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PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES

The Council met at 14:02.

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

Ms C LABUSCHAGNE: Deputy Chairperson, on a point of order. Through you Chair, I would like to know if hon Nyambi is making apologies to hon Julius on his personal attack yesterday in the House or why is he sitting next to hon Julius now?

The DEPUTY CHAIRPERSON OF THE NCOP: Hon member, that's not a point of order and I would therefore not carry it.

INTERVENTION IN NORTH WEST PROVINCIAL GOVERNMENT INVOKED

(Draft Resolution)

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The CHIEF WHIP OF THE COUNCIL: I move without notice:

That the Council -

- (1) notes the notice of intervention in North West provincial government invoked in terms of section 100 of the Constitution, 1996;
- (2) further notes that the intervention affects all the departments; and
- (3) establishes an ad hoc committee to:
 - (a) inquires into the intervention in North West Provincial government ... [Interjections.]

Ms C LABUSCHAGNE: Deputy Chairperson, I rise on a point of order on Rule 254(2). I wrote a letter and if you can allow me to proceed with my point of order.

The DEPUTY CHAIRPERSON OF THE NCOP: You wrote a letter?

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Ms C LABUSCHAGNE: Yes. The point of order is: on Wednesday, 16th May, President Ramaphosa tabled a notice of intervention in terms of section 100(1) of the Constitution of the Republic of South Africa, 1996.

This notice failed to include a memorandum explaining the reasons for the intervention as required by the national required by the NCOP, Rule 254(2). The required memo should contain reasons why the President and the Interministerial Task Team, led by the Minister in the Presidency - Planning, Monitoring and Evaluation, Dr Dlamini-Zuma, would like to place the North West province government under administration. Neither the required memorandum nor the specific reasons for the intervention and the extent of the assumption of responsibility has been included in the notice.

The Fourth Parliament's legacy Report was clear that intervention should only be used for administrative reasons and not political reasons.

The NCOP and the constitutional procedures cannot be abused in a political battle between the President and Premier Supra Mahumapelo. Therefore, notwithstanding the substantive reasons as to which the

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NCOP select committee or for that matter, an ad hoc committee will deal with a national intervention in a province as a whole.

The President's notice of intervention is invalid, unlawful and unconstitutional. Therefore, I hereby request that you declare the motion of intervention invalid or alternatively, request the required memorandum explaining reasons for the intervention be provided by the President and the Interministerial Task Team and that the draft resolution of today's Order Paper be removed accordingly until all legal and constitutional requirements have been fulfilled. Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Okay. Thank you very much. It's a pity that I didn't have the benefit of the contents of what you were going to raise. Procedurally, in accordance with Rule 71, you should have allowed the Chief Whip to present the motion. In accordance with Rule 71 again, provinces would have been allowed an opportunity to make their declarations. Therefore, you are then referring to a letter that you wrote. I would therefore request you to allow the Chief Whip to present the motion as printed on the Order Paper and we will allow provinces to make their declarations of vote if they so wish.

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Ms C LABUSCHAGNE: [Inaudible.] ... The procedure, as I have explained in the last paragraph has not been fulfilled. I therefore rise on a point of order because I cannot allow a motion to be read and then do a declaration on the selection of an ad hoc committee. I don't agree with that. I won't vote on that. My motion is on the procedure that is incorrect. The only thing that has been ATCed is a letter and I will show it to you. In the letter, the President refers to section 100(1)(b) which is correct but section 100(1)(b) states that there must be reasons. And Rule 254 says there must be ... and I will read it to you Chair.

The DEPUTY CHAIRPERSON OF THE NCOP: No, no.

Ms C LABUSCHAGNE: Rule 254 says: The notice must be accompanied by a memorandum explaining the reasons for intervention.

The DEPUTY CHAIRPERSON OF THE NCOP: No. Hon Labuschagne, I am making a ruling now. I have called upon the Chief Whip to continue with the presentation or the reading of the motion as printed on the Order Paper. Chief Whip, can you continue? Can I take hon Khawula?

Mr M KHAWULA: Hon Chairperson, can you please do us a favour, Chair, and speak to the microphone.

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The DEPUTY CHAIRPERSON OF THE NCOP: I cannot ... Is this thing on? So, you can hear me? It's only hon Khawula? Okay, may the hon Chief Whip continue with the reading of the motion? Could this be adjusted, please?

The CHIEF WHIP OF THE COUNCIL: I move without notice:

That the Council -

... in terms of the Council Rules and the Constitution;

(b) exercises those powers as set out in the Council Rules that may assist it in carrying out its task;

(c) consists of 11 members of the National Council of Provinces and alternates; and

(4) reports to the House as required by the Constitution.

I so move, Deputy Chair. Thanks.

Question put:

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The DEPUTY CHAIRPERSON OF THE NCOP: Hon Chetty!

Mr M CHETTY: The hon Labuschagne should have waited until the Chief Whip made the announcement. Now, Chairperson, to read section 100(1), you need to read it with section 254. Again, if you look at what was ATCed, it is very clear. Whenever the national executive intervenes in a provincial executive in terms of section 100(1)(b) of the Constitution, the Cabinet member responsible for provincial affairs must submit a written notice of the intervention in the Council within 14 days before the intervention. The notice must be accompanied by a memorandum explaining the reasons for intervention. Now, Chairperson, we still haven't ...

The DEPUTY CHAIRPERSON OF THE NCOP: I think I made a ruling on that. The ruling is that the Chief Whip must continue. I am now at a point where I am saying the motion be agreed to. On the basis of Rule 71, I shall first allow provinces an opportunity to make their declarations of vote if they so wish. Is there any province that wishes to make a declaration of vote?

Declarations of vote:

Ms C LABUSCHAGNE: And all of a sudden all the other provinces will make declarations of vote as well. Hon Chair, as I already said, I

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first raised a point of order again. The order is wrong. We cannot continue with voting. The reason for the voting on it is not clear.

The Rule states that there must be a memorandum explaining why we have to establish an ad hoc committee. We don't have that memorandum. So, my declaration is: Before this House goes to voting to decide that an ad hoc committee should be established to do the work as it has been explained in the Rules and in the Constitution, we need to be provided a memorandum explaining the reasons for the intervention ... [Inaudible.] And the Draft Resolution of today's Order Paper be removed accordingly until all legal and constitutional requirements have been fulfilled.

I cannot do a declaration on the voting. According to us voting cannot take place. Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Okay. So, that's not a declaration. Is there any province that wishes to make a declaration because I heard Western Cape and I allowed it to make a declaration of vote? Now, during their declaration of vote, they declared that it is not a declaration of vote. It's fine. I agree. Any other province?

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Mr B G NTHEBE: Chair, as the North West we rise to support the motion as presented by the Chief Whip. [Interjections.] We want to ...

The DEPUTY CHAIRPERSON OF THE NCOP: Order! Order hon members! Can you allow the North West to make their declaration of vote?

Mr B G NTHEBE: ... We are of the view that the intended purpose as submitted in the memorandum by the President seeks to resolve issues of administration and therefore, as the North West want to support it because in all material times, the national and the central government must always have its hand on the pulse of the provincial government and all other governments that fall within other spheres.

We would argue that if there is no other motion, we should proceed to voting.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West.

ABSTAIN: Western Cape.

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Motion accordingly agreed to in accordance with section 65 of the Constitution.

**CONSIDERATION OF CONSOLIDATED REPORT OF THE PROVINCIAL WEEK WHICH
TOOK PLACE FROM NINE TO 13 OCTOBER 2017 UNDER THE THEME -
ADVANCING OUR COLLECTIVE EFFORTS TO CREATING WORK OPPORTUNITIES FOR
OUR PEOPLE**

The CHIEF WHIP OF THE NCOP: Hon Deputy Chairperson, hon members, hon members of this august House, distinguished special delegates and fellow South Africans, we are assembled here today to reflect on the report of our important Flagship Programme, this Provincial Week which took place as indicated nine to 13 October. This Provincial Week was under the theme "Advancing our collective efforts to create work opportunities for our people".

We chose this theme because among the most critical test of the legitimacy of parliaments in the 21st century is the political will and capacity to push back frontiers of unemployment, poverty and inequalities that continue to define the lives of the majority of our people.

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We must take this opportunity to honestly assess whether it is making impact in changing the lives of our people by identifying the gaps both in terms of its conceptualisation, implementation and the outcomes within the evolving context of our political landscape. We should do this mindful that; critical to the strategic objective of the Provincial Week is to enable the NCOP to have its hands firmly on the pulse of our evolving system of intergovernmental relations.

The 53rd National Conference of the ANC points out that and I quote:

To deepen the national democratic revolution and accelerate service delivery and development, we need a stronger developmental state and a more integrated co-operative governance system. The more we build a developmental state the more we create the conditions for a more integrated co-operative governance system.

The Constitution locates the NCOP at the cutting edge of our evolving system of intergovernmental relations in South Africa. The NCOP, as former President Mbeki argues, critical to the assessment of whether it is effectively and successfully discharging its constitutional obligations, we should pose amongst others key questions as he asked: Firstly, has the NCOP ensured that national

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policy is designed in a way that enables it to be implemented at a provincial level?

Secondly, is the NCOP actively engaged in finding out what difficulties provinces are experiencing in implementing national policy and fulfilling their constitutional obligations?

Thirdly, is the NCOP providing provincial legislatures with the opportunity to engage each other and the national government constructively regarding the problems that they have encountered in the implementation of national policy?

And lastly, is the NCOP actively engaged in search for solutions to problems common to provinces and local government?

Chairperson, I am confident that we will all concede that; one of the defining features of the agents of change in society is their permanent discomfort with the status quo. Accordingly, this should consistently compel us not to shy away from posing difficult questions even about our own choices in terms of how they impact on the lives of our people. Key to this should be a critical and honest re-examination of whether the content of our conversations during the Provincial Week, its methodology, reporting template and

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outcomes are responding to these fundamental questions posed by former President Mbeki.

Is the reporting template enabling us to sufficiently identify common challenges facing our provinces, emerging pockets of best practices alternative policy perspectives to alert the national government on appropriate interventions to unlock the barriers for service delivery, development and transformation? What kind of actions do we take post these provincial weeks to follow through critical challenges that are faced by provinces? These are among other key questions that we should honestly reflect on in order to make this programme more lively and relevant.

The 53rd National Conference of the ANC has rightfully declared that the current phase of our transition as a phase of radical socioeconomic transformation within the evolving global context of deepening levels of poverty, unemployment and inequality. Almost close to half of South African's live in poverty does according to various reports by reputable institutions. In his critique of the narrow economist view of poverty which is limited to the inability to access income as key indicator, according to Said, one of the leading Nigerian political economists said and I quote:

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Poverty is a policy issue that exists in the political domain. Poverty, inequality and governance are now seen to be inseparably related because without good governance, bad policy choices will be made, the people will have neither voice nor power and the economy may likely deteriorate. Similarly, when poverty and inequality persist in a society it weakens the political process and promotes deficient governance.

This debunks the myth of the neoliberal paradigm that relegates the task of economic development to the market forces. The resolution of the ANC national conference on building a democratic developmental state should therefore be understood within the context of the failures of the market forces alone to drive a sustainable economic growth trajectory. Critical to the democratic character of the South Africa's trajectory of a developmental state is to give voice to the aspirations of the masses as the final architects of their future. By working with the people with and amongst them we always must understand the extent in which there is a need for agent change.

Hon members, we debate this report at the time when the World Bank has released yet another report that depicts South Africa as one of the most unequal societies in the world within the ever escalating levels of poverty and unemployment. These inequalities are defined

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by gender and race. As former President Mbeki observes in his 2004 state of the nation address and I quote:

For the blacks, and especially African majority, suddenly a new dawn broke. After these masses had cast their votes, they still had nothing in their stomachs and their pockets... but they yet had a spring in their step because they knew that a new dawn had proclaimed the coming of a bright day.

At the heart of the report of this Provincial Week is a narrative of spatial, racial and gender dimensions that continue to define South Africa's development trajectory, poverty, unemployment and inequality. This is not a creation of nature neither a coincidence of history, but a product of conscious social engineering by successive apartheid white minority regimes over many decades.

Hon Deputy Chairperson, to deny the correlation between white privilege and black suffering in South Africa is not only to feed on white supremacy, but a resistance against South Africa belongs to all who live in it, black and white as equals. According to the 2018 World Bank Report titled, *Overcoming Poverty and Inequality in South Africa: An Assessment of Drivers, Constraints and Opportunities*, it says and I quote:

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Race remains a strong predictor of poverty in South Africa, with black Africans being at the highest risk of being poor. Large families, children, and people in rural areas are especially vulnerable to being in poverty for a long time.

Despite this gloomy picture on the deepening levels of poverty and inequalities in South Africa, the 2018 World Bank Report credits the South African policy trajectory as one of the best to push back the frontiers of poverty, unemployment and inequality. It calls for unity in action across party political lines, and between the state and nonstate actors behind a common vision. This common vision is articulated in the National Development Plan which most political parties represented here, wide sections and organised labour and business have endorsed as our collective road map. The National Development Plan, NDP, is unequivocal in its articulation of the correlation between governance and poverty and I quote:

No political democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must be the first priority of a democratic government. The NDP posits that to raise the living standards to the minimum required level will involve various mechanisms, such as

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increasing employment, incomes, productivity as well as through social protection and quality public services. The measure of success of government's development policies will be when the lives and opportunities of poorest South Africans are transformed for the better.

South Africa is rated as among few countries among the developing countries with sound policy dimension which is characterised by stability and responsiveness to developmental imperative of the 21st century. What continues to remain a challenge is the poor co-ordination of the implementation of these policies between spheres of government and among sector departments. The success of this Flagship Programme will be measured by the extent of the intervention it makes to address this challenge.

The roll out and implementation for instance, of the Expanded Public Works Programme is the case in point where this challenge manifest itself more profoundly. In some provinces exorbitant amounts of funds that are intended to benefit the poor and the unemployed are directed to consultants.

There is no evidence of integrated and co-ordinated mechanisms to marshal the resources and expertise within the state. I am raising

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these hon members that as we were doing our work there were glaring challenges and weaknesses that we picked amidst that there are of course pockets of excellence. However, I am making this point that there is no evidence of integrated and co-ordinated mechanism to marshal the resources and expertise within the state, private sector and organised labour to advance the vision of the NDP. And I am saying, my office as the Chief Whip of the NCOP and that of the House of Chairperson for Oversight will conceptualise a monitoring framework to track how select committees integrate issues emanating from the Provincial Week Reports, as part of our ongoing oversight and robust work that we must do as members of this Council. I thank you, hon members. [Applause.]

Mr W F FABER: Hon Chairperson, as the Northern Cape NCOP Permanent Delegates, we were eager to see what difference our provincial government made to help improve and stimulate economic growth to its full potential in our province.

Premier Sylvia Lucas started off by informing us that the provincial government is committed to economic development and working hard to eliminate poverty. It is unfortunate that the Northern Cape Province receives a very small part of the equitable share allocation from National Treasury every year. We are thus concerned of the

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undertaking that was made by National Executive at Taking Parliament to the People in 2012 to give a larger portion of the cake towards the Northern Cape, especially in the De Aar region to revitalise the railway hub by building train coaches which didn't happen

We should condemn and actual imprison President Zuma, the Guptas and Mr Brain Molefe for looting from government, through inflating the controversial 1 064 locomotive tender to which the Gupta linked businesses scored from R38 billion to R54,5 billion with these inflective.

The inflation of the tender is R16,5 billion. This is according to the report from Transnet just after another three board members resigned last week. Then we sit here and wonder why there is no money to start projects that could help economic growth and alleviate poverty? I wonder why?

The Departments of Economic Development, Tourism, Roads & Public Works, Agriculture and Rural Development, made presentations to us and then it went to witness what was happening on the ground

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The DEPUTY CHAIRPERSON OF THE NCOP: Hon Faber? Can you take a seat? Hon Mthethwa, on what point are you rising on? Can you take your seat hon Faber?

Mr J M MTHETHWA: The hon member is misleading the public. Where did he saw Zuma looting?

The DEPUTY CHAIRPERSON OF THE NCOP: I didn't hear you?

Mr J M MTHETHWA: Where did he saw Zuma looting the country? He is misleading the country.

The DEPUTY CHAIRPERSON OF THE NCOP: Did he say Zuma?

Mr J M MTHETHWA: He said Zuma.

The DEPUTY CHAIRPERSON OF THE NCOP: Okay, fine. Ooh, don't want to be presiding by default. I must make a ruling on this and the ruling is very simple. I didn't pick up exactly what it means but if hon Mthethwa has a perception, we will then have to check Hansard and verify exactly what is it that the member has said.

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Mr W F FABER: Well, different departments as I said came to present to us and then it was time put our feet on the ground and all our colleagues were there.

In 2014, we visited Caerwinning farm that was handed over to Mr. Van Bosh, who is a disabled person. The department only now, in 2018 via the CASP program, allocated funds to assist this farmer after four years. It is very clear to us, that this vulnerable farmer did not receive the support, training or equipment to be able to be integrated into the economy. We have witnessed this over many years where people receive land but no real support by government to be able to become successful farmers. The title deeds of this farm will also not be given to this farmer, as according to the MEC. As this ANC government wants to hold on to land but we hear this opposite slogans every day: give the land back to the people. We cannot allow people to simply become labourers on the government land.

In the Western Cape, the DA government actually give the title deeds to the farmer to become the owner in his own right.

Then the recycling project visited in Dikgatlong, was in the same sorrow state as at our previous visit ago and to be quite frank,

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this trend of most of the other projects visited were all failures, wrapped up to look good.

The Phokwane Local Municipality has identified goat farming. This could work but then getting the Kalahari Kidd program to assist in management, is very challenging. It is common knowledge that this was a disaster program, close to Groblershoop that cost government millions of rand for many years and until this day it remains a liability for the Northern Cape Province. Why would we ask someone who failed miserably to all of a sudden help with a new similar project. This doesn't make sense.

The chicken farm near Warrenton received awards at a time, when it was financially supported by the government but after the chickens got sold, they didn't get replaced. The money dried up due to competitiveness in the market as it was set. I went there two weeks ago and still nothing has changed. There was still no money for these chickens. This project is standing still.

The Department of Agriculture showed us a successful pecan nut plantation by the community and they drove off. While myself and hon. Stock who is sitting right here was standing and talking about this beautiful success, the real owner of the farm walked towards us

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and asked what we are doing on their land? She told us that they planted these trees for the community program 14-years-ago and until today there were no community to work on this farm and even to look after it. There is no community involvement occurred. These are the untold truths being exposed.

The one light in the tunnel, I must say, was the Grain Storage Facilities next to the main railway line. This project is currently run by the Department of Trade and Industry, DTI, and it is still waiting for more funding to be able to operate. It is clear that this project is being run under professional supervision and will become a success story in future.

Unfortunately, the ANC left the Northern Cape in a mess with their infighting between the Zuma and Ramaphosa factions, as currently seen in the North West Province. Therefore, because of this, it is unfortunate that the poor and unemployed people will suffer the most due to this political instability. I thank you.

Ms N P KONI: Chairperson, hon Faber comes here and tags all the permanent delegates from the Northern Cape. He must refrain from doing that, going forward. Once he ...

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Mr J W W JULIUS: Deputy Chairperson, on a point of order: Hon Koni just referred to hon Faber as Faber. She must please call him hon Faber. When she came up she said: "Faber comes here and ... " Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: If that is what she said, let us refer to each other as honourable.

Ms N P KONI: Chairperson, I was not even aware that I referred to the hon member as Faber and not as hon Faber. When people like hon Faber touches on the issue of land, it is very personal. So, it actually affects me.

The theme for today's debate is: Advancing our collective efforts to creating work opportunities for our people. This is appropriate, given that the quarter labour force survey was released by Stats SA two days ago. The quarterly labour force survey is hard proof of how this government has failed to create working opportunities for our people, because of the neoliberal economic policies it has adopted.

I will now tell you the reality of unemployment in this country. The unemployment rate in the Eastern Cape is 46%.

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Mr W F FABER: Chairperson, I just have a correction for hon Koni. If we read this, it actually says that the provincial week's theme, which took place, was: Advancing our collective efforts to creating work opportunities for our people. It is not the theme of the debate.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Faber, that is not a point of order. You are trying to debate by chance. I am not going to allow you to do that.

Ms N P KONI: It is very wrong to disturb a very contented debate. The unemployment rate in the Eastern Cape is 46%. The unemployment rate in Mpumalanga is 42,5%. The unemployment rate in the Northern Cape is 41%. The unemployment rate in KwaZulu-Natal is 40,6%. And the unemployment rate nationally is 36,7%. While these rates are bad, unemployment rates amongst the youth are even worse. Fifty-two percent of young people in this country today are unemployed, that is more than half.

The ANC has no right to come here and talk about work opportunities, when it has done nothing to create opportunities for our people. Every economic plan that it has adopted, from Gear to the NDP, have only served the interests of capital and not the interests of

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economic development and job creation. And all attempts to boost youth unemployment from the Youth Wage Subsidy to the current Youth Employment Service Initiative have failed and will continue to fail.

I will therefore use this opportunity to educate the ANC on how jobs can be created. The DA can also listen. [Interjections.] If government is genuine about job creation, ... Chairperson, I am struggling to hear myself, because the hon member of the DA on my left is drowning me.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon member, it is a genuine appeal by hon Koni. [Interjections.] Hence, I am saying that ...

Setswana:

Moh N P KONI: Ko re seno ke mogabolo ...

English:

... and it's a pity that you are refusing to listen.

The DEPUTY CHAIRPERSON OF THE NCOP: No, hon Koni. You appealed and requested my intervention. I am trying to intervene.

Ms N P KONI: Yes, Chair, please intervene. Please, intervene.

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The DEPUTY CHAIRPERSON OF THE NCOP: Order! Order! Hon Chetty, can you just give her a chance? Hon Mpambo-Sibhukwana! I am going to call you by name now.

Ms N P KONI: Please, Chair. Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: I am going to call you by name now. Can you allow the member to continue? Let us not drown her.

Ms N P KONI: Thank you, Chairperson of the Northern Cape. By taking ownership of the country's mineral resources with which we are so blessed, we will be able to establish state-owned mining companies, ...

Mr F ESSACK: Chair, on a point of order: ...

Ms N P KONI: The energy of the DA is unnecessary now.

Mr F ESSACK: Chair, on a point of order: I just wanted to check, through you, whether the speaker on the podium insinuates that the DA must educate the ANC on job creation? Is that what she said? I just want clarity, through you.

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Ms N P KONI: Don't mislead the House.

The DEPUTY CHAIRPERSON OF THE NCOP: I don't think that is what she meant.

Mr F ESSACK: You don't think that is what she meant?

Ms N P KONI: That is not what I said and I will never utter such words. But more importantly, taking control of the country's mineral resources will lay the ground work for beneficiation and the development of the productive forces of our country, so that we are no longer so reliant on mineral extraction to fuel our economy, but can diversify it and develop it.

Minerals and metal beneficiation will create a stable and sustainable labour-absorptive industry, which will see our country become industrialised. Industrialisation cannot be only limited to mineral resources. However, it must lay the basis for industrialisation of the entire country, so that we produce everything we consume, from tables to complex machinery.

But this process of industrialisation cannot happen in isolation, and government will need to take the necessary steps to protect our

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industries. Today, across the world we are seeing countries, both developed and developing, protecting their country's industries. We are seeing tariffs on aluminium and steel imports to the US, which will see jobs lost in this country.

If we want to industrialise our country, we will need to do the same. We must subsidise our own industries and place tariffs on imported goods, so that South African goods are competitively priced in this country and South Africans can buy and consume them.

If government had done this, we would have had a poultry industry today, and would not have seen our poultry industry collapsed because of cheaper US imports, with thousands of South Africans losing their jobs.

These are just basic policies government must adopt, if it really wants to create job opportunities for our people. But if it continues with the same neoliberal economy it has adopted and implemented for the last 24 years, nothing will change and the unemployment figures will only get worse. I thank you.

Mr T RAMOKHOASE (Free State): Deputy Chair, fellow delegates, distinguished guests, ladies and gentlemen. This is an era in which

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the ruling party, the ANC is now unapologetically introducing the radical economic transformation meant to change the structure, systems, infrastructure development plans, institutions, patterns of ownership, management and control of the economy in favour of all South Africans, especially the poor.

This is also the time that we as the government, both the ruling party and the opposition need to change the form, structure and character of our debates. Our debates must be advisory, encouraging and motivating because we are all working forward in common goal of making South Africa a better place to live in. Our dissenting voices in these debates must aim at nation-building and promote a better life for all. The message to ourselves should be "We acknowledge that there are things that we did right and there are things that we did wrong".

Bipolar concepts must teach us that always where there is white, there is black, also where there is right, there is wrong, also where there is beautiful and handsome, there is also ugly, and where there is good, there is also bad. This is the reality that we cannot run away from.

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With our engagements with provinces in 2017, we saw good things and bad things. Allow me to focus on the portraits that we saw in the Free State Province.

Let me start with the Vredefort Dome in the Free State. Vredefort Dome is an initiative of Fezile Dabi District Municipality and the Department of Environmental Affairs and Tourism in Free State. The following were snapshots at this project during the visit by the NCOP members: Arts and craft stalls were not completed; the construction of the restaurant was incomplete; and outdoor arena was incomplete.

The Free State Legislature takes responsibility for all the mishaps that occurred in the project. However, it is important to note that although the projects were not properly monitored, the project's success was also constrained by factors such as the withdrawal of Witswatersrand University from the project, withdrawal of the implementing agent, site being split between two provinces and the classification of the project as an on risk site by United Nations Educational, Scientific and Cultural Organization, UNESCO.

Let me touch on Kroonpark Holiday Resort in Kroonstad. This is a project initiated by Moqhaka Local Municipality in Kroonstad, Free

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State province. The challenges which were identified in this project during the visit by the NCOP members are the following: There was no money for marketing the project; there was poor access control; there was a problem with water pollution; there was nonsupport by government departments; and no financial support from the district and local municipality.

Poor oversight mechanisms were employed by the Free State Provincial Legislature in this project. It is anticipated that with new budget allocations of 2018-19, the Department of Environmental Affairs and Tourism in the Free State will take steps to close gaps in this project.

Let me touch on achievements. During the NCOP visits in the Free State province, Virginia Mega Poultry Project and Power Road Parts garage in Welkom were identified as the most successful projects in the province.

Good things about the Virginia Mega Poultry project are the following: One boiler house produces 40 000 chickens; R50 million has been spent in the project to date; eight boiler houses will operate in the future; finances are managed by Price Water Coopers;

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beneficiaries are trained by the University of Free State, UOFS; and beneficiaries are paid a stipend of R2500.

Services rendered by Power Road Parts Mecca Garage project are the following: Selling of batteries; selling of tyres; wheel alignment; and wheel balancing. Above all, this project is 100% female-owned and it is completely successful.

A clinic was visited and it was non-functional by then. It was a clinic build by Sasol firm as a donation. As we speak now the clinic is functional with five bursaries for students studying medicine at the University of Free State.

In conclusion, allow me to quote Barack Obama when he said:

And where we are met with cynicism and doubts and those who tell us that we can't, we will respond with that timeless creed that sums up the spirit of a people: Yes, we can.

I thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Makue, I was observing and I know what happened. I am sure that when it goes on record, it will

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be corrected. I could see that you were concerned something that I heard as well. Hon Mthethwa, continue with the debate.

Mr J M MTHETHWA: Chairperson and Deputy Chairperson of the NCOP, Provincial Week to the Province of KwaZulu-Natal in the King Cetshwayo District took place on the 9-13 October 2017 in a year that was declared by the ANC as the year of the Commandant in Chief of Umkhonto we Sizwe.

Oliver Reginald Kaizana Tambo was a South African anti-apartheid and revolutionary who served as President of the ANC from 1962 to 1991. The greater number of our people both black and white should and will rally around the banner of democracy the alternative democratic power will get ever stronger as the illegitimate apartheid power weakens permanently and irreversibly. O R Tambo closing speech 4 December 1987 Arusha Conference.

This district was named after the Great grandfather of Isilo Samazulu esibusayo, King Cetshwayo who led the Zulu warriors in the battle of Isandlwana the battle where the Great Britain lost to African warriors. The battle of Isadlwana remains the single greatest defeat of the British army at the hands the African army.

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This occurred in KwaZulu-Natal the battle of Isandlwana is a battle of pride as it reminds us that our ancestors did not quietly accept colonization and were not easily defeated they fought and even defeated the European colonizers as the case of King Cetshwayo forces.

The delegation met with the premier and the provincial executives to receive a briefing on employment creation initiatives in the province, including short and long-term projects aimed at fostering employment and economic development.

We were briefed about the provincial master plan, which enables the province to optimise and monitor employment creation initiatives. The plan enables the province to tackle the poverty, unemployment and inequity.

The master plan is thus integrated with other initiatives such as Operation Vula; Black Industrialist Development programme and the Poverty Eradication Master plan.

The vision of the province is that by 2035 KwaZulu-Natal will be a prosperous province with a healthy, secure and skilled population living with dignity and harmony and acting as a gateway to Africa

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and the world. The vision has been cascaded to strategic goals and objectives, which indicate as targets to major progress, focus intervention and drive performance.

One of the main strategic goals is inclusive economic growth. The province has been able to meet job creation targets and there is growth in the number of new small contractors. The SMMEs programme is yielding positive results as it has displayed growth.

Other goals include environmental sustainability, which is meant to enhance ecosystem services; and response to climate change as well as spatial equity, which seek to ensure integrated land management use across the province, ensuring equitable access to goals and services.

Over 900, permanent jobs were created at the Department of Co-operative Governance and Traditional Affairs. Over a 1 000, women and over 3 500 youth were employed at the Department of Human Settlement.

The Department of Economic Development and of Tourism and Environmental Affairs created 2 859 jobs under SMME funding, over 1 300 jobs were created through training and co-operatives and SMMEs.

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And more than 1 000 bursaries were issued through the Department of Tourism and Environmental Affairs.

The Department of Arts and Culture reported over 500 full-time employments and 80 interns were absorbed in the 2017-18 financial year. The high level overview of departmental employment has been reported with departments such as the Department of Agriculture and Rural Development having created more than 1 500 jobs.

A five-year turnaround strategy has been developed. This strategy intends to carry out the infrastructure improvement so that the state can be accredited as a rainforest. It will then export its tea overseas to move lucrative markets.

An upgrade of black green tea for factories must be done. Currently, unemployed seasonal workers should be allocated tea fields so that they found themselves as minimum farmers and individually as co-operatives. Expand productivity and leave harvesting by introducing a hand held harvesting machines.

Over the five year plan investment will increase productive capacity of the project, and assist by contributing positive growth in the agricultural sector. I thank you. [Applause.]

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The DEPUTY CHAIRPERSON OF THE NCOP: I wish you could have been on your feet. But if you raise your hand I don't know whether you are calling for my attention or you are drawing your attention to the service officers or so? If you are on your feet, it means that you are ... [Inaudible.]

Ms T G MPAMBO-SIBHUKWANA: Hon Chair, I have long had my hand up but you didn't look on this side of the Western Cape, which is the usual case with you.

Hon Chair, I wanted you to note that hon Mthethwa was speaking and had no time allocation. Is it because he is coming from Zuma's province that he is getting a special treatment? The time is not allocated on the speaker's list. I wanted to ask that because it is a free time with him. There is no time allocation on the speaker's list.

The DEPUTY CHAIRPERSON OF THE NCOP: I don't want to get into that. He is left with one minute forty five seconds. On this clock, he is left with one minute forty five seconds.

Ms T G MPAMBO-SIBHUKWANA: Okay, but I wanted to bring to your attention that he was on a free time. There was no time allocation.

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The DEPUTY CHAIRPERSON OF THE NCOP: Okay, fine.

Mr B A MAJUBA: Hon Deputy Chairperson and hon members. Let me pass my sincere greetings to everyone in this august house. We are humbled to be afforded this opportunity during the workers' month, where we are dedicating ourselves to the selfless struggles waged by workers for our freedom and committing to pursue the ideals of workers unity to overcome the socio economic legacy of apartheid.

The main theme of this occasion, which is Advancing our collective efforts to creating work opportunities for our people, resonates well with the ANC 2018 January 8 statement, which celebrates 100 years of Dr Nelson Mandela and declared 2018 as the year for renewal, unity and jobs.

Let me start by quoting one of the revered world and struggle icons, the first President of the democratic dispensation, Nelson Mandela, when he said and I quote:

"As long as many of our people are still in utter poverty, as long as children live under plastic covers and many of our people are without jobs, no South African should rest and wallow in the joy of freedom".

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Our goal of decent work and sustainable jobs requires collective efforts.

The National Development Plan, NDP, vision 2030 correctly outlines that, in order to achieve full employment, decent work and sustainable livelihoods is the only way to improve the living standards and ensure a dignified existence for all South Africans.

We can reduce the unemployment rate to six percent by 2030. It will require leadership, difficult political choices and effective implementation. It will require a rebalancing and realignment of key areas of government policy alongside some reprioritisation in economic policy.

The Mpumalanga Province is one province hit by high level of unemployment especially the youth. We are seen as an agricultural hub and industrial province. However, it is very worrying to note the unacceptable youth unemployment in the province which is about to reach 73% and it mainly affects also rural women.

Guided by the new growth path, much focus to improve the lives of our people must be in Agriculture, Mining, Tourism and Industrialisation of the province. Agriculture contributed above all

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other economic sectors in the two quarters of 2017 to the gross domestic product, GDP. The three industrial projects have been approved for the black industrialist programme and all of these projects are in the agricultural sector.

The establishment of the international fresh produce market in the province will go a long way to contribute in sustainable job opportunities to the people of Mpumalanga in particular Ehlanzeni Region. The establishment of the Special Economic Zones, SEZs, will indeed create job opportunities to the down-trodden communities.

The overarching policy intent of the SEZs is to further national government's industrial development, as espoused in the NDP, and places the economy on an inclusive and sustainable growth trajectory. This will therefore not only give black entrepreneurs opportunity to be managers and employees but to own and create more jobs.

The establishment of the University of Mpumalanga is one of the milestone achievements by the ANC-led government, which has become a game changer in the efforts of the Province to position itself as a home of the Agrarian revolution in the country. We insist that the curriculum of the new University in Mpumalanga should reflect the

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real economic needs of our people and responds to the developmental agenda of the nation.

The Moloto road upgrade and rail construction is amongst the mega projects targeted to create millions of jobs for the communities of Nkangala Region in particular Thembisile Hani and Dr J S Moroka. The estimated once-off employment opportunities sums to 90 000 jobs through this project and about 40 000 sustained employment opportunities. All spheres of government, must work together to make this long deterred dream a reality. The young people must be trained towards possible skills needed for the project in order to realise the targeted opportunities.

We are delighted that at least 674 employment opportunities were created at the Highveld Industrial Business Park. The challenge which is worrying is the lack of necessary skills in our youth to contribute to economic and job opportunities that will change the lives of our people. We have a task to commit our energies to the objectives of the NDP in reducing the unemployment rate to at least 6%.

Our provincial governments must work very closely with private sector especially for mega projects in to create jobs for our

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people. Since the democratic breakthrough, a lot has been done however much is still expected. This will only happen if we join hands as nation-loving people beyond our race, gender or political affiliation to make South Africa a better country.

Amongst other challenges, the following are at the core of escalation of the triple challenges: the lacklustre approach to deal with corrupt activities in both private and public sector; lack of support to the emerging farmers and Small, Medium and Micro-sized Enterprises, SMMEs and lack of skills development in the main field of economic growth in specific provinces.

With all provinces and key ministries, we cannot fail to provide new path for our zeal to defeat the triple challenges facing our people. At the centre of all these issues raised, it is the land question. Being able to take land back to the owners and will help us in paying more focus in utilising it for various reasons to change the lives of the majority.

Amongst other key issues, the following recommendations would be considered: the industrialisation of the provincial economy in order to create sustainable jobs; to invest in the development skills which will respond to strategic growth pillars of the province and

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country at large; local beneficiation and encouragement of cooperative sector participation in the mainstream economy; efforts should be made to ensure the approval of black industrialist projects is spread across the country, irrespective of the rural or urban setup of the region; collective approach on the fight against poverty, unemployment and inequality and socio-economic initiatives linked with land use programmes.

As I close, these interactions and visits to provinces must not be in vain. Working with the national government, we must declare war on poverty, unemployment and inequality. Poverty and unemployment are just weapons of mass destruction. As we prepare for the Fourth Industrial Revolution, we need to be prepared otherwise the level of unemployment will never be reduced. If capital has an aptitude to invent new technologies, there must be ability and keenness to end unemployment. I thank you.

Mr V LWANA (Eastern Cape): Hon Chairperson, the Chief Whip of the House, hon members, let me extend the greetings from the province of the Eastern Cape this afternoon. Chairperson, we assembled here at the backdrop of the recent massive loss of life and casualties in one of the oldest and an ongoing conflict between Israel and Palestine.

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We wish to join hands and voices of all peace loving nations of the world in condemning the actions of the US sponsored Middle East violent conflict. Hon members, we further wish to lower the flag for all those eminent South Africans like Mr Sam Nzima, the late, whose life recently laid to rest.

Taking Parliament to the People in the Eastern Cape, Chairperson, I was lucky to be part of a follow up visit under the leadership of hon Makue, where a rigorous oversight one could attest to.

Yesterday, as I was listening to debates, I was reminded that President Mandela in May 2002 had this to say, what counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead. As members of different houses of law making in South Africa, the above has to at all time find expression in the way we conduct our lives.

Hon members, our development programmes pursuant to egalitarian society would always take a knock and subsequently getting undermined if left entirely in theatre of market forces. In the sphere and fora of Intergovernmental Relations, the IGR, the Eastern Cape Province has been advocating for the relook of the current

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funding formula in the allocation of equitable share. At the centre of it we know it is people and of course premise on the notion of development follows people.

Hon members, in what I am introducing right now, the issue of equity and redress should make us to take a deliberate effort to tilt it in favour of poor provinces. It is of course, as I said hon Chair, that development follows people. But if we do not constantly remind ourselves of the historical injustice even the wars that we fought, wars of resistance, deprivation and colonisation, and all that is related to it and simply go to the allocation as determined by the current formula. Indeed, history will judge us unfavourable if we continue to subject public purse benefit to perpetuate the current structural imbalances.

The Industrial Development Zone, IDZ, in the Eastern Cape continue to grow as economic growth points in which we see the attraction of foreign direct investment. Automotive sector with the woes of continues job losses remain second economic driver after public sector in the province of the Eastern Cape.

Other provincial state-owned enterprises contribute in excess of R2,5 billion in the provincial fiscus. Those are signs, Chairperson,

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that we do have a launching pad in which we should build upon to drive economic development and create jobs, and more sustainable jobs in the province. The agricultural sector remains and is seen as a catalyst in job creation. We see it as not only a catalyst in that level but also on issues of food security.

The province is working very hard to drastically increase the physical allocation in the sector so that we accord it the catalytic part that we are saying it is.

In the area of young people, we are working very hard to ensure that the partnership between the Eastern Cape Province and the Department of Military Veterans does contribute in the area of skilling on a number of areas amongst the young people.

I wish Chairperson, to see before I step down that indeed, we welcome the report as it was welcomed yesterday, but also I am putting a stamp to say, we will continue to partner with the NCOP in ensuring that the areas that we also mentioned as areas of concern in your visit to the province is indeed addressed. Thank you very much. [Applause]

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Mr M KHAWULA: Hon Deputy Chairperson, the first day of the KwaZulu-Natal delegation's provincial week of 9 to 13 October 2017 was unfortunately, marred by the storm that ripped through Durban and some areas of the province, causing havoc. Be that as it may, the delegation received a briefing by the honourable Premier of the province on the first day in Pietermaritzburg.

Some of the issues raised by the honourable Premier in his briefing were: Firstly, high levels of unemployment in the province and a remarkably high number of social protection grant recipients, as a result.

Secondly, human resource development challenges in the TVet colleges. The premier raised a concern that TVet colleges in the province are not properly resourced with adequate and properly qualified lecturers.

Thirdly, he raised a strong need for government at national level to tighten and strengthen the programmes aimed at enforcing intergovernmental co-operation and relations, which he said are very poor.

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Fourthly, there is a big question mark about how sector education and training authorities, Setas, operate. The province raised a concern that, whilst Setas are government funded, it is illogical that when they provide services to the province, they still expect to be paid for such services by provincial and local government.

Fifthly, the Premier indicated that the province would like to strengthen its capacity through Ithala Bank, a brainchild of uMntwana wakwaPhindangene.

Lastly, there is also a big concern in respect of the political killings in the province and why these moves are not detected in time by the National Intelligence Agency of the country.

Site visits conducted by the delegation included a visit to Ntingwe Tea Estate; an inspection of the regravelling of the D1572 road; a visit to the Qalekhaya Co-operative, a school furniture factory; a visit to Luwamba community project in Ntambanana; and a visit to the Richards Bay Industrial Development Zone.

The Qalekhaya Co-operative is an example of the very few co-operatives that are succeeding. The 2016 study on co-operatives reflects only a 12% success rate of co-operatives in KwaZulu-Natal.

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Qalekhaya is led by a very enthusiastic chairperson, Mrs Phumzile Ntuli, with a board of five directors and a staff of 20 personnel.

Another highlight is Ntingwe Tea Estate, in Nkandla, which was established by uMntwana wakwaPhindangene, in 1987. Ntingwe Tea Estate produces tea that gets supplied to the international markets. It employs a permanent staff of 74 and seasonal staff of 282. This estate is a very good example of a leader who puts the interests of the people first, instead of prioritising his own ego. Thank you, Shenge. However, the high production costs, global competition and the dominance of the tea packers are, of late, threatening the expansion and viable sustainability of this good project. The hon MEC promised to give it support.

A disappointing site visit that the KwaZulu-Natal delegation experienced was at the Sivananda-Luwamba rural development project in Ntambanana. The project was initiated by the KwaZulu-Natal government, in 2009. Initially, this project was funded to the tune of a combined figure of R17,4 million and R8,9 million by the government and the private sector.

A multi-purpose centre was established. The Department of Human Settlements budgeted R100 million towards the project. The

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Department of Social Development created an early childhood development centre, and many other things. The Department of Agriculture provided eight cows, one bull and two young calves.

Today, these projects have collapsed. Only the Department of Health is functioning. The cows have either died or disappeared. The tractors have disappeared. Funds have disappeared. The project manager has disappeared. When we were there, the people who were supposed to be the beneficiaries appealed to the NCOP to assist them trace these funds. This seems to be another Vrede dairy farm story. I thank you, Deputy Chair. [Time expired.]

Ms B A ENGELBRECHT: Hon Deputy Chairperson and fellow South Africans, last year in October, we spent a week in Gauteng evaluating government's effectiveness at funding budding entrepreneurs. Unfortunately, in spite of the government providing vast amounts of funds to assist, the success rate is very low.

At the Thusong business service centre, the average success rate was 20%. The Business Place Hub SME, in Soweto, had a dismal 3% success rate. This shows government's failure in not delivering on their promises of creating job opportunities. We found that these entrepreneurs were not being correctly evaluated, nor were they

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receiving sufficient business support. Neither was funding being timeously released, placing huge strain on businesses, which need to find other financial ways to survive until the funding is eventually released. Simply providing financial support does not guarantee success, yet the much-needed transfer of business skills appears to be lacking.

Unemployment fuels poverty and inequality. With 9,5 million people currently unemployed, four out of every 10 South Africans live below the poverty line. With the expanded definition of the unemployment rate at 36%, this means four out of ten people are unemployed. Of them, 66% are between 15 and 24 years of age.

This government loves to throw money at a problem and then believes it will disappear. This is just like the Chairperson of the National Youth Development Agency, Nyda, Sifiso Mtsweni. He earns R1,2 million per year, and his Deputy, R1,1 millio. Yet, has the audacity to state that his budget of R440 million is not enough. Why? It is because a third of this budget goes to salaries. How many effective and profitable businesses have arisen from this R440 million?

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One of the South African companies we visited, Rocla, has developed DIY, waterless, ventilated improved pit latrine, VIP, panel toilets, where the waste turns into compost. These can be erected easily by the community, creating job opportunities. A DA-led government would make use of such innovative ideas to change communities, especially in the Eastern Cape. This is why the DA's economic policy is aimed at creating an environment in which it is attractive and easy to start a business by redressing the legacy of the past and growing the economy by 8%.

A DA-led government would do the following. We would remove all red tape obstacles to business; establish a national venture capital fund to provide access for start-up capital; and establish effective small business incubators in partnership with the private sector. One-stop opportunity centres will assist small businesses with all legal processes. Opportunity cards would give small business owners subsidised access to training and business support services. In addition, breaking up government tenders into small contracts, allowing small businesses to compete for tenders and get a foot in the door, would be essential.

Under a DA-led government, the DA will create 1 million new businesses within 10 years, creating at least 5 million jobs,

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through: a youth wage subsidy, targeting young and low-skilled job seekers aged between 18 and 29, benefiting 423 000 young people; apprenticeship wages, allowing businesses to hire young, first-time employees; a government internship programme, hiring 18 000 interns on six-month contracts, bridging the study-work divide and equipping recent graduates with valuable professional knowledge and skills; establishing jobs zones, with strong investor incentives, such as a five-year income tax holiday for all new investors, no taxes on production inputs or capital goods, no value-added taxation, no freight taxes on the transportation of raw, secondary or finished goods, allowing foreign-owned companies to repatriate all profits without any taxation, and the duty-free import of machinery, goods, and raw materials. [Interjections.] It's possible, though you might laugh.

Unemployment in the Western Cape is the lowest of all provinces, at 22%. The others range between 34% and 46%. It is only the DA that can, and will, implement a total change. Together, we will create job opportunities, realising one South Africa for all. I thank you. [Applause.]

Mr M S CHEGO (Limpopo): Hon Chairperson, the Chairperson of National Council of Provinces, the Chief Whip, hon members, officials and

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guests, good afternoon, we are deliberating on the outcome of the provincial week which took place on 9 to 13 October 2017. The Limpopo programme focused on Vhembe and Waterberg districts. The focus was on economic development and job creation.

As the representatives of the provincial legislature we jointly participated in monitoring job initiatives programmes to create quality jobs for the people of Limpopo and South Africans at large. The Limpopo legislature, in its endeavour to strengthen public participation, monitoring and oversight role, hosted the workers parliament six day ago affording workers federations mainly to deliberate on the jobs initiatives programme and the progress so far.

The economic pillars of Limpopo province are agriculture, mining and tourism. The two visited districts are key participants in these economic activities. They are well known producers of fruits such as mango, avocados, bananas and so forth. These are mostly produced in the Vhembe district in Limpopo province. The challenge is that people in these areas are still living in poverty.

We embark on various projects visits in the Vhembe and Waterberg districts. The visited projects differ one from the other in many

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respects, starting from ownership, infrastructure, the funding model, level of sustainability and income generation. In the major projects we visited in the Vhembe district was Venetia mine with R2 billion total budget in 2017 and it employed 360 mineworkers. The mine does not have challenges with regard to ownership, it operates in a noncommunal land unlike the majority of mines in the Sekhukhune district where I come from.

According to the report we received, the mine is honouring its special labour programme, however, it does not satisfy us. Our observation is that the mine seems to be focusing more on assisting the local town of Musina where it operates, in improving roads, assists in building and renovates local schools. In response to the economic challenges and progress, the briefing by the executive indicates that the province unemployment rates is 20,8%, the second lowest in the country. They created 32 000 jobs in the second quarter of the 2016-17 financial year which was the highest number of jobs in the country. They further reported that the approval of the Musina-Makhado as a special economic zone will attract the much needed investments to the province.

With regard to agricultural activities, Limpopo has the highest percentage of households engaged in agriculture at 43,8% when

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compared to other provinces. The challenge is that with the agriculture industrial sectors of fruits, vegetables and nuts are dominated by primary production. The province needs to move with speed towards agro-processing which is capital intensive and requires cutting edge technology.

Another challenge was climate change, drought, floods, pests, livestock, diseases and so forth. We appreciate the determination and dedication by the NCOP to strengthen oversight work. These efforts are informed by the visionary convictions of our forefathers, amongst them, our iconic President Nelson Rolihlahla Mandela whom will be celebrating 100 years this year if he was still alive. The basic economic policy of the ANC is based on the principles and tenets of the Freedom Charter. The ANC opted for a mixed economy which would harness the role of the state, private sector, co-operatives, small and medium enterprises and the information sector in shaping the growth of the economy. This revolutionary task requires an activist, interventionist and capable state that takes decisive action to effect radical economic transformation. It is our assertion that the country needs a private sector that acts in the national interest and contributes to the attainment of the national goals of eradicating poverty, unemployment and inequality.

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Sepedi:

Ka Segagešo ba re: "Phala tša mona marula di a tloga."

English:

Thank you.

Ms T MOTARA: Deputy Chairperson, Deputy Minister, Phathekile Holomisa, hon members, respected guests, ladies and gentlemen, we undertook the provincial week in October 2017 under the theme "Advancing our collective efforts to creating work opportunities for our people". We did so because we are aware that despite several interventions to address the legacy of apartheid in our country, our nation is still gripped by disconcerting levels of poverty and inequality.

Deputy Chairperson, when addressing the global campaign for action against poverty in 2005, the late President Rolihlahla Nelson Mandela, the revolutionary stalwart of our movement said:

Massive poverty and obscene inequality are such terrible scourges of our times, times in which the world boasts breath taking advances in science, technology industry and wealth

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accumulation. That they have to rank alongside slavery and apartheid as social evils.

As expressed by the reconstruction and development programme in 1994,

No political democracy can survive and flourish if the masses of our people remain in poverty, without land, without tangible prospects for a better. Attacking poverty and deprivation must therefore be the first priority of a democratic government.

The National Development Plan, NDP, which has as its annexure the arch aim of eliminating poverty and reducing inequality by 2030 states that "to decisively reduce inequality and leave more people out of poverty, more people needed to work".

For us as the ANC, it is now clearer that in order to deepen democracy and build a more inclusive society, South Africa needs to translate political emancipation into economic wellbeing for all. We need to work tirelessly to change the structure of South Africa's economy in order to address the legacy of abject poverty and inequality that continues to characterise our nation.

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In giving effect to the commitment to wage a concerted fight against poverty and inequality, we, as Gauteng developed the Gauteng City region Economic Development Plan, 2030, which is also a practical expression to the programmes that we have outlined in the Gauteng Development Plan.

It expresses our plan to move with decisive speed to address poverty and inequality particularly joblessness. The Gauteng Development Plan is also a partnership for a sustainable and inclusive economy focus on the economic development plan which is a blue print for growth in the Gauteng province.

The plan is embedded in the NDP and it encompasses the ten pillars of transformation, modernisation, reindustrialisation which are a reflection of the NDP in the province. The overview of the Economic Development Plan, GEDP, puts an emphasis on the notion that Gauteng is not an Island or functions in isolation. But it is part of the global economy which wherein it is also dependent on the foreign investment. It also has enablers such as infrastructure investment, skills development and export development.

To achieve the growth and development in the province the plan acknowledges the need for partnerships with various stakeholders

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such as the private sector, academia, and civil society among others.

Moreover, as part of Gauteng City region, the development in the province is focused through its corridors of development. Tshwane is focusing on the automotive sector, Ekurhuleni focuses on the manufacturing, aerotropolis, jewellery, transport and logistics.

West rand is focusing on tourism, agriculture, solar energy.

Sedibeng is focusing on tourism agriculture, agro-processing and

Johannesburg is focusing on finance, ICT services and

pharmaceuticals. Various sectors are prioritising the province

grouped into manufacturing and services and to drive such sectors

the government needs to intervene, enable, promote, invest and

lobby.

Gauteng as a province has its own key drivers to ensure growth and

development and more importantly incentives for key sectors or

corporate. In implementing the GEDP the emphasis is on partnerships

in particular the private sector. The partnership with the private

sector seeks to develop and transform the economy looking at the

cross-cutting themes such as ensuring African integration, skills

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development, local production, townships economy, black ownership, infrastructure, research and innovation.

Hon Chairperson, the delegation also had an opportunity to visit a number of projects, some the hon Engelbrecht for whatever reason refused to mention. We visited projects that are funded by the Department of Trade and Industry, DTI, under the black industrial, Black Industrialists Scheme, BIS, projects.

We saw a number of projects showing how to intervene decisively to address poverty and inequality in the Gauteng province from manufacturing pet food to manufacturing copper wire from raw material. These are black industrialists who have been supported by the national Department of Trade and Industry and there are clear cases for success when government intervenes directly. Both these businesses as well as others employ between them over 100 young employees and are sure case as an example of industrialisation that is going to grown the economy both in Gauteng as well as actively participate globally.

The Government Employees Pension Service in supporting businesses also responds to five themes such as skills development, public and private procurement, township economy, local production research and

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innovation. In addition, support is provided to diverse type of co-operatives such as financial consumer and manufacturing co-operatives.

What was also impressive are various interventions that are intended to strengthen the township economy where the majority of our people in Gauteng live. The revitalisation of the township economy is one of the radical interventions to transform modernise and reindustrialise our economy. This is one of the signs that we are serious about radical economic transformation and addressing poverty and inequality.

The provincial week showed us that Gauteng province is hard at to ensure that townships are turned into thriving business hubs, with all necessary facilities that can host even the biggest meetings and conferences. Gauteng remains the flagship province for celebrating the collective courage and resilience township entrepreneurs in the midst of severe poverty and unemployment. To build the township economy from minibus associations to, "spaza" shops, hair salon, mechanics, to burial societies, "stokvels", savings groups, plumbers, furniture producers and young people in ICT.

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I would like to take this opportunity to thank the entire delegation for the hard work and commitment to always make sure that the provincial week remains a success. I thank you.

The DEPUTY MINISTER OF LABOUR: Hon Chairperson, Minister Jeff Radebe, Deputy Minister Majola and hon members, thank you for affording me the opportunity to participate in this important debate during this Workers Month of May 2018. Indeed, creating work opportunities for our people is paramount and definitely needs our collective effort and resolve as a nation. After the government of the ANC came to power in 1994, the 01 May was declared an official public holiday in South Africa. This day provided an opportunity for South African workers to join the world in celebrating international Workers Day.

The 01 May holiday is very significant in the history of the labour movement in South Africa and indeed worldwide as a day to pay homage to the noble struggle for workers to break free from the chains of oppression, slave wages and indignity. This is a time when we celebrate international solidarity, the social and economic achievements that workers, labour movements and progressive governments have made across the world.

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The struggle for the advancement of the rights of workers in South Africa is well documented. Allow me, therefore, to quote from the speech delivered by the President Ramaphosa during his address at the Congress of SA Trade Unions, Cosatu, May Day celebrations on the 01 May this year in Port Elizabeth, he said:

As we celebrate this day, let us take time to remember some of the stalwarts that made significant contributions towards advancing the plight of the working people during the early days of the SA Congress of Trade Unions, the Congress of SA Trade Unions and other progressive trade unions in this country - those who fought side by side with our liberation movement to liberate our people. Amongst them are Comrades Moses Kotane, J B Marks, Oscar Mphetha, Elijah Barayi, Billy Nair, John Gomomo, Emma Mashinini and many others.

We have, as a nation, adopted a Constitution that declares in its preamble that we respect those who have worked to build and develop our country. It recognises the right of everyone to fair labour practices. It declares that every worker has the right to form and join a trade union, to participate in its activities and programmes. Every worker has the right to strike.

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It is common cause that prior to 1994, the South African labour market was characterised by deep segmentation and oppressive workplace relations. The democratic government introduced a number of initiatives to improve industrial relations.

The National Economic Development and Labour Council was formed to facilitate consultation between the social partners on key legislation. This is the same institution that deliberated on the National minimum wage and the proposed amendments to our labour laws that are before Parliament today. The National Economic Development and Labour Council, Nedlac, remains relevant in assisting us to ensure that our country's labour laws are deracialised, modernised, and extended equally to all workers.

Chairperson, allow me to also thank the NCOP for taking Parliament to the People and making extensive recommendations to Parliament and government. The recommendations will indeed, if implemented, improve the lives of our people on the ground. These recommendations will also be seen within the context of our chosen theme today: Advancing our collective efforts to creating work opportunities for our people.

The theme is in line with the ruling party's Medium-Term

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Strategic Framework, Outcome 4, that calls on all our departments to work towards inclusive economic growth through Decent Work. It is, therefore, my submission that the recommendations can be effectively implemented, if we are to do so employing the decent work pillars as adopted by the International Labour Organisation and in line with our Country decent Work programme.

Honourable Members, decent Work, has nothing to do with work that involves a suit, a tie, a big office and a huge salary for all. Decent work has more to do with providing workers with a space for social dialogue and information, the right to collectively bargain, the right to a protective working environment and to earn an income that can sustain their livelihoods in exchange for quality and high level production of goods and services. The decent work pillars could be extended to a number of issues that I observed in the report. As we implement these recommendations, it is vital and remains critical, for the local economic development forums, the provincial economic development forums, platforms such as Nedlac and provincial leadership structures to continue sharing information and engaging in social dialogue. Social dialogue remains key in avoiding unnecessary disputes that often result in stoppages of major projects and conflicts driven by jostling for employment opportunities. Social dialogue is the glue that helps us to plan

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together and consequently realise the development agenda and major projects that can be initiated with spin-offs in employment and the development of our cities and villages.

This should be strengthened by sound intergovernmental relations, the sharing of information and the conducting of initiatives in a manner that takes all role-players and stakeholders on board. Different government departments and parastatals have programmes that are aimed at assisting young people and the unemployed to acquire skills, to be provided with counselling, funding, employment schemes and a range of information that could be useful in improving their livelihoods.

Embracing our Public Service ethos coupled with a healthy social dialogue, would go a long way in resolving many challenges that we face as a society, including problems related to early childhood development centres, schools, hospitals and even clinics management. Yes, it is true that workers must deliver quality services that meet the expectations of our people, but equally they must also be heard, they must be provided with the right apparel and safety gear, they must also work in a conducive and safe environment and be remunerated accordingly.

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It is precisely for this reason that the Department of Labour continues to invest a lot of money in both Nedlac, to enhance social dialogue, and the Commission for Conciliation Mediation and Arbitration, CCMA, to resolve disputes in the labour market. These institutions can lend a hand in social dialogue. We have the labour policy and industrial relations branch that monitors the performance of the labour market through research and, therefore, helps us in reviewing and adjusting our laws at regular intervals to maintain industrial peace.

We also have programmes such as the public employment services that assist workseekers and employers to adjust to changing economic conditions and assist workseekers with registration, selection, counselling and ultimately placement to employment opportunities. The public employment services also manages migration of labour across our borders in consultation with the Department of Home Affairs. Within the Department of Labour portfolio, we have Productivity South Africa, an entity whose programmes include, amongst others, saving companies in distress from closure. These new schemes driven by Productivity South Africa, and funded by the Unemployment Insurance Fund and the Compensation Fund, are aimed at facilitating entry into employment as well as preventing loss of

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employment. Thousands of workseekers have been assisted through these initiatives.

We also know that not all employers out there are good Samaritans. We have the Inspection and enforcement services unit that is doing its level best to ensure compliance to our labour laws. We continue to close unsafe workplaces and are prosecuting those employers who breach our laws. We also provide two safety nets in cases of temporary or permanent loss of employment through either injuries, diseases, dismissals or workplace closures, through the Compensation Fund and the Unemployment Insurance Fund. The two funds provide replacement income and serve to cushion workers from poverty. Thousands of workers have benefitted from these funds. Our labour laws are aimed at promoting economic growth and ensuring greater equality in employment in terms of race and gender. In 1994, just 34% of working age Africans were employed. Today, roughly 43% of working age Africans are employed. In 1994, only 19% of managers and 51% of skilled production workers were African, whereas today the figures stand at around 41% of managers and 77% of skilled production workers, respectively, who are African.

Today, there are also encouraging signs in relation to the economy. The economy has started showing positive signs of recovery with a

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higher than expected fourth quarter gross domestic product rate in 2017. The employment numbers also turned positive, especially for agriculture, with 81 000 new jobs being recorded.

Mr J W W JULIUS: Deputy Chair, I just want to ascertain whether the Deputy Minister would take a question, please.

The DEPUTY CHAIRPERSON OF THE NCOP: If the time allows me at the end of my debate.

The DEPUTY MINISTER OF LABOUR: And the economic forecasts are positive, both for higher economic growth and for employment creation. Despite these positive changes, challenges remain. Over the past ten years there has been fragmentation of the labour market with many more workers in casual and temporary work than in full time employment.

Youth unemployment remains persistently high and access to employment and the labour market is a challenge for many people, especially in the rural areas. Working together within local, provincial and national government levels, as communities, trade unions and business, we can easily advance our economy, achieve

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decent employment and, at the same time, overcome challenges in our villages and townships.

In closing, I must say I appreciate the in-depth report that we have been favoured with, that chronicles all manner of challenges face by our people on the ground. It incumbent upon us as the leadership of society to confront the challenges narrated in the report as a collective. It is vital that we invoke our intergovernmental mechanisms and adopt an integrated approach to ensure that we do not only overcome these challenges, but also create a conducive environment and a labour market that will yield and create work opportunities for our people. I thank you. [Applause.]

Mr S J MOHAI: Deputy Chairperson, I would like to thank hon members for participating in this report. As we indicated, the significance of this is to reflect on our important flagship programme of the NCOP, under the important theme that puts unemployment into the current context. Therefore, creating job opportunities is key. As a working Parliament, we needed to benefit from provincial experiences in job-creating initiatives, use this opportunity to critique and highlight failures in the system, and make concrete submissions on the growth and development strategies of the provinces.

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I think the basis of engaging and showing there is alignment to the NDP is also to deal with the issues that members have raised, regarding the NDPs. In addition, to deal with issues as they relate to the role of higher education institutions in providing focused research as centres for the production of knowledge, particularly in areas of the primary sectors of our economy. There are quite a number of initiatives that our country is engaging on.

We all agree that the level of unemployment in our country is high. Therefore, that warrants very robust oversight by the NCOP, particularly under the current socioeconomic conditions. So, we really need to deal with those issues flagged in provincial reports. In many ways, they reflected some weaknesses, particularly regarding project management. There are areas where there is wastage in project management. This is important because projects serve as catalysts for development, in many ways.

We really need to deal with these issues. Failure to do so, especially under the current socioeconomic conditions, can really lead to the potential emergence of populist demagogy in our communities. Instead of genuinely addressing issues of unemployment, poverty and inequality, people use it for desperate formations - like the one who has shared the platform here, and which has lost

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relevance - which seek to deflect attention in discussing and sharing valuable experiences. We really should say it. We have become very disappointed when the DA, instead of sharing experiences of a province, approaches this podium to discuss politics. Not even sharing valuable experiences as a provincial government is quite disappointing. [Interjections.]

We really need to ensure that we use this platform. It is for valid reasons that we say the NCOP is a working platform. It is a working platform because we have to share these valuable experiences. The NCOP must ensure that there is a discipline of action across spheres of government. We do not engage in these discussions for their own sake. We engage in order to change the living conditions of our people.

I would like to thank the Deputy Minister for being a part of these discussions and for the valuable input that was expressed. The DA is in denial because it is desperate. You will use any opportunity to seek to justify your relevance. The DA does not represent anything in the country of South Africa. Please go and do your homework. Thank you, hon Deputy Chair.

Debate concluded.

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Question put: That the Report be adopted.

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West, Western Cape.

Report accordingly adopted in accordance with section 65 of the Constitution.

APPROPRIATION BILL

(Policy debate)

Vote No 26 - Energy:

The MINISTER OF ENERGY: Deputy Chairperson of the NCOP, members of the Select Committee on Economic and Business Development led by the hon Chairperson, Mr M Rayi, hon members of the NCOP, invited guests, ladies and gentlemen, it is an honour for me to table this budget of the Department of Energy. Our department is mandated to ensure the secure and sustainable provision of energy for the socioeconomic development of our country.

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This Budget Vote is delivered at a time when the growth of the economy is being dampened by the ever-increasing crude oil prices. As a consumer country, we are at the receiving end of these increases as the petrol, diesel and paraffin prices are affected negatively. How can we use energy to ignite economic growth?

We would like the energy sector to contribute as a minimum to a quarter of the target set by our President, His Excellency President Ramaphosa. This can be done through among others, securing strategic stock through investment in new fuels tanks and in infrastructure required for South Africa to become a major shale gas producer; promoting natural gas by designing and building infrastructure required to transport natural gas and liquefied natural gas; driving towards cleaner fuels by improving our refinery assets to meet world-class emissions standards; and finally, supporting the transition towards electrification of transport through key strategic partnerships.

Our department is appropriated just over R7 billion in the 2018-19 financial year. Operational funding to execute this mandate remains a challenge. Our operational budget is allocated R617 million translating to 8,76% of the total appropriation; and the balance of R6,428 billion as transfer payments to the department's entities as

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well as other government agencies, with the substantial budget transferred for the Integrated National Electrification Programme, Inep, which is R3,3 billion to Eskom; R202 million to Non-Grid; R1,9 billion for transfers to municipalities; and EEDSM municipalities allocated R215 million. All of these programmes will be implemented within provinces and municipalities identified in the department's business plans.

As regards electrification, our marginalised communities are continuing to benefit from our Integrated Electrification Programme. Year by year, we are getting closer and closer to realising our goal of universal energy coverage through modern forms of energy sources. This effort relieves those communities from daily stresses of fending for firewood and the likes, thus improving the socioeconomic conditions of a promised better life for all. Energy access has a positive impact on women and our girl children who, when living in electrified homes, have more time to do other more positive things. In the current Medium-Term Expenditure Framework, MTEF over R17,2 billion will be appropriated to fast-track universal electrification coverage. The Inep programme and its implementing agencies have made remarkable progress in increasing access to electricity in our country and have connected more than 7,3 million households between 1994 and April 2018.

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In this financial year 2017-18, the Non-Grid programme achieved 16 875 Solar Home System installations against the target of 20 000 as per the annual performance plan mainly in rural villages. Since the inception of the Non-Grid programme, we have achieved over 160 000 installations of Solar Home Systems mainly in the Eastern Cape, KwaZulu-Natal, Northern Cape and Limpopo. Over R12 million was appropriated for monitoring and verification of the implementation of Non-Grid programme in the next MTEF. In the same period, 2017-18 financial year, the programme has created over 12 000 jobs. This number is based on the report received from Eskom and municipalities that reported on this programme.

Allow me, hon members, to give more information of how the total electrification budget of R5,2 billion is allocated per province for this fiscal year, covering both municipalities and Eskom supply areas. The budget is as follows: Eastern Cape - R1,2 billion; Free State - R175 million; Gauteng - R357 million; KwaZulu-Natal - R1,4 billion; Limpopo - R726 million; Mpumalanga - R442 million; Northern Cape - R284 million; North West - R367 million; and Western Cape - R242 million. The above will assist the department to connect about 200 000 households during the 2018-19 financial year.

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From 2014 to 2016, through the Renewable Energy in SA was able to secure investment of \$10,8 billion into renewable energy. The recent signing of the Independent Power Produce agreements has now secured R56 billion of investment in 27 new projects. These new projects are being lined throughout the Republic of SA with the Eastern Cape benefiting about R4,8 billion; Free State, R26 million; Mpumalanga, R386 million; Northern Cape, R13,5 billion; North West, R1,3 billion; and Western Cape, R803 million. The geographical spread of these projects per province indicate that the Eastern Cape will have four onshore wind projects; Free State, hydro project; a biomass project in Mpumalanga; photovoltaic projects in North West; offshore wind and solar photovoltaic projects in the Northern Cape; and two onshore wind projects in the Western Cape.

With regard to Petroleum Retail Licensing, the licensing of New Industry Retail operations continues to create employment and contribute to economic growth. In the last year, 122 new petroleum retailing operations were licensed. During the construction of these licensed operations over 6 000 jobs were sustained and when in operation at least 4 000 permanent jobs for forecourt attendants and retail shop cashiers and assistants were created. This is one sector that continues to grow and it is important that the employment

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practices in this sector continue to support employment of South Africans.

As part of our mandate to monitor the quality of fuel, sampling and testing of petroleum products across the country, 1 080 samples were tested within the following provinces: 100 in the Eastern Cape as well as in Free State; 170 in Gauteng; 150 in KwaZulu-Natal; 120 in Limpopo; 124 in Mpumalanga; 70 in Northern Cape; 116 in North West; and 130 in the Western Cape.

AN HON MEMBER: A detailed speech!

The MINISTER OF ENERGY: In Solar Heater programme, in light of the strategic nature of the Solar Water Heater programme, the department has committed that the programme will remain and that additional technical capacity will be sought from entities such as the Central Energy Fund Limited.

On Energy Efficiency and Demand Side Management, the department has also intensified efforts to close the regulatory gaps on energy efficiency measures especially in finalising the Regulations on the amendment of Provision of Mandatory Data as well as submitting the

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Post-2015 National Energy Efficiency Strategy to Cabinet for consideration before the end of this financial year.

As regards the promulgation of the Revised Integrated Energy Plan and Resource Plan, on 08 May 2018 I committed before the portfolio committee in the National Assembly that we will open the revised IEP and IRP for consultation with all key stakeholders to be approved by Cabinet by mid-November this year.

The department is also currently hosting the Brics Working Group on Energy Savings and Improvement of Energy Efficiency which will be followed by the Ministers meeting of the end of this year. In pursuit of the continental economic integration agenda and to ensure facilitation of energy sector participation in SADC region, Africa and the rest of the world in the bilateral and multilateral forums, the department will host the SADC Energy Ministers Meeting. Our focus of engagement for the coming period will further be on the areas of policy development, transformation, energy consumption as well as strengthening and stabilising energy co-operation with strategic partners and countries.

On state-owned companies, reform of state-owned companies is one of the major themes that the President underlined in his state of the

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nation address. The President stressed the need for our government to restore state-owned companies as drivers of economic growth and social development. All these companies of the state are a crucial part of achieving economic recovery, transformation and promoting sustained economic development.

Addressing also the department's own human capital challenge of developing and retaining a skilled workforce that is capable of designing, implementing and overseeing our strategic programmes, as well finalise all pending legislative and policy issues, it is my top priority to ensure that in the next three months we fill all critical vacant positions.

I would also like to take this opportunity to acknowledge the role played by my own Deputy Minister for her support, guidance and valuable contribution in the achievement of the department's strategic objectives. I look forward to us working together. I look forward to us working together and strengthening our efforts in improving energy governance, stimulating economic growth and transforming the energy sector. Also, the management of the department led by the DG and the entire executive management, the boards and the executives of all the entities which report to the

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department, as well as Team Energy for their hard work and commitment to the public service.

In conclusion, I wish to thank also my predecessors who laid the foundation for the department so that we can be able to move forward. I therefore recommend this budget for your approval as the NCOP. I Thank You. [Applause.]

Mr M RAYI: Hon House Chairperson, hon Minister of Energy hon Radebe, hon Deputy Minister hon Ambassador Majola, hon members of the NCOP and special delegates, officials from the department and its entities, and fellow South Africans, in 2018, as the African National Congress, we shall work to restore the confidence of the South African people in a shared vision for radical social and economic transformation. We shall confront together the lack of broad-based economic participation and the social marginalisation of millions of poor and landless people. This we shall do, proceeding from the understanding that, an equitable society is in the interest of all South Africans, whatever their race, gender or social status. Drawing on the wisdom of Madiba, and led by his example, we shall focus all our efforts on improving the lives of all South Africans, especially the poor.

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In this centenary year, we are celebrating the life and achievements of Baba Nelson Mandela and Mama Albertina Sisulu, the icons of our nation. All the NCOP Budget Policy debates, give us the opportunity to evaluate whether we have done justice to oversee the mandate that has been given to the department and at the same time to ask ourselves how are we contributing to transform South Africa into a more equitable, integrated and just society using the resources that are given to us through the respective Budget Votes. The policy development of the integrated energy plan was to provide a roadmap of the future energy landscape of the country, which guides future energy infrastructure investments and policy development.

The draft integrated energy plan, IEP, which is envisaged to be finalised during the current financial year, is an overarching energy policy. This means that following its finalisation, sector specific plans to implement what is envisioned in the IEP must be developed. These plans include the integrated resources plan. The development of the IEP is a continuous process as it needs to be reviewed periodically taking into account changes in the macroeconomic environment, developments in new technologies and changes in national priorities and imperatives.

The eight key objectives of the integrated energy plan guide where resources over the period of the plan will be spent. These are: Security of supply; minimising the cost of energy; growing the energy supply to support economic expansion; promoting the creation of jobs and localisation; minimising negative environmental impacts from the energy sector; promoting the conservation of water; diversification of supply sources and primary sources of energy; promoting energy efficiency; and increasing access to energy to ensure that energy is at the centre of transforming our economy and accelerating the second radical phase of our transition.

The January 2015 ANC National Executive Committee, NEC, Lekgotla identified energy as one of the catalytic sectors that energy shortfalls were major binding constraints to higher economic growth and development. It was therefore logical that energy became part of the government's nine-point plan to revitalise the economy, in particular resolving the energy challenge. Integrated energy planning provides the best way to meet current and future energy service needs in the most efficient and socially beneficial manner, while maintaining control over economic costs. The ANC strives to improve the lives of the people of South Africa through various programmes. The IEP takes into consideration the crucial role that energy plays in the entire economy and is informed by an analysis

based on solid facts. It is a multifaceted, long-term energy framework, with multiple objectives.

These include: Guiding the development of energy policies and the framework for regulations; guiding the selection of appropriate technologies to meet energy demand; guiding investment in and the development of energy infrastructure; and proposing alternative energy strategies.

In December last year, an Energy Indaba took place. This tradition of the ANC, that it consults, engages, debates, and presents superior arguments and comes to decisions on the balance of evidence will take the energy sector forward. The ANC has listened to stakeholders in the energy sector whom we want to contribute to the economic development of our country. A number of factors pose potential threats to energy security including scarce and depleting energy resources, geopolitical instability, inadequate energy infrastructure and natural disasters. To ensure continued security of energy supply, it is essential that there is a co-ordinated and integrated approach to energy planning and coherent policy-making.

We have identified the role of each energy carrier, that is: Coal, renewable, nuclear, gas, hydroelectric and liquid fuels. This energy

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mix allows South Africa to use all of its endowments and energy resources. Energy is an integral input in production and we need to ensure that we produce energy that will enable us as a country to be competitive locally, regionally and globally. This will assist us to meet the energy challenges. Let us be clear about what the primary three challenges are. The first challenge is to ensure security of supply and affordability of energy for all. The second challenge is to meet rapidly rising demand for energy especially in developing countries and the third challenge is the need to increase energy supply in a globally carbon constrained environment.

The development of an energy sector-wide transformation charter, in line with the revised codes of good practice, as a driver for transformation across the sector is critical if the National Development Plan, NDP, commitments to dealing with inequality, poverty and high levels of unemployment are to be realised. The threat of climate change, together with global developments in renewable energy and nuclear energy technologies and other cleaner alternatives to traditional coal power stations, could see the future of our energy mix being quite different from that of the past. With this in mind over the last few years, various policies have been developed by the department in an effort to increase

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diversification of primary energy sources and reduce over-reliance on fossil fuels.

In this regard, the government has established an Independent Power Producers Procurement Programme, which has successfully designed, procured, monitored and evaluated electrical energy infrastructure projects from the private sector. This is a demonstration that both private and public sector funds can contribute to infrastructure investments. Meaningful transformation however still remains our immediate concern in this sector. The ANC will ensure that transformation be implemented across the energy sector. Information on opportunities from the sector should be accessible to key stakeholders and in particular we should ensure that the small medium enterprises development programmes be empowered and become beneficiaries.

There is a need for skills audits to be conducted and strategic plans developed, to ensure that we have adequate skills required for the energy sector. The skills plan should be linked to the energy infrastructure development plan of the country to ensure that we focus on investing skills that will be absorbed and utilised by the energy sector. The department should work with the energy and water Sector Education and Training Authority, SETAs, to develop an energy

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skill plan for the country. Large infrastructure projects should have a social labour plan that will have a comprehensive skills workforce plan that would include reskilling of labour on decommissioning of the infrastructure projects.

The National Development Plan envisages a South Africa, which amongst others, has an adequate supply of energy to avoid disruptions to economic activity, transport and development. The National Development Plan proposes diversity by way of alternative energy resources and energy supply options, both in terms of power generation and in terms of the supply of liquid fuels.

In conclusion, we shall work to rekindle Madiba's vision of a democratic society in which all citizens have equal opportunity to determine their own destiny. We shall achieve this not only through strengthening the instruments of representative and participatory democracy; but also by ensuring that people have economic opportunities and the ability to make choices about their own lives. I thank you. [Applause.]

Mr O S TERBLANCHE: Sorry Chairperson, I was waiting for you to acknowledge me. Hon Chairperson, hon Minister, hon Deputy Minister, hon members and fellow South African, I really feel honoured today

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to participate in this debate. Energy plays a critically role in the economy but also to shape the future of this country. Without sustainable energy South Africa has little chance of being an attractive investment destination to bring investors to our shores, creating jobs and fighting the massive unemployment crisis facing our country. We are at a crossroad for a while and it is time that we should move away from this dangerous cliff.

I am really encouraged today to see that Minister Radebe is here, being one of the senior Minister in Cabinet and well experience man. Therefore, Mr Minister, I really want to wish well and to turnaround the crisis that we are facing also in the energy sector. It is encouraging also from the department's own mandate, and I quote the mandate here:

To ensure the secure and sustainable provision of energy in support of socioeconomic development. It aims to achieve this by developing an integrated energy plan for the entire energy sector and regulating energy industries, and promoting investment in accordance with the integrated resource plan for electricity.

I really hope that the question remains whether we can trust the department now. You know that to put the money where the mouth is

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... I was just wondering that the Minister mentioned the drive investment that the President started. Apparently, he already negotiated to get 25% of that allocation and we are looking forward to that investment, Minister, thank you. However, in the meantime looking at the 2018-19 budget research you will pick up that the new budget allocation is a marked decrease in resource allocation. The electrification programme declined by almost a billion rand from R6,2 billion in 2017-18 to R5,4 billion. This will in all likelihood have a negative effect on the roll-out of electricity to rural areas and small towns.

The department's goal of achieving universal access in formal households by 2025 will definitely be moved back yet again. Another target will most possibly also not be achieved. In addition, in its annual report the Ratings Africa published the results of municipalities for the 2017 June report revealed that the majority of municipalities are not financially sustainable. This will further jeopardise the rollout to areas most affected since municipalities will not be capacitated to roll out electrification projects as required.

The funding allocation to clean energy declined by almost half from R742 million in 2017-18 to R370 million in 2018-19. The DA Member of

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Parliament, Tandeke Gqada, recently raised the shockingly poor performance of the solar water heater programme with the Minister. How is it possible that in the most important phase of the project, namely: The installation of the central energy fund, CEF, have proven themselves not being able to tackle a project like this. This is really worrying.

I want to commend our Minister for signing the long-awaited renewable energy power agreements. This is something that the DA has been advocating for quite a while. [Applause.] It will significantly influence the future. The Minister made also mentioned some of the projects that are going to start, I hope shortly. Minister Radebe is one of the longest serving members in Cabinet, I already mentioned that. The Minister worked with excellent leaders in the past. Unfortunately, like all the others, like us, he also went through dark stages of South Africa again where people looted government funding for their own purposes. We hope we have heard that the ANC herself corrected.

We really hope that it is not case again that the leopard cannot change its spot. We really hope that the rotten apple is gone and that we can move forward to make sure that South Africans are going to get proper service. Minister, South Africans cannot afford this

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exorbitant petrol fuel prices anymore. They can't. All their increases that came are making it impossible for South Africans, especially the poor, to put a plate of food on their table. We will have to do something to ensure that people will be able to make a living. I want to appeal to you, Mr Minister, to make sure that this energy programme, the whole process is going to be aimed at improving the lives of our people.

Mr Minister, you are still left behind like ourselves. You will still have to take responsibility for your department. You are still the one that will have to explain to people why you haven't change their lives. That is part of your responsibilities. I'm appealing to you; please sir we need to do something about this fuel prices, people cannot pay that anymore. As predicted, a person like Mr Jacob Zuma will move on, whether it is to Dubai or to jail I don't know at the moment. Once again we call on you, Mr Minister, to do the right thing. The DA promises, Minister, a new beginning, a total change and energy at affordable prices for all. I thank you, Chairperson.
[Applause.]

Ms N P KONI: Chairperson, as the EFF we want to welcome the decision by government not to continue with the "nuclear deal" that was going to be nothing but looting and corruption at the industrial scale. A

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strong message must go out all political administrative and those in the private sector to say we are not going to allow the opportunism because we need energy to industrialise provide renewable affordable and reliable electricity and give our people especially the poor, pensioners, and vulnerable people electricity.

The message must also go out to those who think the Independent Power, Producers, IPPPs, are not going to be scrutinised because we know of serious colluding that that is taking place with multiple companies used to secure contracts avoiding taxes using subsidiaries in Netherlands and fronting to score *Broad-Based Black Economic Empowerment*, BBBE, points.

As the EFF, we also welcome the announcement by President Cyril Matamela Ramaphosa to initiate the process to review the size of Cabinet and restructure some of the departments. In an effort to stabilise state capacity, there is a need to realign the relationship between departments that are responsible for management of South Africa's energy sources and Eskom. And that relationship cannot continue to exist at a distance, but it must be much more in a co-ordinated manner.

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Minister, in 2016, we wrote to the previous minister about communities in the North West, Eastern Cape and Limpopo Provinces demanding electricity for our people, and a promise was made. In the North West province, ward 34 Nkaneng, ward 22 Popo Molefe Informal Settlement, Ward 19 Rockville and ward 37 Sondela informal settlement do not have electricity.

In Limpopo Province, people of ward 24 Xitshelani, ward 22 Jerome, ward Jimmy Dlozi, ward 31 in Ha-Muinga do not have electricity.

[Interjections.]

Mr W F FABER: You don't know those places!

Ms N P KONI: ... I am the national leader of the EFF, I have been to all the nine provinces in South Africa. I am a "commissar".

In the Eastern Cape, people of ward 29 phase 6 in Mqanduli Village do not have electricity. Our people cannot continue to wait 24 years after democracy for electricity while politicians fight each other over tenders at Eskom.

The state must build capacity of scientists, engineers, artisans and planners to develop its own renewable energy power stations instead

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of relying on private individual power producers. Renewable energy has a serious potential for industrialization, job creation and environmental benefits, but these cannot be achieved if production of renewable energy is done for profit. We must transition from fossil fuel powered sources of energy to renewable. This is not a choice but we are moving fast to a world where the value of energy is not in resources but the technology is the resource itself.

As long the technology comes for the purpose of profit, our people would not benefit. And exploitation would continue. Thank you, Chair.

The DEPUTY MINISTER OF ENERGY: Hon Chairperson, hon Minister of Energy, Members of the Select Committee on Economic and Business Development, Members of the NCOP, invited guests, ladies and gentlemen, good afternoon. It's really appropriate that we are meeting in this month which is Africa month and the time to celebrate the legacy of the Organisation of African Unity, OAU, which led in the struggle for liberation of this entire continent and make sure that we can celebrate as an integral part and not as an extension of this continent.

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It is also our energy month and we would like to ask you as our people's representatives to work with us in educating, informing and popularizing the issues of energy efficiency and the need to save energy. We count on you, hon members as you are representatives of every corner of this country.

However, for you to be able to do that it is very important that you, yourselves get informed. That you understand what is actually happening within the department. We are aware that the mandate of the department is to ensure access to secure, sustainable, accessible and affordable energy for all. As per the National Development Plan, NDP, we are on track to achieve this in spite of the reduction in the budget.

During the past financial year we delivered over 292 700 connections, exceeding our target of 235 000. During this financial year, the electrification programme of both grid and non-grid envisages connections to 200 000 households around the country. Parallel to this, we are also addressing challenges related to bulk infrastructure, such as rehabilitation and building of substations and transmission lines, especially in rural areas.

So that it allows us to make sure that we can energise when we can connect.

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Hon members, when we don't have substations and lines we can put all the reticulation, there shall not be electricity. It's important that you realise that. Provision of energy and electricity in particular is impacted by a number of factors, most of which are beyond the scope of the department. However, we try as far as possible to engender a system where we work in collaboration with other entities and departments so that all services are delivered to our people in a coordinated manner.

The issue of availability of housing, the state of the house or shelter, access to roads have in some occasions forced us to redirect funds to other municipalities. However, we do not have the capacity or mandate to implement projects for municipalities, and certainly, do not have the capacity and the authority to do so.

We try to be proactive and assist municipalities who are struggling and who are without technical capacity through some interventions, and assistance within the process of trying to make sure they can put together viable project proposals.

During the 2017-18 financial year, I conducted a number of energy "Imbizos" doing walkabouts, interacting with our people and some communities registered these concerns:

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In Senwabarwana in Limpopo, the community reported that they were happy with the process of electrification their challenge was that they a lot of other settlement that were coming in which had not been declared and this was leading to a lot of theft of electricity, which has a direct impact on themselves?

In Caleb Motshabi in Free State, there is a huge problem with illegal connections and children are sometimes the main victims who die from these illegal connections. In Joe Slovo area here in Cape Town, the community is interested in the solar water geysers because they have seen what they have done. And they have requested training in manufacturing and servicing these geysers. So, there is a lot of work that is going on but we need you to walk with us, hon members.

I believe that many of you are aware that the issue of technical, financial and accounting capacity in municipalities has a major impact on the issue of delivery of services in general, especially in electricity. Municipalities are expected to issue requests for expressions of interest, followed by requests for proposals that have to be written in a manner that ensures that the terms of reference are clear.

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That any contract entered into with a service provider has clear deliverables, timelines, penalty clauses and consequences for non-performance. A clear payment schedule that must be informed by clearly outlined deliverables with regular monitoring and technical oversight to ensure quality and compliance with technical standards.

We know that a lot of our poorer municipalities do not have these skills, and instead, spend the little money available to secure services of engineers who are supposed to facilitate and therefore deplete these very little resources.

As a temporary measure, to address some of the electricity challenges raised by various communities, the department intends rolling out of non-grid as well, in informal settlements as a stopgap measure. We have achieved a lot in terms of this programme but clearly, there is a lot that we can do.

I would like to conclude by saying that in order for us to ensure that we have an inclusive economy, it is very important that we put additional resources, skills into research and development so that we can enable innovation and localisation. We cannot have radical economic transformation without the localisation, without having an

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inclusive economy. We need to industrialise and grow our manufacturing.

I would like to wish you all a productive centenary celebrations of our stalwarts, utata Nelson Mandela and umama Albertina Sisulu in the service of our people.

Let me take this opportunity and assure you and the people of South Africa, hon members, that Team Energy remains committed as the Minister has said, to ensure secure, sustainable, accessible and affordable energy for all. You all know now that we have our brand new Minister who is going to make sure that we achieve that. I thank you.

Mr J M MTHETHWA: House Chair, Minister and the Deputy Minister, our colleagues here, energy is an integral part of the economy and the energy sector is a key enabler for the attainment of national policy imperatives such as those expressed in the National Development Plan, NDP, and its supporting pillars which include, *inter alia*, the New Growth Path, NGP, and the Industrial Policy Action Plan, Ipap.

It is therefore important that the mechanism is developed to enable energy policy-makers to quantify and provide feedback on the extent

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to which the energy sector can contribute to the attainment of these and other national policy imperatives. This monitoring and evaluation function is better discharged by the committees of Parliament through their oversight activities.

The mandate of the Department of Energy is to ensure a secure and sustainable provision of energy for socioeconomic development. The vision of the department is to foster a transformed and sustainable energy sector with universal access to modern energy carriers for all by 2025. The department also envisages improving the energy mix by having 30% clean energy by 2025. The work of the department is aligned with the vision of the National Development Plan's five-year implementation plan, the Medium-Terms Strategic Framework, MTSF, 2014 to 2019.

The strategic plan and Annual Performance Plans of the department are aligned to Outcome 6 of the MTSF 14 outcomes of government whose sub-outcomes are outlined to include: Sub-outcome 1: Regulation, funding and investment improved, Sub-outcome 2: Reliable generation, transmission and distribution of energy ensured.

This overarching strategic direction of the energy provision in South Africa takes cue from the Ready to Govern policy document of

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the ANC, which postulates that, economic development in both urban and rural areas should be streamlined to include the delivery of basic infrastructure to ensure delivery of frontline services such as water and electricity.

This will culminate into realisation of a viable and productive rural, township and urban economies through manufacturing, and industrialisation activities with desirable outcomes, including manifestation of job creation programmes and improved standard of living for all the people. This policy proposition heralded the launch of the national electrification programme, which over the medium term receives a budget allocation of over 77% on average.

This mostly funded programme of the department is currently Programme 4: Electrification and Energy Programme and Project Management. Furthermore, the National Development Plan envisages a South Africa which by 2030 will have adequate supply of electricity and liquid fuels to avoid disruptions to economic activity, transport and welfare.

The Integrated Energy Plan, IEP, acknowledges that energy prices are likely to be higher in future, but will still be competitive when compared with South Africa's major trading partners. In addition,

the National Development Plan affirms that more than 90% of the population should enjoy access to electricity by 2030.

The NDP proposes diversity by way of alternative energy resources and energy supply options, in terms of both power generation and the supply of liquid fuels. The Integrated Energy Plan further explores the various energy supply options outlined in the NDP for both future electricity generation and liquid fuel supply and makes firm recommendations in the form of an energy sector roadmap.

The Integrated Energy Plan is furthermore supportive of the overarching aspiration required to support the economic growth scenario envisaged in the NDP through scenarios, the green shoots scenario, that is described later as characterised by economic growth and an economic structure envisaged in the NDP. These economic policy levers exhibit a great sense of coherence in which the New Growth Path of 2011 targets 300 000 additional direct jobs by 2020 through the greening of the economy, with 80 000 in manufacturing and the rest in construction, operations and maintenance of new, environmentally friendly infrastructure.

The potential for job creation envisaged rises to well over 400 000 by 2030. The job creation potential of various energy supply

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options are estimated both for electricity generation and liquid fuel supply. The job creation potential is specified both in terms of temporary jobs that could be created during the construction of new power plants or refineries, as well as in terms of temporary jobs that would be required to ensure ongoing operation and maintenance of such plants.

Developing a Private Sector Participation, PSP, framework, in the energy sector in base load and renewable electricity generation, liquid fuels and gas was noted as significant progress. The Renewable Energy Independent Power Producer Programme, REIPPP, is now at Window 5 stage. Co-generation contracts have been renewed that retained about 800 mega watts supplied by the private sector.

Good progress is noted with appreciation in terms of estimated 24 000 jobs created, through private sector investment of R194 billion which has been unlocked since the introduction of the REIPPP. In addition, progress was also noted in ring fencing the electricity distribution businesses of the 12 largest municipalities in the country in a bid to resolve their infrastructure maintenance and refurbishment backlogs.

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In this regard, Approach to Distribution Asset Management framework was refined and implementation culminating into the development of a funding model. This work is attributed to the collaborative efforts between Municipal Infrastructure Support Agency, Misa, and the National Energy Regulator of South Africa, Nersa, which included development of norms and standards for infrastructure management. The ANC supports this budget.

Cllr G BOSMAN: Hon Chairperson, hon Minister and hon Deputy Minister, it is indeed a distinct honour to address this distinguished House and to contribute in the debate on the Energy budget speech presented by the Minister yesterday. Hon Chairperson, on behalf of the National Executive Committee and the rest of NCOP delegates of South African Local Government Association and all our members I want to take this opportunity to congratulate the Minister on his appointment as the Minister of Energy. Hon Jeff Radebe, we wish you well and we look forward to working with you as organised local government.

Hon members, a few weeks ago in this House South African Local Government Association, SALGA, stated that the NCOP is the pinnacle of co-operative governance and is a bulwark to protect our intergovernmental system bringing together all arms of government.

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As the local sphere we are at the cold face of development and delivery. We welcome the announcement of the Minister to fast-track promulgating the revised Integrated Energy Plan, Integrated Resource Plan, the Liquid Fuels and Gas Master Plans and are ready to partake during this process. In our response to last year's budget we were excited that the then Minister committed to establishing the long awaited formal intergovernmental relations platform that will bring all of us under one roof to ensure that South Africa has a coherent regulatory system within the energy complex.

Hon members, we agree with the Minister's local government that the global energy sector is currently experiencing a major transition and disruption. There is a shift away from centralised energy generation and distribution monopolies to more disturbed and distributed user engaged digitally integrated energy systems. This shift has the potential to radically alter the way in which the energy sector will function in the future. The transition in the energy sector is driven by a range of factors such as; increasing demands on networks ranging from reliability, accessibility perspective to technology advances and an increased emphasis on reducing greenhouse gas emissions. These global drivers have resulted in several megatrends in the industry which are acting as catalysts for change.

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These megatrends can be summarised as follows; the electricity distribution industry is experiencing the delinking of economic growth and electricity growth, sales of electricity in municipalities have shown a sustained downward trend over the last years and have in some cases dropped significantly. These dynamics have radical implications for local municipalities that are compelled to redefine their role in the electricity value chain and adapt their funding and operating models. The second megatrend is the growth of renewable energy technologies and it is reshaping of energy systems across the globe. In South Africa, we rely on coal-fired power plants for 90% of electricity generation and this trend suggests a critical shift in dynamics generating numerous risks and opportunities at all levels of the value chain.

The redefinition of South Africa's electricity systems indeed commands the need to better understand the business models available to municipalities, to maximise benefits arising from this transformation while also allowing us to mitigate the risks and balancing tradeoffs. The South African municipalities need to seize arising opportunities and minimise potential risks associated with the introduction of renewable energy technologies in the domestic energy supply. Hon Minister, there is an inherent risk flowing from what in general must be considered as a positive development. The

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growing number of businesses that are operating off the grid indicates an increase in consumption of clean energy which is ideal if climate change mitigation mechanisms are to be adhered to.

However, the lesser the number of companies and residential settlements connected to the grid the greater the chances for our municipalities to be financially unviable. This calls for all of us to find sustainable solutions to municipal revenue generation mechanisms. As part of the medium-term solutions we remain convinced that there is a need to unbundle the role of Eskom within the energy value chain. Ours must be to invest in a reciprocal energy sector whose collective quest is to aid economic growth and reduce the financial burden on our citizens. Transforming the energy sector and ensuring the viability of both Eskom and municipalities must remain our national priority.

In the same vein that Eskom's debt has a symbiotic relationship to that of the country, it must be understood that local government's stability is also inherently linked to the country's sovereign stability. These matters and supply side challenges from national utilities has an impact on the reliability in service provision, revenue collection and the financial viabilities of many of our municipalities. As Salga, we are indeed more than keen to engage

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with the hon Minister on these matters including the implementation of the resolutions taken at the recent energy summit. These categorised into five themes are; creating an enabling legislative environment, placing the customer at the centre of our focus, creating operational resilience across the board, finding new opportunities for development and collaborative leadership in the energy space.

Given the above context, we would like to challenge this House and the Minister to work with Salga towards a fiscal review process. We all know that the current fiscal disaggregation model is not only unsustainable but inherently defeats the grand vision to work towards developmental local government. Given this reality and considering the above context the sufficiency of the two main trading services of the municipality being electricity and water to provide surplus funds for municipalities has proven to be problematic. The increasing inability of the number of poorer municipalities to sustain services and to meet their debt demands to Eskom has related to these structural and systemic challenges. In our previous contributions in these debates we identified a number of important challenges that as strategic partners we must address in order to ensure our country is able to provide reliable and dependable energy sources.

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Hon members, cities constitute a significant part of our development; they make up the spaces where our future is influenced, where economic growth springs from the bustling activities of a multiplicity of social and economic players, where our pressing environmental challenges are most evident and indeed where huge energy consumption is located. It is within the above context that we therefore suggest that the success of transformation of the energy sector hinges on the significant contribution of the local government sector across the value chain. It is through their meaningful contribution that our country will ensure security of supply and to stabilize the ever increasing prices of electricity and energy which would benefit the economy as a whole.

Hon members, as Salga we support the Minister's emphasis on the benefits of energy efficiency because we all know that improved energy efficiency is the most cost effective and readily available energy source. The energy efficiency projects reduce municipal operational budgets, enhance the competitiveness of our economies, protect the environment and contribute to our efforts as a country as a whole to reach our energy reduction and climate change targets. I thank you. [Applause.]

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Ms B A SCHAFER (WESTERN CAPE): Hon Minister, hon Deputy Minister, members of the NCOP, hon Chairperson, ladies and gentlemen. South Africa's Integrated Resource Plan, IRP, for Energy, was drawn up in 2010 in which a 9,6GW allocation for nuclear power was included in the draft. The plan was meant to be updated every two years following its inception, but no update has been promulgated since.

In 2017 hon Chairperson, seven years later, South Africa's controversial nuclear deals signed with Russia, Korea and the US, backed by former President Jacob Zuma, were found to be unlawful and unconstitutional by the Western Cape High Court. This case, brought against the government by anti-nuke campaigner, Liz McDaid, and Earthlife Africa director, Makoma Lekalakala, included expert reports which found that there was no need for nuclear power in South Africa.

It has become blatantly evident to the people of South Africa, that the unnecessary nuclear deal was being pushed by former President Zuma along with a slew of three separate energy Ministers in 2017 alone; to provide kickbacks to Zuma cronies within the ANC. And as Liz McDaid stated, "If nuclear is still there, it means state capture is still deeply embedded".

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This then begs the question: Why is Deputy President David Mabuza currently in Russia meeting with President Vladimir Putin?

Just yesterday hon Chairperson, this Minister, Minister Radebe, for the first time admitted to reporters that "nuclear energy remained part of South Africa's energy mix, the extent of which is to be determined by policy."

On the 15th of August this year, Minister Radebe will be presenting the new IRP to Cabinet detailing South Africa's future energy mix for the next 20 years. If nuclear continues to prevail in the IRP, it will be a sure sign Minister that state capture under the ANC has not come to an end, it has merely changed presidents. And Minister, you will have a tough job to prove otherwise.

Chairperson, let me remind this House that on the 22nd of April 2016, the then Minister of Environmental Affairs, Edna Molewa, signed the Paris Agreement on climate change at the United Nations in New York. The Agreement, a comprehensive framework to limit greenhouse gas emissions and to meet the associated challenges posed by climate change. This includes a shift towards green and renewable energy generation that is sustainable and backed by comprehensive energy policy.

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Yet Chairperson, this department under the new Minister, Minister Radebe, have yet to provide any clarity on a renewable energy policy for South Africa including guidelines for photovoltaic systems and the inclusion of independent photovoltaic energy generation into the public grid.

Just 24 months after signing the Paris Agreement, it seems national government continues to neglect its commitments to tackling climate change; choosing rather to pursue the corruption and kickbacks of a Russian nuclear deal.

It seems that our national government has also chosen to deliberately exclude Saldanha Bay from the competitive bidding process of Phase 1 of the Gas Independent Power Producer, IPP, process. In spite of the Western Cape government's six studies since 2012 into the environmental, economic, and social implications of Liquefied Natural Gas, LNG, importation at this site.

The Western Cape's proposal for energy cooperation clearly singles out Liquefied Natural Gas as a unique opportunity for importation into our province. The investment in LNG infrastructure alone could amount to R21 billion with the potential to create over 67 000 jobs. So why has the Minister's department excluded the Western Cape from

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this bidding process when our province is quite clearly energy-ready and able?

Chairperson, the South African National Energy Development Institute, SANEDI, is still lobbying government for zero duties on electric vehicle imports, to encourage the purchase and use of more environmentally friendly vehicles in the country. However, electrical vehicles entering South Africa are charged up to 25% import duty, compared to 18% on conventional vehicles. But to add insult to injury, South Africa also charges an ad valorem tax, usually charged on luxury items over and above the already inflated import duties for electric vehicles. This means that tax on electric vehicle imports into South Africa stands at an incredible 42%.

Chairperson South Africa must implement a short-term exemption of electric vehicles from import tariffs with the Department of Trade and Industry so that we can move with world trends going forward. The increase in electricity consumption for electric vehicles must come from renewable energy which we know will require government permission for Eskom to procure green energy.

Through the Chair, Minister Radebe, how is South Africa enacting any of the provisions outlined in the Paris Agreement, if it has yet to

reform its energy policies and relax regulation in favour of clean and renewable energy?

The Western Cape Government in 2016 embarked on an Energy Security Game Changer to stabilise electricity supply to the province and ensure enough power for future growth which is sustainable and low carbon driven. The diversified mix includes a broad range of solar Photovoltaic, PV, electric vehicles, efficient water heaters, wheeling and energy trading and the roll out of Independent Power producers, IPPs.

Eskom's previous failures have had a highly negative impact on the economy and investment, and so the provincial government has stepped in to mitigate these effects. Under the auspices of the Premier, a delivery unit and dedicated departmental teams, game changers such as these are a new vehicle of delivery with clear and measured outcomes. In partnership with the City of Cape Town and aligned with the National Development Plan, NDP, and IRP.

With a dedicated focus on a future Green Economy, the Western Cape has highlighted the value of a Key Performance Indicator in the green energy sphere to measure the province's carbon footprint, and the game changer's contribution in reducing it. This monitoring and

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evaluation process measures the metric tons of carbon dioxide emissions avoided in the province with every new rooftop PV energy system installed.

The Western Cape is working with municipalities to enable solar PV users to feed electricity back into the grid. This includes the selling of excess energy by commercial IPPs by means of a wheeling mechanism and a fee paid to Eskom for use of that network. This system opens up the energy market, attracts large investment in rooftop solar PV, is low-risk and carbon neutral, and can be immensely beneficial for rural or energy constrained municipalities.

However Chairperson, National Energy Regulator of SA, NERSA, requires all municipalities to offer open grid access, but as yet, no wheeling framework has yet been developed.

The Western Cape continues to assist municipalities to comply with the relevant Small-Scale Embedded Generation, SSEG, rules and policies. By August last year, 13 municipalities in the Western Cape had the legal framework and NERSA-approved tariffs in place. Although these numbers are the highest in the country, and demonstrate the strides made by the Western Cape towards a sustainable green energy, the IRP update in its current form fails

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to indicate where Small-Scale Embedded Generation fits in. This forces NERSA to refer all applications over 1MW to the Minister. This red tape, Minister Radebe, must be addressed as it has a direct consequence of discouraging investors.

Hon Chairperson, the Western Cape Government also takes a lead role in setting to save money in electricity costs from solar PV on the rooftops of its government buildings across the City Cape Town. And so far, with the provincial Department of Transport and Public Works, four provincial government buildings have had solar PV systems installed.

Hon Chairperson, South Africa does not need nuclear power. Any inclusion of nuclear in the revised IRP - we believe - is proof that corruption - as I've stated - still festers at the heart of national government, and that unnecessary deals made are still being pushed through.

The Western Cape is alternative and renewable energy ready. Our roadmap for sustainable energy generation has been laid out in the interests of a burgeoning green economy.

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We in the industry operate in complete policy uncertainty. The question should be asked once again: "Why is the Minister keeping his options open to nuclear energy when renewable energy projects are well underway in the Western Cape and South Africa at large?"

Finally, through you Chair to the Minister, you yourself have said that South Africa's economy has stagnated and if it is to grow and attract significant infrastructure investments it needs to have policy certainty. When will you deliver the confidence needed to grow this sector and why is our national government failing to adhere to the requirements as set out in the Paris Agreement? Because Chairperson, if a nuclear deal is still on the cards, then it appears national government is still stuck in a complete corruption knot. I thank you. [Applause.]

Mr W F FABER: Hon Chairperson, as a permanent delegate representing the Northern Cape Province I applaud Minister Radebe for signing the renewable energy power agreements. This gives a much larger portion of the budget towards the Northern Cape Province for development of solar and wind energy; and creating jobs that are so much needed in our Northern Cape Province.

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It was published in the Labour Force Survey that 29,5% of the Northern Cape Province population, a staggering 134 000 people, are unemployed. We are still concerned that the job creation figures in the departmental budget is inflated and that these jobs will only last until the completion of the projects construction. These, most probably, won't be sustainable jobs.

Further concerns in this department include the vast budget cuts; while we need our economy to grow.

With the Integrated Recourse Plan, the Zuma Cabinet tried to push through the Rosatom Nuclear deal, but it was declared unconstitutional and unlawful by the High Court. Since then it has become known to us that President Ramaphosa sent his deputy, David Mabuza, to Russia. With love from Russia.

Was this to mend the nuclear deal that was stopped in its tracks? Are you scheming behind closed doors trying to put a nuclear deal together with Russia? Tell South Africa!!! As we now know we don't need more Nuclear as there will be enough energy if we focus on our renewable projects, as planned.

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We would also want to know what happened to the Grand Inga project: when will it happen and how far? As I've been here for the last nine years, we are hearing about this in committees. Hon Makue, long before you were here actually. [Laughter.]

This is why we want to know why Minister and the department also ...we will see fuel prices going up every month, and it's happening again as you know, next month. This means the prices of food and living expenses will be rising as well. And this is why Minister we want to know "why did the department allowed to sell the rolling fuel stock, so far below market prices? Another type of Gupta-gate scandal. And yes, hon Makue, I know you are going to talk about it, it's sub judice, I know.

As we learned through the ANC history, their leaders get off soot-free without accountability and no need to pay back.

We look towards the new Minister to see if he can turn the bus around and gain the much-needed respect and credibility from South Africans. I thank you.

Mr E MAKUE: House Chair, Minister Radebe, hon Deputy Minister Majola, our leadership from the provincial legislatures, our

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delegate leader from the SA Local Government Agency, Salga, it's important that we just clarify what the aim of the Department of Energy is. I quote from their APT: It's to formulate energy policies, regulatory frameworks and legislation, and to oversee their implementation to ensure energy security, promotion of environmentally friendly energy carriers and access to affordable and reliable energy for all South Africans.

The Minister was quite clear when he helped us to sleep easier tonight when he said that there would be no power shortages this winter.

My contribution to the Budget Debate is focussed on three areas. The first is to talk about progress made in delivering reliable energy to the people of South Africa. Energy or power is a vital source for socioeconomic development. As a democratic government, we are obligated to ensure that power benefits the people. And that the power belongs to the people. The energy sources and resources of our country must contribute to alleviate the triple challenges of poverty, unemployment and inequality.

In this regard, commendable progress has been made in intergovernmental co-operation and will be further pursued in the

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coming financial year. I thought to myself, when I was in matric, did I have electricity? For those who had electricity then, know that we black people did not.

Only last week, during Local Government week, Salga shared with us how co-operation with other spheres of government will be implemented. And we were part of that meeting.

On Monday, Minister Davies of the Department of Trade and Industry, DTI, and yesterday, Minister Gordhan of Public Enterprises gave further examples of such intergovernmental relations. And I will talk about Minister Davies later.

The list of such co-operation goes on. This is in line with the ANC's strategy and commitment that "together we can do more".

Together we can move South Africa forward! Together, the Premier of Gauteng - today, an ANC leader - and the Mayor of the City of Johannesburg - a DA member - are today visiting the Sophiatown constituency - to which I have been deployed to serve the people of this country - as part of the Thirisano campaign. [Interjections.]

If you were here earlier, you would have heard that I am on the topic of intergovernmental co-operation. [Interjections.]

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We are walking the talk.

Our renowned ANC leader, Ntate Nelson Rolihlahla Mandela taught us that when you have reached the top of the mountain, and you look around you, you will notice that there are very many other mountains to climb. There are some of us who are still struggling at the bottom of the cliff. They have not yet reached that stage of political maturity and development where we can see the bigger picture. [Interjections.]

Our select committee travelled around the country and were astonished by electrification infrastructure programs in the Northern Cape, in Mpumalanga and also here in Western Cape. In its Programme 4, the Department of Energy indicates that it will do more on electrification infrastructure, industry transformation, community upliftment programmes and projects.

The Department of Energy will, in this year, produce four quarterly reports on additional households electrified with non-grid electrification towards the 2018-19 target of 200 000 in the National Electrification Plan, as mentioned by Deputy Minister Majola.

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Do you know what, hon members? The select committee will watch the Department of Education to make sure that we get insight into that report. We are not here to throw stones; we are here to serve our people. [Interjections.]

The ANC's historic 54th National Conference, where the 'new dawn' was born, accepted the importance of an energy mix. Some people don't understand because they're pre-occupied with the racial mix. We're talking about an energy mix in our commitment to do what we say the Department of Education shall draft a renewable technology roadmap and complete such during this financial year.

New technologies of the fourth industrial revolution, hon member from Salga, shall inform this draft.

My second point relates to the regulation of the energy industry. I se I have a little time. I'll jump to my third point which is the promotion of investment in line with the integrated resource plan for electricity.

Minister Rob Davies whom I mentioned earlier of the DTI, in launching the tenth iteration of the Industrial Policy Action Plan, Ipap, on Monday, 14 May said:

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In 2012, government introduced the Renewable Energy Independent Power Producer Procurement Programme, REIPPPP. Commitments by independent power producers, IPPs, amounted to R67,1 billion, or 45% of the total project value of R147,6 billion for all the bid windows. Actual local content spending - where construction has already started - amounts to R38,1 billion.

What happens when we construct these things? We create jobs. We alleviate inequality and we deal with the challenges of poverty.

Minister Rob Davies says there is also an important policy lesson which arises from this process. A failure - and he admits this - until very recently, to sign off on the latest rounds of the REIPPPP - with the result that demand tailed off significantly - led to the closure of some of the component manufacturing companies which had been set up on the back of the REIPPPP programme.

The representative ... the chairperson from the Western Cape doesn't mention that to us. That is happening to a factory here in the Western Cape.

As national government, we are concerned about these job losses.

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Minister Davies concludes by saying that this underlines the absolute necessity of policy coherence and continuity in government's industrial policy across departments. And that is happening in this new dawn.

In its Programme 2 on Energy Policy and Planning the Department of Education commits to improved energy security.

As I conclude, allow me to say to the hon Schafer, I would want to beg you, please, read the APP and the budget of this department. Do not come and be disingenuous and stand here at the podium and talk about things that are already addressed in the budget proposal that was presented as we are a people's government, quite openly to all members. Hon Faber was there when it was presented in the select committee. You would know that if it was not for the nuclear generation that is happening here in the Western Cape, we would be sitting in the dark right now. Don't be hypocrites and use the electricity in your municipalities and even in the legislature, and then come here and pretend that you are totally abhorred by the use of nuclear energy. Nuclear energy also has its advantages.

[Applause.]

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But, the programme of this department is quite clear, that we are looking at an energy mix. [Interjections.]

Hon Faber, you are becoming like a gramophone - I've said this before. [Laughter.] In the select committee meeting, you raised the question about the Grand Inga and you were given a response. And then you come here again and raise the same old story about the rolling fuel stock, when a very clear answer was given to you in the select committee by a director of the Department of Energy. [Interjections.]

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Makue ...

Mr E MAKUE: It does not help for the DA to continue referring us back to our history.

The HOUSE CHAIRPERSON (Ms M C Dikgale): Hon Makue, your time has expired!

Mr E MAKUE: We are looking forward at a brighter future for our people. Thank you.

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The MINISTER OF ENERGY: Chair, I would like to thank all the members of the NCOP who made input into this ...

Oh, do I have so little time!

I think hon Makue has responded to many of the issues that have been raised here. I do appreciate that, as I do appreciate all those who commented.

Just a few issues.

It is our intention to ensure that we support transformation in the energy sector. So the issues that the hon Rayi raised on radical economic transformation are still at the heart of our approach. We continue to monitor the IPP them that they must be able to respond to the challenges of South Africans.

On the issue of the skills plan with the Energy Sector Education and Training Authority, we are going to take your advice and cancel on that one to work with them more closely so that we are able to be part of the skills revolution in our country.

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On the issue of budget cuts, this does not only affect the Department of Energy; it is a collective Cabinet decision that we need to ensure that the fiscal consolidation as enunciated by the Minister of Finance in various Budget Speeches, as well as in the Medium-Term Budget Policy Statement, we have to live by our own decisions so that we are able to strengthen the fiscus of the republic.

So, as the Minister of Energy, even though as a line function I'm unhappy about the budget cuts, but, if you look at the bigger picture, it is for a good cause.

On the issue of Salga, I do appreciate the comments that you made. We will endeavour to ensure that we work with you much more closely so that we are able to ensure that all the challenges that the municipalities in particular are facing, we are able to address.

On the issue of Eskom, I'm sure you might be aware that the President has established an interministerial committee that deals with the restructuring and reform of state-owned companies. So I would suppose that you should be able to make inputs on that.

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On the last point, DA, nuclear is not a swear word. We are at the cutting edge on terms of providing nuclear medicine as South Africa. At Pelindaba labs we supply 51% of the world.

I'm shocked that you can say that South Africa does not need nuclear. Right here, at Koeberg, almost 3 000 megawatts of electricity is generated through nuclear. So are you telling the people of the Western Cape that they must shut down these ...

[Interjections.]

You are wrong. There is remarkable progress on IPPs. From 2014 to 2016, US\$10,8 billion of investment, and recently I signed R56 billion on IPPs on renewables, ensuring that we are in line.

Inga has already been agreed to. [Interjections.]

You are wrong. The IRP will ensure that the energy mix ... But we cannot pre-empt that. So you will be part of the consultation as we go public.

With those few words I would like to thank all colleagues for this debate on the budget. [Applause.]

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The HOUSE CHAIRPERSON (Ms M C Dikgale): I would like to take this opportunity to thank Minister Radebe and Deputy Minister Majola for availing themselves for this debate in our House today. Hon members, I want to applaud you because you pleased the public today, compared to yesterday.

The Council adjourned at 17:23.