleum Resources Development, MPRDA, the spectrum allocation, land reform programmes and other fiscal measure which include completing the public procurement policy framework.

Those interventions are going to boost confidence and will ensure that we are able to drive necessary intervention because ultimately to recoup the R50,8 billion that we have, yes, we will need to maintain the fiscal consolidation path. We have indicated in the MTBPS that this year and over the medium-term, we are going to maintain the fiscal framework, the expenditure ceiling and we will continue along the fiscal consolidation path. But the fiscal consolidation path in itself is not an economic policy. It is only an intervention in the short term to intervene in the immediate challenges you are facing. In the long term, really the only cheapest stimulus you can inject into the economy is to drive confidence up. That is why next year we will announce further plans

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for fiscal consolidation at the Budget and how much they are going to save the government. Further revenue generation mechanisms which will include implementing the private-sector participation framework and reducing the guarantees of state-owned companies and we will announce a stimulus package both fiscal and non-fiscal that will assist us to regenerate manufacturing and other economic interventions, including supporting tourism. Thank you.

Siswati:

Ms L C DLAMINI: Ngiyabonga Sihlalo. Angisho nje kutsi sikukhumbule kakhulu Ndvuna ekomitini le eTiko Letasekhaya.

Sihlalo, kungumcondvo lomfishane kucabanga kutsi simo semnotfo singasimamiswa yiNdvuna neLitiko layo kuphela, kungangeni ekhatsi tinhlangano tangasense nebetemabhizinisi; mine-ke ngikubona kungumcondvo lomfishane kucabanga kanjalo. Lengikubutako-ke kuyo iNdvuna kutsi nguyiphi indzima lekufanele idlalwe tinhlangano tangasense kanye nebemabhizinisi? Khona nje umonakalo lowentiwa ngulaba labakhuluma kabi ngahulumende kanye nalelive laseNingizimu Afrika mayelana nesimo setemnotfo ungakanani? Ngiyabonga.

IsiZulu:

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UNGQONGQOSHE WEZEZIMALI: Siyabonga kakhulu Sihlalo kubalulekile ukuthi sikugcizelele lokhu ukuthi njengabaholi belizwe lakithi nabantu naseNingizimu neAfrika kumele sibe nezindlela zokukhuluma nabantu bakithi ezizobavuselela umdlandla zibenze bame isibindi esikhathinisesinzima somnotho. Siphinde futhi sikwazi ukukhuluma ngendlela ezokwenza amatshali zimali basemhlabeni wonke kanjalo naba la eNingizimu neAfrika nabo babe nesiqinisekiso sokuthi banalo iqhaza okumele balibambe ekusimamiseni nasekuthuthukiseni umnotho wethu.

Impela impela kuyiqiniso ukuthi konke okudinga ukuba sikwenze ukusimamisa umnotho wakithi ngeke kwenziwe uhulumeni esebenza yedwana. Kubalulekile ukuthi nabosozimboni nabezinhlangano zangasese babembe iqhaza. Yingakho sisebenzisana ngokusondelene kangaka ne-CEOs Initiative. Zimbili izinhlelo engifisa ukuzigcizelela esesivumelane ngazo. Yilolu lokuqashwa kwabantu abasha ababalelwa esigidini kuleminyaka emithathu okuzobenza ukuthi bathuthukise amakhono - bathole nezimadlana zokuphila.

Siphinde futhi sibe nohlelo lapho osozimboni befake imali engaphezu kwebhiliyoni elilodwa nesigamu. [R1,5 billion] Kanjalo nathi njengohulumeni saphinde sathasisela ngaphezulu ukuze sakhe sisimamise labo abezimboni ezisafufusayo. Zonke lezo zinhlelo

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zibonakalisa ukubambisana phakathi kukahulumeni nabezimboni zangasese. Uhulumeni uphinde wakusho ukuthi zikhona izinhlelo zokuthuthukiswa kwezingqalasizinda nokuphathwa kwezimboni zikahulumeni lapho osozimboni bangasese bezomenywa ukuthi beze bazobamba iqhaza. Loko kuzokwenza ukuthi bakwazi ukuphinde bakhipe izimali zabo ukuze zitshalwe ekuthuthukisweni komnotho. Kepha konke okudinga ukuba masikwenze kuncike ekutheni osozimboni batshale izimali ekuthuthukisweni komnotho, ikakhulukazi osozimboni nelizwe lakithi. Abasebenzi bandise izinga labo lokukhiqiza abakwenzayo emisebenzini. Kanjalo nezinhlango zemiphakathi zibambe iqhaza ekufakeni imibono ngokuthi iyiphi indlela okumele siyithathe ekuthuthukisweni komnotho.

Thina njengohulumeni nina njengabaholi bomphakathi kumele sinciphise lento ebizwa nge-"rhetoric" siqinise kakhulu amazwi akhayo nabonakalisa indlela ukuthi yiziphi izinto okumele masisenze ukuze sithuthukise umnotho siwuyise phambili. Ngiyabonga Sihlalo.

Mr O S TERBLANCHE: Chairperson, Minister we agree that it's very important to boost investor confidence, but you yourself said in your Medium-Term Policy Statement that policy and administrative factors must also be contributing to the shortfall. Minister, now in view of the very public and ongoing corruption in the government

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what are you going to do to reassure taxpayers that their money will not be continuously abused and spend for whatever purposes? Thank you, Chairperson.

The MINISTER OF FINANCE: Thank you very much, Chair ...

IsiZulu:

... ukulwisana nenkohlakalo kuwumsebenzi wethu sonke njengabaholi kanjalo abaholi bezikhungo zemiphakathi, kanjalo nabaholi bezinhlango zangasese bezimboni ngoba kumele sisiqede lesi sithombe esesakhekile ngezwe lakithi ukuthi abantu uma bebona izwe lakithi bebona ukusebenza kukahulumeni, izinhlango, izimboni zikahulumeni kanjalo nezimboni zangasese basheshe basisondelanise nenkohlakalo, nokukhwabanisa. Kumele sikusebenze sonke ngokubambisana. Siqinise izinhlango lezo ekumele zilwisane nenkohlakalo. Siphinde sisimamise indlela i-public procurement esebenza ngayo ukuze abantu babe themba lokuthi uma kuphuma amathenda nezinkontileka nezinto ezifana nalezo azikhishilwa abangani nezihlobo nabantu okuzwana nabo. Senze nesiqinisekiso sokuthi sisonke siyaqhubeka siyaqhubeka nokuthi sixhase indlela okuphenywa ngayo inkohlakalo ezweni lakithi. Konke loko okuzosenza ukuthi abantu bakithi izimali zabo zizophathwa kahle.

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Yingakho sikugcizelela ukiuthi izimbono zikahulumeni maziqinise izindlela eziphethwe ngawo. Uhulumeni makaqinise i-governance yezimboni zikahulumeni kufakwe abantu abazothembakala. Ngiyethemba ukuthi wonke umuntu ugculisekile ngabantu abasha abafakwe kwiBhodi lika-SAA. Abantu bakithi ngokusebenzisana nezimboni zangasese bafisa ukubona loko sikusabalalisela kwizimboni ezinjengo-Eskom, Transnet noDenel loko okuzokwenza ukuthi ngithi abatshali bezimali nalabo abasiboleka izimali nabo babe nethemba ukuthi izimali abasiboleka zona zenza umsebenzi ofanelekile futhi zizophathwa ngendlela efanelekile. Ngakho ke kumele sikuqinise ukuthi amaBhodi kanjalo nabantu anaqashwayo o-CEO noCFO bezikhungo zikahulumeni nabo ababe ngabantu abanamakhono afanelekile abathenjwayo ukuthi basokwenza umsebenzi ofanelekile. Siqinise nendlela amaBhodi asebenza ngayo ukuze aqinise amaxhama kubantu anaqashiwe basebenze ngendlela kuthi uma befaka imibiko yabo yezimali yeminyaka yonke sikwazi ukugculiseka ukuthi lezi zinhlango zikahulumeni zisebenza ngendlela efanelekile Ngiyabonga.

IsiXhosa:

Nksk T G MPAMBO-SIBHUKWANA: Ngemvume yakho Sihlalo, mandijolise phaya kuMphathiswa ngokuphawula ukuba kukho ukuncipha okukhulu okukhoyo kwicala lerhafu, nto leyo eyenza ixhala. Kaloku abantu abafumana izibonelelo kurhulumente bazifumana ngenxa yerhafu

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ehlawulwa ngabemi boMzantsi Afrika. Ndicela ukubuza kuwe Mphathiswa ukuba...

English:

... what are your plans that you have in place ...

IsiXhosa:

... ukwenzela ukuba zingapheli ezi zibonelelo ebantwini, bakwazi ukuba bahlale besethembeni lokuba rhoqo ngenyanga baya kufumana? Uza kwenza njani ukuba ezi zibonelelo uzigcine zisenzeka? Enkosi.

IsiZulu:

UNGQONGQOSHE WEZEZIMALI: Ngiyabonga Sihlalo, njengoba sikuqinisekisile ukuthi kule-shortfall esinayo kwintela kulo nyaka sizokwenza konke okusemandleni ukuthi sithathe izinyathelo ezingqala ukuthi sikwazi ukumelana nokufinyelela kwi-fiscal framework kwi-expenditure ceiling esasiyibekile ekuqaleni konyaka. Loko sizokwenza ukuze sikwazi ukubhekana nazo zonke izindleko uhulumeni abhekene nazo nokutshala kwezimali okufanelekile ikakhulukazi loko okuthuthukisa abantu njengezemfundo ezempilo kanjalo nezokukhokhwa kwezimali zezimpesheni nezinye izimali ezifana nalezo.

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Ngifisa ukubaqinisekisa bonke abantu abahola izimpesheni nezimali zezondlo ukuthi bazoqhubeka bazihole izimali zabo. Akuzukuba khona ushintsho yingako size samemezela kulesi sitatimende ukuthi izimali zezondlo zizoqhubeka ukuthi zikhule ngaphezulu kwe-inflation. Lokookuzokwenza ukuthi abantu bakithi ikakhulukazi abahluphekayo baqhubeke nokukwazi ukubonelelwa uhulumeni. Kodwa into ebalulekile eyokuthi masiqinise ukuthuthukiswa nokukhula komnotho ngoba uma umnotho ungakhuli, nezintela zincipha, abantu abangasebenzi benyuka kanjalo namanani abantu abahluphekayo enyuka loko kuzokwenza uhulumeni azigcine anengcindezi yokuthi isabelo sezimali esiningi sibhekane nabantu abadinga ukubonelelwa ngezimali zezondlo ebese kwenza ukuthi isabelosezimali kudingeke ukuthi masincishiswe kwimikhakha enjengokuthuthukiswa kwezingqalasizinda okuyiyona eyenza ukuthi kwakheke amathuba emisebenzi futhi kuthuthukiswe nomnotho kube khona nabatshali zimali. Ngakho kumele njengohulumeni nanjengezinhlango zonke zangasese osozimboni kanjalo nabasebenzi masibhekane nenselele yokuthuthukiswa komnotho ukuze sikwazi ukunciphisa inani labantu abayame kakhulu ekuholelweni izibonelelo zezondlo. Abantu basebenze bakwazi ukukhokha izintela bakwazi ukuhola. Sikwazi ukuthuthukisa nethemba leli elakiwa ukuthi bayahola bayakwazi ukusebenzisa izimali abaziholayo ekuthuthukisweni komnotho. Kodwa siyakugcizelela ukuthi abantu abahlwempu abazukungaholi ngenxa yokuthi sinanezinselelo esinazo. Uhulumeni

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uzozithatha izinyathelo ezingqala sizozimemezela uma sesabela izimali ngoNhlolanja wangonyaka ozoqala ukuthi sizothatha ziphi izinyathelo kodwa loko kuzokwenza ukuthi abantu bakithi nalaba abahola izimpesheni baqhubeke nokukuthola izibonelelo abazidingayo kuhulumeni. Ngiyabonga.

Siswati:

The HOUSE CHAIRPERSON (Mr. A J Nyambi): Siyabonga, malunga aLendlu lahlon ngivumeleni ngitsatse lelitfuba kuze ngibonge iNdvuna Gigaba kutsi ete kuLendlu Yemkhandlu Wavelonkhe Wetifundza atewuphendvula imibuto. Ngiyabonga Ndvuna lehloniphekile.

Question 356:

The MINISTER OF PUBLIC WORKS: Chair, the Minister of Public Works appointed the new chairperson and deputy chairperson of the board of the Independent Development Trust, IDT, in August 2017. This was an intervention to deal with performance, governance and sustainability challenges which led to client dissatisfaction and reputational damage to the IDT.

The IDT has received a disclaimed audit outcome for three consecutive years. This has had an adverse impact on its revenue generation and its ability to fund its operating costs. This has

lead to National Treasury approving transfers of funds from the Department of Public Works with certain conditions, such as the submission of monthly revenue and expenditure reports to the National Treasury and the Department of Public Works, a proposal of revised growth by the Department of Public Works to the National Treasury for approval on the basis of an accurate estimation of the IDT's monthly costs, as well as the submission of the organisational development review report by the end of November 2017, accompanied by a submission of a costed plan demonstrating how the IDT will, by the end of 2017-18, bring costs into alignment with own generated revenue, as well as the submission of a restructuring plan to the National Treasury by January 2018.

Additionally, the IDT was also directed not to fill any vacancies with effect from July 2017 until the finalisation and implementation of the restructuring agreed to with National Treasury.

Lastly, the IDT is instructed to submit its final business case to National Treasury by the end of November 2017.

The answer to the second portion of the question that has been posed by the hon member is that, yes, indeed, there is one senior official - the chief executive officer - who has been suspended by the IDT.

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The suspension is largely due to the lapse in key controls such as financial and performance management. In this regard, the board of the IDT arrived at a decision to take steps relating to this particular matter and an interim chief executive officer has been appointed to drive the turnaround strategy, with the sole purpose of turning the fortunes of the organisation around for the better.

Now, this effort to will entail a revue of the IDT's operating model, the organisational development exercise, remedial action on the issues raised by the Auditor-General, and strengthening relations with the client departments which have deteriorated, amongst other things. Thank you.

Mr M RAYI: Thank you, hon Minister. Chairperson, we coincidentally had a select committee meeting this morning in which the Minister, together with the board of the IDT, appeared before the committee. The same issues were dealt with in that committee meeting, and we agreed on a process to monitor the issues that he is raising. As such, I don't have a follow-up question.

Mr L V MAGWEBU: Hon Minister, just one thing. When the construction takes place, for instance, schools and other infrastructure, the constructions sites will inevitably use electricity. Now I want to

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know from you whether the IDT has a policy in place in that ensures that those bills are paid by the construction companies on site so that the schools are not left with those bills.

The MINISTER OF PUBLIC WORKS: Thank you. Details such as that have more to do with issues of project management because, if you are managing your project, there is no way that you will not include the input costs that you would require to have a successful project outcome. Water and electricity usage costs form part of input costs in terms of project management. It would be very strange for a project manager to run a significant project such as the construction of a school without taking into account such cost factors. Thank you.

Mr S G MTHIMUNYE: Chair, I just needed to check with the Minister if the IDT has a provincial footprint. I haven't seen their presence in my particular province.

The MINISTER OF PUBLIC WORKS: I wouldn't know which province his is, but nevertheless ...

The CHAIRPERSON OF THE NCOP: He's from Mpumalanga.

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The MINISTER OF PUBLIC WORKS: Ok. We do have some provincial presence, precisely because the actual execution of our construction projects take place on the ground. So you do need to have an organisational infrastructure able to deal with that. I think what one could possibly do is assist members by distributing information about our own footprint. For example, if you go to Mpumalanga, where would you find the IDT, and so on. I think that also applies to the other provinces.

Mr L B GAEHLER: Hon Minister, about five years ago, the IDT was one of the best-performing entities in government. If I recall correctly, many emerging businesses and communities were assisted by the IDT.

Now, one is not sure ... That time, Thembe from Limpopo was the chief financial officer of the IDT. One is not sure ... What happened? It was a premier entity – one of the best you could have. The projects that were done by the IDT were the best in the country. Why is it that these entities are left to deteriorate to such a state as the IDT is in now? What could be the real problem, Minister? And how do we solve it? How do we keep these entities in that state that they are in? Thank you.

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The MINISTER OF PUBLIC WORKS: I thank hon Gaehler for this particular question because I think it's a valid point. But the continuous work that we are doing, for instance, points to ...

Let me deal with the first part of his question. It points to a few issues that have to be looked into as the root causes of poor performance.

Now, the IDT, for the past four years – and, I think, as I have alluded to – has been receiving this disclaimer kind of audit report. There are five critical areas. One is the question of poor leadership and management evidenced by poor performance management and lack of consequence management, as well as the poor resourcing of the organisation. That's one point.

The second point is around the question of the usage of outdated business systems and inefficient processes impacting on the efficacy of service delivery. This talks to the extent to which we are we using modern of systems able to respond adequately to demands and pressure points of service delivery.

The third area is the question of an inappropriate and outdated organisational structure. Specifically, the issue pointed out is the

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top-heaviness of the structure which appears not to be aligned to the needs of the IDT's business.

The fourth point is poor oversight, particularly relating to organisational and individual performances, as well as regulatory compliance.

Lastly is the indecision relating to the strategic direction and positioning of the IDT. This connects to the first point I mentioned, namely that of poor leadership and management.

So, those are the causal factors that have been looked into.

Now, with regard to the second part that hon Gaehler has spoken to, what is it that we need to do? The first point that we need to attend to is determining how well-structured we are to deal with these particular challenges. The second point relates to the kinds of competencies and skills that have to be drawn into the organisation, starting with the board as the governance structure, as well as the senior management structure. The third point involves putting together a turnaround plan, because unless you deal with the question of a turnaround strategy and a have plan in place, you are not going to be able to turn the fortunes of the IDT around.

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I am convinced, hon Gaehler, that we will be able to go back to the days when the IDT performed well. I think it's possible to go back to such a state of the organisation. Thank you.

Question 379:

The CHAIRPERSON OF THE NCOP: Hon members, we proceed to Question 379 addressed to the Minister by hon Koni. Instructions are that it is addressed to the Minister by hon Vawda but hon Koni will take charge of the question. Hon Minister?

The MINISTER OF PUBLIC WORKS: Hon Chair and hon members, the Department of Public Works has no plans to upgrade any houses owned by the President. The houses owned by the President are not part of state-owned property that requires upgrades from the Department of Public Works. Thank you very much, hon Chair.

Ms N P KONI: Thank you very much hon Chair and the sleepest Minister. I thought after sleeping for such a very long time you would come and answer my question ...

The CHAIRPERSON OF THE NCOP: Hon Koni, please take your seat. Hon Mthimunye, why were you on your feet?

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Mr S G MTHIMUNYE: Chair, I am not sure if this word "sleepiest" is parliamentary. [Interjections.] And she knows that. You know that members of the EFF have a tendency of throwing stones but they do not want stones to be thrown at them.

The CHAIRPERSON OF THE NCOP: Your point is taken, sir. The word "sleepiest" has not appeared as an unparliamentary word in the lexicon of Parliament. However, I would caution members not to use words that reflect on members of the House even though they are not necessarily unparliamentary. Hon Koni, can you please proceed without reflecting on the integrity of other people.

Ms N P KONI: Minister, your response states that your department is not responsible for Mr Zuma? Now, if your department was responsible, do you think it would be right and fair for a man who failed to uphold his oath of office, who stole from the poorest of the poor and admitted to doing so by paying back the money he stole, to have those resources in his houses upgraded? Thank you.

The CHAIRPERSON OF THE NCOP: Hon Minister, you are at liberty to answer.

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The MINISTER OF PUBLIC WORKS: Hon Chairperson, the question of the issues of upgrades, be it security and/or otherwise ... I will give an example. The head of state lives in a state house in Pretoria and Cape Town. And we as the Department of Public Works are responsible for such properties, including this particular institution and the houses that Members of Parliament live in, and therefore we shall always be duty bound by law to do that. So, that's one part of the question. In terms of how the question was prefaced, in my view I think it doesn't belong to the issue at hand - the one we are dealing with. Thank you very much, hon Chair.

Ms T J MOKWELE: Thank you very much, hon Chairperson. You know it's amazing that a person can become a chameleon within six months, just changing. According to what I know is that you hon Minister, when you were the Minister of Police, you tried to justify why you were upgrading the personal house of ubaba kaDuduzane. You tried in such a way that you convinced everybody to change the swimming pool to be the firepool. I am asking you - now that you are the Minister of Public Works, "Why did your Ministry by then authorise to upgrade a personal house of ubaba kaDuduzane, hence you are now saying you are responsible for the houses that are in Cape Town and in Pretoria? Hardly three years ago your department approved a budget for upgrades of a personal homestead of ubaba kaDuduzane. What is it

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that will stop you as a Minister in your department not to repeat the same thing that you have done before? Thank you.

The CHAIRPERSON OF THE NCOP: By ubaba kaDuduzane I take it that you are referring to the President of South Africa.

The MINISTER OF PUBLIC WORKS: Hon Chairperson, the reason I mentioned both Cape Town and Pretoria is because I prefaced it and I said I am giving an example. I expanded that by saying that the upgrades include where you as Members of Parliament live, for example. It's really up to any other authority including the authority before us that if you want us to go back to the work that I did, including that particular report, I don't have a problem. If any particular structure in this country can decide and say that we should go back and revisit that report, I would gladly do so - happily. For example, the question of how that work was conducted was informed by another process that simply says that if you have a head of state, then he has to be assessed from a security point of view and so on.

And therefore all other responsible arms of government that has to deal with the issue of how a head of state has to be secured are dictated to by what our law says, have to be mobilised and deal with

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those particular issues? For me I would really say that if Parliament or any other structure in our society feels that we need to go back to that issue, I'll be more than happy to oblige. Thank you very much.

Question 363:

The MINISTER OF PUBLIC WORKS: Madam Chairperson and hon members, the Minister of Public Works' plan is to deal with the maintenance of the government's fixed asset portfolio and it is based on the implementation of the government's National Infrastructure Maintenance Strategy, Nims. The National Infrastructure Maintenance Strategy is a co-ordinated programme of action that is an integral part of government's vision of delivering infrastructure services to all. The national immovable asset maintenance management framework has been developed to give effect to the Nims. The national Department of Public Works is working with provincial departments through Minmec meetings to develop the sector maintenance strategy.

The question has been posed: Whether there is any difference between the current plan and whatever other plan existed before? In this regard, there is no different as the Nims has been approved by Cabinet as the framework for maintenance of the government immovable asset portfolio. The Department of Public Works is responsible

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approximately of just over 93 000 facilities of government. As a result, the department is addressing the maintenance backlog in a prioritised manner in the context of resource limitations and budgetary constraints.

In 2016-17, the department identified the initial set of top 300 facilities to conduct an in-depth condition assessment as a pilot to develop maintenance plans. Condition assessments for the 15 strategic facilities have already been conducted in the current financial year. A critical component maintenance programme has been initiated in 2017 to target leaks, boilers and heating ventilation and air-conditioning systems.

Precisely because of the massive extent of the state property portfolio, the initial results from the piloting on the top 300 facilities will provide information that will be used to determine the funding requirements and time frame to deal comprehensively with the entire portfolio. In this regard, the Department of Public Works and the provincial departments of Public Works are engaging with National Treasury for funding for adequate maintenance of state property in compliance with Nims and Government Immovable Asset Management Act. Thank you very much.

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Mr O S TERBLANCHE: Minister, I am now even more concerned.

[Laughter.] With all due respect, sir, you yourself said that you are responsible for approximately 93 000 properties. Is that correct? Then you come here and you are very proud that you are dealing now with the top 300 facilities. Minister, ten generations from now is not going to be able to fix this maintenance backlog.

Coming to my real question: Minister, with all due respect, you are lost. You and your department are totally lost! [Laughter.] You know, you should possibly consider starting with a proper day-to-day maintenance policy, and preventative maintenance. Possibly that is where you should start.

I think that I am so glad that you admitted to the people of South Africa, that you and your department are not capable to look after the fixed assets. Wherever you go, government is a sore eye in whatever town. If you want to see where the government building is, you just need to look for the most dilapidated one. I am lost. I give up. Really, you cannot do your work. Thank you, Chairperson.

The CHAIRPERSON OF THE NCOP: There was no question, hon Terblanche. You made a comment; there was no question at the end of your statement. You still have 22 seconds if you want to.

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Mr O S TERBLANCHE: I just wanted to know about the preventative maintenance and the day-to-day maintenance. Thank you.

The MINISTER OF PUBLIC WORKS: Chair, I thank Mr Terblanche for that information. Look, the question of the top 300 facilities is an assessment; it is a sampling that is going to assist us, for an example, to be able to put together adequate kind of plans in place around issues of maintenance. There is another analysis which we are also doing that has got everything to do with positions that we must have taken in the past relating to the issue of user charges, for instance - the model that we are following.

I wouldn't want to get into the details at this stage precisely because there is another leg of governance that I must also undertake before I come back to a structure such as this to deal effectively with that issue. In fact, the only point that I can agree with you on is your concern about the future generation because indeed, in terms of that analysis: It is beginning to tell us that if we do not review that model we are following, we will reach a particular point into the future where it will be completely almost impossible for us to deal with issues of maintenance.

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So, in your whaling and hysteria that you threw up, that's the only point that I take because I think it's a valid point. However, it is a point that we will also engage with into the future, for instance, about this analytical work that you are currently conducting. But, your top 300 is not to say we are dealing with the whole. We are saying: No, let's do a conditional sort of sampling in terms of taking stock of what our situation is like. Thank you.

Mr E MAKUE: Hon Minister, I looked at the National Infrastructure Maintenance Strategy that was already adopted in August 2006. Then also in the recent presentation of the staff from the Department of Public Work to our select committee, they mentioned the property management programme and also the national maintenance programme. We will rigorous in ensuring that what you share here with us is indeed being realised.

My question then, hon Minister, will be: Are you also looking at possible co-operation with the Presidential Infrastructure Co-ordinating Committee, mindful of the fact that the state assets that we are talking about are one of the biggest estate managements that we have in the country? Thank you, Chair.

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The MINISTER OF PUBLIC WORKS: I think there is link because, firstly, we do participate in the Presidential Infrastructure Co-ordinating Committee. I think that the issue of infrastructure, for instance, must also be understood that it can be dissected into two. You have issues of infrastructure at a micro level. For an example, there are issues that begin to talk to the economic development path that we are undertaking as a country.

There is that, but there is also the question of infrastructure maintenance which has more to do with infrastructure that exists, how it has got to be maintained and how we have got to handle it moving forward. I think if there are possibilities for us to co-ordinate even at the PICC level; yes, there will be such.

However, the point of emphasis and I think the larger sort of focus, really, on the PICC is around the question of infrastructure development as part of economic development in a broader sense and a broader sort of context. That is where we also make inputs as the Department of Public Works. Thanks very much.

Ms T J MOKWELE: Let's hope we will get a proper response to what I am about to ask. Hon Minister, you know some of us are subjected to oversight to provinces and districts. An outcry there is that when

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you check the level of management of state assets, they will forever speak about the Department of Public Works.

Hon Mohapi will attest to that, as well as hon Mhlanga, if they are honest with me. Now, we come here expecting you to assist us in assisting those vulnerable people out there - departments and stakeholders - and you come here with your entourage, flying all the way from Gauteng, to tell us about ... [Interjections.] It is up to you!

The CHAIRPERSON OF THE NCOP: Hon member, please proceed. You are left with 32 seconds to put that question.

Ms N P KONI: It's not our mother tongue man!

Ms T J MOKWELE: It is up to you! I don't have to explain to you!

The CHAIRPERSON OF THE NCOP: Hon Mokwele, leave hon Londt alone and continue

Ms T J MOKWELE: And then you tell about the sampling! Hon Minister, we are left with less than 12 months to finish this term - fifth Parliament term - and we are subjected to this psychological torture

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by you, telling us we must wait for your 300 facilities sampling.

[Interjections.]

The CHAIRPERSON OF THE NCOP: Hon Mokwele, your time has expired and you have not put a supplementary question.

Ms T J MOKWELE: No, this people have taken it. Can you give me extension? [Laughter.]

The CHAIRPERSON OF THE NCOP: Please conclude, your time has expired. Just conclude!

Ms T J MOKWELE: Hon Minister, can you please assist us. Give us a tangible response: When are going to implement the maintenance strategy? Stop sampling, give us the actual work. [Time expired.]

The CHAIRPERSON OF THE NCOP: Thank you, hon Mokwele. I actually did give you time to ground off because you were interrupted. Hon Minister!

The MINISTER OF PUBLIC WORKS: Hon Chair, for starters, if you are ... [Interjections.]

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The CHAIRPERSON OF THE NCOP: What the point of order, hon Koni? Hon Minister, please take your seat.

Ms N P KONI: My point of order is based on what hon Londt has said. It might sound funny, but it's not. [Interjections.]

Ms T J MOKWELE: I don't care! I don't care!

Ms N P KONI: English is not our mother tongue and we must not be apologetic if we don't speak it the way white people are speaking it. We must actually English the way white people speak our languages. That is my point of order.

The CHAIRPERSON OF THE NCOP: Thank you. Hon Koni ... Order! Hon members, we must care! We must care about all the languages and all the cultures because we are preaching ... Please keep quiet, I am ruling on the point that is raised on your utterances. We must care because if we do not respect one another's differences, this country will go to the dogs. So, please desist.

Somebody will correct how I used the word now; that is fine. But, please desist! All of us - if we are honest in this House - are probably not born English. We were born with all the other languages

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but we must respect that what has brought us together in this House is to represent people. Hon Mokwele, I do not want to carry this matter any further: We must respect each other; and that's it! Hon Minister, please!

The MINISTER OF PUBLIC WORKS: Hon Chairperson, the point I wanted to make is that if you are to fix a particular problem, it is important to understand the extent and the dynamics of the problem basically. So, in this particular instance - and by so saying for example, we are not disputing the fact that everywhere you go and wherever you go - whether you go to Butterworth or whatever particular small town and so forth, people shall always point out to a dilapidated kind of building belonging to Public Works.

That, we appreciate! We are not denying that particular fact; we are saying that is a problem. Now, in the context of our own maintenance strategy, for instance, the question arises: What is it that should be done for example for us to be capable to meet the challenges of maintaining these particular buildings, and generally speaking, the infrastructure that we are responsible for?

Therefore when we talk to the question of the 300 facilities, Mr Terblanche, that is to assist us to establish the funding

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requirements. That is the basis on which we, as Public Works, are engaging with National Treasury around the question of the funding requirements to deal with maintenance of our infrastructure.

The additional point I am making is that there is this other broader work that we are also doing, in terms of: Why is it that we are not capable, as Public Works, to maintain our infrastructure, for example? What is it exactly? It takes us back to the user-charge kind of model, which is the model that we are currently following.

I was saying, the only point I took out of your whaling earlier on was just this point that says: If we are not attending to this particular problem in the near future, generations are not going to be able to deal with the backlog as we have it.

So, I think we agreed there; there is no disagreement. The only thing is the question that says: How do we understand the actual dynamics and the extent of the problem; and what are the funding requirements? That is the basis of this engagement with National Treasury. Thank you, Chair.

Mr S G MTHIMUNYE: Chairperson, I just need to check with the Minister: I am cognisance of the fact that keeping these assets of

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government makes the asset register of government and also your balance sheet stronger. However, would you consider - especially those assets on from you do not derive value - to let go of them?

Actually, you will be on one hand addressing the housing backlog - especially on human settlements - and also the issue of the right of security of tenure to those occupying houses through the instalment sale agreement perhaps, and so on.

The MINISTER OF PUBLIC WORKS: Hon Chair and hon members, I like that point. In fact, it is part of one of the considerations. It is not only just the question of the housing backlog; there is also a question of student accommodation amongst other things. How do we deal with the fact that we may have a higher learning institution in one particular town or city, but alongside that you also have empty buildings, while you have the demand for student accommodation on the one hand?

So, it is part of some of the discussions that we are beginning to have ourselves about letting some of these particular properties go. We are also playing a role in the determination of how these particular properties must then be let to go. For instance, there is a question of housing need and demand, much as there is student

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accommodation issue, as well as many other considerations that can be factored therein. So, I really liked that particular input. Thanks very much Chairperson.

Question 369:

The MINISTER OF PUBLIC WORKS: Thank you very much Madam Chairperson and hon members. In the build-up to the Fifth Parliament, 114 Member of Parliament, MP, units were renovated out of the 350 MP units. A project was registered for the remainder of the 236 MP units to be upgraded. Due to 55 prefabricated units which needed to be demolished and rebuilt, a master plan was developed which led to the project being put on hold as the department wanted to investigate alternative options, given the lack of decanting facilities within the parliamentary villages.

The contract for the renovations at the sessional staff houses in Acacia Park is a different contract to the question of the contract of the MPs residences.

With regard to the second part of the Question; no, the gymnasiums for MPs at the parliamentary villages have not been furnished with all the relevant equipment. Since the Fourth Parliament, the agreement has been that the Department of Public Works will provide

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the infrastructure for gym facilities, which has been done, while Parliament will be responsible for providing the relevant gym equipment.

Mr L B GAEHLER: Thank you for the answer Minister. The state of MPs houses is very bad. Maybe one would be happy if you can go and see for yourself instead of getting it from officials ...

[Interjections.]

Chairperson, can you protect me against that man. Every time I ...

[Inaudible.]

The CHAIRPERSON OF THE NCOP: You are protected hon Gaehler; very protected.

Mr L B GAEHLER: So Minister, it would be good if you can go and have a look but most of them are in dire need of renovations and repairs. So my suggestion to you is, go and see for yourself.

The MINISTER OF PUBLIC WORKS: I take that suggestion, but I would also want to suggest that one of the structures that we probably need to look at how it functions, and make it functional if it doesn't function, is the structure ... I think it's called

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parliamentary ... something ... villages, wherein ...

[Interjections.]

What do you call it? [Interjections.] Village committees.

[Interjections.]

The CHAIRPERSON OF THE NCOP: You are protected Minister.

The MINISTER OF PUBLIC WORKS: I just want to suggest that, amongst other things, its one particular structure where I think we also need to look at ways and means of how effectively we utilise it. Our director-general also sits on that particular structure. Thanks very much Madam Chair and I am noting your eye.

Ms G G OLIPHANT: Thank you Chairperson. Hon Minister, I haven't been here long – not even a month – but when I came to Cape Town I just heard Acacia here, Acacia there. [Laughter.] So hon Minister, I want to ask you what about the two villages ... because if you put the Pelican and that one of the airport ... also just to relook into the two villages because they also need renovating or painting. Where I stay, mine needs painting. So maybe ... but it's not Acacia.

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So, that is why I said why don't you look at other villages and for that ... [Inaudible.] ... a little bit of Acacia? [Interjections.]

The MINISTER OF PUBLIC WORKS: Thanks hon Chair and hon members. I don't know how Acacia came in. Perhaps it was just ... [Inaudible.] ... example. However, when we talk of parliamentary villages we are talking about all villages, not only Acacia alone, and so on. So for instance, you may find that the statistic that I provided of the 115 MP units that were upgraded, and so on, will also include Pelican Park, Laboria Park and Acacia Park. Those are the three parliamentary villages that we have. So in a sense, no, you shouldn't worry ma. You shouldn't worry.

Ms T J MOKWELE: Thank you very much Chair. One point that I wanted to make clear is that never ever in my life will I embrace a colonised language. I will never. So, I speak it as I like. That's my principle and no-one will tell me anything.

Hon Minister, considering ... [Interjections.]

The CHAIRPERSON OF THE NCOP: No, no, no, Minister, she's coming to you now.

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Ms T J MOKWELE: ... the issue about you ... I was addressing Londt.

The CHAIRPERSON OF THE NCOP: Please don't address hon Londt like that. Just continue.

Ms T J MOKWELE: Okay, hon Londt.

You know hon Minister, I'm checking with you. Having said that your department doesn't have enough budget to deal with the backlog of maintaining the government's properties, has this issue entered your mind that as public representatives getting enough allowances to sustain our lives and to be able to rent facilities because we are getting money ... has it ever entered your mind as the department, that moving into a socialist type of governance ... as I know that the ANC is of a socialist system ... Why can't your department take the allowances that is given to us as public representatives in terms of housing and use it effectively in our communities who voted for us to be in this Parliament?

Can you maybe have that idea that we are moving into a socialist state? It needs to start with us as members. We cannot come here and complain about the status of the houses where we are staying whereas it's for free; yet there are people out there that need proper

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classrooms, that need proper hospitals. Has it ever entered your mind to move into a socialist type of government?

The MINISTER OF PUBLIC WORKS: Hon Chair and hon members, for starters, I certainly do think that we do not pay MP's salaries. We are not responsible for that, including allowances by the way. We don't pay that. We have got nothing to do with that as the Department of Public Works.

Secondly, the issue has its own history for example, and that history takes the entire issue back to you as public representatives. It's really up to public representatives as to whether they want to become socialist and the extent of socialism that they want to pursue. It's really a decision that public representatives can make, and ours would be to look at how we implement that particular decision that would have been taken. Thank you very much hon Chair.

Ms T J MOKWELE: [Inaudible.]

The CHAIRPERSON OF THE NCOP: Thank you sir. Order! Last time I checked ... Check your payslip kakuhle sisi. [well] You do pay. [Interjections.] You do pay. The last person is hon Mthethwa.

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Mr J M MTHETHWA: Minister, the gymnasium is completed and it's not your responsibility to put the equipment in. That means we are sitting there with a building without any equipment inside. You said the responsibility for the equipment is Parliament's. Have you ever tried to talk to Parliament or negotiate on behalf of that building you are managing which is sitting there empty and without equipment inside?

The MINISTER OF PUBLIC WORKS: Thanks very much hon Chair and hon members. It's an agreement that we arrived at with Parliament. So, an agreement is an agreement and it must be honoured. We have honoured our part in building. Part of that agreement said that Parliament will then furnish ... will provide the items for the gymnasiums and so on.

I suppose for instance that this Question must then be elevated further to the presiding officers and the Joint Rules Committee for example, to look at how we deal with the question of equipment and so ... [Inaudible.] However, we have fulfilled one part of that particular agreement which is what we had to undertake ourselves as the Department of Public Works. The question of the equipment is then for Parliament to sort out, for instance out of its trillions. [Laughter.]

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Question 355:

The MINISTER OF PUBLIC WORKS: Chairperson and hon members, during the immovable asset verification process conducted across all nine provinces, illegal occupation of state-owned properties was identified as one of the challenges the department is faced with. This led to the department having to establish the Operation Bring Back campaign, a project of which the main objective is to reclaim and recover state-owned immovable properties.

To this end, the department is employing various means to address and correct illegal occupation through, amongst others, instituting the requisite legal action against the illegal occupants and evicting illegal occupants. With regard to dilapidated buildings, the department is also implementing various measures, including rehabilitating some of the properties for utilisation by client departments and letting out to the private sector and the public for revenue generation. Thank you.

Mr S G MTHIMUNYE: Chairperson, through you to the Minister: Has Operation Bring Back yielded any fruit?

The MINISTER OF PUBLIC WORKS: Chairperson, yes, in certain instances, it has yielded particular results. At a later point, I

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could furnish the statistics on the question of how much that campaign is also assisting us to reclaim some of the properties and so forth.

Remember that that work also is part of the broader kind of work that was undertaken insofar as the question of updating our asset register on an ongoing basis is concerned. So, we will certainly furnish further information in this regard in terms of how much has been yielded in terms of results. Thank you.

Mr L B GAehler: Chairperson, through you to the Minister ...

IsiXhosa:

...uza kuzibona ubethwa kwaye usifela izono zamanye amasebe.

English:

The CHAIRPERSON OF THE NCOP: Hon Gaehler, now you are doing a very white thing. I can't hear you.

IsiXhosa:

Mnu L B GAehler: Ndithi uMphathiswa uza kuzibona esifela izono zamanye amasebe. Kwiminyaka emine okanye emihlanu edlulileyo lo mama

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ulapha sasikunye ekomitini yeSebe lezeMisebenzi yoLuntu kwiNdlu
yoWiso-mthetho...

English:

... hon November, who is a Deputy Minister now, and we asked this question, as I am going to ask it again. The mandate of the department is to maintain government properties and do work on infrastructure.

This department is unable to do that. It lets the Department of Basic Education do that. This department's mandate ...

IsiXhosa:

... kukufundisa abantwana bethu.

English:

The same applies to Health. It was said then - the answer then from former Ministers Gwen Mahlangu and Thulas Nxesi was there are no skills within the department. The last time I spoke to hon Thulas, he was busy building skills within the ...

The CHAIRPERSON OF THE NCOP: The "hon Nxesi".

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Mr L B GAEHLER: ... hon Nxesi, he was busy building skills within the department.

IsiXhosa:

Apho ndiya khona - ningafane nihleke nje nina kuba anazinto, kukuba sinale ngxaki nje kweli sebe kukuba imali yeziseko iya kwiSebe lezeMfundo esiSiseko nakwiSebe lezeMpilo...

English:

... which have nothing to do with that. For instance, you have two entities in the department. The Clay Brick Association of South Africa is for professionals and construction Industry Development Board, CIDB is for skills development, and both these entities ...

IsiXhosa:

... aziwenzi umsebenzi umsebenzi wazo.

English:

Unless you can build skills - professional skills, technical skills - within this department, we maintain that in 20 years' time ...

IsiXhosa:

... kuza kuphinda kwenzeke le nto yenzekayo.

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English:

This department has to build skills so that it can reclaim its mandate. That is why we have a problem in this country. I am talking about the country, our country.

IsiXhosa:

Sisengxakini.

English:

So, Minister, when will you build skills so that you can reclaim your mandate? Thank you.

The MINISTER OF PUBLIC WORKS: Chairperson, I take the suggestion. It is one particular suggestion about the capacity that we need to build internally to reclaim. Earlier, I had referred to this question about the other work we are doing to assess the overall situation and our circumstances, relating to the question of maintenance of infrastructure. Once we are ready with that, we will be happy to also engage, for instance, with the hon Gaehler and hon members, generally speaking, about some of the ideas they are putting forward. So, thank you very much for the suggestion.

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Ms T J MOKWELE: Chair, through you to the hon the Minister: In North West, we have immovable assets like houses that were built for then governors and educational inspectors by the then government of Bophuthatswana. People are living in those houses. I will cite an example in Moses Kotane Ward 19, Madikwe. Those people have been staying in those houses. Now they are categorised as illegal dwellers. They have been writing letters to your department, seeking assistance because they have been paying. There was a rent payment arrangement.

After that, the department decided to stop collecting the rent it used to collect. They have now been instructed to vacate those houses. They are now categorised as ...

Setswana:

...banni ba ba seng mo molaong.

English:

What is your department doing to assist those people? It is not only in Madikwe. It was just an example. I think it happens in all districts in the North West. What can you do to assist those people? They have staying there for more than 20 years. They have been calling those houses their houses. Thank you.

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The MINISTER OF PUBLIC WORKS: Chair, I will take it that the North West is your constituency, hon member.

Ms T J MOKWELE: Madikwe is my home town.

The MINISTER OF PUBLIC WORKS: Yes, I am also very happy to hear that - that you come from Madikwe. [Laughter.] [Interjections.] Apologies! [Laughter.] Now, my suggestion would be that it is a specific matter. I suggest that you give me all the relevant details on that particular matter, and let me make the necessary follow-ups. Thank you very much.

Mr M T MHLANGA: Chairperson, I think we need to welcome the Minister's response. My question is the following: Hon Minister, in terms of the Quality Survey and Construction Management department in the Natural and Agricultural Science faculty at the University of the Free State, as per the design methodology approach, a literature review identified key concepts to be defined in terms of maintenance. Data was gathered, and it indicated the maintenance process, or the maintenance programmes of the institutions these practitioners are in charge of ... they have done predominantly corrective measures. When they are to do their maintenance, it is

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not thoroughly planned. They only do this maintenance on correctional measures.

For example, you look at the infrastructure of Defence. Most of the Defence infrastructure is eroded, Minister. What measures are being put in place to avoid situations such as that? When you have to do maintenance, there is no budget. These practitioners should devise means to maintain these properties. What plan does the department have to avoid this?

The MINISTER OF PUBLIC WORKS: Chairperson and hon members, you would remember that we dealt with Question 363. Here we indicated that we have a Cabinet-approved framework for issues regarding maintenance strategy and so on. Now we have another maintenance management framework to enable the maintenance strategy, the execution of the maintenance strategy.

I think linked to that is the question that we are involved in with National Treasury. To then say we have a backlog on the maintenance of infrastructure, for example - they are referring to Defence. I am aware of some dire situations affecting the national Defence Force in terms of infrastructure. Therefore, our engagement with National Treasury is to then ask how we deal with issues of funding.

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Also, thinking long term, there is work that we are assigned and that the Department of Public Works must undertake to build the kind of capacity and capability on an ongoing basis to deal with the issue of infrastructure maintenance. I suppose even this question falls within the context of this work that we are undertaking on an ongoing basis. All you can really do, hon member, is to wish us good luck in achieving the best we can under the circumstances. Thank you.

Question 370:

The MINISTER OF PUBLIC WORKS: Hon Chair and hon members, the Department of Public Works has developed the Expanded Public Works Programme Recruitment Guidelines. We have done this following quite an extensive consultation with relevant key stakeholders. These particular guidelines are being processed and approved by the relevant authority. Therefore, I would want to leave it at that, Madam Chair.

Mr L V MAGWEBU: Minister, we have a problem again because - with due respect, I'll give you the background because I know you are new in the department - Minister Nxesi and Deputy Minister Jeremy Cronin gave us the same answer that they were busy with the guidelines. It has been a year now. I would like you to tell us, now that you are

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the new Minister, when will these guidelines be ready because there is too much strife and instability in the communities precisely because of the lack of guidelines that ensure fairness and transparency. This is because the Expanded Public Works Programme, EPWP as you know, is a lifeline to others who are desperate. Therefore, this has to be regulated in the form of the Expanded Public Works Guidelines. You are failing South Africans because you cannot keep this matter as a working progress for ages. Please give us the timelines. Minister, when will these guidelines be completed? Thank you, Chairperson.

The MINISTER OF PUBLIC WORKS: Madam Chair, I like your smile. Chairperson and hon members, let me just say hon Magwebu, that I won't be able to give you a specific timeline precisely because, amongst other things, the Department of Labour is for instance a competent department to deal with the issue of recruitment guidelines and staff like that. Therefore, that process is underway and thus I will not stand here and lie by saying that next month we will be having the recruitment guidelines in place, duly determined by the Minister of Labour at any particular given point. All we can do is to respect the fact that there is a process in place which involves the Department of Labour as a competent department from the

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scoping point of view, to deal with matters such as this. Thank you very much, hon Chair.

Mr M J MOHAPI: Hon Minister, in your response to the question you indicated that there has been extensive consultation around the guidelines. I just want to check. With regard to the provision that is in the guidelines, which refers to issues of monitoring and reporting, is there any way in which we can build more capacity in the very same stakeholders that are involved so that we do away with speculations that others are dominating in terms of recruitment of EPWP. Thanks.

The MINISTER OF PUBLIC WORKS: Hon Chair, I wouldn't know what the capacity requirements are with regard to some other stakeholders and so on. One of the shortfalls - the way I sometimes look at this issue - is that we are a custodian of the Expanded Public Works Programme but the actual manifestation and execution takes place somewhere else; and we do not necessarily have much of direct control in terms of how the programme itself would be executed at different levels of government. Therefore, I think that is one of the issues that we will have to look into later on. However, I really wouldn't know what kind of capacity issues would also have to be drawn into to assist other levels and tiers of government, for

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example, in the proper implementation of the Expanded Public Works Programme. Thanks very much Chair.

Mr M RAYI: Hon Chairperson and hon Minister, I think the impression has been created here that because there are no guidelines yet, therefore people are not being employed. My question is with regard to the fact that there are no guidelines. The second one is whether you have received any reports or complaints of unfairness and lack of transparency during recruitment. Thank you.

The MINISTER OF PUBLIC WORKS: Hon Rayi, I think it would be an unfortunate understanding if when we talk of guidelines, then it means there is no work that is happening. Work is continuing in terms of recruitment and the roll-out of the programme. We stand just in excess of four million people who are now enrolled in this particular Expanded Public Works Programme. Therefore, in a sense, that work still continues. I am not sure whether I got the second part of your question correctly.

Mr M RAYI: I was talking about reported cases of unfairness and lack of transparency.

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The MINISTER OF PUBLIC WORKS: Look, I have heard from different quarters but I have always said to people that, if there are allegations of partisanship, for example - in some instances I have heard people saying yes, it is only people of a particular political formation who get recruited into this thing - we are more than willing to investigate or assist in the investigations. But, for us to be able to do that, it would be useful to always forward the necessary information so that we can follow through on some of these allegations. Thanks very much.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Minister, that was your last supplementary question for today. Order! I wish to thank you for coming and spending time. I also want to say we do appreciate that you were actually the first amongst the Ministers to arrive in this Chamber today. That is appreciated, sir. Thank you very much. [Applause.]

Hon members, we have had negotiations between the two Deputy Ministers. One has to leave to catch a connecting flight on official duty outside the country, and the other one has agreed that we can swap them around. Therefore, we will start off by taking the Deputy Minister of Transport. We are at Question 367. It was put by hon Julius and is being handled today by hon Faber.

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Question 367:

The DEPUTY MINISTER OF TRANSPORT: Hon Chairperson and hon members of the House, an interim board has been appointed with effect from 19 October 2017, and it comprises of the following members: Advocate Tinstswalo Nana Makhubele, who is the senior council and will be the chairperson with legal background; Dr Natalie Skeepers, Governance and Risk Management as his qualifications; Ms Magdelene Cheryl Reddy, Finance and Business Strategy as her qualifications; Professor John Khulumane Maluleke with Rail Transport Economist and Transport Planning qualifications; Mr Xolile George representing SA Local Government Association, Salga; and Mr Godfrey Maluleke, representing the Department of Transport. They have been appointed as the interim board and have been given the responsibility, particularly of ensuring that we appoint the group chief executive officer, CEO, of Passenger Rail Agency of South Africa, Prasa. Thank you very much.

Mr W F FABER: Hon Chairperson, we hear about the interim board, but without a board that is in place, and I'm talking about appointed board that is going to take accountability, there is more than enough room for corruption. We all know that Prasa has been involved in multiple corrupt dealings in the last years. State capture is

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alive and well in the parastatals. What major projects were approved in this absence of this interim board so far?

The DEPUTY MINISTER OF TRANSPORT: Hon Chairperson, the board is the one that takes decisions and in the absence of the board decisions can't be taken. Therefore, I'm not aware of any major decision that has been taken. Remember the Popo Molefe board did not have quorum and therefore could not take any decision. After that when their term came to the end, I think at the end of July, there was no board. We now have an interim board with the powers to take decisions, only now that the decisions will be taken.

Mr E MAKUE: Hon Chairperson, thank you Deputy Minister. In the previous information shared with us by Minister Gigaba, he indicated that there would be a rigorous screening of new board members, overall in a whole range of state-owned companies. My question on this one will be, Deputy Minister, can you tell us whether there would be a person on the board with the requisite skills to do internal auditing and therefore ensure that we would not have deviations or misappropriation or even corruption within Prasa. Thank you, Chair.

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The DEPUTY MINISTER OF TRANSPORT: Decisions that are taken and apply to boards will apply to all boards including Prasa. We are in the process, of course, of appointing a permanent board, but for now we needed to appoint as quickly as possible the interim board so that decisions at an entity such as Prasa can then be taken. Therefore, we are in the process of appointing the board and all the majors will be put in place to ensure that we appoint the right people. Thank you.

Mr L V MAGWEBU: Hon Chairperson, through you to Minister, you know that Prasa and SA Social Security Agency, Sassa, South Africans throw their hands in the air when you mention those entities. Now, you have just said to us now that there is an interim board to run Prasa. I want to know from you, this interim board, these men and women that comprise this interim board have due diligence being done on them, simply put vetting to ensure that we have men and women of integrity. We don't want surprises tomorrow, you say ah, ah, systems we didn't do this and we have got all the bunch of crooks there. I want you to assure us that due diligence was done in this interim structure that these men have been vetted that they are men and women of integrity and their character is beyond reproach. Thank you.

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The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: I do notice that you have a very low opinion of the men. Deputy Minister! You said that the men must be vetted not all of them.

The DEPUTY MINISTER OF TRANSPORT: Hon Chairperson, when boards are appointed like in this case of an interim board, the vetting happens hence as when they are serving and if there is anything that is found then, of course, they are terminated because sometimes it takes long. It will be security check that happens, but, of course, the actual process takes longer and you cannot wait. In this case, for instance, you will know, Chair, that we've not been having a board or interim board and in terms of the Public Finance Management Act, it is the board that is the accounting officer and it is the board that must take decisions.

Therefore, for an entity such as Prasa not to have a decision-making bodies such as the board, it creates a serious problem not only for now, but for long-term because whatever that we are not deciding on now might have long-term implications for a structure that has to provide transport, particularly passenger rails and also has to work through contracts as the member was actually asking to say that there are major contracts. If you don't take decisions now, it means you are delaying that which must supposed to happen right now. That

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is why I'm actually saying yes, indeed, however, the security check and vetting happens hence as when people are serving because otherwise we will not have boards.

Question 374:

The DEPUTY MINISTER OF TRANSPORT: Chairperson, there is no deal that is worth R70 billion that has been entered between Passenger Rail Agency of SA, Prasa, and the Chinese company and therefore, no deal between Prasa and the Chinese that has been set aside by any High Court and therefore, there's nothing like that. Thank you.

Mr L V MAGWEBU: I don't know. Where is Khawula now? [Laughter.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: You agreed to take the responsibility.

Mr L V MAGWEBU: I will have to research this and follow-up with the return question. Thank you. [Laughter.]

Mr W F FABER: Through you Chairperson, Minister you just told us that no decisions can be taken without the Board because it is the Board that makes the decisions. As it was heard in the 2016 Swifambo Constitutional Court case, R80 million had been channelled by the

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Swifambo and its Managing Director Mr Auswell Mashaba, Mr Savanni, Maria da Cruz Gomes and George Sabelo, close friends of Number One. Mr Popo Molefe later claimed in papers filed in the Swifambo case that Mr Auswell Mashaba had once admitted to him and Prasa Board members that when Maria da Cruz Gomes first approached she presented the ANC and 10% of the locomotive contract value needed to be paid to the ruling party. Did this Board request an investigation on these payments? If so, what was the outcome?

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Faber, are you still on Question 374 because Question 374 says "The R70 billion Chinese tender deal." Are you on that?

Mr W F FABER: Chairperson, it is again on the Prasa tender deal and it is about the Board that Okayed it.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon members, we always fight about this. Question 374 is specific. It says R70 billion was paid to a Chinese tender deal by Prasa. The Deputy Minister stands up to say that there was no such deal. Therefore, the follow-up questions, for the first time I want to use the word emanate correctly, must emanate out of the response of the Deputy Minister who said that there was no deal. So, you can either come in

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to say no, there is a deal on this one or not. It is the reason I want to be very clear if hon Faber is still on the same question, which then says to the Deputy Minister no. I'm trying to get that clarity because I will not be able to rule correctly, unless I'm very clear.

Mr W F FABER: Chairperson may I then rephrase this question in a way that it will sound like a different question for you.

[Interjections.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Order members! I'm always in for learning. Please rephrase!

Mr W F FABER: Chairperson, Minister Gigaba already assured our Parliament and the South African citizens that contract between the Chinese parastatals will not go ahead without the due procurement processes. I would like to know if the Board approve the corrupt and unlawful processes of what we are talking about or will you undertake that these processes will be opened to the correct legal procedures of procurement to be followed.

The DEPUTY MINISTER OF TRANSPORT: Chairperson, there isn't any deal that Prasa has between itself and any Chinese company whether a deal

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that might have followed processes or whatever, particularly R70 billion. There is nothing like that.

Question 353:

The DEPUTY MINISTER OF TRANSPORT: Chairperson, acting on its constitutional mandate the Department of Transport has developed a White Paper on National Civil Aviation Policy 2017. This policy identified the need for the development of the national airports development plan which will guide and support both overall network planning and the development of individual airports integrated within their broader spatial and transport context in South Africa. This plan is in the final stages of consultation with cabinet committees.

The White Paper on National Civil Aviation Policy and the national Airports development plan address civil aviation from the national perspective. The national airports development plan guides the overall integrated airport planning in South Africa but airport planning and development at provincial and local spheres of government remains the responsibility of these authorities which means that you airports that are managed by the national Department of Transport but you also have provincial airports and you have local municipality airports.

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The national airport development plan supports KwaZulu-Natal development of an integrated provincial aerotropic strategy. This strategy seeks to build on the already developed Dube Trade Port, a 60-year master plan which also aims to advance aerotropic development around King Shaka International Airport which is expected to boost economic growth and job creation in KwaZulu-Natal.

Through the various bilateral air service agreements, Basa, between South Africa and other states, the department creates a national regulatory framework for international air services. This framework empowers South African and foreign airlines to operate internationally air services to and from South Africa's International airports to boost economic growth and job creation, trade and tourism, including the King Shaka International Airport in KwaZulu-Natal, of course, other provinces as well. I thank you.

Ms T J MOKWELE: Chairperson, thank you very much hon ... Eh are you a Deputy Minister or Minister - I am sorry. You know I am now confused I don't know who is who?

The CHAIRPERSON OF THE NCOP: Deputy Minister, ma'am.

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Ms T J MOKWELE: Okay, thanks. Thank you, Deputy Minister, and for now I don't have any supplementary question. Thank you.

Mr D STOCK: Chairperson, thank you very much hon Deputy Minister for such a comprehensive and a very detailed response; within the context of your response, hon Deputy Minister, I would find out from you - and I am actually tempted to agree with you to a large extent when you say these aviation and different airports in the province of KwaZulu-Natal and throughout the country, are actually valuable tools to be used for economic development and local economic development in the local municipalities.

Now, in the context of local development I would like to find out if the department has any plan to increase the number of airports currently; and also the landing strips for strategic reasons in the province of KwaZulu-Natal? Thank you.

The DEPUTY MINISTER OF TRANSPORT: Thank you very much, Chairperson. Firstly, coming to landing strips - when we talk about them we sometime think it is just strips. But there are many of them that have aviation activities to an extent that you cannot just refer to them as landing strips; probably they are aerodromes because there are aircrafts that land in those supposed to be airstrips that is

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why we refer to them as aerodromes. And what we have said to the South African Aviation Authority, Saca, get all those aerodromes, and record them so that we know where they are and what they are doing, and activities that are taking place in all of them.

However, as I have said, we have airports that are managed by the national Department of Transport those that are international or national airport. Then we have provincial airports and we have the local municipality airports.

What we have discovered is that there is lack of knowledge on how to manage airports and how to license them. The development plan that we are talking about for airports or aviation in South Africa will talk to that so that we work together and integrate the working of airports in South Africa. But, of course, without usurping or taking over the work of the municipalities; because they remain their airports or airports that belong to provinces.

We are more than prepared to assist them as I indicated as we enter into bilateral agreement with other international airlines to channel them to those provinces which need them the most. Of course, to decide on whether to increase the number, for instance, on international airports in the country is a decision that is taken

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together with cabinet. For now the cabinet had taken a decision in the past that we shouldn't be increasing the number of international airports. Therefore, for now we have eight international airports without any intention of increasing the number, but provinces are applying, and we look into that and take that to cabinet and decide on whether to grant permission to have an international airport or a provincial airport.

Mr F ESSACK: Chairperson, thank you for the opportunity. Hon Deputy Minister, SAA currently doesn't need to be competitive as it keeps on being bailed out by the government as we all know. Overtime, this creates a very unfair playing field for other airlines to operate within. Due to other airlines being unable to compete with free government bailout money, which is obvious.

Chairperson, this monopoly environment is incredibly dangerous. If this continues, hon Deputy Minister, the industry as a whole will go straight to the provable jail without being able to pass goal, so how then, hon Deputy Minister, will your Ministry prevent this from happening?

The DEPUTY MINISTER OF TRANSPORT: Chairperson, as a matter of fact, South African Airways is not the Department of Transport state-owned

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company. It doesn't report to us it reports to another department. This makes it a bit difficult for me to respond on behalf of another Ministry.

However, safe to say that if you talk about SAA that is our national airline. It belongs to South Africa. We don't have any other airline and any other airline in the world will always be bailed out by government. They do it and are not afraid of doing it. And if we as South Africa say we don't know as to how, and how SAA performs - it cannot be correct. It is our own state-owned airline and it belongs to us. But otherwise, it doesn't belong to the Department of Transport. I am mentioning that, but it is a challenge. When you talk about the owing for aircrafts, the number of passengers in airlines; it's a nightmare for any other CEO for any airline including the SAA. Thank you, Chair.

Mr S G MTHIMUNYE: Chairperson, hon Deputy Minister I am privy to information that Nkangala District Municipality at Mpumalanga has submitted an application for an international airport in Delmas. I am very much open to receive a detailed response through writing if you can't do it now.

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The DEPUTY MINISTER OF TRANSPORT: Chairperson, I know about the request and it is being processed. This doesn't mean that it will be approved or not; you look at a number of issues and that it is, of course, before the department and it is being processed. Yes.

Question 366:

The DEPUTY MINISTER OF TRANSPORT: Thank you, Chairperson. There has not been any tender for the construction of the Moloto Rail Development Corridor advertised; and therefore there is nothing like that. Thank you.

Ms B A ENGELBRECHT: Madam Chair and Deputy Minister, it seems very apparent that you don't know what is happening in your portfolio because a memorandum of understanding was signed by the President in China in Guangzhou, Guangdong province in September this year.

So my question to you is, will you just explain to us, is it true therefore - in spite of your previous reply, is it true that Prasa has entered into R57 billion deal with the Chinese Bank for the construction of the Moloto Rail Development Corridor without a public tender, without following due processes and without approval from the National Treasury? Thank you Madam Chair.

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The DEPUTY MINISTER OF TRANSPORT: Thank you Chairperson. It is not true that Prasa has entered into any contract with any Chinese company; what is true and it is not true that the President signed any memorandum of understanding, MOU, because the President cannot sign any MOU; what actually happened is that Prasa together with a Chinese company, China Communications Construction Company, CCC, signed ... [Interjections.]

The CHAIRPERSON OF THE NCOP: Order members! Just hold on Mam. You posed a question hon Engelbrecht. She is responding to you, please listen. Hon Engelbrecht, I don't want you to interject I'm saying this question is yours. Listen to the responds and then you can take it further at some other time.

The DEPUTY MINISTER OF TRANSPORT: What is true Chairperson is that Prasa signed an MOU with the *China Communications Construction Company, CCC*, in China; and that MOU has since expired because what it said is that, that company in China will co-operate with Prasa, including looking into the project of Moloto Rail Development Corridor.

It is not specific on any amount, there is no contract, none whatsoever. What it would do it would establish a steering committee

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that would then look into the whole matter as to whether that company would be able to fund that; but also that very MOU is very specific to say both companies will adhere to the country's regulations, legislations and the Constitution. So there is nothing that would happen outside the Constitution. There has not been any tender, whether for R7 or R7 billion, nothing whatsoever.

So that one is just not true, it has not happened; and it was not signed by the President. The MOU is here with me, anyone who want to see it, can see it.

It is a very generic MOU that says we can establish. That very MOU specifies that there is nothing that forces any of the two to enter into any contract later. They can still negotiate with any other company. So it is a very generic MOU that was signed in China as the hon member is saying, but not by the President at all.

Mr B G NTHEBE: Chairperson, it is true those who thrive on fake news are so suffocated today. I can attest to you, in fact, the publication that went out about the R57 billion tender that newspaper has come out it retracted and apologised, because there is no such a tender existing; but those who thrive on fake news will not come here and apologise.

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Would you concede because the primary question speaks about the public tender? We know now that there is a board in place and the board has what we call the fiduciary powers and responsibility. Would you concede that part of your responsibility as the department in overseeing that to make sure that proper process as and when issues of tenders are handled, that such fiduciary responsibility will be visible and instituted; but there is no tender like you have said. It was there, it has been retracted but they will not say it.

The DEPUTY MINISTER OF TRANSPORT: Thank you very much. Maybe to respond to the question, let me mention that the Moloto Rail Development Corridor is one of the critical priorities of the department as endorsed by Cabinet Lekgotla; different funding options and the implementation models are being explored to implement the project.

The project will be implemented in compliance with the procurement rules and all applicable legislations in the country, including the Constitution.

Therefore, you are right sir, neither the Department of Transport nor Prasa have not implemented or concluded any deal on the Moloto Rail Development Corridor, to date; none whatsoever. I thank you.

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Mr W F FABER: Thank you, Chairperson. I would not ask about dodgy deals because it seems there is no deal at all. The Moloto Rail Development Corridor which connects Mpumalanga and Gauteng, the Chinese will apparently invest R30 billion and I'm now saying apparently because I don't have the facts from what I hear from you.

They will invest R30 billion to develop the 125 kilometre railway line. The main reason seems to be that this was done in order for Prasa to sign billions in view of to acquaintances from China - you know like trains and staff. The staff that we see on the row I don't know where it comes from - out of the sky apparently.

If this is the case, if we do this deal with China, will we be sure that we will use South African labour?

The DEPUTY MINISTER OF TRANSPORT: Chairperson, the Moloto Rail Development Corridor has three aspects. One, is the road which is being constructed by Sanral; two, is the buses that are being looked into; and three, is the Moloto rail. We are far from contracting anybody to construct the railway lines, far away from that.

As a matter of fact, we are still looking for the Treasury approval for more design and whatever analysis. We are far from appointing

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anybody, whether it is Chinese or it is the hon member or any friend for that matter. We are very far from that. So we shouldn't be talking about any R3 billion or R30 billion, because we are not there as yet.

We would want to see that rail being constructed, but we are far from that. We will follow the legislations. We will follow the Constitution of the country. That is what the memorandum of understanding, which has since lapsed - that was signed by Prasa and the China Communications Construction Company, CCC. It has lapsed because there was no board at Prasa to decide to extend it; and therefore it has lapsed.

The CHAIRPERSON OF THE NCOP: The hon Londt, I would appreciate you sit right and correctly.

Mr O S TERBLANCHE: Thank you, Chairperson. I just want to ask the hon Deputy Minister, apparently ... [Interjections.]

The CHAIRPERSON OF THE NCOP: Please, please! Hon Londt what did you just said?

Mr J J LONDT: Are you going to ... [Inaudible.]

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The CHAIRPERSON OF THE NCOP: Yes, I will. I always do. You don't give me your back in the House. That is why I'm calling you to order.

Mr J J LONDT: [Inaudible.]

The CHAIRPERSON OF THE NCOP: Yes, do it again and see, because you do not threaten me when I'm sitting here.

Mr J J LONDT: Threatening you!

The CHAIRPERSON OF THE NCOP: Please continue hon Terblanche.

Mr O S TERBLANCHE: Thank you, Chairperson. Hon Deputy Minister...
[Interjections.]

Ms T J MOKWELE: [Inaudible.] All power! [Laughter.]

The CHAIRPERSON OF THE NCOP: Order! Hon Terblanche, you are on the floor and protected sir.

Mr O S TERBLANCHE: Thank you, Chairperson. Hon Deputy Minister, apparently there is a plan to construct the railway line and two

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parties met; and there was a memorandum of understanding signed, but there is no plan of whatsoever so, what was this memorandum of understanding about? Did they discuss the weather patterns or global warming or what; obviously there must be something regarding this project.

Lastly, are you aware Deputy Minister that if a party engage in a discussion, they are running the risk that they cannot even tender on this project. Thank you Chairperson.

The DEPUTY MINISTER OF TRANSPORT: Why, okay... [Interjections.]

The CHAIRPERSON OF THE NCOP: Hon Nthebe, the member will be responded to not summarised.

Mr B G NTHEBE: Oh! [Laughter.]

The DEPUTY MINISTER OF TRANSPORT: Maybe it is proper Chairperson to mention that the department first concluded the feasibility study in 2004; and the Moloto Rail Development Corridor was then approved by Cabinet in 2008.

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Following that, the department registered the project as a PPP and concluded details feasibility study in October 2014. In December 2015, Treasury directed that, the Treasury approval one was not to be granted.

Then, of course, in exploring alternative funding resources, the Moloto Rail Development Corridor project was included in a list of projects submitted to the Forum on China Africa Corporation; and on the 28 July 2016, the project was selected by the Chinese government for potential funding - for potential funding.

The President informed the department that the project had actually been prioritised for funding. On the 07 September 2016, the CCC which is the company from China and Prasa entered into a memorandum of understanding to explore areas of possible co-operation on the planning, funding and implementation of the Moloto Rail Development Corridor initiative.

That is what the MOU was all about; and that, like I have indicated, that the MOU in the main was then to establish a steering committee that was going to do the work; but it was also going to be renewed or extended after 12 months. Twelve months lapsed, and there was no board it could not be extended.

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Therefore, nothing happened after that. It is a generic MOU that says we can co-operate on this project, but it doesn't take it anywhere. It says we will adhere to the legislation of our country in South Africa. Therefore, it will be any procurement legislation including your Constitution. That is what is in the memorandum of understanding.

Question 361:

The DEPUTY MINISTER OF TRANSPORT: Chairperson, I think we are still discussing the interim Board of Prasa. An interim board was appointed, with effect from 19 October 2017. It has been tasked with urgently filling all executive vacant posts, including that of the group chief executive officer. It must also perform the duties of the Prasa Board while we are busy with the process of appointing the permanent board. Thank you.

Mr M RAYI: Hon Chairperson, Deputy Minister, thank you for appointing the board. My question relates to the previous board. There were challenges amongst the board members, themselves, and the executive management, particularly the chief executive officer. Are there any plans to avoid such a situation developing with the interim board or even with the permanent board, going forward? Thank you.

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The DEPUTY MINISTER OF TRANSPORT: Chairperson, when we appoint boards, we give them training and orientation on their work. It is done with all boards.

There certainly were challenges between the previous board and the executive, which led to the termination of the services of the previous board. That board then took the matter to court and was reinstated by the court. They then came back. Of course, it wasn't a full board and therefore it couldn't perform its duties because it could not form any quorum. As I have indicated, we have now appointed an interim board, which will receive its orientation and training so that it can perform its duties. It's not done only by ourselves but also by people that we believe had the know-how on how boards should function.

In addition, on the boards such as that of Prasa, we have a representative of the department who sits there. In this case, it is Mr Maluleke, who represents the shareholder, that being the Minister. We believe the board is going to work.

I think the previous question, which wanted us to respond on whether we do security checks will also address ensuring that we probably have people that can serve, not their interests but, of course, in

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the interests of the state-owned company in which they are working.
Thank you, Chair.

Mr W F FABER: Chairperson, I am flabbergasted. There are no deals. I don't know why the Hawks are investigating anything because apparently, there are no deals. I don't know. [Interjections.] While we are discussing this interim board, which will probably also not investigate anything because it is also an interim one, vacancies for this board were published as far back as February 2017.

Now, I want to make sure of something. I understand we are in October, almost November, and we are being told that we are still busy shortlisting. I count 10 months and I can't see how we can take that long when we are actually supposed to appoint a board within a few weeks, if not, 10 days. We requested 10 days because of corruption taking place when there is not a board to oversee this. Perhaps this is in order to push through illegal deals for ANC cronies, but please, can you tell us: Why haven't you appointed a board, given that it was already published in February 2017? That is 10 months!

The DEPUTY MINISTER OF TRANSPORT: Chairperson, the term of office of the previous board ended at the end of July, this year. It was ...

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[Interjections.] ... no, sir. Remember, the previous board was terminated and it took the matter to court. The court then reinstated the board. Therefore, it had to serve up to the end of its term, which was July, this year.

We then had to advertise, of course. One follows a process. Remember, in order to be appointed, a board member needs to have been nominated by somebody. We need to do the shortlisting; we need to interview, and we need to take it to Cabinet. Cabinet can say yes or no. We also need processes like security checks. So, it's a process to appoint the board.

It is in the interests of all of us that we appoint credible people. You have to do your work properly. While you are doing that, you need a structure that takes decisions, in an entity like Prasa. Hence, the interim board, as we are busy with the process of appointing the board.

So, yes, the term of office of the previous board ended at the end of July, this year, with the chairperson, Mr Popo, until the end of July. [Interjections.]

The CHAIRPERSON OF THE NCOP: Mr Molefe.

Setswana:

Moh T J MOKWELE: Motlatsatona, ke utlwa gore o gatelela kgang ya gore boto e e leng teng ka se sebaka kwa Prasa ke ya nakwana, le gore e beilwe semolao nako nngwe ka kgwedi ya Diphhalana. Ka jalo, ke kopa gore o netefatse gore boto eno ya nakwana, e tla dira go tloga ka letsatsi le e beilweng ka lona go fitlha leng? Mabaka a e leng gore boto eno ...

English:

... other than filling up of executive positions.

Setswana:

... ke a feng a ba tla dirang ka ona go netefatsa gore Prasa e boela kwa maemong a yona ka tolamo. Ke a leboga.

English:

The DEPUTY MINISTER OF TRANSPORT: Chairperson, the board has already been appointed and it is already doing the work. It has got all the powers to do the work of the board until such time as a permanent board is appointed. It is just that it is a temporary board.

However, it is a legal board, with all the powers to take decisions, as per the Public Finance Management Act, until such time as we have

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appointed a new, permanent board. By that, I mean to say, a board that will serve for three years, maximum.

Otherwise, we now have the interim board that, in terms of the law, can take decisions. The interim boards have the same powers as boards. It's just that it is not going to serve a term of, for example, three years. It does have all the powers, however. So, it will recommend to the Minister a person who must be appointed as the group chief executive officer and, probably, ensure that all vacancies are filled. I think that is it, Chair.

The CHAIRPERSON OF THE NCOP: May I help you there? There might have been a problem with the translation. The thrust of the question was: Can you be specific about the interim board's starting and ending periods. I think it might be the interpretation.

The DEPUTY MINISTER OF TRANSPORT: Chairperson, yes. The term of the board runs from when they started on 19 October, as I said, and it will continue until we appoint a new, permanent board. When the board is appointed, remember the process of appointing the board includes Cabinet input. We still have to take it to Cabinet. However, it is not going to be something that takes a long time, because we are already in the process of doing that. They do,

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however, have the powers to take decisions. For me, that is what is important. [Interjections.]

The CHAIRPERSON OF THE NCOP: Hon Mokwele, that question has been responded to. [Interjections.] No. Yes. The powers of the interim board are the same as that of a permanent board, which means ... [Interjections.]

Hon members, we are moving on to Question 368, asked by hon member Julius. You are interjecting too loudly, hon members. Hon Faber, you are the caretaker of the question.

Question 368:

The DEPUTY MINISTER OF TRANSPORT: Chairperson, the department has not submitted any application for deviation on the Moloto Rail Corridor Development project to National Treasury because, it's not necessary for now.

Mr W F FABER: Chairperson, it's difficult because these deals just don't happen apparently. I wanted to know on this Moloto Rail Corridor Development deal - with the China Communications Construction Company limited. Is this deal fair, equitable,

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transparent, competitive and cost-effective, and in line with the Constitution of South Africa?

You know Chairperson; it's not that I am doing it on purpose to ask this question, is there a deal? Every time we hear - there is no deal. Sometimes when everybody is right then sometimes you must be wrong. If you are the only that says you are right then you must be wrong. I am just mentioning that. Thank you.

The DEPUTY MINISTER OF TRANSPORT: Chairperson, I have already mentioned that we have not ... [Interjections.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Order! Order, members. Deputy Minister, you are protected.

... we have not submitted any application for deviation on the Moloto Rail Corridor Development. If we were to do that it would be because the law allows us to do that. If it doesn't, we would not do it. But, if the law allows us to do that - like the department submitting the application for exemption from section 21 of the Constitution and section 92 of the Public Financial Management and Oversight, PFMO, we will do that and we will have to motivate for that. For now, we have not done it. It's just that Chairperson.

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Mr S G MTHIMUNYE: You will never know.

IsiNdebele:

Sekela lakaNgqongqotjhe, kungakwethu lapho, begudu abantu balapho abanandaba bona istimela siza nama-China nanyana siza no-Faber, bafuna bona istimela sifike.

The CHAIRPERSON OF THE NCOP: Hon Mthimunye, Faber in this House is honourable.

Mr S G MTHIMUNYE: ... I don't think there is anything honourable about him Chair.

The CHAIRPERSON OF THE NCOP: No, no, no, hon Mthimunye, I am hoping you are ... [Interjections.]

Mr S G MTHIMUNYE: ... I withdraw Chair.

The CHAIRPERSON OF THE NCOP: ... yes, thank you very much.

IsiNdebele:

Mr S G MTHIMUNYE:

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Sekela lakaNgqongqotjhe, abantu bangakwethwapha bayabuza bona istimela leso sizakhe sifike basadla amabele na?

English:

Will the train come ultimately?

The DEPUTY MINISTER OF TRANSPORT: Chairperson, I have already mentioned that there is a Cabinet decision that was taken in 2008 to say, we must have a Moloto Rail Corridor Development. That was approved by Cabinet. All that we are doing now is to look at funding models because we need to fund such a model.

And also to look at the feasibility of that to say, you are not going to have one passenger train taking people to Pretoria in the morning and in the evening because then, that is not economically sustainable. To say, what else must we do, so that the corridor is viable and it talks to the economy of that area?

That is what we are looking into hence we have so many feasibility studies and looking at the funding models of this ... including the public-private partnership, PPP, funding model. But all will happen within the laws of this country because it happens in South Africa.

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Ms L C DLAMINI: Chairperson, let me appreciate the response from the Deputy Minister, however, I just want to say that it is unfortunate that there are people who are seeing this project as a tender.

People from Mpumalanga province have been waiting for this project for more than 15 years. Since the terms of former Premiers, Ndaweni Mahlangu, Thabang Makwetla and it is now David Mabuza. It is not just any project, there are so many people dying on that road ...
[Interjections.]

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Don't drown out the speaker on the floor.

Ms L C DLAMINI: ... there are so many people who are dying there. I wonder if it was their relatives, they would say what they are saying today. You are seeing a capitalist character coming into picture reducing a social problem into a capital problem. It is so unfortunate because, they don't care about what is happening with people of Mpumalanga, they only care about tenders.

Hon Deputy Minister, you are saying there was a Cabinet decision and that was 2008 - It's nine years now, what is the progress?

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The DEPUTY MINISTER OF TRANSPORT: Chairperson, it is true that one of the reasons why we should have that Moloto Rail Corridor Development is because of the number of fatalities on the road every year.

We have in that regard looked at other models - like I said, there are three phases. Firstly, looking into the road itself and expand it. Because in other areas you would discover that it is the design of the road that is responsible for accidents. I have seen it myself. I am not an engineer but, I have seen it myself that the reason why you would have accidents here it is because of the road design than anything else. We are attending to that to deal with the issue.

Secondly, it will be the buses themselves which the people from Mpumalanga no longer want... to say those that are not roadworthy to transport people to Mpumalanga. We are looking into that issue as well.

Thirdly, it is the Moloto Rail Corridor Development, which of course needs budget. And that is the only issue. It definitely needs budget. It needs to be made to be viable. As I was indicating previously that, if you are going to have one passenger train in the

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morning and one passenger train in the evening it is not going to assist. But if you are going to have passenger trains as well as freight rails transporting goods in that area then that corridor will be economically viable and it will be sustainable because, even after you have constructed it you will still have to maintain it. You don't just construct the railway line and you leave it. You would still have to maintain it, for signalling and for everything else. That is what is being done.

Therefore, we are in the process of looking at the funding model and also looking at the finer design models in the whole thing. It is still some work. Of course, we need money for us to construct that rail corridor. Thank you.

Question 357:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Chair, and a good evening to hon members, the first thing that I would like to say is that we have in the department four programmes; Administration, Integrated Co-operatives Development, Integrated small, medium, macro and medium enterprises, SMME, development and Enterprise Competitiveness. Those that relate directly to this question are almost all of them because the first one of, Administration, responds to the challenges that are faced by the department by

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ensuring that there is accountability in the first place. The second one relates to the fact that we have performance agreements which are signed by all members of the department, including myself of course, with the President but we also have annual performance plans which we then have to check our performance against those annual plans because the question here relates to, do we have strategies and actions to address challenges that are encountered in benefitting from the department's programmes so first I am starting with the programmes themselves and indicating that each action that we take is informed by our annual performance plan but is also monitored by the performance of the department. Because the question further says it needs details to be furnished and it also says relevant details of each and every case of challenges that are faced by SMMEs, I would like to say that part of what we can do is to submit in writing each and everyone of those challenges that we are speaking to which are related to all the different programmes that I have indicated to except for the one of administration because administration is about management of our processes.

What I would like to say that in the three years that one is in the office obviously one has learnt quite a lot including the officials of the department that with our programmes which we inherited, we needed to review them in order to ensure that they respond to the

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challenges that are faced by SMMEs and co-operatives on the ground and therefore, part of responding to those challenges is about ensuring that we are very conscious to the challenges by SMMEs and co-operatives in accessing our programmes. We also conscious of the fact that we need to improve our systems because my experience again is that the turnaround time for the accessing of our programmes takes very long. We need to even improve the attitudes of ourselves, including that of our officials, so that they have the correct attitudes towards SMMEs and co-operatives.

We are also continuously learning about the felt needs of SMMEs because it is one thing to develop your programmes in the offices; it is another to see what the SMMEs are experiencing on the ground. To that effect, one of the reasons why we are pursuing the co-ordinated approach to working with the three spheres of government is because we are informed by the fact that if there is a weakness at our local economic development offices and our provincial offices in supporting SMMEs throughout the three spheres of government then it will be a failure on us as a department because we can not be everywhere all the time however, the three spheres of government, working together, can be everywhere all the time.

The department recognises the challenges encountered obviously by SMMEs and co-operatives in accessing our departmental programmes and

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therefore in response, the department will continue to work with the three spheres of government but there are specific programmes which belong to the department which we work through our Small Enterprise Development Agency, Seda, and our Small Enterprises Finance Agencies, Sefas. The advantage that these agencies have is that they have offices. We have offices throughout the country unlike a department that entirely depends on your MECs for economic development and local structures. And therefore, we are at the moment talking about establishing collocation points, working with municipalities to provide access to our programmes and furthermore, I would like to also say that we work very closely with the Department of Co-operative Governance and Traditional Affairs, CoGTA, and that is why soon we will be having a summit with CoGTA so that we can be able to look at what offers do we have and how are those accessed at a local level in particular. Thank you, Chair.

Mr B G NTHEBE: Chairperson, as expected Minister, you were quite explicit but let us take, Enterprise Development, as an example, now South Africa is a commodity export driven market and one day we will wake up and there will be no mines anymore because that is a sunset industry. I am of the view that there is not enough zeal to diversify in terms of your enterprise development and if we do not do that with the necessary tempo and cadence necessary we will not

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be able to create the necessary platform similar to the ambitions that we have if we want to compete with the Asian tigers. If we want to do that, enterprise development becomes a catalyst towards such an ambition so hence my question and I am happy that you are saying that you are going to be providing me with further inputs clarification. But do you see that actions in terms of the enterprise development can be diversified so that we tap into the possibilities that exist for SMMEs in particular? Thank you, Chair.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Thank you very much hon member and Chairperson, yes we can not afford as a country to rely on the commodity industry hence we can see in government's plan in as far as diversification is concerned, it is for this reason that government, for instance, has got the nine-point plan which identifies different areas of support for overall growth in the economy of South Africa. Also, the government has got, recently there was a launch of Operation Phakisa, for instance, and I am just making one example. That is part of diversification when government begins to say, let us look at other sectors such as the oceans economy and therefore what are the opportunities, possibilities within the oceans economy. Government is committed to agriculture and Agro-processing. Government is committed to industrialisation in general and that industrialisation would refer to a wide variety of

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sectors in South Africa which would have a potential of ensuring that we grow our economy but then to be very specific about the Department of Small Business Development, we do not see small and medium enterprises as development only from the eyes of what we are capable of assisting small and medium enterprises.

It is for that reason that we are looking at all the other departments and saying to the different departments, in order for us to address that issue, particularly of diversification, for instance, agriculture and Agro-processing. Agriculture, as a department, tell us what is possible and what is available in as far as that area is concerned so that then we can then begin to say, what is the plan on enterprise development in as far as agriculture is concerned so that when agriculture talks to us about smallholder farmers, we need to say, what are the needs of those smallholder farmers and what is it, particularly those that were previously disadvantaged who do not have the experience, the bigger pockets, the equipment and so forth. What is it that we can do to support them to make sure that diversification you are talking about happens? We go to the Department of Defence, as a matter of example; we sign a transversal agreement with them but the transversal agreement is focused specifically on what is available for SMMEs in that defence sector because we are not specialists there but they

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know what is possible. Lastly, because there is a practical example that has happened recently, the Department of Telecommunications and Postal Services, we have an agreement with them. They then later came back with very specific strategies of supporting SMMEs, that for us is very exciting because that is the ICT sector and therefore the opportunities for the ICT sector and looking for instance at what they call the fourth industrial revolution.

We say, as South Africa, we need to support our SMMEs and that department itself has presented a strategy for SMMEs which means it has taken the work away from us and we support them but it would mean the support for SMMEs is going to be seen through that. Thank you, Chairperson.

Ms T J MOKWELE: Chairperson, thank you sis Daph - I know you do not mind -

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon Mokwele, I do mind, it is hon Minister in this House.

Ms T J MOKWELE: Hon Minister ... [Interjections.]

AN HON MEMBER: Who is sis Daph?

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Ms T J MOKWELE: ... you have highlighted in your response that your department needs to support SMMEs and you need to work on the attitudes of your officials in order to be able to deal with this matter decisively but now there is a challenge in your department of human resource, you do not have enough human resource to be able to spread all over the country or to deal with your core mandate as the department. Can you give us anything, committing yourself, to say, this is how I as a Minister is going to address the challenge of human resource and the timeframe of thereof especially for those vacancies where we need specialised people. How are you going to do that? Can you maybe give us that thing? Thanks Chair.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: On that thing, hon Minister. [Laughter.]

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Chair and I think me and the hon member understand each other very well so I know when she says "that thing" what she means. [Laughter.] Well, quite frankly we have been in this House, for instance, indicating the challenges that are faced by the Department of Small Business Development from a point that we also fell into the same situation of budget cuts and everything because we understand the challenges that are faced by the country from an economic point of view but more

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from the budget point of view and therefore, one of the reasons why I raised this issue of attitudes of officials is because I know as a matter of fact that there is a political will to make sure that we support SMMEs and my belief is, that political will must also extend itself to the people that I work with from my office to the department in the manner in which they respond including the fact that there has to be an understanding that many of them unfortunately have to double up because of the situation that we find ourselves in. I double up too, I stretch myself big time and I also expect them to stretch themselves as far as they possibly can. However, the issue here of human resource and the posts that are vacant in our department, we are filling those posts because of course we can not fill posts just from nowhere, there is a structure that needs to be approved by the Department of Public Service and Public Service did approve our structure.

Obviously, they could not approve the previous structure which we had that had more people. That structure is approved and we continue to engage both with the Department of Public Service as well as National Treasury because we are saying to them, it is a little bit unfair for us who have been treated exactly the same way like department who came 23 years ago and we are only just three years old. So we are in engagement with the Department of Finance,

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Department of Public Service to say, we do need more people. But having said that, one of the reasons why we keep on insisting on the co-ordinated approach, we do believe that the personnel that we have in our office can be extended if we connect and co-ordinate with the province, with the local structures. Hence also, our belief that your local economic development offices really are the offices which should be empowered more because the first port of call for our people starts at local level. Also, we are of the point of the decision that if we can have these One Stop Shops where people do not have to be going to too many offices to get the kind of support that they need than we will reduce even the need for having too many people in the offices. In conclusion, I just want to say that, yes, we do want to have more people because we a very small for a department that should be at the centre of radical economic transformation, at the centre of empowering our small and medium enterprises at the lowest level but at the centre particularly of empowering women, youth and people with disability who most live in the townships.

So programmes that are related to your rural and township development is something that the department has to ride on but the only way we can do that is to make sure that we have a co-ordinated approach to supporting SMMEs. Thank you, Chair.

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Mr J J LONDT: Chairperson, hon Minister, you referred in your original answer as well as the most recent answer to a follow-up about the involvement of the provinces and the local municipalities. I know that local municipalities do not fall directly under you but have you engaged with the Minister of Co-operative Governance and Traditional Affairs to ensure or to establish where our local municipalities have shortages of skilled Local Economic Development, LED, managers and then identifying those shortages. What is being done with your department or in conjunction with the departments of local governments to address those shortages in the LED departments because it is going to be impossible to do everything from the top down, you will need to have enough people to help you do it from the bottom up and unfortunately with your department being so young and understaffed, it will be impossible for you to do the bottom up approach on your own.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, thank you hon Londt for that question, I think earlier on I did indicate that we will be having a summit which is organised by ourselves and the Department of Co-operative Governance and Traditional Affairs. This summit arises from our experience of the three years and the recognition of the fact that the LED offices are not what they are supposed to be therefore I know that people would say, Ja [Yes]

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summit, summit, but it is important for us to bring everybody into one place so that we have an agenda that will assist us in ensuring that the transversal agreement which we even signed with the different departments including that one of local government will assist us. We are on record as saying; this government of the ANC in the very beginning, there was a lot of focus on ensuring that at national and provincial level we put the best of our cadres and at local level it was our best, best cadres at local level but people who still needed a lot of support. The challenge was that those local economic development offices did not occupy that political space which they needed to occupy and political support. Hence you have those local economic development offices with very poor budgets and if you have a very poor budget obviously you are not going to be able to attract the best of your specialists in that area because everybody is looking at provincial and local. So we are in that process because we have recognised this as a weakness, we are dealing with it in twofold, firstly, we are dealing with that at a political level because we have a home where we have to discuss these things and begin to change the mindset into how people relate to local economic development offices.

But then we are also dealing with it at a national and provincial level where at provincial level we are saying to the MECs, it is

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their responsibility also to make sure that local economic development offices are properly resourced both financial and human. We have, in plan, and I hope hon Londt will follow that summit that we are going to have next month on the 9-10 November 2017. We do not only want just a summit, we want a summit that will go deep in to the details because part of what becomes the problem is when your local economic development offices do not or the people who are inside the office do not have a clear understanding of the economic opportunities of where they live and therefore being able to direct SMMEs to where the economic development is so the importance of understanding the economy, the consumption and everything at local level becomes important for us because SMMEs both in rural areas and in townships and in big towns can only survive if they know what they need to sell, what services they have to give, who needs what and at what scale. Thank you, Chair.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: I move you to Question 376. It was put by the hon Khawula, hon Gaehler you are the caretaker of the question.

Question 376:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, obviously, I have spoken a little bit to some of these programmes. Firstly, as

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a department, we are guided by the government plan and other plans of the government that relates to rural development and township development. We are also informed by the fact that all those programmes that we speak to, whether they are in the township or rural area, there is a lot of activity that happens around there, which refers to procurement. It happens at that level. Consumption happens at that level. Therefore, we believe that the plans of government relate to infrastructure, unlocking the potential of small, medium and micro-enterprises, SMMEs and co-operatives; we cannot begin, as a department, to develop isolated programmes because the opportunity for SMMEs lies exactly in those programmes.

So, while we know that we might have not necessarily developed programmes that say this is a rural programme, we fit ourselves into the government programmes and we demand at that level to say that if there are programmes of infrastructure development in the township, how does that relate to SMMEs. If there are programmes in rural areas where there are Amakhosi how do we relate to those programmes and how can SMMEs and co-operatives benefit from those programmes.

Chairperson, the department has entered, for instance, into a Memorandum of Understanding with the National House of Traditional Leaders. We have made our presentation to the Leaders of the

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Traditional House through which the two organisations collaborate on the delivery of relevant programmes aimed at assisting SMMEs specifically located in areas that fall under the direct authority of AmaKhosi. One of the most important things that we need to say, Chairperson, is that the Department of Agriculture and the Department of Rural Development and Land Reform are of utmost importance to us, as a department. We believe that if there's that connection, then again looking at what the opportunities are there, we will be able to work with AmaKhosi. I must say that in the three years that we have been in the department, we have not covered all the provinces. We have covered Mpumalanga, where we had a big workshop with the local traditional leaders. We have covered the North West to a very large extent. We have covered a little bit of the Free State, but not that much. I think that if we consider the fact that we have been there just three years. I think that a Memorandum of Understanding that we have is what is going to guide us in future plans.

Chair, but I would also like to say that the department has got all its programmes generally. They are supposed to be programmes that benefit the entire country, whether it's in town or in rural areas, but, obviously, there has to be that understanding that the government plan that speaks to rural development cannot happen

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without the involvement of AmaKhosi. That cannot happen and as a department, we believe we have to do that.

Chairperson, we are also looking at working with Co-operative Governance and Traditional Affairs, Cogta. We look at the Expanded Public Works Programme, EPWP, and we believe that this programme is also a programme which you will see both in the townships and in rural areas. As a department, what we believe should happen is that that EPWP must have those that think they would want to remain in that programme, but would rather encourage more to form co-operatives, small businesses so that they can be weaned out of this programme and begin to have their own businesses or co-operatives that can take advantage of government programmes that exist in rural areas which is planned by the Department of Economic Development and the Department of Rural Development. Speaking about Moloto Corridor, for instance, I am just making an example, part of the road - that corridor, will definitely find itself in areas which are under Amakhosi. What should be important is that we need to connect to that programme so that in that connection of that programme we ask the question. We are going to have this big programme. How are the local people who are under Amakhosi, for instance, going to benefit? What programmes do we have as a Department of Small Business

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Development to ensure that your SMMEs and co-operatives benefit from that? Thank you, Chair.

Mr L B GAEHLER: Chairperson, referring to the Minister, there are a lot of different departments that have programmes for SMMEs whereby SMMEs, departments, entities and local government can benefit. What awareness programme would you have to make the rural people and those that live in a township to make them aware, in their own language, about programmes that they can benefit from? Have you got any awareness programmes that you have to make them aware?

The MINISTER OF SMALL BUSINESS DEVELOPMENT: It was a bit difficult to hear the member. He wasn't speaking closely to the microphone.

IsiXhosa:

Mnu L B GAEHLER: Ndithi kuwe mama onguMphathiswa, apha kukho iilwimi ngeelwimi kwaye abanye babazali bethu abakwazi ukusithetha isiNgesi. Zeziphi iindlela enizisebenzisayo zokubazisa ezilalini okanye ezilokishini ukuba bangayifumana njani imisebenzi? Hlukanani nokusoloko nikhupha izinto zemisebenzi ngolwimi lwabelungu kuba kaloku kudala sikhululekile. Undivimile ke ngoku mama? [Kwahlekwa.]

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UMPHATHISWA WEZOPHUHLISO LWAMASHISHINI ASAKHASAYO: Ndikuvile ke ngoku, lungu elihloniphekileyo. Ndiyafuna ukuyicacisa into yokuba xa sisiya ezindaweni sifuna ukusebenzisana nabantu abasephondweni nabakwiingingqi apho sityelela khona. Kwi-ofisi yam ndinabo abantu abathetha isiXhosa, isiNgesi - ooh kanene isiNgesi awusithandi kakhulu, abathetha isiSesotho, nezinye iilwimi.

IsiZulu:

Kodwa ke indlela engasancedisa ukuba izinhlelo zethu abantu emakhaya nakwezinye izindawo bazi kahle ukuthi sikhuluma ngani, ukuba sihambe nabo abavela ku-Small Enterprise Finance Agency, Sefa, kuleso sifundazwe kulelo hhovisi ngoba yibona abakwazi ukuthi uma sifuneka sikhulume ngesintu bayakwazi ukucacisa kahle ukuthi yiziphi izinhlelo abanazo. Yiyo le nto engiyishoyo ukuthi u-Sefa no-Small Enterprise Development Agency, Seda, sinamahhovisi angama-54 ka-Sefa sibe namahhovisi angama-54 we-Seda. Abantu abaqashwayo kulawo mahhovisi lawo abantu bendawo. Akuthathwa abantu baseGoli balethwe eMqanduli ehhovisi noma kuthathwe abantu abaseKimberly bayiswe kwenye indawo lapho bangeke bazwane khona nabantu.

Okokugcina Sihlalo, kufuna ukusho ukuthi vele kuyinto ebuhlungwana le nto yokuthi sisakulendlela yokuthi kufuneka ngaso sonke isikhathi sikhulume ngesiNgesi, ngolimi lwalabo bantu esibabiza

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ngondlebezikhanyilanga. Yilo mlando wethu walapha eNingizimu Afrika okuzofuneka ukuthi singuMnyango nawo yonke iMinyango sizame ukuthi uma siya kulezo zindawo lapho abantu bengakhulumi khona ulimi luka-George, sikwazi ukubacacisela ngolimi lwabo abalugqondayo. Mina nje ngime lapha Sihlalo ngiyafuna ukukutshela ukuthi ngiyazama "ho-bua" "ndiyathetha" ngiyakhuluma angikwazi kuphela "praat". Kodwa nako kubalulekile ukuthi "Praat" ngoba bakhona labo bantu. Akukhona lapho ungabayisa khona. Lokhu kubalulekile futhi izilimi zibalulekile.

IsiZulu:

Nk L L ZWANE: Ngiyabonga Sihlalo ohloniphekile. Ndabezitha laphaya ezindaweni zaMakhosi uma ngabe nisabalalisa izinhlelo zenu njengoMnyango niyaqikelela yini ukuthi ezikoleni eziningi ezindaweni zaMakhosi azikho izifundo ze-Business Studies noma Economics? Ngakho ke uma nihambisa izinhlelo njengoMnyango kubalulekile ukuthi niqale nibaqeqeshe abantu ukuthi lona ke ibhizinisi uma ulisungula uhambisa kanjani ukuze uhambe ngamazinga ulokhu ukhuphukela. Uqale uyibhizinisi elincane, ugcine usuyibhizinisi elikhulu ngoba nokunikeza abantu imali noma inkece bengaqeqeshelwe ukuthi iphathwa kanjani kubuye futhi kuzoshaywa wona uMnyango. Ngingacela nje usicacisele ukuthi iphakheji yenu inazo yini izinhlelo zokuqeqesha abantu kwezamabhizinisi ikakhulukazi intsha. Ngiyabonga.

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IsiZulu:

UNGQONGQOSHE WEZOKUTHUTHUKISWA KWAMABHIZINISI AMANCANE: Ngiyabonga kakhulu Sihlalo. Ngicela ukusho ukuthi ukusebenzisana kwethu naMakhosi kanye noMnyango Wemfundo Ephakeme kanye Nokuqeqesha nokusebenzisana nama-Tvet colleges ezweni lonke sizama lokho singuMnyango ukuthi ...

Sicela ukuthi imfundo yezezimali asingayenzi ngokuqala ibhizinisi, imfundo yezezimali ebantwini abasakhula ezikoleni sizoyifaka kanjani. Ngicela ukusho ukuthi ngelinye ilanga ngangithi ngiyazihambela njengomuntu othanda ukugijima esikhathini esiningi. Ngilandela omunye umkhulu uhamba nomzukulu wakhe. Ngiyamuzwa umkhulu utshela lo mntwana ngezomnotho. Ngama ngabuza umkhulu ukuthi uneminyaka emingaki lo ohamba ukhuluma naye? Ngabe ngumzukulu noma umntwana wakho na?. Wathi umkhulu lo ngumzukulu wami uneminyaka eyi-11 ubudala. Kwafika ke kimina ukuthi nansi indaba la ikhona, ikakhulukazi thina abantu abamnyama. Asifuni ukukhulumisana nabantwana bethu emakhaya ngendaba yemali. Uma singafuni ukukhulumisana nabantwana ngendaba yemali, kuyahlupha ngoba phela uma beya esikoleni bona abasuki kulamatafula la bebehleli khona ntambama ngayizolo lapho ubaba nomama bechaza ngebhizinisi yabo ukuthi iqhutshwa kanjani. SinguMnyango sibona ukuthi kumqoka kakhulu ukuthi sikhulumisane noMnyango Wemfundo Ephakeme Nokuqeqesha ukuze

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sisungule i-entrepreneurship and business studies ezikoleni ukuze izizukulwane zakusasa zingafani nami engingazange ngibe nethuba lokuthi ubaba nje angitshele ukuthi unamalini ephaketheni lakhe. Noma nje bengingathi ngiyambuza ukuthi unamalini nginesiqiniseko ukuthi ebengangishaya ngempama engibuza ukuthi kungani ngifuna ukwazi ukuthi unamalini.

Namhlanje njengabazali kuyafuneka ukuthi kwathina sishintshe indlela esikhuluma ngayo ngendaba yemali ebantwaneni ngoba uma bengayiqondisisi ukubaluleka kwemali kodwa sibheke ukuthi uma bekhulile bakwazi ukuqhuba amabhizinisi. SinguMnyango lokhu kubalulekile ukuthi sikhulumisane noMnyango.

Question 358:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, I hope there is no conspiracy against me here because this House is always very hot for me. I recall some people laughing at me, but that is just a reality. This place is very hot. In principle, public entities should never work against each other but should work together to ensure that they deliver on the government growth and development plan and in this case, premised on the National Development Plan.

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We note that, at times, there is poor co-ordination, especially as programmes cascade through various spheres of government.

Efforts are underway to ensure that co-ordination and co-operation are improved.

The Minister has quarterly meetings with the boards of the *Small Enterprise Finance Agency, Sefa*, and the *Small Enterprise Development Agency, Seda*, respectively and jointly, including meetings with the CEOs of these agencies, to provide leadership and exercise oversight. Exercising oversight is very important. If we don't exercise oversight, we will find that these institutions don't work well with each other.

I must underscore that there certainly is political willingness towards collaboration. However, there is a functional level, provincial and municipal level on the ground, and there tends to be challenges with co-ordination. We are committed to ensuring that officials operating at the entity offices, at this level, place people at the centre of their work and that they understand the felt needs of the communities that they serve. Thank you.

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Mr J M MTHETHWA: Hon Chair, what did these two entities do to promote the previously disadvantaged communities to access business loans and strengthen small business development, especially in the rural areas? Thank you.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, I would like to indicate that these two entities were formed particularly to focus on the previously disadvantaged, but that does not mean that they would not do anything for anyone else who comes through the door.

However, Seda and Sefa are supposed to focus on the previously disadvantaged. Even in their mandates, it is very clear that they have to focus on supporting people in rural areas, townships and they are supposed to focus particularly on women and youth activities.

I also think that this question, if I am not wrong, might have been raised because of the challenges that were in Ethekwini, in particular. I am just thinking that it is maybe so because you come from that area.

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I have already ... They say I must say the Minister and not I. The Minister obviously intervened after having read in the papers of the challenges that were faced by Seda Ethekwini. I then called a meeting with the board members of Seda Ethekwini and the CEO and Chairperson of Seda. We have worked together to find a way of dealing with that issue because it was beginning to embarrass us. However, we did realise, in that meeting, that the problem did not start with our Seda offices. It started with an agreement at Seda Ethekwini, which was working independently of Seda overall.

So, I do want to say to you that the issue has been resolved and we are hoping that Seda and Sefa will continue their mandate in supporting small and medium enterprises. I think what was happening there was very unfortunate, where the CEO ended up giving money from his pocket to pay and we then had to see how to deal with that. However, the confusion was not caused by Seda, as a national office. It was because of how Seda Ethekwini was formed. Thank you.

Mr B G NTHEBE: Minister, I think more often than not people tend to think that the mandates of the two agencies overlap. We know that the mandates are clearly defined. Now, if you want to break it down and link it to your earlier comments on your first question about the preparedness towards the fourth industrial revolution, ... As a

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way of illustration, if you take a country like Rwanda, you will find that 20% of their citizens have access to electricity. It takes a turnaround time of two days to register an SMME. In South Africa, we are sitting at 90% access. It takes longer and a lot of toil and sweat for you to access services. It is only a way of illustration. Are these challenges seeking to make sure that the mandates, as they are clearly defined, are adhered to, but also that correlations and co-ordination between agencies are strengthened?

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, I fully agree with the hon member that the co-ordination and the two entities working together are very important. Yes, the two entities and their mandates are very different. Seda focuses on training and assisting with the writing of business plans and so forth and Sefa focuses on the financial arm of it.

When I started in the department, of course, being less informed at the time, I was wondering why we cannot just merge these entities. In the process of understanding the responsibilities of the two, I realised that you cannot wake up in the morning and just merge them. If you do, there has to be a particular process that informs you to do that.

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To that effect, we started a process of research into the development finance institutions, DFIs, or agencies because we believe, as a department, that it goes beyond just Sefa and Seda. We need to look at the development finance institutions overall in South Africa because people would say that there is no difference between Sefa and the bank.

Therefore, we are of the opinion that working together with the Department of Finance, which is Treasury, is important. There is already a process that has been started about looking at the DFIs overall to see where we can merge and where we can separate. At the end of it all, it is about assisting the small and medium enterprises and co-operatives on the ground.

I also believe that these institutions have to be developmental because if they are not developmental, they cannot address the real felt needs of SMMEs on the ground and in particular, the black SMMEs who recently ... If we want to talk the truth about when black people really started to get into business, you cannot tell me that they have been there for the 23 years of government. There are those obviously whom we respect and who did everything, even under difficult times like Ntate [father] Maponya and the rest of them.

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They tried to do something but they worked under very difficult circumstances.

The real support that government can talk about is supporting SMMEs over the past 10 years, but mainly, with the formation of the department. It is enabling because SMMEs have a special place where they can get assistance.

Mr J J LONDT: Minister, my colleague basically covered what I wanted to ask, so I am going to ask and you can decide if you want to take the question. We have very good labour laws looking after our workers in the country. However, one of the challenges that small business owners often face is that the labour laws make it very difficult for them to get their business going because they need to spend so much time every month and every year navigating through all the laws that are in place. What do you see or foresee can be done to assist those small business owners to spend less time on aspects like that and more time on growing and expanding their businesses?

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chair, at the centre of everything that we do has to be trying to make it easy for business to do business. We are not the ones that are doing the business. They do the business and therefore, we must create an environment

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that is conducive, through legislation and through regulation and so forth.

However, I must indicate that compliance is important because if you begin to allow noncompliance then you have a bigger problem than you think. So, those SMMEs who are facing red tape ... So, what must we do? We cannot work alone because red tape is something that is felt by the SMMEs throughout all levels.

We are in the process, at the moment, of reviewing the Small Business Development Act, which was passed in 1995 and amended in 2006, I think. So, working on that, the department has gone throughout the country to consult with businesses themselves, both organised business and individuals who were able to make their submissions. We think that in the process, some of the issues that we are raising will be brought up. What is important is that we develop and make it easy for SMMEs.

Regarding the issue of labour laws, I know SMMEs wonder how they are going to deal with the minimum wage and whether they must retrench after they have paid the minimum wage. What was exciting for us while going around the country was that the majority of SMMEs were very conscious of the need to pay a proper salary. They believe that

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when you pay that proper salary, it means ... They don't just look at it from a profit point of view, they look at it broadly, that the money will find its way back to them.

Therefore, we also engaged with the Department of Labour and we have been working with the *International Labour Organization*, ILO, in terms of trying to see how we can be assisted in ensuring that these labour laws or any other law that is inhibiting SMMEs and co-operatives is dealt with.

So, my answer basically is to say that the understanding is that we have to make it easy for SMMEs and co-operatives to operate and if there are laws that are making it difficult for them, it is our responsibility as custodian of SMMEs to make sure that we engage to reduce the difficulties that they encounter.

By the way, one of the things that I spoke about earlier is the one-stop shop because part of what is difficult for them is going around to too many different places. The hon member spoke about the issue of Rwanda and the fact that the turnaround time in Rwanda is quicker and easier. It is because they started the one-stop shop way ahead. They realised that in order for businesses to work - we are talking about really rural and poor people - they have to ensure that they

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have the one-stop shop. You come to one place and deal with everything without moving from one office to the other.

Mr M D MONAKEDI: Hon chairperson, I wanted to make a case earlier for the two agencies to be merged. However, in her response to the earlier question, the Minister has actually answered me. I want to make a submission that, going forward, the Minister looks into this particular matter, given the last comment that she has made about the one-stop shop. We must have one agency that works efficiently, effectively and very optimally. Our people will be able to source whatever services they want from one centre or one agency. Like I said, I think the Minister has spoken on this particular matter. Thank you.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Monakedi, as I indicated, we have started the process of research so that we don't collapse systems and end up with people with nowhere to go. We need to have the plan rolled out, but in the mean time, we do need to service our people. As time goes on, as I said, we will have to look at the whole exercise of the development finance institutions. Remember also, you have Sefa, which was developed out of Kula and a whole range of others.

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So, we move from one point to the next point. Because we cannot be stagnant in the way we do things, it is important for us to take these ideas and continue engaging. Ultimately, what we should have is not to break the service we are giving to our people because they desperately need it.

Maybe in another five or 10 years and maybe with another Minister, we would have completed that piece of work to make sure that we are firstly strong in the one-stop shop. In fact, we have seen how the one-stop shop works very well. The Department of Trade and Industry has the one-stop shop for investors and it makes live very easy for investors. That is an example at which we can look and see how we can move towards ensuring that this is also the same for our people. Thank you.

Question 377:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson and thank hon Mathevula for ... Is Mathevula neh? [Interjections.]

The MEMBERS OF THE NCOP: Yes.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Heh!

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The CHAIRPERSON OF THE NCOP: "Ja."

Ms B T MATHEVULA: I am Mathevula.

The MINISTER OF SMALL BUSINESS: Mathebula ... vula!

The MEMBERS OF THE NCOP: Mathevula.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Oh. Alright, because I am used to Mathebula. So, maybe they are related I do not know. They are Zulus and ... Yes. Absolutely. No. Chairperson, thank you very much. May I start by saying this question in my understanding is asking us about how many jobs have been created since the implementation of the National Development Plan, NDP. I want to be upfront and say, the National Development Plan has got a number of programmes within it. Therefore, I cannot take only what has been created through the Department of Small Business Development to be the only job creation programme.

So, my view is that whether is housing, social development, enterprise development, all those departments have to be able to tell us since the launch of the National Development Plan - how many jobs have been created. We think this is a very good idea that we

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can be able to go to all those departments, but obviously our approach to it will be more to do with the support for Small, Medium and Micro Enterprises, SMMEs, and the jobs that are created by those SMMEs and that is what we think we should because the creation of jobs under the NDP cut across all departments.

However when it comes to ourselves as a department, through the Black Business Development Supplier Programme, we have some figures and remember that - we are only just three years in office - we have some figures that for instance indicate in the year 2014 to 2015 there was 10 425, 2015-16, 11 217 that totals to 21 642. Those are the jobs that were created within this space of the three years we are talking about as a department.

In addition the following estimated jobs are based on the calculation that each approved application for the Co-operative Incentive Scheme creates or maintains about five jobs. In 2014-15, 243, in 2015-16, 247 which totals to 2 450.

Then we have our agencies that are Small Enterprise Financial Agencies, Sefa, and Small Enterprise Development Agency, Seda, and our view in particular is that this is where you will find more jobs being created on the basis that the bulk of our financial resources

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go to these institutions that therefore give direct support on the ground.

So, Sefa has facilitated 258 91 jobs since the implementation of the NDP. We are just talking about Sefa here. The Small Enterprise Development Agency on the other hand, through its Seda Technology Programme, STP, has been gathering information on jobs created in 2011 and 2012, whilst Enterprise Development Division, EDD, network only started with its 2013-14 process. The information from the EDD network is only from surveyed clients that are 6 269, of the 73 728 clients working from the 2011-12 dates.

The total number of jobs created by the STP from 2011 to 2012 to date, is 14 906 jobs. The total number of jobs created by the EDD network based solely on the 6 269 surveyed clients, is 12 264. Using the performance of the surveyed clients, one could estimate that the total number of jobs created are 73 728 that is clients working with is 148 467 jobs.

Chairperson, I would like to say that as I said with the first question, this is also another question which we can further answer by requesting for the relevant information from the other departments, but we will focus on those that are related to small

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and medium enterprises, because if we had to look at it broadly as government in general, I am sure the figures would be bigger than this.

What is more important to us as the department here I must say, is that government continues to be the only vehicle which creates more jobs and this is abnormal if we were to look at the whole world. It is not governments that are supposed to create jobs, it is business that are supposed to create jobs. Government is supposed to create the conducive environment. [Applause.]

The CHAIRPERSON OF THE NCOP: Yes Ma'am. [Interjections.]

The MINISTER OF SMALL BUSINESS AND DEVELOPMENT: Business must create jobs. The challenge we have is that government in South Africa, is the only one whose figures are high in terms of employment and that employment is employment majority of black people. [Interjections.]

The CHAIRPERSON OF THE NCOP: Minister, your time has expired.

The MINISTER OF SMALL BUSINESS AND DEVELOPMENT: Therefore, it is important for us to continue working with the private sector and demand on them that they create jobs. Thank you.

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The CHAIRPERSON OF THE NCOP: Minister, your time has expired for this supplementary. You have the hon Mathevula. Hon member, you are protected.

Xitsonga:

Nkul B T MATHEVULA: Mutshamaxitulu na Muchaviseki, ndzi hlamulekile. Ndza khensa.

English:

The CHAIRPERSON OF THE NCOP: Thank you, ma'am. Hon Minister, we are moving ... Unless there is any other member. Hon Michalakis.

Mr G MICHALAKIS: Hon Chairperson and hon Minister, your liberal view on the economy expressed tonight is refreshing. I think my DA colleagues will agree with that. I absolutely agree with you that business should be the vehicle. You have mentioned a few figures of jobs that have been created, if those figures are accurate and I have no reason to doubt you and then I have to applaud you. However, it has been published today that the unemployment rate of the country is at 27,7% for the third term in a row. Now, firstly, it is a bit of a ... It is not actually the question, but I think and imagine that it should anger you as well that if you are creating

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jobs on your side and then the unemployment rate does not come down. It surely angers me.

If from your department, you are creating so many job opportunities, what is government then doing wrong because the unemployment rate has not come down? Thank you.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, I do not view the job creation and the growth of the economy of South Africa from a narrow perspective that says, by now we should have created jobs for everybody. We need to get to the reality of the situation of the world in which we live in. Whatever happens anywhere else does affect us. However, what is important here to your question in particular and you said you are angered by the fact that unemployment is not going down. This government is doing everything it can to make sure that employment goes up. Part of the reason why, this Department of Small Business Development was formed was to specifically begin to say to our people that there is an alternative and that alternative is about you starting your own start up businesses and building your own businesses. However, obviously the majority of the people we are talking about are still too reliant and dependent on government in supporting them. That is where the problem lies. It should not be that the majority of black people are

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reliant on state procurement in order for them to grow their businesses. It should be that yes, there is a government that has a bit of pocket and a budget with all the infrastructure and other things that it is doing, but in the main it is also supposed to be the private sector that should open up in the value chain for SMMEs to be able to grow. It is not possible for government alone to be the one sole provider of jobs in South Africa. Hence all the plans that we have are supposed to assist us in ensuring that people access the opportunities through small and medium enterprises as well as co-operatives.

Mr M RAYI: Hon Chairperson, the ANC is not a liberal organisation and it believes in a mixed economy where the role of public and private sector and civil society is important. I just wanted to rebut this statement.

The CHAIRPERSON OF THE NCOP: Hon member, is that a point of order, or what?

Mr M RAYI: No, I just wanted to rebut that statement by the hon Michalakis.

The CHAIRPERSON OF THE NCOP: Hon Rayi.

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Mr M RAYI: Hon Chairperson, my question would be whether there should not be an institutional arrangement within the department, perhaps co-ordinated at a level of the Presidency, where departments are compelled on a regular basis to provide these statistics with regard to jobs that are being created. Thank you very much, hon Chair.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, departments are already compelled through the Department of Planning, Monitoring and Evaluation; to really give the statistics that we are talking about, about jobs being created. In fact, what we are expected to do not just myself as a Minister of Small Business Development, all Ministers are suppose to say, these are our programmes and these are how many jobs that are going to be created, because all the programmes we need to be rolling out, must be geared, yes towards servicing people, but they also must be geared towards ensuring that jobs are created. Those statistics are available through the Department of Planning, Monitoring and Evaluation because I know; we as a department are requested by the department to indicate through our programmes, how many jobs are being created. I do fully agree that if we can focus our economy to the creation of jobs, again I will say through small and medium enterprises and co-operatives, the benefits thereof will accrue to the people on the ground.

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The challenge that we have obviously is the fact that as a department you cannot imagine what we go through being Seda and Sefa. Because of the past, people come with ideas, but they do not know how to put that idea into a business plan. So, you find that your Sefa and your Seda and those that have to advice have to sit down many hours of trying to explain even a simple thing. That is why we believe that through education - and in response to that question that says: Can we have education in terms of entrepreneurship and businesses being something that is done in schools because when they leave the school, they would not be harassing government about - how can you develop a plan for me? They will know exactly how that is supposed to be done. Thank you, Chair

Mr B G NTHEBE: [Ee, mme Mokwele.] Yes, ma'am Mokwele. No Chair, I want to thank you. Hon Minister, Ngconde was correct. Our relationship with capital is that of co-ordination, contestation and influence. We do not seek to ... For we understand that the role of government is to create the regulatory framework for conduciveness of private investment to be able to invest into the economy. So, this is not a liberal way of understanding how we work. Ours is not to make sure that government expenditure erodes and display private investment, but creates a platform for them to come. So, in that regard, would you concede that the space in terms of the regulatory

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framework is conducive, however we need to ensure that as government we continue to ensure that as we promulgate we also afford private investment to come into space and create jobs that are necessary?

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Chairperson, the transformation in South Africa is not something that is going to happen overnight. It is going to take us a long time. Therefore, we need to build this relationship between the private sector and ourselves. Chair, however, I do dare to say the biggest challenge we have is what so many out there say there is a trust deficit. This is our country and we all live here. So, if you move around with this trust deficit, trust deficit and you do not take the right steps in supporting your SMMEs and your co-operatives on the ground, you are really creating a problem for most ordinary people. You are not just creating a problem for political parties; you are creating a problem where you do not enable people to get out of the mode of thinking that the only thing that can help them is only through government. Yes government must create the regulatory framework, must make sure that there is regulation and legislation, but it must make sure that there is not over regulation that then makes it very difficult for your investors to come in the country.

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So, really my conclusion here is that as a country, we are 23 years in office and very unfortunately again the majority of black people still depend on government. If we can move away from that and work with each other, South Africa would be a better place.

Question 360:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, the question is: "When will the review of the National Small Business Amendment Act, 2004 (Act No. 29 of 2004), be finalised; whether the government has any plans to develop medium to long-term action plan for small, medium and enterprises that will cut across all the industries in the economy?" Yes, I think I did indicate to this earlier on when I was answering another question that the Department of Small Business Development has a target to table the revised Act to Parliament by 2018. Currently a number of issues have been raised by various commentators which require a review in the law.

On the policy front, the Department of Small Business Development has embarked on a process of modifying the National Small Business Amendment Act of 1996 as amended, as well as the review of the integrated strategy on promotion of entrepreneurship and small enterprises largely to bolster and propel the Small, Medium and Micro-sized Enterprises SMMEs Co-operatives sector. Among others,

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the issue of concern is a notion that this legislation is mainly administrative rather than developmental in approach.

I am aware that as a custodian of Small Business Development and Co-operatives, the department took a tactical decision to embark on a nationwide stakeholder consultation and I've already said that earlier. But I think what is much more important is the fact that the department has research which has been commissioned on a comparative analysis to support an evidence-base review of the Act and the report is now available.

Focus on the current financial year is to ensure that the proposed amendments are drafted into a National Small Business Bill through legislative process. Once the Bill has been drafted, it has to undergo a process of certification. After certification of the Bill, the second consultative process will have to be embarked after which will be submitted to the Minister for consideration. I think that's all Chairperson.

Mr M RAYI: Hon Chairperson, hon Minister, we welcome the tabling of the legislation next year and we are looking forward to engage with it as a committee. What I wanted to find out is whether the draft

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legislation talks to the issue of township economy. May you please, if you can, share some details with regard to that?

The second part of the question ...

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: You are supposed to make one supplementary question.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, any legislation that relates to South Africa in general, cannot ignore the fact that we have townships, rural areas and we've got previously disadvantaged, we've got people that were never in business, people who had no opportunity. Any legislation that we have to deal with, remember I said earlier on that we make consultation across the country, will be a must and it is important for us to make sure that any legislation that we pass will not have negative effect on any people, but mainly the one that speaks to the township economy. It is important for us to do that.

I think I would also ask members if they have the opportunity to go into the commission Report because we commission the report to be done by Trade and Industry Policy Strategies, Tips, which looked at international best practices as well as recommended options to the

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National Business Act. We say that that legislation must speak more to what the people on the ground said to us. I think when it goes through that legislative process that's the time when members can also make sure that their constituencies look at the proposal.

Mr S G MTHIMUNYE: Hon Chair, two comrades have already dispelled the ugly head of liberalism that was trying to rear in the House. In fact, it is capitalism as its best masquerading as liberal. It is characteristic of a developmental state to intervene in the economy, especially the economy its characteristics is the one that we have in this country. The policies that the Minister has made reference to are actually of a developmental state intervening in a skewed economy that is created by liberals.

My question is that last week during the Medium-Term Policy Statement that was made by the Minister of Finance; he made reference to the fact that they are creating a new fund called Small Business Innovation Fund that will be shared between the Department of Small Business Development and the Department of Science and Technology. How is it distinct from Small Enterprise Finance Agency, Sefa? I may welcome the fact that that may need details in writing.

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Mr G MICHALAKIS: I rise on a point of order that Karl Marx phoned and said that he wanted the communist dictionary that the member picked up from his toilet bag.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: That's not a point of order. Continue hon Minister.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Chair, as the Department of Small Business Development, we are forever looking for opportunities of increasing and up-scaling the support that has to be given to Small, Medium and Micro-sized Enterprises as well as Co-operatives. When the CEO fund was announced in 2015 we thought that it was a good idea for a fund like that to be launched. Remember that when it was launched it was said that we were going to also put the same amount to the R1,5 billion. But I think the issue here was that the CEO fund is governed and accessed in a completely different way.

As the Department of Small Business Development and the Department of Finance and Treasury, we were looking for a fund that would speak specifically to the developmental nature of what the member is talking about. Hence we've been looking for where can we be able to find the funds. The Minister of Finance announced that between me

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and the Minister of Science and Technology there is a fund that already exists. We need to sit together and say . . . this is a start-up. Remember that of the CEO was not said it was a fund for start-up only but it can be accessed. We already had a meeting with the CEO of that fund to just see where we can find signage amongst ourselves. So, this fund which was announced is a fund that we will have to announce further because it is strictly for start-ups, innovation and all that. The Minister of Science and Technology and me, with our departments, we still have to sit down and knock out the processes thereof in as far as dispersing and focus of that fund. Thank you.

Mr J J LONDT: Minister, it is just slightly off but I know you can take most of the questions. So, I just want to find out the National Small Business Advisory Council which nominations thereof went out in 2015 and it doesn't seem that there is a lot of progress that has been made with regards to that. My question comes more to us as the National Council of Provinces, NCOP, we represent different provinces. I would like to know whether you are willing to commit to getting proper regional representation on that National Small Business Advisory Council so that it is not just people from one area, one city and few provinces that are represented but from all over.

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The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Chairperson, if I may say that part of why there was a delay, for me was just that, one of the issues because when I looked at the list I had a bit of a problem. The majority of the people who were there were from Gauteng as usual, and therefore, I needed to take a step back because in my view, first we've got to be able to get people that have a real full understanding of what needs to be done in supporting SMMEs firstly. Secondly, I needed to make sure that there is that spread, thirdly, I also needed to make sure there are women also on the Board because again you get names and it's a whole list of males only. As a matter of principle as ANC-led government, we have said that we need to be able to keep this . . . including bringing young people on Board because in most Boards you will find that there's no young people or very few of them. All the issues that I'm putting here are the considerations that we've been making. There was a presentation to me and I wasn't very satisfied with it and I had to take a step back and say how we do that spread we are talking about of gender, youth and so forth. Thank you.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Minister, don't forget people with disabilities in you spread.

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The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon Chair, it should be firstly noted that government came to the rescue through various departments because here the question is, what proactive steps and actions has her department taken to assist the communities of Bitou and Knysna? What I think I want to make as a matter of principle is that government should and always will come to the rescue of any communities if they find themselves in any distress in any way.

Therefore, in working together with the other departments; Department of Water Affairs, Department of Agriculture, Forestry and Fisheries, etc, we were very much aware of what government was doing there. However, as a department we did not receive any request from either business or municipality for this area for assistance. Should we be approached, we will certainly assist as we have Small Enterprise Finance Agency, Sefa, and Small Enterprise Development Agency, Seda, offices who service this area and we have our national office which is very accessible. It should also be noted that Small, Medium and Micro Enterprises, SMMEs, in these areas are very resilient and have better access sometimes to the banks and are more advanced, if I may say.

In essence, we have not done any specific support for this area but are ready to assist should we be called to do so because we never

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received anything as a department that was asking us to support. Chairperson, I have indicated over and over again as the Minister of Small Business Development I was appointed and the department is set up to support all South Africans, irrespective of where they come from and colour. However, we focus obviously on the previously disadvantaged communities because we know that there wouldn't be where they are had there also been a space created for them in the past. Therefore, if there are any communities, businesses or co-operatives that come from those areas and want our support, gladly we will do so. Thank you.

Mr J J LONDT: Hon Minister, your department was started at the beginning of this term with the aim of facilitating and supporting smaller medium enterprises, in the current economic climate it is very difficult to start and survive a small business. However, following the tragic fire that hit the garden route the projections are that the economic growth for that area will be significantly higher than the rest of that region and even the country. The Department of Small Business Development has the ideal opportunity in these areas ... [Interjections.]

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The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon members, you have now distracted the member on the podium because hon Gaehler is communicating. You are protected, Sir, please continue.

Mr J J LONDT: Hon Minister, I was at the growth rate that, that region, Bitou and Knysna, has potential for. So I said that the Department of Small Business and Development now has the ideal opportunity to show the value that you can add in an area where the growth potential in the short to medium term looks extremely good. You also mentioned that you are waiting for people to come to you to request for assistance. My question to you is; will you commit to getting your department involved in this area to proactively help rebuild this community, find the small businesses that need your assistance and might not be aware of all the opportunities that available to them? By doing that, you will have bragging rights of what your department is actually done. In real terms and numbers you can say that these are the success stories that you can take forward.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Absolutely, Chairperson, through you or hon Londt. Anywhere where there is an opportunity or potential for SMMEs to grow, there is just no way that we can say that we wouldn't help because believe me, we know that the people

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who live in those areas many of them need the jobs that are being created by your SMMEs. If we have to be proactive - as you rightfully say - we will have to speak to our offices both Seda and Sefa. It might be that at the national level, for instance, there was nothing that came directly from us, but that does not necessarily mean that through the offices of Seda and Sefa nothing came through.

In short, Chair, as we say as a department our focus is to assist SMMEs to grow because the end result of that is obviously growth to the economy, jobs being created and improving the lives of ordinary people where they can wake up in the morning and either go to the jobs or keep their businesses. It is will only be with pleasure that we can be able to go and assist there where we find that there is a need for us to do so. Thank you.

Mr J M MTHETHWA: Hon Minister, my question is; what do you do with those SMMEs when they are in trouble, whether is fire or drought and they don't come out to say that they are in trouble and they don't approach the department, do you have any mechanism? How can you get in touch with them?

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The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, this is a question that relates to Bitou and Knysna. However, I do want to say that not only this community that finds itself in distress, simple example; you find small and medium enterprises and the informal sector under distress because they are being attacked, their shops are being looted and burnt, people might say those are foreign nationals, but the bottom line is that it is the responsibility of government to always come to the rescue of any community in any distress irrespective of where they are.

Again, I might venture to say that as a department, for instance, in terms of these attacks that have been happening in our townships and in rural areas where shops are looted and all, this department was the one that initiated an interdepartmental team to begin to speak to how do we help those communities. Not only from a point of view of the Department of Small Business Development, but in general. In conclusion, Chair, it is our responsibility to respond to our communities irrespective of where they are. That is the duty of this government of the African National Congress.

At all times we have to do that and we do not want to be selective in doing so. What might maybe be missing in this point is the department having its own plan that says; there are communities in

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Knysna whose businesses have been burnt down, what is it that we can proactively do as a department? I think it is not a bad idea for us to have systems that are proactive in the department. Thank you.

Mr E MAKUE: Chairperson, I had a painful privilege of travelling through that area over the last weekend. The devastation that this fires caused, particularly, for the rural people who are poor is quite devastating, Minister. However, what we also learnt is that; leadership there has not sat back, the executive Mayor Peter Lobese, and also the Bitou fire victims' disaster relief fund are looking at helping people there. My question would be, Minister, would you instead then, be prepared to get the different government role players of that district together so that it is not a matter of the Department of Small Business Development going in without giving appropriate recognition to the efforts that are already being taken by government and the private sector in that community and utilising this crisis as an opportunity to ensure that there will be new ways of engaging in crisis? Thank you, Chair.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chair, as I was indicating in answering some of the questions in terms of our approach to having a co-ordinated approach to supporting SMMEs hence as a matter of principle, we don't go to any area without engaging

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with the local structures. As I said earlier on, those structures will be your ears and eyes when you have gone back to Pretoria or Cape Town wherever you come from. For that, it will be important for us to look at what is happening in that community and specifically from a point of view of supporting the SMMEs. Like I said, we didn't receive any asking for any help but it doesn't stop us from being proactive.

Actually, hon member, I was asking myself the question about innovators and these people who are creative and coming up with good ideas. I was saying to myself; can't those innovators spend time looking at other ways of extinguishing fire because the fires rage so fast and quickly. When I look at science, technology and innovation I see this is something that happens in California and other places. By the time the fire is extinguished, so much damage has been done.

Maybe we should say to our young people out there, to try and look for new ways of extinguishing these fires. It might be able to save quite a lot. Those who have the ideas in their heads they can start working on something, you never know, being entrepreneurs and innovators they will make money but obviously as government the

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private sector we need to support those that might sit in some laboratory and begin to develop something. Thank you, Chair.

Mr M RAYI: Hon Chair, the Minister has already addresses the question I would ask. My fear was that the area especially the forests had also been affected, the question could be; Department of Agriculture, Forestry and Fisheries, Daff, what are you doing with regard to the forest. Normally, for me when it comes to disasters the department that co-ordinate is Cogta. I want to move further and say. It would be better if we could have interministerial arrangement where that response to issues of disaster falls not only in Bitou and Plettenberg Bay but also recently we had floods in KwaZulu-Natal, for example. There could be such responses for all sectors that are affected in these areas. Thank you, Chairperson.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Chairperson, I think as South Africa also, we need to wake up to the realities of the environmental challenges that we are facing whether is fires - some fires obviously are started by people and some in different ways - but I do agree that this interdepartmental and co-ordinated efforts to dealing with disaster is something that we need to do as government. I also want to say that I am aware of the fact that when these disasters come through, national departments always come

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together and discuss at different level; what help needs to come from Cogta or water affairs depending on the nature of the disaster.

In conclusion, Chair, I think we should also be aware of what climate change is doing in our lives. We can see it on day to day basis but I think what we need to do is to begin to be a bit proactive. Winter comes, you get snow in places where you never thought there was to be so much snow and is becoming something that happens every year. So, we can't be waiting for some magic or miracles starting somewhere.

We, as government we are already being proactive to say; come next winter the previous winter we were affected by this snow, how are will we help the farmers, our communities, people who live in areas where ... you know if you are in Europe it is easy, you know that winter time you need to go buy your coat and everything. I lived there, that is why I know. I lived in snow, for six years, that is why I know. It is important for us to begin to say; what do we do from even the houses that we are building today. Are those houses able to respond to the new challenges that we are facing because of climate change? Thank you, Chair.

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The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon members, that was the last supplementary.

Ms T J MOKWELE: I am not doing a supplementary.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: You are on a point of order?

Ms T J MOKWELE: Yes, Chair, before you close today's proceedings, hon Chair. When you were in Russia, EFF raised an issue with regards to the medium of communication in terms of the language. We have stated in the House that our languages are not taken into cognisance by the institution and we are now in our fourth year that that we are either receiving communication via Afrikaans or English. So, I just want to make you aware that there is that issue that we need a response to. If you want us to make it formal and write to your office or to whoever that will be responsible ... shut up, toe! Shut up ...

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Just address me and forget everybody else.

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Ms T J MOKWELE: ... if you want us to write this matter formally because we have eleven official languages as a country, we also need to be addressed in our mother tongue.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Hon members, it is not a frivolous request, order! In fact we are considering the use of language in Parliament, especially when we communicate not only amongst ourselves but with our constituencies. However, we are also hoping, hon Mokwele, that very soon this Parliament will adopt very formally our 12th language; the Sign language, because we have people who are unable to communicate and I think it is not four years, it is more than four years because we have been in this institution since 1994, we are looking at that. The Speaker and I have discussed the language policies in this institution and we are also looking at all the mechanics of ensuring that our interpretations and translations - because sometimes the two are not the same - are overhauled. We are discussing and we are hoping that very soon we would be able to reflect that even in our Budget because the other part is what goes on into the parliamentary Budget and we are hamstrung we are unable to do everything that we should do.

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So, sometimes it is not a matter of an institution it is refusing, but it is the fact that the institution, this Parliament - unlike other Parliaments - gets what it is given. So, ...

Setswana:

... ke kopa go e tswala moo ...

English:

... and say what you are saying, I had not been told about it and I would not mind if you write, but I also know that it is a matter that is close to our heart, one sentence, hon Koni.

Ms N P KONI: Chair, my contribution to the topic would be that the ANC must at least start processing this as soon as possible because there is no guarantee that they will make it to government in 2019, at least so that there would be something good that the ANC did for our people. Thank you.

The CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES: Your point is taken, hon member. I am sure in 2019 they would have done something about it whether they come back or not because (thina-we) we are thinking more about the promotion of the South Africans in general.

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As Presiding Officers that is always paramount in our minds. Thank you.

Debate concluded.

The Council adjourned at 21:04.

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