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PROCEEDINGS OF THE NATIONAL ASSEMBLY

The House met at 15:02.

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

The CHIEF WHIP OF THE OPPOSITION: Deputy Speaker, I would like to address you in terms of Rule 87 of the Rules of the National Assembly, if I may?

During the course of last week a member of this House and a Minister of state, the hon Lynne Brown, released a media statement in which she not only cast aspersions but launched a vicious attack on the work of the current subcommittee of Public Enterprises that is dealing with the inquiry into state capture. The words that she used in that press statement were "kangaroo court".

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On behalf of our party, I would like to ask that the presiding officers of Parliament examine Rule 87 and examine whether it has been transgressed by Minister Brown, and if it has, that the presiding officers, as they did through precedence in a similar occurrence when the arms deal was being discussed, address a letter to Minister Brown asking her for an explanation for her comments and her attack on Parliament, its committee and the proceedings of that committee, and that both are then published in the ATC.

We don't expect a ruling now but we would like the presiding officers to take it under consideration. This House and the work of that committee cannot be attacked in this manner by a Minister who is a subject of that committee's inquiry, and a member of this House and accountable to us. Thank you. [Applause.]

The DEPUTY SPEAKER: Thank you. We will do that.

Mr P J MNGUNI: Deputy Speaker, near the main door ...
main door.

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The DEPUTY SPEAKER: Yes, go ahead. What are you rising on?

Mr P J MNGUNI: Thank you. Hon Deputy Speaker, we would like you to also hear us on this. In terms of Rule 92(2), a point of order must be confined only to a matter of parliamentary procedure or practice or a matter relating to unparliamentary conduct as defined, and must be raised immediately when the alleged breach of order occurs.

I respectfully submit that this may not be immediate unless it gets your condonation.

The DEPUTY SPEAKER: Okay, thank you. We will consider your view and we will come back to the House with a response. Thank you very much.

The CHIEF WHIP OF THE OPPOSITION: Deputy Speaker, if I may just clarify why I've waited till today to do it. It is that it would've required either the Speaker or the Deputy Speaker to be in the House when that happened. This is the first time that either the Speaker or the Deputy Speaker has been in the Chair of the House.

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The DEPUTY SPEAKER: Okay, thank you. Order hon members! The only item on the Order Paper today is Questions addressed to Ministers in the Economics cluster. Members may press the to talk button on their desks if they wish to ask a supplementary Question, and I wish to remind hon members that the names of members requesting supplementary Questions will be cleared as soon as the member of the executive starts answering the fourth supplementary Question. The first Question has been asked by hon Tolashe to the Minister of Labour. I have been informed that the Deputy Minister will be answering Questions on behalf of the Minister. Hon Deputy Minister?

Question 298:

The DEPUTY MINISTER OF LABOUR: Thank you Deputy Speaker. The turnaround strategy to resolve the specified problems and to speed up the processing of claims in accordance with the turnaround time is in place. We have decentralised the claims-processing service to all labour centres as a way of addressing the bottlenecks in the turnaround strategy. We have commenced with the integration of information technology, IT, financial

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modules to improve compliance with the turnaround times to pay claims.

The project involves converting labour centres into processing centres which will allow labour centres to own the clients and the processing of claims.

Up to now, the Unemployment Insurance Fund, UIF, has managed to convert 42% of the labour centres countrywide. In Gauteng province, being the largest volumes driver, the UIF has converted 23 out of 26 labour centres into processing centres.

The project led to an improved performance in turnaround time from 86% in quarter one to 88% in quarter two of the 2017-18 financial year, within 15 days. This is a huge improvement as compared to 80% within five weeks achieved in the last financial year, 2016-17.

We have also introduced a new queue management system in order to deal with the workload at the labour centres.

Our interventions to ensure that we meet the 14 to

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21 days turnaround time will be further enhanced with the creation of 258 client service posts.

The department does have a strategic plan to deal with other challenges. These include reviewing the labour centre model by upgrading the processing sites instead of the current ones where they merely serve as a post office or the head office.

We are also introducing free Wi-Fi and beverage in the labour centres where our people can access the services of the Department of Labour.

Mr L P KHOARAI: Deputy Speaker, I'm going to take the Question on behalf of hon Tolashe. [Interjections.] It's none of your business. [Interjections.] Deputy Minister, thank you for your response. How ready are your labour centres to service 258 clients to improve your turnaround strategy in the department?

The DEPUTY MINISTER OF LABOUR: Deputy Speaker, maybe my answer was not very clear. In order to improve service delivery in the labour centres we have created 258 posts,

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which means that an additional 258 employees will be in the posts to ensure that we expedite the delivery of the department's services. Thank you.

The DEPUTY SPEAKER: Thank you very much. I don't see any further ... Are there any supplementary Questions? I don't see anybody. [Inaudible.] Is the machine not working?

Mr I M OLLIS: Deputy Speaker, if I could just assist you.

The DEPUTY SPEAKER: No thanks. Wait, I don't want assistance now. Okay, I will do that. Hon MkhaliPhi?

IsiXhosa:

Nks H O MKHALIPHI: Ndiyabulela Sekela Somlomo.

English:

Deputy Minister, a year ago the director-general of your department committed that they will be moving UIF payment processes to a paperless system which will lower the turnaround time for payments. Has that been done? If not, why not? Secondly, Deputy Minister ...

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IsiXhosa:

... amagosa akho esebe andiyazi ukuba iBatho Pele bayifundiswa ngubani na kuba abakwazi ukusebenza nabantu ...

English:

... queues are still very long. They don't attend to people in time.

IsiXhosa:

... kukho izikhalazo rhoqo ngee-ofisi eziseVerulam naseDurban.

English:

So can you clarify what you do in your department to address these issues?

The DEPUTY MINISTER OF LABOUR: Thank you Deputy Speaker. I did indicate that the systems that are being put in place now are intended to ensure that our people do not have to rely on manual methods of submitting their claims. We are putting in place these new kinds of IT

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systems that are making it easy for our clients to be able to submit their claims.

This is not happening in all of the labour centres at once. That's why I'm saying in Gauteng for instance, which is the area that has the highest number of clients of the department, we have reduced the number of labour centres where the manual system is still being employed. In the course of time ... I've been assured that by February – somewhere around there next year all of these systems will be in place in all of the labour centres.

All I can say regarding the treatment of clients by our officials is to encourage hon members to inform the director-general or even the offices of the Minister and Deputy Minister about specific cases where our people are ill-treated so that we can also contribute to addressing those issues from, as I said, the offices of the Ministry.

Rev K R J MESHOE: Thank you Deputy Speaker. While the ACDP welcomes improvements wherever they occur, there is evidence that some of the reasons that the turnaround

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time of between 14 to 21 days for the payout of UIF claims are not met includes incompetence and the lack of adequate qualifications of some officials in your department. Many claimants of UIF rate the service provided by some labour centres as well as their experience in trying to access UIF, as terrible.

Is the Deputy Minister aware that there are reported cases where officials have captured incorrect information of applicants on the UIF system, causing prolonged and frustrating delays for those in desperate need of financial assistance? If yes, what corrective action is being taken to address such failures and gross incompetence?

The DEPUTY MINISTER OF LABOUR: Thank you Deputy Speaker. Naturally we do get feedback from a number of our clients. Some of them compliment the work that is performed by our officials. Some of them criticise them, and where there is criticism we do the necessary follow up to ensure that there is no repeat of that kind of activity.

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Indeed, there are instances where our own officials incorrectly record the information that is required, and at the same time there are instances where, due to a lack of adequate information, clients are unable to provide all the documentation that is necessary. Sometimes that is also occasioned by employers who do not do what is expected of them to ensure that all the documents that their employees will need in times of need are available.

At the same time, there is an ongoing programme of training of our staff to ensure that they are up to date and up to speed when they have to perform their duties.

Prof N M KHUBISA: Thank you Deputy Speaker. Hon Deputy Minister, according to the UIF Strategic Plan 2017-18, one of the four strategic objectives or outcomes and goals is to improve the collection of revenue from employers.

The Question is, what are the problems associated with the collection of revenue from employers and what plans are there to address these problems?

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The DEPUTY MINISTER OF LABOUR: We rely on citizens to know what is expected of them in terms of the law, which is especially the case with regard to employers because when you decide to set up a company you know that there are rules and regulations that are expected of you. Therefore, we expect them to do what is expected of them.

Similarly, on the side of employees, we rely on public representatives to inform their constituents and we also rely on unions to ensure that their members or potential members are properly advised or educated so that they make them understand that there are certain basic requirements when a person is employed.

Therefore, the employment agreement, among other things, would require that an employee be registered with the UIF and other structures such as the Compensation Fund; that they are given payslips that indicate the deductions that have been made so that they are aware that when they are unemployed they will be in a position to go and collect. Of course, we also conduct awareness programmes to make sure that as many people as possible are aware of their rights. Thank you.

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Question 299.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES:

Deputy Chair, with regard to the policy on Comprehensive Producer Development Support, the department has adopted a participatory policy development process, resulting in a series of robust consultations internally. A drafting team has been formed to make sure that other stakeholders are participating as well, including community organisations, national departments, provincial department and civil society.

This policy was initially planned to be finalised by the first quarter of 2018-19 in line with Operation Phakisa as has been part together with the Department of Rural Development and Land Reform following the tabling of the annual performance plan for 2017-18, in order that the tabling of the policy on Comprehensive Agriculture Development Support be tabled then and they brought forward to 2018.

Furthermore, as part of policy that will guide support interventions in the sector, the policy will contain sections around the mechanisation mini support. The

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department will endeavour to ensure that this policy is done on time. It is not that we were not intending to fast track it but it was the process that was involved and to make sure that many people or many sectors participate.

Mr P D N MALOYI: Deputy Speaker and Minister, I must indicate that the ANC is very unhappy that those who are assigned with the responsibility to implement policies and decisions of this department are very slow. I wouldn't want to say that they are sleeping on their jobs but I think the wheel is moving. That wheel is not properly oiled though. Nevertheless, once you have allocated the rights to the small scale fisherman, what will be the role of the department.

The DEPUTY SPEAKER: Hon Minister, I am sure he meant fishermen and women!

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES:
Thanks Deputy Chairperson. That is the language used currently. [Interjections.]

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The DEPUTY SPEAKER: Hon Minister, I am a Deputy Speaker!

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES:

Sorry, Deputy Speaker. I am sorry.

The DEPUTY SPEAKER: Thank you very much.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: It is the language used currently and I think we need to change it or to refer to 'fisher people' if not another formulation. On the issue of this process though, what causes us to delay is not because people were not doing their work, but it is because we were faced with late appeals that resulted in us extending the allocation.

However, I can cite the fact that where there were no major appeals, like in the Northern Cape, we will be allocating those rights by March 2018. We also need to make sure that before those rights are allocated, we create the necessary basket that will form the quantum of what each fisherperson will receive when such are allocated. So, it is a lot of work that is involved but I take note of the concern raised.

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Ms A STEYN: Deputy Speaker, I want to ask the Minister: This department is very well known for launching a new policy every year. We had the Masibambisane programme, the Zero Hunger policy, agripark, small-scale fisheries policy and others. The department has just been through a process of spending R 44 million on Operation Phakisa – another planning process!

While planning is very good, I would not be as nice as the ANC and say maybe you are sleeping. I think the department is sleeping because nothing comes to action. I want to know from the Minister: What budget has been set aside to implement these policies? It is all on paper but there is no budget to implement!

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES:

Deputy Speaker, I would like to say to the hon Steyn that agripark does not at all fall within the Department of Agriculture, Forestry and Fisheries, so you cannot therefore add it as amongst others. However, in dealing with Operation Phakisa on ocean economy, the report is there to show that we have made strides: We have created

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new aquaculture farms. Remember, aquaculture was not part of our Fisheries.

We have complied because we are extending. Also, what makes it difficult or at times to move slowly is because you need a number of other departments to implement. Through the cluster, we are now able to fast track those processes. I agree with you on the fact that there may be - as reported initially to say that before we would come with a funding model, we have to inform a number of other stakeholders. Remember, when we were in this Operation Phakisa on Agriculture, we were with different stakeholders. We were never taken onboard and we expect to rely more on public sector participation.

May I report the fact that there is a good reception on the public sector in making sure that agriculture is revitalised. So, the issue of budgeting of course is within the constraints of the department and we know thereof. I am sure we have dealt with that as you sit in the portfolio committee. I agree with you that if funding was available, this is the area we needed to drive very fast on.

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We will however make sure that private participation is improved so that we can see more of participation by many of the stakeholders. Remember, this was to clarify what comprises agriculture to identify the fact that there are different components that were dealt with during Operation Phakisa.

Inkosi R N CEBEKHULU: Deputy Speaker and Minister, food security remains the prime objective of this department. Yet, with destruction of mechanisation and underutilisation tractors in this programme, food shortage is now a reality for our citizens, more especially our rural people. When and how do you envisage assisting rural people while you are still awaiting for 2018 policy to be implemented?

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Hon Nkosi Cebekhulu, let me concur with you to say that the rate of production has not been what we would all have wanted it to be in as far as dealing with rural agriculture is concerned. However, remember the fact that we have to deal with a number of stakeholders, including

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the KwaZulu-Natal issue of land that falls under the jurisdiction of chiefs which is controlled by trusts.

We need to involve all stakeholders. Yes, of course, we need to make sure that we deal with it. May I say that in 2012, the department bought 400 tractors and each province received 75 of them? As we speak, it is difficult to account where those tractors are. It is my duty and yours to make sure that when government buys equipment, it is kept in good hands and does not disappear into thin air. It is an issue that we are currently dealing with.

As I have reported, I have said that we need to make sure that we come up with a clearer programme going into the future. I agree with you, if we can enter into that process, we can deal with food insecurity, with issues of malnutrition and with issues of stunted children. All of this is contained in another report that is coming though.

I am sure hon Steyn will say we are making more policies. We do so because we are clear of the challenges, as well

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as knowing what we should be doing. You wouldn't make policies when you don't know what you are dealing with.

Mr S C MNCWABE: Deputy Speaker and Minister, does the department have any specific policies or programmes in place to assist the recipients of Land Restitution programme and the emerging black farmers?

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: The assistance to small scale farmers or those who are recipients of land reform is contained in our programme that is driven by a Comprehensive Agricultural Support Programme funding, Casp funding. You may argue whether that is enough. The answer is that we are doing our best in conjunction with other sister departments, like Land Reform, through Recapitalisation programme to assist thereof. What we need to do is to upskill and make sure that our farmers are skilled. Of course, most of them are able to produce. We have seen a number of them who have now become commercial farmers, but the rate is not at the pace at which we want to see it happening. Hence, we have identified unemployed agri-graduates to form part of the

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work that we are doing, to make sure that every project that is supported is successful.

Question 259:

The MINISTER OF FINANCE: Hon Deputy Speaker, prior to the tabling of the 2017 Medium-Term Budget Policy Statement, MTBPS, the extended Cabinet endorsed the fiscal framework and proposed to narrow the budget deficit by reducing the contingency reserve from R10 billion to R3 billion in 2018-19, and from R20 billion to R5 billion in 2019-20.

At the meeting, the Presidential Fiscal Committee was established and mandated to find creative ways of meeting the country's fiscal targets and resolving competing priorities. Looking ahead, the Presidential Fiscal Committee is considering a range of steps to bring the public finance back on to a sustainable path.

Announcements will be made at the time of the 2018 budget. Thank you.

Mr D J MAYNIER: Deputy Speaker, I could not help noticing that the Minister appeared a little bit rattled. Perhaps

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he is not sure which time zone he is in, after his recent international sojourn.

However, to my question Deputy Speaker, it is now clear that the budget process is in chaos and this of course is highlighted by the resignation of Michael Sachs, the then Head of Budget Office in the National Treasury. We can only speculate that Michael Sachs resigned because the Minister himself stood back and allowed President Jacob Zuma to hijack the budget process.

We are now in the worst financial crisis, since the global financial meltdown and yet the hard decisions beyond the contingency reserve have been delayed and deferred to a Presidential Fiscal Committee.

So, my question is: Why was the Presidential Fiscal Committee paralysed and unable to make decisions ahead of the Medium-Term Budget Policy Statement and was the hijacking of the budget process by President Jacob Zuma a factor in Michael Sachs's resignation from the National Treasury? [Interjections.]

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The MINISTER OF FINANCE: Hon Deputy Speaker, the hon member listens to too much gossip and pays very scant regard to the truth and facts. The fact of the matter is that Michael Sachs requested to be transferred to the Gauteng department and I have since received a letter from the Premier of Gauteng. [Interjections.]

The OPPOSITION: Why?

The MINISTER OF FINANCE: Secondly, the budget process is in no mess at all. The Cabinet has taken a decision that we need to implement fiscal consolidation measures that would see 0,8% of the gross domestic product, GDP, injected into the budget next year, which amounts to R40 billion in order to stabilise our debt and ensure that it does not balloon beyond 60% of the GDP by 2022. That will require that, we implement expenditure cuts amounting to R25 billion and inject revenue enhancement amounting to R15 billion.

We have further taken the decision that - as I announced in the MTBPS, we are going to further announce economic stimulus measures that will ensure that even as we

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implement fiscal consolidation, we are still able to inject measures into the economy that will reignite the growth. These are the facts and everything else, is not. Thank you.

Mr M HLENGWA: Hon Deputy Speaker and hon Minister, in your considerations as you said that Cabinet met and discussed the MTBPS: What consideration did you give to Fees Must Fall and what commitment from finance because the Presidency as the hon Maynier said, is very confusing in the process. We have a boyfriend of the President's daughter in the process, consulting and so on and this is not a family affair, it is the matter of national interest. So, Minister, can you assist us as to what is the position of government in this regard; will the fees fall or not and what is your response as the Department of Finance to the findings of the Heher Commission? Thank you.

The MINISTER OF FINANCE: Hon Deputy Speaker, again the hon member wants me to respond to gossip and what he reads in the newspapers. The President has made it very clear that he has received the report and he is studying

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it and he is going to respond to the report to the report. Once the President has made an announcement in terms of the options taken, to implement whatever options, we will decide upon as Cabinet, arising out of the Heher Commission recommendations, we will then come in as the National Treasury, to outline the measures we will take to be able to pay for the option that has been chosen.

The instruction clearly from the President and the Cabinet, is that whatever option must be fiscally sustainable, so that it does not cause chaos in the budget process. The budget process is underway. When we consider through that budget process, the options that need to be implemented next year, we will pay into our consideration a fiscally sustainable path. Therefore, in the next year's budget, measures that are required will be outlined in order to ensure that we are able to provide affordable education to young people in the country in line with the decision that is to be made by the President.

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It cannot be us at the National Treasury who makes that determination. We did say in the MTBPS if you read chapter four that we have built into our assumptions, additional budget pressures which include the fee free higher education as well as the National Health Insurance. Once the Cabinet has taken a decision, we will then announce how we are going to fund that again in a fiscally sustainable manner. Thank you.

Prof N M KHUBISA: Hon Deputy Speaker and hon Minister, in view of the fact that your department plays a transversal role and of course in view of the fact that you did get inputs as you say from the Cabinet, and in a way of trying to bring public finance on to a sustainable growth path in the 2017 financial year. What strategic inputs did you perhaps get from the Department of Public Enterprises that will ensure that state-owned enterprise, SOEs, are brought in line - seeing that they play a crucial role in enhancing and growing our economy? Thank you, very much.

The MINISTER OF FINANCE: Hon Deputy Speaker, the SOE reform committee, which is chaired by the Deputy

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President, has considered a variety of measures that are required to stabilise the governance of our state-owned companies, improve the executive management as well as the financial stability of state-owned companies.

Obviously, topmost among those are Eskom, SA Airways, SAA and those that enjoy larger contingent liabilities. What government has done, is to agree firstly, on a private sector participation framework; secondly, on the identification of assets for disposal which we indicated when we announced the 14 confidence boosting measures that we will announce those assets by March next year.

We have also taken measures to stabilise the governance of SAA as we had committed in the confidence boosting measures. We made the announcement that we are taking urgent action to stabilise the governance of Eskom to ensure that the executive management is employed and reduce both the debts of the state-owned companies as well as impose stringent measures for the provision of government guarantees going forward.

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As I mentioned in the MTBPS, we will be outlining in due course, very stringent conditionalities for the provision of government guarantees, so that we focus largely on the capital expenditure rather than providing government guarantees to fund operational expenditure and other wastages. Thank you.

Ms H O MKHALIPI: Hon Deputy Speaker and hon Minister, if the Cabinet did approve any decision to bring public finance into sustainable path over the 2018-21 medium-term and the Medium-Term Budget Policy Statement clearly does not make provision for any nuclear deal, yet Mr Jacob Zuma and the new Minister of Energy have said that the country will go ahead with the nuclear energy, where will this money come from and what is the official position for your department? [Interjections.]

An HON MALE MEMBER: Dololo!

The MINISTER OF FINANCE: Hon Deputy Speaker, the Medium-Term Budget Policy Statement which is our framework for this discussion, clearly stipulates that the nuclear programme will proceed at the scale and pace that the

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country can afford. What colleagues and hon members will remember is that we quoted exactly the statement the President made on 31 May this year, when he presented the Budget Vote of the Presidency, which is Budget Vote No 2 in this National Assembly. That statement remains as it is. We will proceed at the scale and pace that the country can afford.

What we have indicated is that in terms of the Integrated Resource Plan, IRP, 2010, nuclear energy remains part of the energy mix. There is a process underway spearheaded by the Minister of Energy, to review the Integrated Energy Plan as well as the Integrated Resource Plan, the outcomes of which are expected in March next year.

We will give that process a chance and it is quite inevitable that South Africa will continue along the path of the energy mix programme and therefore nuclear will remain part of the energy mix. The extent, to which it will be affordable, will depend on the strength of growth of the South African economy, it will depend on the ability of the intensive users of electricity coming up and taking off the electricity access and it will depend

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on the strengthening of the balance sheet of Eskom. We are certainly not going to move in any reckless way in this regard. We remain guided by what the country can afford, by the demand for electricity in the country and what the budget can afford. Thank you. [Applause.]

Question 307:

The DEPUTY MINISTER OF MINERAL RESOURCES: Deputy Speaker, clearly the facts are that ... [Interjections.] Hon Mandela is still my comrade maybe not you ... The mining industry is still very strong in this country with very good endowment and very good investments in mining star.

We speak of our strong industry that has 1 700 big and small mines and quarries, 53 commodities, huge comparative advantage with our most beautiful geology, still, and very good institutions that have experience, knowledge and skills like the Council for Geo-science that has been around for over 100 years, Mintek which has been doing the research for over 80 years and an employment that goes to over 400 000.

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When we passed the Mineral and Petroleum Resources Development Act in 2002, it was 150 years of formal mining in this country. I can guarantee you that with all the information and applications that we have, we are still going to be mining for the next 100 years and more.

So, having said that, what are the threats? The threats will remain the fluctuation of our commodity prices especially when they go downwards; alternative inputs that are sought, for instance, if you go to electric cars you might undermine the AutoCats and others.

Last week we had a conference that was dealing with diamonds looking into the impact of synthetic diamonds or stones. The declining assets like gold are getting much deeper and platinum is starting to follow as well but the major threat is something that we are talking about all the time and it is in the courts - our Transformation Agenda that is resisted by some and defended by others.

It is important that we approach this matter to try and deal with the real issues of the country and not just posturing. Another major threat would be unpatriotic

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runaway companies that use our assets to raise funds and invest the money somewhere else.

Another threat is illegal mining. When it comes to retrenchments, which is also a problem, where some companies take the easiest way out when they are faced with difficulties to save costs. We did try and mitigate that by getting into some framework agreement.

Some of the matters that we looked into are issues related to derelict and ownerless mines where we have encouraged rehabilitation and concurrent rehabilitation as part of an economic activity that can create a lot of jobs.

We have adopted a beneficiation strategy for the country but its implementation needs to be scaled up. The questions of procurement and localisation also need to be scaled up and be dealt with accordingly. To deal with people who get out of jobs, we have ventured into farming as part of the Social and Labour Plan, SLPs, where you migrate from mining to farming and sometimes from farming to mining.

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One last matter I want to raise is the issue that is bedevilling the ex mine workers of unclaimed benefits which is a huge portfolio going over R40 billion and mine workers having close to R10 billion unclaimed in the pension provident funds and in the Department of Health. Thank you very much.

Mr I A PIKININI: Minister, what process is followed when these projects are put under care maintenance by mining companies? Secondly, what legislative amendments were done to create certainty and encourage investment in the mining sector? Thank you Deputy Speaker.

The DEPUTY MINISTER OF MINERAL RESOURCES: Thank you very much for the question hon member and comrade. The issue relating to care and maintenance is a matter that we keep on discussing with the mining industry and we encourage that they dispose of some of those assets rather than just sitting on them and call it care and maintenance.

We understand that some of it has to do with investments that they don't have that they have to put in those assets. But clearly some of those assets shed jobs like

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the recent ones. It is an ongoing discussion where we are trying to look with the mining industry for alternatives of investments that come from alternative sources.

In terms of encouraging investments, you would know that every year we look into advocacy including a huge African Mining Indaba that takes place here. We participate as well in other jurisdictions like in Canada where they have an even bigger meeting of investors. You would recall that South Africa, Canada and Australia are the biggest mining jurisdictions of note amongst others. We do encourage for time to time and we do see results where there are real efforts. Thank you very much.

Mr J R B LORIMER: Deputy Minister, I fear you maybe over optimistic about the state of South Africa's mining industry. In your answer you have not mentioned what is primarily responsible for the severe drop off in prospecting and investment in our industry.

I put it to you, Deputy Minister, that the three biggest threats to our mining industry right now are the new version of the Minerals & Petroleum Resources Development

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Act, Mining Charter III and your boss, Minister Mosebenzi Zwane.

The DEPUTY MINISTER OF MINERAL RESOURCES: Ho member, I have no boss like that. Secondly, don't be too over optimistic about still having bosses around - that time is gone. Having said that, I am optimistic there because I know what is happening in that space. I am not reading it in the news papers; I am there everyday of my life where I was deployed and I work in that industry. All I am saying is that I am not guessing; when I speak here I speak about facts that I deal with every day.

We also note that lack of respect in the country is not something new; South Africa has been losing over the years the prospect investment in this country for various reasons. It is not government alone but also the mining industry. We have engaged this question to try and see how we turn it around and I can tell you that we are looking into this from time to time.

We know in terms of investments that there are some companies that have been on an investment strike in this

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country for a long time. You cannot force people to come and invest in the country but you can encourage them to do so. I am encouraged by the level of investment of real people who are investing in the country. There are people who are making noise about investment in this country especially in mining, and none of those are making a single investment.

We are meeting with mining companies that are invested in this country, that are serious about its future and not speculators. I can tell you that I am not uncomfortable, I am optimistic about this industry because it has a track record and a history and we are confident of the future of the mining industry in this country.

Mr M L W FILTANE: Hon Deputy Speaker, the annualised figures for the mining sector shows that in quarter two of 2017 the mining industry has grown by 3,9% but that is just the beginning of the value chain. The secondary industry in particular, manufacturing, grew by 1,5% and lastly, the tertiary sector, trade, grew by a lousy 0,6%.

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My question is: What steps are you taking to mitigate those losses that compromise growth in the other sectors like the secondary sector and the tertiary sector which could have created a lot of sustainable jobs for people? Thank you.

The DEPUTY MINISTER OF MINERAL RESOURCES: Thank you very much for the question and I am glad that you are able to show that we are not just optimistic because we want to be but that there is growth in the industry. The growth is also helped and exacerbated by the upswing of the commodity prices that you are seeing.

We are in a period where as a country we have to be very serious about how we take advantage of the summer that has come around because at least my prediction is that for the next seven years we are going to see some growth in this industry. I am not just talking about things that we don't see. There is growth and it is going to happen that way.

There is an economic cluster in government that is looking broadly into other secondary and tertiary

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sectors. Our Nine-Point Plan and others and the strategy that the Minister of Finance has been announcing to boost confidence in the country is looking into all the other sectors.

You would know that all the secondary and tertiary sectors rely on mining. If you do not mine anything in this country, you must grow it. So, agriculture and mining will remain the true anchors of our economy in South Africa. That is why the advantage of beneficiation - adding value - that we haven't taken as a country is something we have to accelerate because that is where we create jobs for other countries. That is radical economic transformation that we are talking about; to look into this economy where you take from port to port; we just take everything out of the country without adding value. We have to do it, we can't be discouraged, we can't be defocused, and we can't be sidetracked by people who have no interest because some of their interest is just to protect monopoly capital and nothing else. When we speak about the transformation of inclusive growth in this country, they are nowhere to be found.

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Mr J A ESTERHUIZEN: Deputy Minister, the irony and one of the biggest threats is while South Africa's mining potential diminishes under the Department of Mineral Resources' mismanagement, the economic potential of many other African countries is being boosted by the African Mining Vision and the Zambezi Protocol. Deputy Minister, why are there continued delays in the promulgation of key mineral legislation which are only further deterring investment and contributing to more retrenchment? Thank you.

The DEPUTY MINISTER OF MINERAL RESOURCES: Hon Esterhuizen, I do not know of any other African country that is better in mining and investment than South Africa. South Africa has no equal on this continent.

In terms of employment as well we employ just under half a million people in this country in mining. That is direct employment; indirect employment will take you three times more than that. I think your comparison is unfair.

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When it comes to the African Mining Vision which is actually a vision of the African Union, AU, which says how do we use our minerals for economic growth and do beneficiation and the rest that goes with that. South Africa is the first to promote the African Mining Vision and we are discussing with other countries to be able to do this.

So, I don't agree with you that the investments in other parts of Africa are at the level where South Africa is. We can't compare; we don't have an equal. Thank you very much.

Question 301:

The MINISTER OF FINANCE: Deputy Speaker, the draft forensic investigations conducted by ENS, E and Y and Indyebo, which have been shared with Parliament, reveals serious misconduct and control weaknesses in respect of procurement processes and contract management.

The new SAA Board has been instructed to provide evidence of actions take, in particular to strengthen controls in the two areas identified above. The previous SAA Board

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has indicated that the investigative reports were still in draft. The new board was requested in a meeting with the Minister on 7 November 2017, to ensure that the reports are finalised and the final reports are provided to the Minister.

The new board has been given the following: deadlines in which the board has expressed a commitment to: provide an action plan to address the finding from all independent forensic investigations by 30 December 2017; implement the action plan to address findings from all independent forensic investigations by 31 March 2018. Thank you.

Ms B P MABE: Deputy Speaker, hon Minister, how long has the corruption in SAA has been happening; who is responsible; is it the board, the administration, or politicians? And are you considering the possibility of instituting an inquiry?

The MINISTER OF FINANCE: Deputy Speaker, the reports which have been provided by the three forensic investigators highlight a serious deficiency in terms of

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internal controls within the SAA, and a number of other challenges which speak to the management and governance.

There are specific contracts which have been looked at and other items which were identified in terms of which, as I indicated in my report and highlighted procurement weaknesses and weaknesses in terms of contract management. There is no need to do an additional inquiry as the forensic investigations have been done. What we are now awaiting for is the final report from the new board with regards to the forensic reports which have been provided.

As I indicated in my response, the new board has committed to providing me with an action plan to address the findings of the forensic investigations by 30 December this year; and to implementation of the action plan to address these findings from all independent forensic investigations by 31 March next year. We should then take it forward from there and see if there are any additional measures to be taken.

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I am quite happy that the new board has really been seized with the challenges that the airline is facing and they have instilled my confidence that they are going to deal with the challenges of the SAA going forward to bring it back to good internal controls and governance. Thank you.

Mr M N PAULSEN: Deputy Speaker, the former Chairperson of the SAA Ms Dudu Myeni has been found to have deliberately disregarded a payment deal with the airbus and tried to impose contracts from BNP capital on SAA for no substantive reasons; and under the instructions from the Guptas leading to the airline to be unable to meet its financial obligations; will SAA follow up on these allegations and lay charges against Ms Myeni?

The MINISTER OF FINANCE: Deputy Speaker, it is inevitable that if there are any allegations involving any member of the board past or present, such allegations will be investigated and, depending on the outcomes of the investigation, relevant and necessary actions will be taken. Thank you.

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Mr M HLENGWA: Thank you very much, Deputy Speaker. Hon Minister, you will change boards until the end of time but in the absence of ensuring that the officials, particularly in senior management who are employed at SAA and probable in other state entities are fit, proper and equal to the task, these problems will prevail.

As I indicated to you yesterday to such examples out of our visit to SAA, if you have got a head of legal services who is applying her mind to things using her own personal manuscripts and her own personal standards to the interest of the board, then you are going to have problems.

If you have the situation where the airline is generating R30 billion every year but you have got nothing to show for in terms of expenditure, then that is a problem. Now, how far is the government prepared to go in actually not just dealing with the board but rooting out the officials who are actually the stumbling block to the transformation which is required in SAA, because the reality is day in and day out SAA which was once a

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national asset has become a national liability? [Time expired.]

The MINISTER OF FINANCE: Deputy Speaker, the hon member raises a correct point of principle, reiterating the points we made during the Medium Term Budget Policy Statement, MTBPS that our state-owned companies pay their executive directors very well. Therefore it is correct and necessary that both the public as well as government should demand more of these executive directors.

We therefore insist on the boards appointing people with requisite skills who are going to undertake their responsibilities with that level of consciousness commensurate with the remuneration which they are receiving; because given the remuneration that the executive directors get, we should be able to get people who understand what should be done and have the requisite skills to do what is correct.

As far as the SAA is concerned, the new CEO has extensive business experience and is a reliable leader in the corporate world. We have a new chief restructuring

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officer with extensive experience in the aviation sector; we have a chief financial officer with requisite experience who is capable of performing the task expected of her; the post of chief strategy and chief commercial officers have been advertised. We are confident that we will get relevant people in those posts too.

So, we are comfortable that SAA in terms of executive directors is on the right path, but it cannot be SAA being on the right path alone as the hon member correctly says, all our state-owned companies should be put on the right path in terms of their executive directors. And it is precisely the point we made during the Medium Term Budget Policy Statement. Thank you.

Prof N M KHUBISA: Deputy Speaker, hon Minister, on the appointment of the CEO you instructed him to put in place some control measures to turnaround the fortunes of the enterprise and you also said that the airline must be profitable, what are these control measures that you said he must put in place; and how are they going to be monitored in terms of their effectiveness; and do you believe that that would bring about the profitability of

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the enterprise so that it does not depend on the state bailout? Thank you.

The MINISTER OF FINANCE: Deputy Speaker, one of the immediate things that the new CEO has done is to stress test the airline and all the systems in the airline to establish where the challenges are; what works, and what does not work so that necessary remedial actions could be taken.

I had obviously given them a list of conditions which I expected them to address two of which I have already spoken to which is addressing and implementing the finalisation of the forensic investigations and beginning to implement them - the action plans arising there from focusing on the recruitment of the executive directors in order to stabilise the executive layer of the airline; immediately implementing the turnaround strategy embedding it into the corporate plan of the airline so that it now become part of the ongoing work and becomes the culture of the work at the SAA.

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I directed them to implement cost-cutting measures which are going to ensure that we cut some fat in terms of the spending of the airline in the immediate term as we begin to address the financial viability and sustainability of the airline. There are ongoing negotiations between the airline and the lenders with regard to the loans that were provided to the airline.

So, there is a lot of work that is currently working which convinces us, including when you consider the measures being take to address revenue management within the SAA that they will be able to stabilise the airline. They will be able to begin to turn it around to profitability and that they are going to make it financially sustainable going forward. Thank you.

The CHIEF WHIP OF THE OPPOSITION: Deputy Speaker, the Minister and the Deputy Minister are not going to be here today, and we have discussed it in the Chief Whips' Forum. We have submitted a letter in terms of Rule 185 of the National Assembly Rules on behalf of hon Mazzone who is also in the same committee with the Minister. She has

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asked that the question stands over and be included in the next oral question session. Thank you.

The DEPUTY SPEAKER: Okay, that being said we will stand it down and move to the next question.

Question 282:

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Chairperson, the department has developed the national aquaculture strategic framework, NASE, which sought to guide and fast-track the development of aquaculture, its equitability, diverse, viability and competitiveness. But what informed our work going forward has been the Operation Phakisa on oceans economy which came up with the framework. We have got a programme, a supportive aquaculture and implementing operational environment to ensure food security, effective intergovernmental co-ordination and co-operative governance; appropriate and transferable technology for producers to be profitable; creation of a sector which is labour intensive and creates a number of decent and sustainable jobs; available natural, financial and human resources and relevant technology that meets the needs of aquaculture

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sector; and an economical viable and competitive aquaculture sector with diversified production in accordance with local and global market.

Aquaculture has been endorsed globally as one of the processes we need to engage on as depleted natural resources have been observed. As such aquaculture is growing as we speak. It is employing people. When we celebrated the World Fishery Day, we held that at an aquaculture plant to show that it is growing, but of course it need more financing. So, we will have to make with the private sector but make sure that the local communities as well as fishing people whose fishing licenses have been terminates because of different reasons, find space in aquaculture.

If we sustain food security and the protein rich resources, we need to develop aquaculture as an area of work going forward. We are working with different departments to make sure that we are succeeding in this area. It is a new area in South Africa as well as the continent, but it is an area in which we want to make sure that it grows.

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Mr M N PAULSEN: Chairperson and Minister, fishing is more than a livelihood for vulnerable coastal communities, it's a core part of their history and identity as people. What you have done effectively of not giving them allocations - and there is a number of them in the gallery today - you have actually stepped them off their livelihood, their dignity and disconnected them from the environment. How do you plan to mitigate the consequences of your department's failure once again? You have failed these fishing people by taking care of large fishing companies first and putting them at the end and that is why many of them are left without fishing allocations today.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Hon Paulsen know as I do the fact that we have been taken to court by one of the commercial fishing companies for the very reason of making sure that we transform the fishing industry. But we must be able to agree the fact that there is a depleting of stocks therefore we rely on the scientific report that informs that how much fish is fishable. We have not abandoned our communities. That is why we have come with small scale fisheries which is

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meant to make sure that people who are in the coastal areas benefit, not only in terms of accessing food, but also in the area of fishing and having rights.

I'm sure that one day you will accompany me to Richards Bay in KwaZulu-Natal to see women who have been allocated fishing rights in mussels. They are harvesting them. I've been there and they are succeeding. We have just signed an agreement with Woolworths. [Interjections.] I hope you will accompany me one day. No, not at Nkandla, there is no ocean at Nkandla. Please, don't be fascinated with Nkandla. It is not the only area in South Africa where our department is working. So, I'm saying therefore that fishing communities are not only spectators, but they are participating. You may question the pace, but it is because always when we allocate fishing rights we are faced with appeals and threats to be taken to courts, but forward we will move to make sure that we transform the industry and I'm sure you will also be working with us to achieve that goal.

Mr P VAN DALEN: Chairperson, would the Minister agree that there is a conflict of interest in the department

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with the budget for the process of the sale of the confiscated abalone? There is a perverse incentive that the department not do anything to stop poaching as the extra funding would disappear for the department. Would not it be better for the department to hand it to the aquaculture industry so that they may replace it with spat or broodstock to put it back into the sea, or maybe even to the small fishing community co-operatives so it might fill up their fishing baskets that we are begging for. Thank you.

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Minister, if I may, I am asking our guests in the gallery that indeed you are welcome, but you are not supposed to participate in the debate either by clapping or interjecting. Thank you very much.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Hon Van Dalen, the two of us had discussions and I value your contributions to this sector. Both of us let us agree that poaching is not only because of poverty, but it also involves cartels or gangstars who are involved in drugs and the rest. Therefore, to win this battle we need

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communities to participate with us. Of course they are reporting it that is why the police are always confiscating stolen abalones. As to where it is used, yes, I agree with you that it should be used in the protection of future growth of the abalones. We need to build more hatcheries along the coast so that we can be able to feed back to the ocean any finger links we can develop. But to that we need to make sure that we work with everybody.

To achieve the goal you are speaking about is not to blame on government, but to say that we need to work together with all state institutions that can assist in achieving that goal.

IsiZulu:

Inkosi R N CEBEKHULU: Mhlonishwa uqale kahle uma uthi umhlonishwa uPaulsen uyommema ngomuso nxa uhambela izindawo lezi ezithinta izinhlanzi nokudoba, kodwa ke ungithunukile ngoba ubungale eRichards Bay ngakithi Mhlonishwa awungitshelanga ukuba ngiyozwa ukuthi uthini. [Ubuwelewele.] Asedlule ke lapho.

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English:

Minister, my question is with regard to the aquaculture industry. The aquaculture industry has been accepted as a viable project and there are a number of such operations currently in operation. Can you advise this House the approximate number of such projects that are successful? Thank you.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES:

Chairperson, there are many projects, but as to the number I wouldn't like to suck them out of my thumb. Most of them are in the Western Cape. The number is 32 in total. What we need to do is to ensure that they are spread along the coastal areas. I agree with you, Nkosi Cebekhulu, that we need to invest more because they are labour absorbing and they also create very important jobs. More than that, they make sure that our people begin to enjoy fishing and to farm for themselves. Already, we have sent students to different institutions to acquire relevant skills so as to ensure that aquaculture grows.

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Next time when I visit that area I will make sure that I take all those who can make the trip so that they can be able to see what transformation in fisheries is. They will see people who are happy to have access to these resources and be able to make their living far better. I will remember what you have said. I have taken your request and it was not out of not wanting to take you along. Thank you very much.

IsiZulu:

USIHLALO WENDLU (Nk A T Didiza): Hhayi-ke uzizwele Ndabezitha ukuthi nawe uma uthanda ukuphelezela uNgqongqoshe usulifakile elakho igama.

Question 302:

The MINISTER OF COMMUNICATIONS: House Chair, I think I need to state upfront that as the department we do support the call for the cost to communicate being adjusted and the cost for data to go down for access into communication facilities.

What has been done by Independent Communications Authority of South Africa, Icasa, is a cost to

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communicate programme, they do have a comprehensive programme; one of the areas is priority markets study that has been commissioned by Icasa.

The study has several phases. The first phase is to identify all markets and markets segments that are prone to ex anti-regulations such as markets that are prone to anti-competitive behaviour and trends.

The second phase is to develop a prioritization framework to prioritise specific markets and markets segments for market reviews and where appropriate potential regulations needed to be applied.

The third phase is the amendments to end-user and subscriber service charter that has been done by Icasa.

The fourth phase is the review of the 2014 call to termination regulation. The hon member would note that when you look at the trends after that study and the work that has been done, we have seen the call to termination rates reducing from R1,55 down to 13 cents. So, that has been the progress that has been done by Icasa but we note

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that there's a lot of work that needs to be done; together with the data service market inquiry that is done by the Competition Commission - which we support - as part of the work that needs to be intensified to bring down the data cost. Thank you.

Mr M U KALAKO: Minister, has Icasa, before exercising what they are doing now in order to look into the ways of reducing the cost of data, investigated if there is no collusion of price fixing in the industry and has Icasa also co-ordinated or worked with the Competition Commission in this regard?

The MINISTER OF COMMUNICATIONS: Indeed, there is work that is been done...this is the work that is been done by the Competition Commission. What Icasa has done, is that they have signed a Memorandum of Understanding, MoU, that regulates their work because in terms of competitive behaviour, the work needs to be done by the Competition Commission. That is expected to be concluded by August 2018.

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So, we are looking forward to that work because we do not want to see a duplication of responsibilities between what Icasa does and what the Competition Commission is doing. That is actually looking at whether there are anti-competitive behaviours that are done by specifically mobile operators or internet service providers. Thank you very much.

IsiZulu:

Mnu M HLENGWA: Mhlonishwa Ngqongqoshe, kanti niyoqeda nini ukunciphisa izindleko eziphezulu zokuxhumana kwabantu ngoba mhlawumbe nina sonke esihlezi la, singakwazi ukumelana nale nselela yokuthi sikhokhe le mali ekhokhwayo. Kodwa abantu basemakhaya, abantu abahluphekayo, abafundayo ikakhulukazi abantu abasha abafuna ukuyobhalisela ukufunda, imisebenzi nokuqashwa - kubiza idatha, kubiza i-airtime kubiza ukuxhumana.

English:

Why is this thing not been treated with the urgency that it deserves, which is in the national interest? When we are the most unequal society in the world. When, in fact it costs the highest in South Africa.

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IsiZulu:

Manje nihamba ngonyawo lonwabo...

English:

...at the expense of the majority of our people.

IsiZulu:

Nizoqeda nini, kubambeni ukuze uma nidinga ukuthi siyonisiza nisho ukuze le nto ilunge ngoba bayahlupheka abantu ngenxa yalokhu. Uma nihluleka nisho.

USIHLALO WENDLU (Nks A T Didiza): Ngqongqoshe, kuthiwa nizoqeda nini?

UNGQONGQOSHE QEZOKUXHUMANA: Sihlalo, uNgqongqoshe ... [Ubuwelewele.] ... [Uhleko.] ... isiZulu sesiyahamba manje. Ilungu elihloniphekile, ngizakhuluma isiTsonga manje Hlengwa futhi ngeke ungizwe. Ngicela ukuchaza kwilungu elihloniphekileyo, uHlengwa, sekuningi okwenziwe. Lokhu kufana nalokhu okushoyo ukuthi izingane ziyahlupheka, uma sesikhuluma ngezingane zasesikoleni amanyuvesi lezi zingane azisakhokheli idatha itholakala

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mahala. Ngakho-ke masiqale lapho sikwazise. Kukhona esikwenzile ...

English:

When it comes to schools, any material in school

IsiZulu:

Buza lapho abahlala komidini lemfundo ephansi bazakuchazela ukuthi ...

English:

...what we call zero rated

IsiZulu:

... kusho ukuthi akukhokhwa. Masibuyele ezinganeni ezikumanyuvesi kulo msebenzi esiwenzile. Kuningi okusayenziwa.

Kulokhu ukuthi izindleko ziye phansi kuwo wonke umphakathi yilokho okusasetshenzwa kuko. Akufanele ukuthi umane uvuke bese uwisa amakamelo uthi yehlisani imali, kufanele ubheke izifundo ubone ukuthi lokhu okubizayo, okufunayo kuyafaneleka futhi kunesizathu yini sokuthi

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ukwenze lokho. Uma singakwenzi lokho sizobe sixhosa abatshali zimali bathi asiyiphathi ngendlela efanele imali. Yingakho kumele sense izinto ngomthetho. Yingakho sibekile kuleli zinga...

Nasebantwini bezempilo kunenqubo ebizwa ngokuthi yi-moms programme yalabo abakhulellwe. Uma ngabe ufuna ukufinyelela lokho ukuthola ngaphandle kokukhokha. Ngiyabonga.

English:

Mr S P MHLONGO: Chairperson, Icasa previously indicated that there was an investigation underway by the Competition Commission to find out if there was collusion by cellphone companies to hike data prices. If the report shows that there is indeed collusion, what specific actions will you take to make these companies account and compensate South Africans who have been strangled by high data costs for a very long time?

Setswana:

TONA YA TLHAELETSANO: Seo ke ratang go se tlhalosa ke gore Khomishene ya Kgaisano e ntse e batlisisa gore a

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ditlamo tsa diselefounu ga di a kopana mo go direng gore tlhwatlhwa ya *data* e nne kwa godimo.

Icasa e setse e tlhalositse gore fa e le gore dipatlisiso di fitlhela gore ditlamo tsa diselefounu di bonwa molato, go tla tsewa dikgato tsa go netefatsa gore molao wa latelwa le go netefatsa gore le broadband data markets di laolwa sentle.

Fa re tla mo kotlhaong e e tshwanelang go neelwa ditlamo tsa diselefounu, ga se Lefapha la Tlhaeletsano le le nang le dithata tsa go otlhaya, Khomishene ya Kgaisano ke yone e nang le dithata tsa go otlhaya; mme seno ba se dira morago ga go bona dipholo tsa dipatlisiso. Ke a leboga.

English:

Ms P T VAN DAMME: Hon Minister, the DA youth has called for 500MB free data per month to be made available by government for registered National Student Financial Aid Scheme, NSFAS, students, students from low-income backgrounds, matric students and registered job seekers.

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With more than 50% of young people unemployed, do you not think that 500MB will go a long way in assisting them to lift themselves out of poverty? They can use that to go online to apply for jobs, look for bursaries and apply to study at universities. Will the Minister investigate the feasibility of this being implemented? If there's money for Nkandla, to bailout South African Airways, SAA, then there's money to provide 500MB per month for our young people.

IsiZulu:

UNGQONGQOSHE WEZOKUXHUMANA: Umhlonishwa u-Van Damme, angibuyele ngichaze futhi ukuthi ezinganeni zesikole ikakhulukazi kulabo ezisezinyuvesi, asizinikezi u-500 wodwa kodwa sikholelwa ukuthi bathole konke ukufinyelela ngaphandle kwezindleko ukuze bakwazi ukufinyelela ezemfundo.

English:

No, you must ask, it's there already. Most of the mobile network operators are providing it in universities. Zero rated, not 500 megawatts, not anything because it is not sustainable... [Interjections.]

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

The MINISTER OF COMMUNICATIONS: ...that's the first thing.

Setswana:

Fa re bua ka kgang ya gore re tshwanetse re thuse bana ba sekolo, re ineela mo go netefatseng gore ba kgona go fitlhelela inthanete ka gone e thusa thata bana ba ba humanegileng. Ke ka moo go leng botlhokwa gore ba fitlhelele inthanete ka gone re dumela gore thuto ke yone e e tlileng go fetola matshelo a bona.

Ka jalo, re le puso re thusa bana ba rona gore ba ithute e bile re batla go ba bona ba kgona go gaisana le bana ba bangwe go ralala lefatshe. Ke a leboga.

Question 251:

The MINISTER OF FINANCE: House Chairperson, the hon member should note that government has elevated the aspect of reducing unauthorised irregular fruitless and wasteful expenditure in municipalities by introducing a specific indicator in the 2014 to 2019 Medium Term

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Strategic Framework. The National Treasury was assigned this responsibility during the 2015-16 financial year, and together with provincial treasuries, have instituted monitoring and support initiatives. This includes site visits, direct engagements, training of officials and councillors to better understand their roles and responsibilities and to assist municipalities in addressing the root causes.

Besides requesting municipal councils to appoint appropriately skilled and suitably qualified official to key positions, to enable effective implementation of action plans, we have reviewed and revised such plans as part of the augmentation of support through the Financial Management Grant Programme. The National Treasury officials have met with the Chief Financial Officer of O. R. Tambo District Municipality on a number of occasions to support the process and address enquiries. This was intended to expedite processes through council.

The area of disclosures has been strengthened, internal controls identified and implementation of consequence management in relation to officials that were responsible

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for the noncompliance encouraged. The O. R. Tambo District Municipality has undertaken a process to review all contracts awarded in the previous three financial years, disclose all expenditure as irregular were contracts were not supported by documentation. The municipality was processing the irregular expenditure in accordance with section 32 of the Municipal Finance Management Act, MFMA.

It is also important that the leadership in O. R. Tambo District Municipality take action to reduce such instances as they are legislated authority. The MFMA places the responsibility of implementing consequence management on the municipal council. In order to support and assist the council in fulfilling this role, the National Treasury issued the Municipal Regulation on Financial Misconduct Procedures and Criminal Proceedings, which sets out processes which the municipal council must follow in implementing disciplinary processes as part of consequence management.

From the above, the municipal council must hold officials responsible and accountable for any noncompliance.

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However, it is also advised that a collective effort to strengthen oversight and government structures, financial management controls and disciplines public and civic participation as well as up skilling officials are needed to reduce the incidents of irregular, unauthorised fruitless and wasteful expenditure. Detailed engagement at specific municipalities by Parliamentary Committees and provincial Legislatures can contribute positively in highlighting shortcomings and promoting actions. Thank you.

Mr M L W FILTANE: House Chair, hon Minister, with due respect, all this long story you are giving us is a way of circumventing simple, straightforward steps of taking steps to punish offenders. All of what you are telling us is in supportive processes and policies that your party has manufactured in order to avoid penalising repeat offenders as you know it is happening in O. R. Tambo. Why are you not taking the direct route of simply prosecuting people who are repeat offenders? You used the word "must", you are not saying that these people are being prosecuted. Why do you choose the word, "must" instead of

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saying so many are being prosecuted and so many are not being prosecuted?

Lastly, constitutionally, you have to keep on giving about 10% of the national fiscus to local government. Are you able to act in order to restrain that besides taking the measures that I have suggested? We've got justice system here, apply it. Please don't give us a long story to try and justify why you cannot take into prison your own colleagues. Thank you.

The MINISTER OF FINANCE: The hon member will know that due process must be followed in regard to any matter in any allegations. Therefore, this is not a question of the use of language: must, will, shall, can, cannot and all of that. There is due process that must be followed; there are procedures and regulations which I have outlined in detail. If the hon member could not comprehend the measures I've outlined as comprehensive as they are, I am happy to provide him with a text so that he reads it. Thank you.

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Mr K J MILEHAM: House Chair, Minister I am sure that you would agree that a significant amount of the irregular unauthorised and fruitless and wasteful expenditure incurred at the municipal level is largely as a result of incompetent municipal officials. The minimum competencies for municipal officials were first promulgated in 2007 and the deadline for compliance has been extended twice since then.

My question Minister is, what actually your department taking against the municipalities that continue to employ noncompliant municipal officials?

The MINISTER OF FINANCE: I am certain that the Minister of Cooperative Governance and Traditional Affairs is competent to respond to issues of employment in municipalities. What we as National Treasury are supposed to do, are exactly the steps which I have outlined here, which include the training of public officials and where there has been noncompliance, my colleague, Minister van Rooyen is competent to respond. Thank you.

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Mr M HLENGWA: Hon Minister, one of the key issues is. . . maybe the findings are one thing, but the Auditor-General has now repeatedly raised the fact that his findings are being challenged and people are contesting them and there is huge dispute and so forth. It is either they don't understand the MFMA with the PFMA those who are officials or simply is a matter of bullying the Auditor-General because of the thorough work that he is doing. I would like to believe that is the latter. What are you doing to ensure whatever findings that the Auditor-General has are taken seriously and that the Auditor-General is protected from these vultures who want to hide behind the guise of interpretation as opposed to actually responding positively to whatever findings that has been there because it is an stumbling block and it becomes a snowball effect and those things don't get sorted out because it is more contestation than resolution. Thank you.

The MINISTER OF FINANCE: Hon Chairperson, it is part of procedure that the audit findings when they are provided, the Auditor-General first presents preliminary findings to enable for the management to express an opinion on

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those preliminary findings and engage with the Auditor-General leading to the finalisation of the audit opinion of the Auditor-General.

It is our keen desire that all Accounting Officers and Chief Financial Officers, CFOs, should to the best extent possibly try to comply with all laws and regulations which exist so that we minimise the extend of challenging the Auditor-General's opinions. But we do expect that where there are areas which need further discussions between the Auditor-General and relevant authorities, procedures will be followed, processes will take place until the finalisation of issues that are in dispute and I think that it is normal procedure.

Mr I M OLLIS: 16:35 Tell us about the Western Cape again!

Mr A M SHAIK EMAM: I don't have to tell you about the Western Cape because it is in the media already.

[Laughter.] [Applause.] Hon Chairperson, hon Minister, what is very clear now that my colleagues have spoken on my right, fraud, corruption, maladministration, tender fraud running into hundreds of millions of rand is still

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rife in municipalities and I think that you can see the wheels have come off throughout the country, the media have reported on the Western Cape and how corrupt the DA is there.

There are some weaknesses in the auditing process and people are manipulating the system. Would you consider giving greater powers to the Auditor-General so that he could deal with this appropriately? Thank you.

The MINISTER OF FINANCE: I think quite evidently should the Auditor-General feel that we need to discuss further the review of the Auditor-General's powers, we will undertake that discussion taking into consideration all facts before us. Once that has taken place, we will then follow it up with relevant action, but that will require first and foremost that there are discussions between the Auditor-General and us as well as through the Cabinet processes, then we can decide what way forward to follow. Thank you.

isiZulu:

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USOLWAZI N M KHUBISA: Ngaphambi kokuthi uMhlonishwa u-Shaik Emam asukume, ngizwa uMhlonishwa uKhawula ekhala ethi, nali libhubha. Angazi noma angasichazela yini ukuthi belibhubha kuphi. (*Translation of isiZulu paragraph follows.*)

[Prof N M KHUBISA: Before the hon Shaik Emam stood up, I heard hon Khawula saying it is getting worse. I don't know if maybe she can explain what is getting worse.]

English:

The HOUSE CHAIRPERSON (Ms A T Didiza): Order hon member, we will look at that because we didn't hear, so we can't ask. . . hon Khawula, take your seat because I am not allowing that point of order. Thank you very much.

Question 305:

The MINISTER OF ENERGY: Chairperson, I appreciate the two-part question asked by the hon Majola.

We derive our mandate from the National Energy Act, Act 34 of 2008, to ensure that there is diversity in terms of energy resources available in sustainable quantities and

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affordable prices to the South African economy. This is to ensure economic growth and poverty alleviation, taking into consideration environmental management requirements or climate change and interactions among the economic sectors.

The government policy position with respect to energy, like all other natural resources, is an energy mix. This involves renewables - which are solar, hydro and wind - and nonrenewable energy sources - nuclear, gas, coal, and others. In the main, the main renewable components are broken down into wind, sun, hydro; the nonrenewables of coal, gas and uranium.

Currently, the energy balance sheet in South Africa, in terms of operations, stands as follows. In terms of our production, coal is at 40 141 MW; hydro, 600 MW; pumped-storage hydro, 2,732 MW; gas and diesel, 2,245 MW; wind, 103 MW; renewable independent power producers, IPPs, 5 069 MW; and nuclear, 1 800 MW. The total balance sheet in terms of the report we produced, called the IRP 2010-2030, the energy capability was 260 TW per hour. The envisaged capability by 2030 is 450 TW per hour.

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In terms of future projections, by 2030, we are looking at coal coming down from 90% to 65%; nuclear, up from 5% to 20%; hydro, up to 5%, which is a marginal increase; gas from 0% to 1%; peak open cycle gas turbines, less than 0,1%; and renewables increasing from 0% to 9%. In line with global energy demand, with changes in future fuel mixes leading to 2040, fossil fuels will remain dominant but, as the economy grows, that must be able to come down to around 60%.

Natural gas will grow, with most of it increasing in primary energy use. Oil will remain, essentially, on transportation and chemicals. Coal is projected to slow down, while gas will make a replacement as the second largest fuel source, driven by the need for cleaner energy. Nuclear and renewables will see growth and form a total contribution of around 20%. In terms of implementation, all these sources of energy will be implemented in terms of pace, scale and affordability. It fits all of them.

As for the second part of the question, about the region, the multifaceted nature of our energy policy requires for

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factors, such as economic, social and environmental concerns, to be considered in energy planning. There are therefore different sets of variables that inform energy planning, nationally, regionally and globally. So, it cannot be a case of one size fits all. We continue to supply energy to our region, both electricity and petroleum products, and we have recently ... [Time expired.]

Mr F Z MAJOLA: Hon House Chair, we appreciate the consistent and coherent message coming from government ... [Interjections.] ... from the Minister of Finance to the Minister of Energy, that ours is a mixed-energy policy. My follow-up question is: Given that the matter of nuclear as part of the energy mix has become a topical issue, can you please clarify if the Integrated Resource Plan, IRP, will be finalised before any process of nuclear procurement commences? Thank you very much.

The MINISTER OF ENERGY: Hon Chair, hon Comrade Majola, with respect to nuclear, and all other energy sources, we have made a determination on the Integrated Resource Plan, which is our path about rescheduling of the

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resources over a period until 2030, in terms of the NDP. What is currently on the table and to be decided on now is firstly, that the renewable bids will be finalised and signed.

When it comes to any energy input, whether renewable or nonrenewable, once Cabinet has approved the revised IRP, all of them will be exposed to issues of pace, scale and affordability in terms of implementation. Therefore, we are not going to be jumping the gun. All the energy options are on the table. Because they belong to and are part of our natural endowment, we are going to implement them.

In terms of the IRP, there is actually going to be a downturn revision based on the changes in the economy.

Thank you.

Mr J A ESTERHUIZEN: House Chair, hon Minister, does renewable energy not count or contribute towards South Africa's energy security? Why, then, does this Programme, with a budget of more than R400 million still have 82% of the budget unspent? Is this the way in which this

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department, indirectly, protects Eskom's monopoly for providing energy? I thank you.

The MINISTER OF ENERGY: Chairperson, the issues around the economics of energy or any natural resources state one must have an uptake. In other words, one must have a demand. Someone must be able to confirm that he or she is going to sign a power purchase agreement so that we can determine what we call scale, or volume.

One also has to deal with the question of infrastructure planning, taking into account how long it takes in terms of the different infrastructure. You know that the infrastructure for renewables is on a small scale, on average, in terms of lead time, not more than five years. However, if you are going to do a coal plant or a nuclear plant, you are looking at an average of five to 12 years.

Therefore, in this case, to cry that we are protecting Eskom ... we can't be irresponsible when we are bringing in renewables, when you know that they are extremely intermittent. They can only be applied under rural settings and specific industries. Eskom should be in the

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position that, while it has a reserve margin, we must be able to say what scale and pace of renewables and at what price these renewables are coming, before you can say Eskom must sign. Those are the discussions that are taking place.

Never try to impose the matter of scale, pace and affordability on one set over the other. I am the Minister of Energy. Whether renewable or nonrenewable, we support all of them. We don't promote one over the other.

Mr G R DAVIS: Chairperson, a recent CSIR report states that the lowest cost for any new energy investment is a blend of wind, solar and gas, with no nuclear. So, this contradicts what the Minister has said with regard to the energy mix. He has also been contradicted by the Minister of Finance, who said that, at this time, we cannot afford nuclear, and we don't need it. [Interjections.]

Yet, the Minister of Energy is fast-tracking nuclear procurement and he's bringing all of the deadlines forward. No wonder people say he's been deployed to this

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Ministry to make the nuclear deal with the Russians happen.

Minister, you've been silent on reports that you met with a high-level Russian delegation on or around the day you were appointed to this Ministry. [Interjections.] Can you tell us, on the record today: Did you meet the Russians to discuss the nuclear deal before you were appointed? Tell us today, yes or no: Did you meet the Russians? [Interjections.] [Applause.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon member ... [Interjections.] ... Order! Hon Davis, I just want to mention to you that I am not so sure of the relevance of the last part of your question relating to the original Question. Hon Minister?

Mr D J MAYNIER: Da [yes] or nyet [no]?

The MINISTER OF ENERGY: Chair, the hon member is going all over town. He raised most important issues but he doesn't know what he wants to ask. He raised the matter of energy costs. [Interjections.] If you know energy

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costs, we need to be in a position to ...

[Interjections.] ... Chairperson, I need to be able to be heard.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Hon Minister, can you proceed? Order, hon members!

Mr I M OLLIS: Answer the question!

The MINISTER OF ENERGY: Chair, very quickly, we are going to open up a school for him to understand that for energy costs, you start from a value chain. What is a mineral? You extract. [Interjections.] How are you ...

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members! The original Question is not about whether the Minister met with whom, and where. The original Question relates ... and that's why I asked if it was a supplementary question. If so, then you must allow the Minister to respond. Hon Minister.

The MINISTER OF ENERGY: Thank you, Chair. We want to put it on record that the hon member is not knowledgeable on

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how to do a costing of an energy system. It is costed from cradle to grave. The cradle component is about the mineral you put in. In other words, there is mining, the construction of a plant, and an operation and maintenance component. There are issues of decommissioning and environmental considerations. That is how you look at the costs.

Mr I M OLLIS: Yes or no?

The MINISTER OF ENERGY: The last part, I can tell I've answered this question. The hon member has a Russian phobia. As a member of the ANC, I'm not apologetic that Russia, China, Cuba and all frontline states contributed to our freedom.

Mr I M OLLIS: Yes or no?

The MINISTER OF ENERGY: Our leaders were given support. When they were ill, they went to hospitals. When they died, they were actually buried as heroes.

[Interjections.]

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Today, he is able to sit with you and me, here, because of that contribution from those countries. They remain our friends and we are not ashamed that the Russians, Chinese, Cubans, Mozambicans, and others, are the friends of our revolution. I thank you. [Interjections.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members! Order! Order! [Interjections.] Hon members, there was a discussion in the Chief Whips' Forum about Question 303, which was asked by the hon Rantho to the Minister of Public Enterprises. There was an indication that the Minister would not be available because of the inquiry where she is now. There was therefore a request that the Question stand over, and that was agreed to, including by the hon member who had raised the Question. So, the Question stands over until next week.

We now move to Question ... I apologise. There is one last supplementary question that I forgot to pick up. I am sorry, hon Thembekwayo.

Mr I M OLLIS: Ask him about Russia again! Yes or no.

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The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Can we allow the member to ask her question?

Dr S S THEMBEKWAYO: Chair, I believe we do not need nuclear energy. Eskom is saying this and National Treasury is saying this, as are many other experts.

Since you were made Minister of Energy just over a month ago, have you dealt with anything else other than the nuclear deal? [Laughter.]

Mr D J MAYNIER: Da [yes] or nyet [no]?

The MINISTER OF ENERGY: Chair, the member should probably find some time to visit Uncle Google to understand why South Africa made a choice around either an energy-mix policy or water-mix and economic ... [Inaudible.] ... policy. It is on the basis of natural endowment and those natural resources are not infinite. They must be used for future generations.

If the member could find the time to understand that that is the basis of policy planning, natural resource

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planning and economics, she will be able to understand that nuclear is what we have, in terms of uranium. She will also understand that in terms of fossils, we actually have coal. Therefore, there is nothing new.

As members of the legislature, we have an obligation to appraise ourselves of how planning happens. Nuclear is not up for discussion. Coal is not up for discussion.

[Interjections.]

HON MEMBERS: Why? Why not?

The MINISTER OF ENERGY: This is on the basis of the economic policy we have chosen, and it is going to be implemented. [Interjections.] Thank you.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order, hon members! Order! Order! I would really ask some of the members who attended the meeting in the cellar during lunch time ... [Laughter.] ... not to disturb the House. [Interjections.] I am privy to the information that there was a meeting in the cellar ... [Laughter.] ... and I had advised my hon members who are part of that committee

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that if they started making some unwarranted interjections, I would really appeal to them not to do so. That is why I am doing it. So, now, we are calling for the hon Maynier's Question to the hon Minister of Finance. Minister?

The CHIEF WHIP OF THE OPPOSITION: House Chairperson, I am very concerned about these allegations about the cellar and I wonder if could please forward them to me so I may take them up. [Laughter.] I think he should be less worried about who has been to the cellar and more worried about who has been to Mr Putin's dacha in Russia. [Laughter.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! I am very worried that actually I am now supposed to give evidence which might just implicate the one who asked the question. [Laughter.] [Interjections.] I now call the hon Minister of Finance to the podium.

Question 260:

The MINISTER OF FINANCE: Thank you, Chair. No; a big no. [Interjections.] I did not meet the World Bank to discuss

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the nuclear programme. I have not met or discussed the financing of government's nuclear build programme with any representative of the World Bank, because I did not have to and also because they also did have to. Thank you.

Mr D J MAYNIER: Thank you, Chairperson. Before I answer my question, I would like to point out that it seems to me that the Chairperson must have been in the cellar this afternoon because I, certainly, was not in the cellar at lunchtime. Now, Chairperson ...

The HOUSE CHAIRPERSON (Ms A T Didiza): I suspect you might just have been. [Laughter.] Continue with your supplementary.

Mr D J MAYNIER: Chairperson, an hon member said earlier that government has a consistent message when it comes to nuclear. Now you have to ask whether that member wasn't perhaps sipping "the hon David Mahlobovitch's vodka" because this is a government, as the Deputy President likes to say ... [Inaudible.] ... at war with itself.

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The HOUSE CHAIRPERSON (Ms A T Didiza): Order! The Minister is rising on a point of war.

The MINISTER OF ENERGY: Chair, I'm rising in terms of Rule 82, with respect to how a member ... 82.3. I'm raising that point of order so that he can refrain from doing that. I thank you.

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Maynier, you know that you have inferred on a character of a member. Could you please withdraw?

Mr D J MAYNIER: I wonder if the Minister would tell us which statement he would like ... [Inaudible.] ... to withdraw.

The HOUSE CHAIRPERSON (Ms A T Didiza): Withdraw that other issue.

Mr D J MAYNIER: [Inaudible.] ... perhaps my statement referring to him as "the hon David Mahlobovitch". Is that the statement?

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The HOUSE CHAIRPERSON (Ms A T Didiza): You know what you said about vodka. Just withdraw that.

Mr D J MAYNIER: I withdraw the statement in respect of vodka.

The HOUSE CHAIRPERSON (Ms A T Didiza): Thank you. You can then proceed.

Mr D J MAYNIER: Thank you, Chair. It is absolutely clear that this is a government, as Deputy President Cyril Ramaphosa likes to say, "at war with itself". And the evidence is clear: The Minister of Finance tells us that nuclear is unaffordable. The country, he says, cannot afford nuclear. But the hon Minister of Energy, the hon David Mahlobovitch, says "We can afford nuclear."

[Laughter.]

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

Mr D J MAYNIER: [Inaudible.] ... will tell us ...

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The HOUSE CHAIRPERSON (Ms A T Didiza): Uh-uh, go back to the mic, hon member. It is "hon Mahlobo" not the other surname you said. Which one are you referring to?

[Interjections.] Somebody who is not in this House, I suppose.

Mr D J MAYNIER: I am referring to the hon David Mahlobovitch ...

The HOUSE CHAIRPERSON (Ms A T Didiza): Uh-uh ...

Mr D J MAYNIER: ... the Minister of Energy.

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Maynier, withdraw that. There is no ... [Inaudible.] It is "hon Mahlobo". [Interjections.] Hon Mahlobo. Repeat.

Mr D J MAYNIER: Which one do you want me to withdraw.

The HOUSE CHAIRPERSON (Ms A T Didiza): The proper surname of the Minister.

Mr D J MAYNIER: Mahlobovitch or the hon Mahlobo?

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The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Maynier, you want your question to be answered, I suppose. So just withdraw so that we can hear your answer.

Mr J D MAYNIER: Chairperson, I respectfully withdraw.

The HOUSE CHAIRPERSON (Ms A T Didiza): Take your seat.
Hon Minister?

The MINISTER OF FINANCE: Hon Chair, there was no follow-up question from the hon member. He could not follow up on his own question. The fact of the matter is that there is no doublespeak on this matter. Minister Mahlobo has not, on a single occasion, said "We can afford ...". He has repeated exactly the point that we will proceed on a scale and at the pace that the country can afford. He has not contradicted the statement I have made. But the hon Maynier relies on gossip and hearsay and picks up stories from everywhere and uses them as issues that he should be coming here to ask us. No; a little bit of being factual would help, please.

IsiZulu:

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Mnu M HLENGWA: Kahle, ungangithumi. Ngizobuza lokhu okushiwo yi-Nkatha. [IFP] Mhlonishwa Ngqongqoshe, [Hon Minister] asihlale emhlohlweni. Yebo noma cha [Yes or no] ... [Ubuwelewele.] sekwazi nina? Ungangichathi ngimile, ubongilinda ngihlale.

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Order! Order! Hon Hlengwa, you address the Chair.

IsiZulu:

Mnu M HLENGWA: Ngibona bengichatha ngimile Sihlalo.

English:

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Can you just ... Your time is actually going.

Mr M HLENGWA: Minister, can South Africa afford a nuclear build programme? Yes or no.

IsiZulu:

UNGQONGQOSHE WEZEZIMALI: Ilungu elihloniphekile selibuza umbuzo omusha. Musha ceke lombuzo eliwubuzayo, ngawuphendula mhla ngethula istatimende se-Medium-Term

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Budget Policy. Ngiphinde ngawuphendula nanamhlanje. Uma ilungu elihloniphekile lingazange lingizwe, malihambe liye ku-Hansard liyofundisisa liphenyisise kuyoyonke imiqulu, lifunde namaphepha, ukuthi ngitheni ngalo mbuzo. Angizubelokhu ngima ngiphendula umbuzo owodwa imihla namalanga. Akusiyona yodwa into engiyisebenzayo.
[Ihlombe.]

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon Mhaliphi?

Mr M HLENGWA: Point of order, Chair.

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

Mr M HLENGWA: Hon House Chairperson, this is not a new question. The question arises out of the main question, out of the nuclear build. [Interjections.]

IsiZulu:

Ungqongqoshe [Minister] uthi ...

English:

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... I must go and read newspapers. Earlier ...

IsiZulu:

... othe ngingakhulumi ngamahemuhemu, [gossip] sengizwa, uthi angiye kumahemuhemu yena futhi ...

English:

... Rather I get it from the horse's mouth,

IsiZulu:

... kodwa ufuna ukungisiza.

English:

It is very easy.

IsiZulu:

Yebo noma cha?

English:

Yes or no? What is so difficult? What is so difficult?

[Interjections.]

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

English:

Mr M HLENGWA: Must I go and look for a yes or a no, in Hansard?

IsiZulu:

USIHLALO WENDLU (Nk A T Didiza): Ngicela uhlale phansi ... yebo.

Mnu M HLENGWA: Inganekwane le eniyixoxayo, bengingakwazi ukuthi, usabanje? Usuyabaleka? [Ubuwelewele.]

IsiZulu:

USIHLALO WENDLU(Nk A T Didiza): Sisacela ...

English:

... Order! Hon Mkhaliphi?

IsiZulu:

Nk H O MKHALIPHI: Sihlalo weNdlu, Ngqongqoshe, ake siyikhume ngesiZulu lendaba ngoba iyahlupha uma ilokho

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ikhulunywa ngolimi lweSingisi. Ngokwakho, uthini ngokushintshwa [reshuffling] komhlonishwa u-Kubayi kufakwa uNgqongqoshe uMnu u-David Mahlobo? Ngokwakho uthini? Ngoba [because] ngokwami neNingizimu Afrika, uNgqongqoshe uMahlobo ufakelwe lesi sivumelwano sokuphehlwa kogesi ngenuzi. [nuclear deal] Ungqongqoshe u-Kubayi ubehudula izinyawo kakhulu [very slow] ukutheni asayine [sign] lesi sivumelwano sokuphehla ugesi ngenuzi esifunwa wubaba kaDuduzane. [Ubuwelewele.] Ngakho [So] uNgqongqoshe uMahlobo uyasho nala phambi kwakho mhlonishwa ukuthi cha, impela lesi sivumelwano sokuphehla ugesi ngenuzi uzoqhubeka naso, wena ulokho uphikile. Awusho-ke, ubaba kaDuduzane umkhipheleni uNgqongqoshe u-Kubayi wafake u-David Mahlobo? Ngabe yisivumelwano sokuphehla ugesi ngenuzi, yebo noma cha? [Ubuwelewele.]

IsiZulu:

UNGQONGQOSHE WEZEZIMALI: Akusiwona, ngenkulu inhlonipho, umbuzo ongabuzwa mina lowo ngoba akusimina othatha lezo zinqumo. Nangokwenhlonipho yesintu, lungu elihoniphekile, umuntu akabizwa ngobaba wendodana okungesiyona inkosana yakhe. Ngeke uthi kimi ngiwubaba kaNkanyezi noma ngiwubaba kaMvelo ngoba nginenkosazana uQhakazile. Uma

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ukhuluma ngami, ungihlonipha, ungibiza ngobaba kaQhakazile hayi ubaba wezingane ezilama uQhakazile, ngingenkosazana kwaGigaba. Kanjalo noMongameli unenkosana kwakhe, kumele abizwe ngaleyo nkosana uma kunjalo.

[Ihlombe.]

USIHLALO WENDLU (Nk A T Didiza): Siyabonga ...

[Ubuwelewele.]

Nk H O MKHALIPHI: Uxolo weSihlalo ...

USIHLALO WENDLU (Nk A T Didiza): Yiliphi iphuzu ophakama ngalo?

Nk H O MKHALIPHI: Sihlalo, ngingephuzu lokukhalima okuphambukayo. Ngiphakama ngephuzu lokuthi ngokuya ku-Rule 92, ngabe uDuduzane akuyona ingane kababa kaDuduzane? [Ubuwelewele.]

English:

The HOUSE CHAIRPERSON (Ms A T Didiza): Order! Hon member, I don't think we are going to entertain that debate. It is a matter they may need to be debated outside this

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House in terms of whether, culturally, you address a person by the first child, or the middle or the last. Could I ask the hon Gamede to make the follow-up?

IsiZulu:

Nk H O MKHALIPHI: Sesiyaazi-ke Sihlalo ukuthi uDuduzane akazalwa wuZuma. Kusho umhlonishwa uNqongqoshe Wezezimali [Minister of Finance]

The HOUSE CHAIRPERSON (Ms A T Didiza): Hon MkhaliPhi, you had not asked for a point of order, and that is out of order.

Question 304:

The MINISTER OF ECONOMIC DEVELOPMENT: Hon members, the private and public financial sectors hold a substantial part of the nation's savings, and are therefore important sources for investment. [Interjections.]

In 2016, banks held deposits of R3,5 trillion, while the total assets of the banking sector amounted to R4,9 trillion. Retirement funds and long-term investors

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manage assets worth some R5,5 trillion, of which 21% is currently allocated to public sector entities.

The financial sector is a major provider of capital in the economy. They hold equity, they hold bonds, and they provide working capital to just about every company across the economy.

If we can enable an increase in the flow of investment to the productive sectors, jobs and GDP can clearly benefit.

We therefore engaged in discussions with the financial sector on how better to mobilise that considerable resource base. I was invited to address the annual summit of the banking sector in September this year. I took the opportunity to engage the major banks on the role of this sector in supporting inclusive growth and economic development.

The Banking Association South Africa has set up a number of task teams, one of which focuses on the transformative role of banks in the economy. Based on the progress that is being made, we plan to meet the banks in February next

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year to identify further measures to stimulate investment.

In our engagement, we raised four key issues as part of developing a new national deal. The first issue is to strengthen our growth story and to place emphasis on sectors and market opportunities with high growth and job creation potential. An example of this is the new investment that's flowing in to the automotive sector, as well as the new enterprises that are coming about through our competition interventions in the economy.

The second issue concerns transforming the economy to bring young people, black South Africans, the urban and rural poor into the economy, and speeding up actions against economic concentration to enable new entrants.

The third issue is about ensuring integrity in governance and decision-making and managing our fiscal policies responsibly and sustainably.

Finally, the fourth issue concerns the deepening of domestic partnerships with greater efforts to pursue

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social compacts between government and the other social partners. Thank you.

Ms E M COLEMAN: Thank you, hon Minister, for your succinct response, as usual. [Interjections.]

However, I am tempted to ask you this question. Are there projects or programmes that might be put on hold during this financial year due to the current financial situation? If so, which sectors could be affected acutely?

The MINISTER OF ECONOMIC DEVELOPMENT: Hon Coleman, obviously the current Budget is already set, so nothing will change in this Budget period. But, the Budget process in Cabinet has to address the issues that the Minister of Finance raised in the Medium-Term Budget Policy Statement, MTBPS. That will be announced in February next year.

I should say, though, that part of responding to the current economic challenges is not only addressing the fiscal hole that has been identified in the MTBPS, but

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also looking at how we can stimulate economic growth. Some of that may well be through interventions in the Budget.

The Minister of Finance mentioned measures to promote small business development. Others may be regulatory measures, as well as measures that would enable small businesses to thrive and new companies to enter the economy.

We may also mobilise resources across the state. In 2009, for example, the Unemployment Insurance Fund played a key role in the setting up of a training layoff fund.

Finally, it's about boosting private investment, both domestic as well as foreign direct investment. I can point to some successes we have had but we would need to do a lot more to turn the South African story around and have stronger, sustainable economic growth that creates jobs on scale. Thank you.

Mr P G ATKINSON: Minister, one of the reasons the productive sector – as it has been termed here – has been

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starved of investment is because investors fear corruption and state capture. They also fear some of the rather strange economic choices and actions taken by this administration.

You did mention the fact that we need to attract investment locally and internationally, so how will you allay these fears amongst private providers of capital, both local and international? Thank you.

The MINISTER OF ECONOMIC DEVELOPMENT: Thank you, hon Atkinson, for the question. I think there are a few key things that we need to do. The one is in the economic management. For example, in state-owned companies, we have to ensure that appropriate governance measures are in place, that CEOs are appointed on merit, that boards have a fiduciary responsibility that they not only carry, but also they are seen to be carrying out. So a big part of what has been announced, for example, around SAA, is to give that signal of appointing a CEO and putting a board in place that can get on with the job of ensuring that a public entity does what it is supposed to do.

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The second part is that foreign investors in particular want to know, when they enter South Africa, that many of the obstacles and challenges around getting licences and permissions and so on can be navigated, and that they don't need to pay an amount of money under the table.

So, in this respect, Cabinet has approved the setting up of SA Invest which is a one-stop shop where investors can come and say, we are struggling to get a licence from a municipality, or we're battling to get permission from an entity, and we can then work to ensure that that is done with integrity, that it is done cleanly, so that investors know that government will in fact facilitate inward investment into the country.

By the way, hon Atkinson, as that is equally important to South African investors, those facilities are also available to them. Thank you.

Ms S P MHLONGO: The government, through the Automotive Industry Development Centre, AIDC, the Development Bank of Southern Africa, DBSA, and other avenues and organisations, continues to provide various tax breaks to

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big business in order to stimulate productive sectors of the economy. Yet, these companies use the tax breaks to expand unproductive and speculative sectors of the economy and invest in equities, bonds and stocks. The result is that these companies make huge profits while the country derives no benefit from their activities. Is this not because government has failed to lead strategic and productive sectors of the economy in both ownership and management?

The MINISTER OF ECONOMIC DEVELOPMENT: Thank you for the question, hon Mhlongo.

I am happy to share with the hon member the example of the Industrial Development Corporation, IDC. In this last financial year, the IDC approved some R15,3 billion in fixed investment. In other words, this is not stocks and bonds; this is in productive enterprises where, essentially, a factory has expanded, or there is a critical change of ownership.

Now, when it comes to the issue of state ownership in the economy, there are some very interesting lessons that we

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need to reflect on. The IDC ... when Anglo-American divested from Scaw Metals – which is a major company in the downstream metal industry – we were concerned that the company may be taken over and its assets stripped, leaving just a bare industrial shelf, with a great loss of jobs. So the IDC stepped in and became the major shareholder – if I recall, 70% of the shares were owned by the IDC. That company has clearly struggled. We are now looking at strategic equity partners with whom the IDC retains shareholding or equity in a company. Such partnerships bring technology partners with the requisite skills, experience and market know-how to do the job.

So we are looking at that blended model in which the state can play a role, but then we also incentivise the private sector very strongly.

I should end by saying that, in respect of the IDC, the approvals in investment in this last financial year is, in rand terms, the highest yet in the IDC's history.

Thank you.

Question 297

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The DEPUTY MINISTER OF LABOUR: Chairperson, the introduction of the National Minimum Wage will have a positive impact in addressing the challenges of wage inequality and labour instability in the country. It will provide an impetus in our efforts to deal with poverty and inequality. While the National Minimum Wage is not a living wage, it is a good start in assisting the 6,6 million South Africans who currently earn less than the proposed minimum, which in fact is R3 500 per month, not R3 200 per month.

Approximately 60% of all South Africans currently earn less than R3 000 per month while the basic cost of living, the survival line for a family of four is over R5 500 per month. So this proposed minimum wage is likely to have a profound impact on poorer South African's lives and the economy. Farm workers' wages, in terms of the current understanding, will be raised to some 90% of the National Minimum Wage when it is introduced. Those of domestic workers will be increased by 75% when the National Minimum Wage is introduced. Thank you Chairperson.

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Ms F S LOLIWE: Chair, thank you Deputy Minister for the clear response. My follow-up was going to be based on sectoral determination but because you have already covered that, mine is just to appreciate that you have clarified that the National Minimum Wage is better than sectoral determination. Thank you.

Mr M BAGRAIM: House Chairperson, Deputy Minister, your response to both these questions is disingenuous. You are fully aware that the National Treasury has said that the economy will lose a further 750 000 jobs with the implementation of the minimum wage. How many of these jobs will be lost in the farming and domestic sectors? How are you going to explain to the retrenched thousands of people why they lost their jobs? Furthermore, it is completely wrong to state that the specified legislation will reduce inequality and promote growth and that the legislation will force the business sector to mechanise, computerise and have jobless growth. Do you not think that this will add to the grossly disastrous situation of unemployment in South Africa brought about by your Ministry? Thank you.

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The DEPUTY MINISTER OF LABOUR: You will remember that this decision has been taken at a forum composed of government and the social partners, social partners being business, organised labour and the community. So, the understanding therefore should be that the necessary consultation has been done with the affected sectors of our society. The necessary research and investigation has been done hence the decision was taken. I do not believe that it is a decision that has been forced upon South Africa unless you are saying those who represent business are in fact not actually representing business.

Obviously they might have taken into account the possibility of the use of technology in order to reduce the wage bill but nonetheless we have to appeal to the consciences of South Africans. Those who are privileged enough to be in a position to provide work for those who are not should be doing that. Instead of punishing the already poor and vulnerable, so in other words, therefore, it is not in the interest of business to do things that are going to result in thousands of South Africans losing their jobs. It is our responsibility to

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ensure that everybody is in a position to earn a decent living. Thank you very much.

Mr X NGWEZI: Chair, hon Deputy Minister, inequality in South Africa is a runaway train. The costs of living are skyrocketing in no small measure to this crisis of state capture that South Africa now finds itself in. Eskom, for instance, is looking at a 20% hike in electricity tariffs. How then will the minimum wage realistically make any impact in the lives of the poorest of the poor? Thank you.

The DEPUTY MINISTER OF LABOUR: I do not know if the hon member is saying it is not acceptable for those who are earning even less than what is proposed, that they should continue not to be given something that approximates decency in the earnings that they are having. As the Department of Labour, we are part of the activities of the International Labour Organisation where many if not all countries of the world participate. The problem of unemployment, especially youth unemployment, is not confined only to South Africa; it is a global phenomenon that we are all trying to address. So, I do not know

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whether there are Guptas in other countries that are responsible for the rise in unemployment rates. Thank you Chairperson.

Ms V KETABAHLE: Chairperson, Deputy Minister, the present sectoral determination for farm workers is that farm workers must get a minimum wage of R2 778 per month. The reality on the ground is that most farm workers are not getting paid what is due to them according to this sectoral determination and that the department has no capacity to enforce this. What mechanisms will be put in place to ensure that employers do pay their employees what is proposed to be the minimum wage?

The DEPUTY MINISTER OF LABOUR: I think indeed it is a societal problem, the failure by people to comply with the law. The laws that we are passing here are meant to be complied with by everybody. As Members of Parliament, it is our responsibility to ensure that those laws are implemented. It is our responsibility to ensure that if a person is known to be flouting the law; they are taken to the law enforcement agencies of the country. We have the labour inspection and enforcement section in the

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Department of Labour. It is incumbent upon anyone therefore, who is aware that there are employers who are failing to abide by the law and report to the Department of Labour so that we can take the necessary action.

Everybody knows in this House that we have a shortage of labour inspectors because of the shortage of money. The budget that we have is not in a position to ensure that you are able to employ the requisite number of labour inspectors that we need. So, again as I had said previously, we should make a collective effort to ensure that we assist the poor and vulnerable to enjoy the rights that everybody else is enjoying. Thank you.

IsiZulu:

Nk M S KHAWULA: Uxolo [Sorry] kancane Sihlalo lapho ngaphambili

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

Ms M S KHAWULA: Rule 92.

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The HOUSE CHAIRPERSON (Ms M G Boroto): Rule 92 allows you ... [Interjections.]

IsiZulu:

Nk M S KHAWULA: Ngiyabonga.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members! Hon members, let me say this, Rule 92 allows you to make a point of order.

IsiZulu:

Nk M S KHAWULA: Yebo [Yes] yilo leli iphuzu lokukhalima okuphambukayo. [point of order]

The HOUSE CHAIRPERSON (Ms M G Boroto): But the point of order must have relevance in the Rules.

Ms M S KHAWULA: Yes.

The HOUSE CHAIRPERSON (Ms M G Boroto): So that is what I want.

IsiZulu:

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Nk M S KHAWULA: Yilo-ke leli. [Ubuwelewele.] [Uhleko.]

USIHLALO WENDLU (Nk M G Boroto): Qhubeka ma, qhubeka.

Nk M S KHAWULA: Yazi uNgqongqoshe [Minister] lento ayishoyo iyihlazo kabi ... [Ubuwelewele.]

USIHLALO WENDLU (Nk M G Boroto): Ha-e! Hayi!

Nk M S KHAWULA: Ngoba imali yonke iyathathwa iye eNkandla iyiqasha abantu abazogada izimbuzi zikaZuma laphaya.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member no! No! Hon member! Yuh-uh!

IsiZulu:

Asiyenzi lento oyenzayo mama siyakucela, asiyenzi lento oyenzayo.

English:

Can I have assistance on this thing here? It is not functioning.

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

IsiZulu:

Bengisacela ukuthi umama uKhawula, ilungu elihloniphekile, angayenzi lento ayenzayo. Simfundisa imithetho zonke izinsuku. Ngokwenqubo yalana ePhalamende, akuvumelekile ukubiza uMongameli, uSekela Mongameli noma elinye ilungu laleNdlu ngegama, kumele athi wu-Mr noma athi His Excellency umhlonishwa [honourable] uMongameli uZuma. Yebo kumele usho njalo. Nangokwesintu nje mhlonishwa Sihlalo, inhlonipho iyafuneka. Wubaba omdala kakhulu kunawe loya. Ngiyabonga. [Thank you]

USIHLALO WENDLU (Nk M G Boroto): Umama uKhawula uzwile. Mama, siyakucela. Kulungile mama, kulungile. Kulungile mama.

Nk M S KHAWULA: Kodwa angajwayeli ukungitshela, akukhona kwakhe la, kwaMnguni.

IsiNdebele:

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USIHLALO WENDLU (Kkz M G Boroto): Lunga elihloniphekileko Mma Khawula, hayi siyakubawa kwanjesi, ayikarisi torhwana into oyenzeko.

Question 272:

The MINISTER OF COMMUNICATIONS: Hon House Chair, indeed we support the reduction of the non-executive members of the SABC board. The Broadcasting Amendment Bill that is before the NA which is currently before the Portfolio Committee on Communication proposes the reduction of board members from 12 to nine. My reasons to support this is because of issues of quorum at times where it makes it difficult for the board to function but also its cost implications.

In the last six months of the interim board which comprised of five member individuals the SABC almost paid R3,5 million in board fees. It must be noted that during the 2016-17 financial year, the SABC paid just over R2,8 million in board fees. Of course this was until October 2017 because the resignation of the board was triggered by the enquiry of the NA. So, in light of the cost and the difficulties that we have, we support that

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the board must be reduced and have a sizeable number like other board members.

Ms P T Van DAMME: Hon Chair, it is really disappointing that the Minister supports this provision of the Bill. We all know that the reason why the SABC has problems is not the number of board members it is because of cadre deployment, corruption, political interference and has nothing to do with the number of board members that are on the SABC board.

Will you also, Minister place it on record that as the third Minister of Communications this year whether you also support removing Parliament's role in appointing board members so that the appointment of board members is by you, the Minister of Communications and taking hon Gigaba's advice and Edward's father?

The MINISTER OF COMMUNICATIONS: House Chair, let us start with the hon Van Damme...

Isizulu:

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... uma ungabheka kahle izinkinga zase-SABC ziya ngezindlela ezihlukene. Okokuqala iPhalamende yilona eliphakamisa amalungu webhodi futhi leyo nqubo isezandleni zabahlonishwa. Uma ngabe abahlonishwa bona bathi uma kufanele benze umsebenzi wabo bese abawenzi kahle, sicela ukuthi ningasoli thina njengezikhulu [executive]. Umsebenzi wokumisa amalungu webhodi wenziwa yiPhalamende. Namanje njengoba sikhuluma sibonile nasemapheni, sizibonile nezincwadi esizitholile kusuka kwilunga lebhodi elisule emsebenzini, uCalidas, akaqashwanga yimina futhi akaphakamiswanga yimina kodwa uzihambe ngezinkinga zabo.

English:

Now, when we look at that hon member, it is unfair to suggest that it is cadre deployment that is making the systems to fail. You can look in many countries that are succeeding if you want a debate on cadre deployment we can give it to you because it talks about quality and quantity of the people that we put. In terms of cadre deployment, you look at the number of people who understand what the state's mandate is in terms of the

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work if we are to talk about that. So, we can have that debate.

In terms of SABC where I have issues as this Minister, is where you find that where the board is supposed to function, where I stand in terms of our governance issues that must be strong. You need not to have a Minister interfering with the board, you do not have the board interfering with the executive but equally you do not need political parties interfering with affairs of SABC. The issue of the past where you find members of either Parliament or members of the public going to the SABC and interfering with the operations of SABC is wrong. SABC ended up where it is because of multifaceted issues. So, we must not be biased in one area.

IsiZulu:

Mnu M HLENGWA: Sihlalo, Ngqongqoshe ...

English:

I am glad you talked about cost cutting measures but if your saving grace is just reducing the board in a sea of outstanding debt of about R597 million, a loss in the

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last quarter which is estimated at R74,4 million, I would like to believe that more needs to be done than reducing the board. So, in light of that, what plans in the immediate future do you have at ensuring that the SABC is financially afloat; it generates income and that it turns the corner because quite frankly it is becoming another SAA or whether SAA is becoming another SABC, the two are interchangeable? The financial situation in its entirety is not healthy. What immediate plans are there as part of this cost cutting measure and revenue generation do you have to turn the corner and restore SABC to where it was because ...

IsiZulu:

... uHlaudi wayiqeda nya, yafa bhu!

USIHLALO WENDLU (Nks M G BOROTO): Qha, siphelile isikhathi.

MNU M HLENGWA: Ise-ICU kwiyimanje noma ikwa-Dove emakhazeni.

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USIHLALO WENDLU (Nks M G BOROTO): Bab'uHlengwa, uma singayeka ama-preamble sizogeda imibuzo yethu ngesikhathi. Ngikuyeke waze wenqa, phendula mhlonishwa.

English:

The MINISTER OF COMMUNICATIONS: Hon Chair, with regards to the financial situation at SABC indeed not only the cutting of the board will reduce the difficulties that SABC have. One of the areas we are looking at is whether we could be able to say there will be strategic equity partners that come through the commercial side of SABC. That will ensure that there is accountability, sustainability but transparency in what we do in the SABC.

Another area is to be able to look at how we lost issues around advertising but part of the issue that we need to focus on at SABC is the growing digital conversions that are happening. A lot of advertising are going to move from your main line broadcasting to your Smartphone like the online videos and online TV. So, those platforms are growing compared to your mainstream media broadcasting site.

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SABC has to look at those strategic areas to say how we reposition ourselves to compete currently but for the future. If you were to look at what is going on over the years, the current model of financing will not sustain SABC hence you are looking at the review of the whole model to grow the commercial side but equally how do we make sure that we have high quality content that is relevant to the South African public that can attract viewership so that when we sell the content to advertisers it is something that they will be interested on because they will see the numbers. So, the work is being done but equally we would be approaching Treasury to seek immediate relief so that what ever we are doing in the long term - no, we are not looking for a bailout hon member. We are looking for a guarantee so that we can be able to generate revenue because we are having service providers that are not being paid currently. We want to make sure that they are being paid while we are turning around the situation. This is a proposal that we have received from the board itself. Thank you very much.

Dr S S THEMBEKWAYO: The reduction of the number of SABC board members would pose a risk of having less diverse

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views at that board level with the real risk of having the public broadcaster reduced into a state broadcaster and captured by a dominant faction of the ruling party. The real problem with the SABC is not necessarily the number of board members but what those board members do. What measures are you putting in place to ensure that the SABC and the executive do not repeat the suppression of opposition party voices, particularly that of the EFF as they did during the last elections. Thank you.

The MINISTER OF COMMUNICATIONS: Hon Chair, let me start with the issue around the number of boards that they do not increase.

IsiZulu:

Uma bebaningi ngesinye isikhathi nabo bagcina balwa.

English:

That is the experience and that is why we need an affective team that is less. The numbers do not say anything. People can 20 and not be effective and they can be 5 and be very effective. The issue here is that we are spending a lot of money for board fees and I have shown

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the effects in terms of finances. In terms of what is it that I will do to ensure that political parties are covered - go the Constitution, as the Minister, I am not expected to interfere with the editorial policy of the SABC. So, it remains independent and I respect that.

When you have a complaint about how you are covered as a political party, please take corrective measures through corrective channels and not through the Minister because the Constitution bars the Minister from interfering with the editorial policy. Thank you.

IsiXhosa:

Mnu C H M MAXEGWANA: Ndiyabulela Sihlalo weNdlu, Mphathiswa, mna nawe siyayazi ukuba iBhodi yeSABC, njengokuba sithetha nje, inamalungu ali-10...

English:

... and very soon we will be finalising the Amendment Bill. What are the plans or measures that you will put in place in averting such an expenditure incurred by the interim board of five members and therefore when we have

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a full complement of the board, what are the measures that we are going to take?

The MINISTER OF COMMUNICATIONS: Thank you very much House Chair and to the Chairperson of the Portfolio Committee on Communications. Part of the issue is to ensure that you do not have a board that cannot sit at SABC where they meet regularly because they must meet according to the regulations and sometimes these board fees that go up is because of the number of board meetings that people attend. If they become too much then they become a problem. So, part of the requirement is that the board must meet as per the prescripts so that they do not end up with board fees that are ballooned. That is another issue because if we do not note only that threatens the issues of financial sustainability but equally there might end up with the thin line between what the board does and what the executive is expected to do. As I have explained earlier financial sustainability of SABC is very important into our programme. It is receiving immediate attention and we are doing our best to make sure that SABC turns around the corner to be financially viable not only for now but for a long time. This is

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because we know that previously around 2009, there was a turnaround plan put in place but in the process that was abandoned and therefore we are back from where we were. We are looking at long-term sustainable measures to save SABC but also making sure that it is a viable business. Thank you very much.

Question 308:

The DEPUTY MINISTER OF MINERAL RESOURCES: Chair, in response to this question by the hon Comrade Mandela, the quantified impact measurement is measured through various indicators, with gross fixed capital formation in the mining industry as the key measurement. That would also include new investments.

So, the gross fixed capital formation has increased exponentially in tandem with infrastructure investment, which has led to an increase in export volumes, in production, and in employment, amongst others. As a percentage of total gross fixed capital formation, the total percentage of mining contribution had increased from 6,3% in 2005 to 10,9% in 2006 on the basis of the R3 trillion infrastructure investment.

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Furthermore, the creation of opportunities in the mining industry as a result of black economic empowerment has also increased. This includes procurement opportunities, ownership, participation, especially of Africans, employment, and other socioeconomic opportunities. Regrettably, poverty and unemployment still persist. It is still very high and requires the collective attention of all determined leadership to correct. Thank you very much.

The HOUSE CHAIRPERSON (Ms M G Boroto): I am informed that in the absence of the hon Mandela, the hon Pikitini will take charge of the question. Hon Pikitini?

Sepedi:

Mna M H MATLALA: Ke a go leboga, Modulasetulo. Ga se nna Mna Pikitini, ke nna Mna Matlala. [Tšhwahlelo.]

MODULASETULO WA NTLO (Moh M G Boroto): Tshwarelo. Ke seo ba mphilego sona.

Mna M H MATLALA: Morena. Bjale ba di file nna ditaba tše ka moka.

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MODULASETULO WA NTLO (Moh M G Boroto): Tšwelapele, papa.

Mna M H MATLALA: Legatong la Mna Mandela, re leboga karabo ye Tona a e filego. Se se laetša gore ga se Tona ye e robalago mošomong; o šoma ka mo go tletšego.

Potšišo ye e latelago legatong la Khomoreiti Mandela e re: ... [Tšhwahlelo.] O sa le yo monnyane. Homola o re tu!

English:

In our view, Mr Deputy Minister, we need to address issues of localisation by creating these opportunities for the black economic empowerment entities. Is there any programme in place to address these issues that affect the people of South Africa, in particular young people? Thank you very much.

Sepedi:

MOTLATŠA TONA WA TŠA DIMENERALE: Modulasetulo, e re ke leboge barena ka moka - Morena Matlala le Morena Mandela - ka gore dipotšišo tše di tšwa bareneng. Ke leboga le gore ba thabetše ka mokgwa wo re ba arabilego ka gona.

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Efela, ...

English:

On the issues he raised in English when he spoke about localisation, we have had several workshops called mining commercial opportunity workshops or procurement workshops with the mining industry. We started that in 2012, I think, in anticipation of the 2014 implementation of the Charter. We have made tremendous progress, especially in the Northern Cape and the North West Province.

We shall continue with this programme because we have realised and recognised the localisation programme, in particular, did not have a lot of focus on women and youth. I must say, in my engagement with them, I was encouraged by the sector that provided work to people with disabilities, as it manufactured a lot of reflective vests, gloves and overalls for the mining industry. We encourage that.

In our further engagements with the mining industry in the Limpopo area in the last three months or so, we have been able to secure some co-operation with the mining

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industry in localisation. If you look at the Charter currently being contested in court, the key is localisation and broad-based black economic empowerment that is anchored in transformation.

So ...

IsiZulu:

... siyaqhuba baba.

Sepedi:

Re a leboga.

English:

Mr J R B LORIMER: Chair, through you to the Deputy Minister: The National Union of Mineworkers says 70 000 mining jobs have been lost over the last four years. On 1 November 2017, 7 000 more jobs went with the closure of the Cooke Mine. What has been the effect of those lost jobs on black economic empowerment?

The DEPUTY MINISTER OF MINERAL RESOURCES: Chair, the figures are correct. Especially in the last four years,

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the industry shed a lot of jobs. The shedding of jobs has been as a result, as you know, of many factors, including ...

Mr D J MAYNIER: ANC policy!

The DEPUTY MINISTER OF MINERAL RESOURCES: ... spiralling or the downward trend of commodity prices. This has not only happened in South Africa. [Interjections.]

You will recall that in some period - no, you must listen if you want to learn ... [Interjections.] No, you know that in the same period of this downturn of commodity prices, Australia lost a lot of jobs. The only advantage they had is that their social security is better than ours. [Interjections.] Secondly, this happened in the United States too.

Coming back home, we have a system that has neglected especially black people in this country, a system we are trying to correct. That is why the majority of unskilled labour in the mining industry is black people. These retrenchments have affected black people. It is not just

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black economic empowerment, as you define it. The issue here is about the entire industry bleeding in this one. Also, you must know there is an increase in the same industry in terms of employment. We recognise that 70 000 jobs have been lost over the period. However, with the upswing of commodity prices, watch this space.

[Interjections.]

We also know part of the problem, especially in the platinum industry, has been that a lot of assets are being put under care and maintenance. We must also know, as you should, hon member, that mining is a wasting asset and that companies will close down because the ore bodies, especially in gold, are getting depleted. Also, you must know that our mining industry is getting deeper and deeper. So, mechanisation is also coming into play here. So, there are several factors. It is not just playing to the gallery with this figure or that figure.

[Time expired.] You must give a comprehensive analysis of this industry.

Ms H O MKHALIPHI: Chair, I don't know whether this Deputy President will be able to answer my question but, anyway,

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let me just ask him. [Interjections.] The government continues to spend money developing infrastructure to support the extraction of minerals by mining companies - spending trillions of rand of taxpayers' money - yet mining companies continue to cut jobs. The Chamber of Mines has 71 members. In the last two years alone, 141 mines have failed to meet their required obligations in terms of the mining companies' social and labour plans, which were designed to ensure that communities benefit from having mining companies in their areas.

This is clearly failing, and mining companies continue to disregard their social and labour plans. So, Deputy Minister, is nationalisation of mines not the best way to ensure communities benefit from mining activities? If it is not, what does the Minister think is the way forward?

The DEPUTY MINISTER OF MINERAL RESOURCES: Chair and the hon Mkhalihi, government will continue to support infrastructure investment for the growth of the economy.

This includes the mining sector. You would know that a lot of investment has gone into rail infrastructure and

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some roads that are constructed and improved. So, it is imperative that we improve. I said earlier that our mining industry is not a sunset industry. We are still going to be mining successfully and sustainably in this country for at least the next 100 years. So, it is important that we invest not only in infrastructure but in skills, as well.

In terms of the social and labour plans, some companies have done extremely well. The history of social and labour plans is not just for people around mining. It is also about labour-sending areas. Having said that, the intention of the social and labour plans was to ensure that we minimise ghost towns - that after mining, economic activity takes place. You will recall that Gauteng is the best example of social and labour plans, except for the environmental damage that is done by acid mine drainage. We want a situation that even if the mine is depleted, the economies go on.

In terms of nationalisation, you will know that the ruling party has discussed this matter extensively and agreed that the country cannot go into wholesale

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nationalisation of mines. Some of them are dying assets. You cannot take such liabilities and put them on the state's books. Our nationalisation programme should be strategic, and we should intervene where we should. For that reason, we have also started a process of having a state mining company - the one that exists ... to say that we have to come with a law that strengthens and ensures that the state participates in this important sector. Thank you very much.

Mr J A ESTERHUIZEN: Chair, through you to the Deputy Minister: With the state's investment as stated in the question and the private sector even more, will the Department of Mineral Resources encourage more exploration projects because without that the future of mining is dead in this country? Thank you.

The DEPUTY MINISTER OF MINERAL RESOURCES: Chair and hon member, both the state and the private sector continue to discuss the level of investment in exploration. You will know that we have the Council for Geoscience getting money for exploration from the fiscus every year. You will know that, in the past year or two, this Council for

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Geoscience has invested heavily in the Northern Cape and KwaZulu-Natal so that we have proper profiles of our deposits and commodities around the country.

Also, we continue to receive prospecting applications in their numbers every day through the SA Mineral Resources Administration System, which we will discuss later. That tells you that people want to continue to invest. I don't say it is enough, but we are saying this continues. People come into the mining industry because of the endowment that we have, so it is not just maybe for religious reasons that you have people come to invest here. You must also accept there are serious investors who come here and put money on the ground.

There are those who speculate - some of them making the loudest noise about lack of investment in the country. When we talk to them and check who are investing, the people who are serious and in this country to stay, they have concerns about the Mining Charter and some other things, but you don't see them as runaway companies that are not here to invest. So, exploration will continue.

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Our competitors are doing better in terms of exploration spend.

What we do not do properly in the country is offer support to junior miners in terms of funding, etc. I have had several workshops with junior miners, including new entrants to this industry, that say they want to do this, that they have applications, but that they also need funding. On the matter of funding, we have agreed with the Industrial Development Corporation, the Public Investment Corporation, and the Department of Mineral Resources to start putting resources into helping accelerate this exploration programme. Thank you.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you very much. And, thank you, Deputy Minister, I think that was your last question. The next question, Question 300 ... [Interjections.] Oh, you don't want answers now. [Interjections.] What is this about? Question 300 is posed by the hon Capa to the Minister of Agriculture, Forestry and Fisheries. Hon Minister?

Question 300:

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IsiXhosa:

UMPHATHISWA WEZOLIMO, AMAHLATHI NEZOKULOBA: Mandibulele kutata uCapa.

English:

The Agricultural Research Council, the ARC, has a pivotal role to play as the nature of agriculture is changing. Gone are the days when a span of oxen would till and you would then wait for two weeks before planting. Gone are the days when you had to go to your farm to check if the livestock had any pests or diseases. The days have come when we have to endorse the fact that science and technology is the answer to climate change and other challenges. Before now, we used to have to use drones and our cellphones to check the climactic conditions. That, therefore, places the Agricultural Research Council at the centre of development. Funding therefore is very important. Like all other research institutions, they are the future of our economy, not only because we want them to exist but also because the time has come when science is the answer to production.

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With the assistance of the Agricultural Research Council and other research institutions and the advent of Alpharma Worm, our yield in grains was more than in any other year. I can't agree with you more that funding should be made available to the ARC. By the way, the ARC has approached the Department of Finance, notwithstanding the constraints on the department, to make that funding available to them.

The Agricultural Research Council does not only do research, but also deals with finding other new cultivars that can be used to withstand the challenges of climate change. Thank you very much. [Time expired.]

Mr N CAPA: Thank you, Chair. Thank you, Minister, for this reply, which also serves as a reminder for the National Treasury. Now, what does the department do to ensure that the ARC has adequate and competent human resource capacity that will enable it to deliver fully on its mandate?

IsiXhosa:

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UMPHATHISWA WEZOLIMO, AMAHLATHI NEZOKULOBA: Mandibulele kwilungu elihloniphekileyo utata uCapha. Tata uCapha, asenzi nje uphando kuphela.

English:

Through the ARC we assist students who are doing master's degrees and PhDs to make sure that young people are able to achieve their dreams. In so doing, we are investing in the future. I agree with you that without such endeavours, the future of agriculture and the future of production in this country would be challenged.

I do believe that with this programme we will be able to sustain the development of young black people so that they can see a future in the different areas of science, but for that we will need to work very hard - especially in finding investment from other sources so that the ARC is the mainstay of development in the agricultural sector.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you. Hon Steyn, this is your time to ask a follow-up question.

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Ms A STEYN: Thank you, Chairperson. I am so glad we had time for this; it is a very important discussion.

Chairperson, I agree totally with the Minister about the importance of science and research for agriculture. In this regard, the Minister did answer me - I got a written answer on South Africa buying vaccines from Botswana for foot-and-mouth disease.

What is definitely concerning is that it has cost us more to buy the vaccines from Botswana than if we had put the money into the ARC and done our own research. Why isn't it possible - and I am glad the Minister of Finance is here - to get R5 million funding to build our own vaccine facilities so that we can protect our herds? [Applause.]

We are now buying from Botswana at a massive cost. Why can't we do our own work here in South Africa?

[Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you, hon Steyn. Hon Minister? [Interjections.] Why do you want to respond on behalf of the Minister? [Interjections.]

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The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Baie dankie, hon Steyn. I am sure you are also, as a farmer, a witness to the fact that we have done more research. We are one of the best producers of vaccines through Onderstepoort Biological Products, OBP. Onderstepoort Biological Products is the leader on the continent and matches others globally. The only vaccine we don't have, which we are busy working on, funding allowing, is the foot-and-mouth disease vaccine. The reason for that is because we have been free of foot-and-mouth disease for many years, and I believe that the capacity to manufacture this vaccine is advanced. I believe you will agree with me that in previous years there were many complaints about different vaccines. The fact that we have improved our capacity at OBP means that we are able to produce the necessary vaccines all the time. I am happy that we are speaking about only one vaccine, the one vaccine we don't have. You are not mentioning the many other vaccines that we are producing, not only for our country but also for other countries. I take your point and I am sure, funding allowing - and, I think, through partnerships - we will be able to find the

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ability to do that. Thank you very much. I am not going to pass the answer to somebody else.

Mr M N PAULSEN: Thank you very much, House Chair.

Minister, given the fact that the work done by the Agricultural Research Council benefits mainly established farms - farms that are very lucrative - shouldn't we relook at the funding for the ARC so that those farmers who benefit the most are the ones that contribute to the funding of this? Thank you very much.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Hon Paulsen, I can assure you that one of the programmes of the ARC has resulted in the new maize cultivar which is 20% resistant. Who have been the beneficiaries thereof? The small producers. They have made the point that that seed is available to them. Even when there was an outbreak of Alpharma worm, our scientific team worked across the country, especially at provincial level, using available funding - hence, we got this high yield. Eight of our provinces were affected, but if you looked at the produce thereof you would deny that we had had an outbreak of army worm.

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The Southern African Development Community, SADC, is relying on this scientific production to deal with pesticides. We are working through the Food and Agriculture Organisation of the United Nations, the FAO, to ensure that we extend our work.

What this continent needs are early warning systems and the ability to co-ordinate our research and scientific work on diseases and pesticides. Therefore, yes, those who are the most in need of the ARC's work - be it in livestock or crop production - do get it. We do sole analysis and all other activities for those very people you speak of.

Mr I M OLLIS: Chairperson, I've been listening very carefully. This foot-in-mouth vaccine sounds excellent. I recommend they make it available at the ANC caucus next week. [Laughter.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Ollis, I will pretend I heard nothing. [Interjections.] Hon Pandor?

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The MINISTER OF SCIENCE AND TECHNOLOGY: Chairperson, that was an excellent ruling. You heard nothing. [Laughter.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members, the time allocated for questions has expired. Outstanding replies received will be printed in Hansard. I just want to thank all our Ministers and Deputy Ministers for making business a success today. Thank you. The House is adjourned.

The House adjourned at 18:04.