

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 1

WEDNESDAY, 31 OCTOBER 2018

PROCEEDING OF THE NATIONAL ASSEMBLY

The House met at 15:01.

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

Hon members, the only item on the Order Paper today is questions addressed to Ministers in cluster 4 - Economics.

Mr N SINGH: Deputy Speaker, we were also informed - sorry Minister - but we also wanted officially from you that the Question to the Minister of Public Enterprises, would stand over until the 14th of November.

The DEPUTY SPEAKER: Yes, I was expecting in my guide here, I am told that there is an agreement in Chief Whip's Forum about that and that is the case. Thank you for reminding us.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 2

QUESTIONS TO MINISTERS

ECONOMICS - CLUSTER 4

Question 184:

The MINISTER OF MINERAL RESOURCES: Deputy Speaker, the question by hon Luzipho is about the newly gazetted Mining Charter achieving its objectives of stimulating the economy. The gazetting of the Mining Charter has removed one of the most pronounced sources of policy and regulatory uncertainty, which led to the Fraser Institute rating South Africa number 81 out of 91 countries when it comes to policy certainty.

This has an impact on the investment attractiveness of South Africa. We understand that the removal of uncertainty on its own is not sufficient, hence setting up the team working on competitiveness, sustainability and transformation, directing and working together with the sector, focusing on mining and therefore contributing to the economic performance of the sector. That is the answer to that question.

Mr Z LUZIPHO: Thank you hon Deputy Speaker. I also thank the Minister with the answer. In light of the historic achievement

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 3

in terms of the consensus reached on the mining - the question then is, what are the key commitments by social partners to charter compliance and implementation? The question is in relation to one of the key challenges in terms of the implementation of the charter was the question of where compliance lies and responsibility for its proper implementation. Thank you.

The MINISTER OF MINERAL RESOURCES: Compliance is not something that comes automatically, it also requires enforcement. What we are looking at as a Ministry and a Department is to strengthen our monitoring of compliance, therefore if we are strong enough in enforcing compliance, it will happen, if we are weak as a department, people are not going to comply because many people don't see compliance with the Charter as a business imperative. They see it as just a tick checkbox, as a result of that; you find that people comply maliciously with the Charter. We will have to enforce monitor on an ongoing basis.

Ms NV MENTE: Thank you, Deputy Speaker. Bab' umqwathi, since the first mining charter was introduced in 2004, we know as a

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 4

matter of fact that white foreign owned mining companies have failed to comply with the mining charter. This is the nature of charters across the board. They fail because they are not legislated and we will never reach transformation targets without these targets being legislated as Acts of Parliament. On what legislative basis was the Mineral and Petroleum Resources Development Acts Amendment Bill withdrawn? Why did you withdraw it?

The MINISTER OF MINERAL RESOURCES: Deputy Speaker, the amendments of the Mineral and Petroleum Resources Development Act, MPRDA, have been in Parliament since 2013, they were drafted in 2012. If you have amendments that remain on the table for more than five years, the first thing that will happen is that, the amendments themselves will become irrelevant. Secondly, even now those amendments were going to be passed because in the NCOP, division reflected that they were going to be passed, instead they will proscribe with the rising of the Fifth Parliament. On that basis, we rather start from scratch and deal with the sector properly and appropriately.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 5

Mr J R B LORIMER: Deputy Speaker, the Minister says that this charter will unlock investments and we disagree. Now if this charter does not unlock significant investment within a year and in significant is saying 25% increase; will you admit that you were wrong and that you have caused us to miss out on job creation and then resign?

The MINISTER OF MINERAL RESOURCES: Deputy Speaker, Mr Lorimar is putting the card before the horse. If you were part of the investment conference, you would have seen the change of the attitude in mining and their active participation in the investment conference indicate to us that there is a fundamental change in the industry that was very negative all the time. The R71 billion from Anglo, which you asked about its origin, is an investment that Anglo, says we are unlocking it; we are putting it back to the industry because the environment is correct. Therefore, there is no need to be negative about the industry and the country, because pointers are to the opposite direction.

Mr J A ESTERHUIZEN: Thank you, Deputy Speaker. The new charter admittedly addresses some of the key investor issues but what

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 6

was the reasoning behind the concept of implementation of guidelines introduced as there is no clarity as what these guidelines will cover and what their legal status will be. Is this just not just another prime example of how government complicates and ... [Inaudible.] a degree of certainly and regards to the policy framework. That was the purpose of this charter in the first place. Don't you agree Minister and what are you going to do to ... [Inaudible]

The MINISTER OF MINERAL RESOURCES: Deputy Speaker, guidelines are a framework for implementation and if you do not have a framework for implementation, you are not ready to implement. Those guidelines are going to provide a framework that we should follow in implementing and we are developing them as a department, we are discussing with the industry, to also be part of it. Actually, you are going to see that the industry has not only stuck to the charter, we also have started developing a framework on competitiveness, sustainability and transformation for the industry. The guidelines will guide us, so that we can be able to execute within a framework that is concrete.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 7

Question 155:

The DEPUTY MINISTER OF FINANCE: Hon Deputy Speaker, I think that the answer is straight forward on this one; that the Minister of Finance will utilise the communication services of the department which includes media liaison because the question is whether he had appointed a media liaison officer or not.

Mr D J MAYNIER: Hon Deputy Speaker, we will know that the hon Minister of Finance, Tito Mboweni, is a danger to himself on social media. His postings include freak salad of views on the economy which include flotation with radical economic transformation. Therefore, will the Deputy Minister please tell us whether the Minister actually supports extending state-ownership over the mining sector and establishing a sovereign wealth fund, and whether the Minister will use the communications department, to which the Deputy Minister referred, to take control of his social media accounts to save himself further embarrassment and any further flotation with radical economic transformation.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 8

The DEPUTY MINISTER OF FINANCE: Hon Deputy Speaker, my understanding is that the media liaison, as the question has been raised, is about liaison between Parliament and the Ministry. That liaison, its content, will always serve the traditional purpose for which it is established. Whatever that will be communicated in public will always be the policy and the day to day decisions of the institution at all material times. Thank you.

Ms H O MKHALIPHI: Hon Deputy Speaker, through you to Deputy Minister, how the National Treasury and the Minister communicate with the media is open for discussion. However, how the department and Minister communicate with Parliament it's determined by the rules and regulations. Therefore, the Minister is required to respond to questions for written reply in Parliament. In August, Deputy Minister, I don't know if you are still a mayor, the EFF asked the Minister of Finance how many deputy director-generals and senior directors are employed by the department, and how many of those are women. It is now two months later we are still haven't got a response. It should take less than 30 minutes to compile such

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 9

information if you know what you are doing in your department unless if you are still a mayor of Ekurhuleni. Thank you.

The DEPUTY MINISTER OF FINANCE: Hon Deputy Speaker, my understanding is that Ministry its purpose is for strategic leadership and there is always machinery for the effective execution of that task. That task is not about knowing every ones and twos in the department. It's about ensuring that you steer the institution in the proper direction where it is supposed to go. I think in as far as that is concerned the Minister is doing that very well. However, with regard to the deputy director-generals and all those, we can follow those up for you, if you still need them.

Dr M Q NDLOZI: Point of order, I don't think that, Deputy Speaker, we must accept such a dismissal as Parliament. I think that if the Deputy Minister doesn't know what he is doing in the department he must just say, I don't know. He mustn't come and tell us here that those are not his responsibilities, his responsibility is strategic leadership. Parliament mustn't accept to be dismissed by Deputy Ministers.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 10

If you don't know just say, eh guys, I don't know which will just expose that we are paying you for nothing.

The DEPUTY MINISTER OF FINANCE: I wish I could ask hon Ndlozi the names of the branch leaders of the EFF in Ekurhuleni to tell me now. [Interjections.] No, he will know, who are there. The point is that ... [Interjections.] Thank you very much. I think that the answer I have given, Deputy Speaker, I'm actually satisfied with it that the purpose of this office is strategic leadership and will always be guided by the technical expertise that are actually deployed for that purpose.

The DEPUTY SPEAKER: Hon Deputy Minister, you insist you will reply to that answer as it is said. Let's take that as your response. The other one really ... okay, alright. Hon Smith! It's done. Okay. Hon Ntantiso, okay. Yes, hon member, I'm sorry, go ahead.

Ms N NTANTISO-ABRAHAMS: Hon Deputy Speaker, we believe as the African National Congress that it is correct for the Deputy Minister to share information with Parliament, and equally we

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 11

believe that it is good for the department to share information with communities. If the better part or most part of the communities uses social media, then we really feel as the African National Congress that the Ministry is in the right direction. We, however, wish to state that for now if the Ministry makes use of the departmental communication to get messages across, then for the moment that is cost saving. However ... Thank you. [Time expired.]

The DEPUTY SPEAKER: Hon member, I'm afraid your time has expired and we will consider yours as a comment and not a question. Hon Smith! Hon H E Smith! He's not here, we are passing. [Interjections.] You are done. Okay, let's proceed to the next question asked by hon Yako to the Minister of Mineral Resources. Hon Minister of Mineral Resources, hon Gwede Mantashe, there is Question 182 asked of you by hon Yako.

Question 182:

The MINISTER OF MINERAL RESOURCES: Deputy Speaker, the hon Yako wants to know whether we had a meeting in Australia where we agreed to fast-track mining development in Xolobeni.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 12

The reality of the matter is that a delegation - a South African delegation - went to what is called Africa Down Under, an Australian equivalent of the Mining Indaba. Our message was very simple: South Africa is a good investment destination. In the process, we talked to various mining companies, not to one about Xolobeni specifically. We have made no commitment regarding Xolobeni. We made a commitment that South Africa is a good investment destination, particularly in mining. Therefore, in that process of meeting various mining companies, we encouraged them to come and invest.

Let me talk a little about Xolobeni. The issue has been on the table since 2002. No decision has been taken or executed. It is my commitment, not to anybody else, that the issue must be concluded, the sooner the better, in whatever way, rather than to keep it hanging all the time from 2002 to 2018, already dragging on for 16 years. It is a bad way of dealing with investors. [Interjections.]

Ms Y N YAKO: Deputy Speaker, the Constitutional Court, in its recent ruling on the right of communities to have their land,

WEDNESDAY, 31 OCTOBER 2018

Page: 13

even if the land holds minerals, began by quoting Fanon's *The Wretched of the Earth*:

For a colonised people the most essential value, because the most concrete, is first and foremost the land: the land which will bring them bread and, above all, dignity.

The Constitutional Court judge then went on to say:

The existence of a mineral right does not itself extinguish the rights of a landowner or any other occupier of the land in question.

The ruling of the court will prevent communities from being evicted without their consent. Does this in any way affect your approach in how you engage with the people of Xolobeni and, if yes, how will this influence your engagements?

The MINISTER OF MINERAL RESOURCES: Deputy Speaker, I have physically been to Xolobeni. I am not reading about it. In Xolobeni, we met with the communities and nine organisations, the majority of which was village trusts that expressed

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 14

interest in mining in Xolobeni. The Amadiba Crisis Committee is opposed to it and tried to disrupt that meeting. One of the issues that we could not accede to is the people of Xolobeni being deprived of the right to speak for themselves. We stopped. We couldn't agree to that, and we engaged them. [Interjections.]

We continue to engage the crisis committee in Xolobeni. We are setting up a meeting with them. We will talk to them. [Interjections.]

The DEPUTY SPEAKER: Order, hon members!

The MINISTER OF MINERAL RESOURCES: Thank you very much. I responded to the court order yesterday and said it is in line with the law. There is nothing new in that they must be consulted. That is why, after visiting all the major mining areas, one of the findings we made was that mining companies must consult with communities more thoroughly before they start mining and do so on an ongoing basis. That debate is on the table for the sector.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 15

Ms Y N YAKO: Deputy Speaker, on a point of order: He did not hear the question I asked. Therefore, he did not answer the question I asked. [Interjections.] He did not consult with the people of Xolobeni. That is what he is telling me now. Can he answer the question that I asked?

The DEPUTY SPEAKER: Hon member, the Minister has responded to you. If you are unhappy with it ...

Ms Y N YAKO: Deputy Speaker, he did not answer the question I asked. He did not listen to the question I asked. Therefore, he did not answer it. [Interjections.] He must answer the question I asked. I can repeat the question if he perhaps didn't hear it. [Interjections.] Let me repeat the question. Maybe he will answer the question.

The DEPUTY SPEAKER: No, no, no! [Interjections.]

Ms Y N YAKO: Let me repeat it.

The DEPUTY SPEAKER: No! I am saying no. Hon Minister, what is your response to that?

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 16

The MINISTER OF MINERAL RESOURCES: Deputy Speaker, actually, the mistake the hon Yako is making ...

The DEPUTY SPEAKER: Order! Hon member, you will keep quiet whilst the Minister responds to you. [Interjections.] No! You stop heckling!

The MINISTER OF MINERAL RESOURCES: No, they don't want respect. They are playing to the gallery. I can't help them with that. [Interjections.]

The issue is mining companies must consult communities - that is what the judgment says. It doesn't say "the Minister must". It requires mining companies to consult with communities. We agree with that. All we are saying is that the consultation must not only be before the license is given. It must be before the license is given and on an ongoing basis. Actually, it is in the interest of a mining company to consult because it must co-exist with those communities. [Interjections.]

Adv H C SCHMIDT: Deputy Speaker, through you to the hon Minister: Following the recent unfortunate incident where

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 17

attorney Richard Spoor found himself being arrested at the meeting you had with the community in Xolobeni, the issue in Xolobeni has a great deal to do with inadequate compensation offered to people who lose their land to mining.

The question is the following: Minister, are you planning to address this inadequacy, either by law or by regulation, and, more importantly, by when? Thank you.

The MINISTER OF MINERAL RESOURCES: Deputy Speaker, the problem is that something that attracts attention easily leads to distortion. The mining company that has done exploration in Xolobeni has not yet been given a mining license. So, it is at a stage where it must be consulting. Only then will we process the application for a mining license. At this point in time, as we sit here, that license has not been issued, but the company was given the right to explore. It has done exploration. It must consult, and then we process the application.

Mr S P MHLONGO: Deputy Speaker, on a point of order: The EFF posed a question to the Minister that I think is fundamental,

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 18

but the Minister, according to his response, is saying to this House that mining companies should self-regulate.

[Interjections.] No! Please wait, noisemakers.

[Interjections.] The people of South Africa did not elect mining companies. They elected these Members of Parliament to regulate and ensure that people are not just evicted by these people. Go to Richards Bay! How many people are being killed there by these multinationals that are not properly regulated? Do we want the same thing to happen in Xolobeni?

The DEPUTY SPEAKER: Hon Mhlongo! No! Hon member!

Mr S P MHLONGO: Deputy Speaker, allow us, as Parliament, to do justice to this matter.

The DEPUTY SPEAKER: Yes, I am allowing you to do that but not in this way. There is a way that has been agreed that will be used ... [Interjections.]

Mr S P MHLONGO: What way? What way?

The DEPUTY SPEAKER: The way in which we ask questions.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 19

Mr S P MHLONGO: Can I be helped? What way?

The DEPUTY SPEAKER: Hon member! Hon Mhlongo, you are unhappy with the Minister's answer. Alright?

Mr S P MHLONGO: No, the Minister is saying ...

The DEPUTY SPEAKER: No, hon member!

Mr S P MHLONGO: ... mining companies. What way?

[Interjections.]

The DEPUTY SPEAKER: Hon member, you are unhappy with the answer and the quality of the answer. That is a political issue. The Minister answered you.

Mr S P MHLONGO: People did not elect mining companies!

The DEPUTY SPEAKER: Take your seat, hon member. Hon Esterhuizen, please go ahead.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 20

Mr J A ESTERHUIZEN: Deputy Speaker and hon Minister, at Xolobeni, the Mineral Sands Resources generated a profit of R150 million, but it did not spend a cent - as was promised - on a community upliftment and social responsibility programme. Still, the new Mining Charter you gazetted states the policy is that communities will have a say and a share in the profits. In practice, this does not happen.

You also just said the community must have a say in the mining operations. This company, Tormin, expanded its mining activities, causing cliffs and dunes to collapse. Why are you so determined? Minister, you are on record saying that this company will proceed, even against a court order.

[Interjections.] Do the people of Xolobeni mean so little to this ANC-led government that you are prepared to put profit before the people's lives? What is the real motivation?

The DEPUTY SPEAKER: Hon member, unfortunately, your time has expired. Hon Minister? [Interjections.]

The MINISTER OF MINERAL RESOURCES: Deputy Speaker, what you cannot answer is something that is not factual.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 21

[Interjections.] There is no mining happening in Xolobeni. I repeat: There is no mining happening in Xolobeni. Therefore, there can be nothing accruing to the community before mining takes place.

Secondly, in the Mining Charter, we make provision for shareholding and benefits to accrue to communities. The reason we did that in the latest Mining Charter is because, in the past, there was no such provision, except the Social and Labour Plan. Now, we are extending the benefits accruing to communities beyond just the Social and Labour Plan. There is the Social and Labour Plan, and there will be shareholding benefits equivalent to 5% of what accrues to companies. That cannot happen before mining starts. So, there can be no benefits accruing in Xolobeni because there is no mining taking place. [Applause.]

Mr M H MATLALA: Deputy Speaker, through you to the hon Minister: Can you take the nation into your confidence about what you intend to do at Xolobeni? Given the opposing views for and against mining, do you have any intention to proceed with the processing of the applications? Thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 22

The MINISTER OF MINERAL RESOURCES: Deputy Speaker, in mining, if there are people who oppose and those who agree, we will have to test the views of the people. In the department, we are even discussing the possibility of a survey if there is disagreement in a community where mining is happening. Many say we will create a precedent. We say it is a necessary precedent because it is important for us to ensure that we don't only give in to the right to say no and destroy the right to say yes.

If there is a right to say no, there must equally be a right to say yes. If there is disagreement, we must test the extent of that disagreement. What is needed in Xolobeni is not just mining; it is development. Xolobeni is in Ward 25 of Bizana, which is the poorest ward in Bizana. That ward requires development, not mining. Mining can be an element of it. [Interjections.] Mining will be an element of that, but what you need in Xolobeni is overall development and access to Xolobeni in terms of roads and other networks.

Question 185:

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 23

The MINISTER OF ECONOMIC DEVELOPMENT: Deputy Speaker and hon members, the question relates to monopolies, cartels and dominance by large corporations. Prohibited acts may take the form of excessive pricing, price discrimination, collusion between firms and predatory pricing.

The World Bank, earlier this year, issued a report in which it estimates that in just one of these kinds of acts, namely excessive pricing or what it terms mark-ups above normal profits, it is estimated to be close to 10% of South African's gross domestic product, GDP. In other words, what it shows is the deep damage caused by monopolies and abuse of dominance by large firms.

In the last nine years the commission has intensified its actions against cartels, exposing and breaking up cartels and collusive actions in sectors like construction, steel, car carriers, fertiliser, wheat and maize meal milling, fishing, poultry, furniture removals, fire protection systems and media advertising.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 24

One of the early cartels to be broken up was in the food industry covering chicken and bread which resulted in mandatory lower prices for bread for a period and a large fine half of which was put into a fund to grow firms in the agro processing industry for example, the Coega Dairy in the Eastern Cape, Pastry Man in KwaZulu-Natal, Prima Bake in the North West and Vergezocht Plant Oils in Free State and 38 other largely small businesses that were promoted through this.

In abuse of dominance cases, the commission had some success, for example, in an excessive pricing case against Sasol in the fertiliser industry, the commission found that Sasol controlled an entire pipeline from production of Ammonium nitrate to blending and to produce fertilisers, to selling it directly to farmers through a network of contracted agents.

The settlement resulted in a breakup of this arrangement. Sasol had to dispose of five of its six blending operations and not limit its agents from carrying the products of competitors. I raise this, hon members, because the subsequent study by the Competition Commission found that customers of

WEDNESDAY, 31 OCTOBER 2018

Page: 25

granular fertilisers benefitted by about a billion rand in lower prices and one of its competitors invested a further R1,4 billion in a new Nitric acid plant and smaller players in the market grew from 15 before the settlement to 65 after the settlement.

I can cite other examples, for example, consumers of Telkom products benefitted from R331 million in lower prices over a four year period as a result of the outcome of an abuse of dominance case.

In many merger cases conditions have been put on merger parties to combat monopolies and fight abuse of dominance. They included the arrangement through the court judgement in the Walmart-Massmart matter and agreements with large beverage companies.

I illustrated a few examples of excellent work done by the Competition Authority over the past 10 years. While there have been many successes, it is also clear that the vision of an inclusive economy set out in the preamble to the Competition

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 26

Act has not been fully achieved. Economic concentration and economic exclusion remains a concern in the economy.

In order to strengthen the commission and tribunal's capacity, hon Pikinini, and to deal with economic concentration and exclusion, this House, last week, considered amendments to the Competition Act. For example, the Bill, for the first time in our law, puts in place a provision to deal with abuse of buyer power dominance in the economy. This provision will ensure that where a dominant firm imposes unfair trading conditions or unfair prices, the Competition Authorities have the necessary powers to deal with it. [Time expired.]

The DEPUTY SPEAKER: Hon Minister, your time has expired.

Mr I A PIKININI: Minister, as a case study on the matter transaction involving Coca-Cola, can the Minister share with us how the department and the Competitions Commission dealt with conditionalities related to small, medium enterprise development and inclusion?

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 27

The MINISTER OF ECONOMIC DEVELOPMENT: Hon Pikinini, it is a very interesting case study to show how the Competition Act can promote small business. Coca-cola decided to combine three of its bottling operations and it needed regulatory permission. It then bought the shares that Anheuser-Busch InBev, AB InBev, had and that required regulatory approval. So, what did we do?

Firstly, we have put in a clause in the merger approvals that requires Coca-cola to make 10% of fridge space, where it owns fridges or cooler units in small spaza shops and where it has locked spaza shop owners into exclusive arrangements, available to small players and competitors. We said to them, "Open it up".

In another example, we got Coca-Cola to put R400 million into promoting small scale black farmers by adding them to its supply chain. We also got them to put another further R400 million into township enterprises to provide support to small retailers.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 28

We further got Coca-Cola to increase the level of ownership by black South Africans in Coca-Cola South Africa. The commitment is to increase it from 11% to 30% over a period. A final example is that Coca-Cola bought over Appletiser, the brand, and we got them to source grapes from smaller farmers and we hope with time they will also source other fruits so that we localise, create jobs and support small businesses in South Africa. Thank you.

Ms S J NKOMO: Deputy Speaker, to the Minister: What is government doing in respect of addressing foreign owned companies that operate in South Africa that actually flawed South African labour legislation and exploit South African labour? They find themselves loopholes around compliance with Broad-Based Black Economic Empowerment, BBEEE, certification and engage in anticompetitive behaviour. How does government intend addressing this? Where can members of the public report such type of behaviour of such companies? Where can they go for investigations? Thank you.

The MINISTER OF ECONOMIC DEVELOPMENT: Thank you very much for the question hon member. The conduct that the member described

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 29

is one that is harmful to the South African economy and to South Africans more generally. It falls outside the Competition Act but it is the kind of conduct that we need to ensure is investigated.

In respect of labour laws, the kind of conduct where foreign firms do not comply with our labour laws and exploit South African workers, Minister Oliphant and the Department of Labour will be able to address that. We have also made some changes to the labour legislation recently and Parliament considered that and it included the introduction of the national minimum wage.

Secondly, in respect of the Black Economic Empowerment, BEE, compliance, it is very important to ensure that our economy is inclusive and that we bring black South Africans into ownership. The relevant department for that is the Department of Trade and Industry run by Minister Rob Davies and they have measures in place to deal with that. Thank you, hon member for bringing that issue up; it is very important that we address it. Those are the two mechanisms by which we can deal with those. Thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 30

Prof N M KHUBISA: Deputy Speaker, to the hon Minister: Perhaps the legal framework could be there but the problem could be that of capacitation whereby small and medium-sized enterprises, SMEs, are not able to break the ceiling and get into the industry of dominance and collusion because there is no ongoing capacitation.

Do you feel that the Competition Commission is doing enough to ensure that it comes nearer to the SMEs because one of the issues could be the issue of literacy with regard to the language concerned in the legal framework? Is there enough that is done to ensure that these SMEs are able to attend to their issues on their own in regard to the legislative framework that is available? Thank you very much.

The MINISTER OF ECONOMIC DEVELOPMENT: Hon Khubisa, speaking to the competition authorities, it is clear to me that they are very sensitive to the issue of ensuring that small businesses are able to access their services. They recognise that we have not done enough. So, what are we doing now?

WEDNESDAY, 31 OCTOBER 2018

Page: 31

We have put to Parliament amendments to the Competition Act that give the competition authorities greater power to focus on small business issues, including requirement on them when we do market enquiries to ensure that small businesses are properly represented.

Secondly, we have committed that once Parliament has finalised the Competition Amendment Bill, we are going to do a popular booklet for small businesses identifying how they can access the services of the Competition Authority. We are going to make the changes available in all the official languages.

The third area is to work closely with the Ministry of Small Business Development to ensure that small businesses with legitimate concerns and complains - and they are many - their hands are held during the competition process so that they can access the remedies that Parliament has put in place.

I look forward to the completion on the amendments to the Competition Act because it is the most comprehensive attempt by Parliament and government to address the problems of small business and competition.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 32

During the course of Parliament considering this, under the leadership of hon Coleman who is the chairperson of the portfolio committee, many small businesses gave evidence of the kind of problems they have with price discrimination, abuse of dominance, excessive pricing and margin squeeze that keeps them out of markets. The changes to the Competition Act directly speak to these and seek to address the problems of small businesses. Thank you.

Ms N K F HLONYANA: Deputy Speaker, to the Minister: Regardless of what is said, nothing has been done to break down the monopolies that control South Africa's economy and permanently engage in anticompetitive behaviour. The big four banks in South Africa, Standard Bank, First Rand Bank, Absa and Nedbank own 88% of all banking assets in the country and this is just one example. MultiChoice is even worse and has 98% of the pay-TV market.

The Competition Commission has failed and regardless of the Act introduced, the only long term solution to economic concentration in this country is for the state to break up

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 33

monopolies. Do you agree? If you do, how should we go about breaking up the monopolies?

The MINISTER OF ECONOMIC DEVELOPMENT: Monopolies impose enormous costs on an economy. It is clearly, not only from the point of view of the Freedom Charter, but just when you look at the economic evidence in our economy and elsewhere they impose costs.

So, what does the law currently say? The law deals with conduct but does not deal with its economic structure. The Competition Authority has to operate within the law. They have pursued conduct by large companies that is damaging to the economy and that is outside what is legally permitted. But that doesn't resolve the issue of the economic structure. We have brought a package of amendments to Parliament and we had strong support in the portfolio committee. The committee voted in favour and it came to the National Assembly in the second reading debate last week.

I am delighted to see that we had overwhelming support in the National Assembly for that package of proposals that include

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 34

dealing with economic structure. Monopolies are the highest levels of economic concentration you can get, but not only monopolies classically defined, any very high level of economic concentration that excludes small businesses and limits the ability of medium-sized businesses to get into the economy would be the subject of investigation by the Competition Authority. Parliament has given them the right to take the necessary action.

I see the hon members from the EFF are saying, "What can the Competition Authority do about it?" If there are no other remedies, once the law has been passed by the NCOP, it would now permit for the breakup of the highly concentrated sectors and firms in order to stimulate competition, advance economic inclusion and bring more South Africans into the economy.

Thank you.

Question 146:

The DEPUTY MINISTER OF FINANCE ON BEHALF OF THE MINISTER OF THE FINANCE: Hon Speaker, the question is very important.

Thank you, hon Hlengwa, for the question. The question is about, how do we respond in terms of ensuring that the state

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 35

of governance in the financial sector is in place, taking into account the background of Venda Building Society, VBS?

It is key that we always had a number of measures that ensured that our financial sector stays credible to the investors, domestic and foreign. It takes form of institutions that are appropriate for that purpose. In other words, in that instance it is auditing firms and auditing units internal and external. In the case of VBS, internally you had PricewaterhouseCoopers, PWC, and externally you had KPMG for instance. It also takes legislative measures that ensure that amongst others liquidity of these institutions is subjected to a set of regulations so that they stay liquid within the set percentages.

In this instance, some of the institutions that are key is your prudential authority which is responsible for ensuring that various financial institutions stick to particular minimums with regard to liquidity. Also there is fiscal that ensures that financial services adhere to Batho Pele Principle in that sector. All those have always been in what we call in place. It is very difficult for the Reserve Bank even Treasury to each and every minute to be in each and every institution.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 36

In this instance, it is also important for hon members to remember that what we had in VBS for instance, we had well qualified people and proper institutions is placed. To demonstrate that we were never very far away from it, around May when the Reserve Bank observed that this institution had suddenly moved from a R400 million bank to a R2 million bank, it then suddenly monitored the institution very close until they were able to observe when it entered into a liquidity crisis. Appropriate interventions were done on time.

Hon Hlengwa, all I am saying is that we will continue to do what we do. The South African Reserve Bank and the various institutions I have mentioned will continue to do inspection, monitor, evaluate and respond to these institutions.

Generally, I dare want to say that the financial sector in South Africa have got a very credible record except those isolated incidences like VBS. Thank you.

Mr M HLENGWA: Hon Deputy Minister, I appreciate the narrative in terms of what it is that you are doing. However, that was not the question. I think the fundamental issue here is that we need to borrow from this experience and chart a way moving

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 37

forward. So, you have ... [Inaudible.] the crisis quite well and that is precisely why I asked the question that, will you undertake an assessment of these banking practices even periodically to ensure that systems are adhered to and the checks and balances are functional? It can't be that we will only react to crisis. Prevention is better than cure.

We have had the same problem with Ithala Bank when it was pillaged and we had African Bank and so on. At every instance when this happens, why is it that intervention is always the reaction? Then it backs the question, why are you afraid of the banks? Actually, tell us the banks, take them head on so that we can safeguard and protect the collective interest of our people. This constant thing of wanting to wait for ...

IsiZulu:

... inhlekelele ...

English:

... first and then an intervention, that is wrong. So, will you undertake an intervention? Take us into confidence so that we can help you take on these banks.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 38

IsiZulu:

Niwasabani amabhangi?

The DEPUTY MINISTER OF FINANCE ON BEHALF OF THE MINISTER OF FINANCE: I want to repeat hon Hlengwa that your question remains important, but if the manner in which our banks were regulated and supervised was as articulated, I am sure we would be in the worst crisis now. We have been getting credits and we have been rated globally in terms of how we run our financial sector. I want to insist on that. South Africa has a credible record in as far as that is concerned.

Does it mean that sometimes there are no slippages? VBS could be one of the areas where that could have appeared an oversight in spite of saying that we had auditing institutions qualified and established. There were regulatory relationships. If you read the report you will find that some of those who actually stole money there do acknowledge that they misrepresented their reports which had a potential and ability to mislead the regulatory institutions like the South African Reserve Bank. However, we commit to improve in this matter. One point I want to make is that, already Ntante Motau

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 39

has issued a report. There are lots of processes that are taking place. We continue to learn, whatever weaknesses that are going to be exposed by that and we will commit to do better as we go on.

Mr A LEES: Deputy Minister, we know that there are restrictions on municipalities in investing in mutual banks. Will the Minister propose amendments to banking regulations to prevent banks taking unlawful deposits from municipalities? If so, what are the details?

The DEPUTY MINISTER OF FINANCE ON BEHALF OF THE MINISTER OF FINANCE: Hon member, I want to say that various financial institutions will always be designed for particular purposes. There is a historic reason why different financial institutions are meant for particular purposes. For instance, mutual bank like VBS, which in terms of the law is not allowed to deal with fully fleshed business like commercial banks are doing so that it can be run in a particular way. There is a reason.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 40

However, if there is an increasing demand that these banks are legislated to do in response to service demand work differently, I think we will always be open to that. However, let me say even to this one, VBS was by the way advised when it was discovered that there were those deposits by municipalities that they have a right to apply for a different licence. Something they did not do. I am trying to say that there is always an open mindedness. Whatever intervention be it legislative as long it continues to improve the soundness of our financial institutions in South Africa and ensuring that our sovereign ratings stays where it is supposed to be.

Mr M Q NDLOZI: Hon Deputy Speaker, in the history of South Africa in the last 30 years, there has never been a bank that was placed under curatorship and within one year was declared liquidated. Alpha Bank only collapsed three years after it was placed under curatorship while many placed under curatorship were saved. Cash Investment Bank was saved, African Bank was saved, Community Bank was saved and Cash Bank was saved amongst others.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 41

Is National Treasury going to take responsibility for the collapse of VBS? Why is there such a rush to liquidate VBS? We are clear on who stole money and there are processes to make sure that those people are held responsible including criminal prosecution. If all of that is clear, why kill a good initiative like VBS Mutual Bank? Why do you shut it down? Is it because it is in the hands of rural and black people or not? Thank you. [Time expired.]

The DEPUTY MINISTER OF FINANCE ON BEHALF OF THE MINISTER OF FINANCE: Hon Speaker, I just want to say to hon Ndlozi that we will never take pleasure or get excited when any of our institutions collapse whatever that institution is, because it does not send a good message about our country. I think that point is very important. We can't be happy even about this one, in particular VBS because the services that VBS has been providing are services that established banks do not provide.

You cannot be happy when you have an institution which has been taking forward one of our strategic goals of financial inclusion. We can't be happy about that. Nevertheless, having said that even in that instance with those noble intentions,

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 42

law must always take its course. For instance, in South Africa all various financial institutions have got key imperatives that determine whether they continue to exist or not. Even VBS, when they applied to become a bank they had to meet particular requirements. Once you meet those requirements and get a licence you must stay within the framework of those requirements. When you don't, there is always going to be interventions in terms of the law to sustain the credibility of the South African financial system.

The attitude of Treasury in this instance is that, we want to be part of the process of ensuring that the services that the people of Venda and others used to get from that bank there must be a way in which they are sustained and retained. If VBS get saved we will be excited. However, whether VBS get saved or not as an institution, different from the service depends on whether they will meet the commercial imperatives that established them as the nature of bank that they are. Lastly, this bank was in the hands of qualified people. I want to repeat this. These were chartered accountants, qualified auditors and top auditing institution. It is not a bank that was in the wilderness just (nje), it was in the proper hands

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 43

of people we had a reason to be trusted to can take care of them.

Ms T V TOBIAS: Hon Deputy Minister, you don't have to worry, next week on 07 November 2018, we will be discussing VBS report. We will have ample time to have our views heard about what needs to happen. We will have the report by Advocate Motau tabled in the committee. We need to say upfront as the African National Congress that the Twin Peaks model of regulating the financial sector has been the most effective model which has looked at the interest of depositors especially your ordinary depositors and retail depositors.

The question hon Deputy Minister is, can you please tell the House what National Treasury is doing to ensure effective implementation of the legislative framework that this House has passed to ensure that such problems does not take place in the systemic financial institutions? I thank you.

The DEPUTY MINISTER OF FINANCE ON BEHALF OF THE MINISTER OF FINANCE: Hon member, I share your acknowledgement of the importance of the Twin Peaks model. Those institutions are

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 44

established by law on their own to do that supervision and regulation. All what we do is to interact with them on a regular basis and do the necessary work with regard to check whether they are doing that or not. That work is ongoing. As far as that we commit to that. On an ongoing basis we will be able to give report necessary to Parliament to check on what we are doing with regard to that. As far as we are concerned up to this point, we agree with you that they have done a wonderful work and as Treasury we have our role to oversight at all material time. To also check if the objectives of the Acts that this Parliament has passed are actually followed as established. Thank you.

Question 144:

The MINISTER OF COMMUNICATIONS: Deputy Speaker, the question relates to access to the parliamentary channel on the SABC. The response is that the channel is now freely available on digital terrestrial TV. Those of us who have HD televisions can now immediately access the parliamentary channel. As we speak, the people of Machabeng are watching this parliamentary channel on the SABC platform on free-to-air. Thank you.

[Applause.]

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 45

Mr A M SHAIK EMAM: Thank you, Deputy Speaker. Thank you for that, Minister. I am glad to note that the poorest of the poor will benefit from this. Minister, given the fact that in these rural areas where you find high unemployment and the poorest of the poor living, will you consider, in light of the fact that you are making this channel more accessible to them, some kind of incentive or reduced TV licence rate because most of these people in these particular areas cannot afford it?

The MINISTER OF COMMUNICATIONS: Deputy Speaker, already those who indigent and dependent on social grants are expected to contribute at least R75 per annum as part of their licence fee. Those of us who are not indigent are expected to pay R285 per annum. Thank you very much.

Ms M R SHINN: Thank you, Deputy Speaker. Minister, your answer right now about how those who already have digital TV can watch it doesn't answer the previous person's question, because the majority of people with analogue TVs haven't transferred to digital TVs. That is going to be years away.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 46

Also, on the issue of the licences: one of the previous Ministers - Hlaudi Motsoeneng - made an agreement between themselves that those who qualified for the poor, set-top boxes - the government set-top boxes - wouldn't need a licence. Would you please formalise that by regulation, because that needs to be done. Meanwhile, this parliamentary channel on DStv was part of Hlaudi Motsoeneng's plan to drive subscribers to the platform, which profited MultiChoice very much. You know, it was a welcoming drive to get people onto the subscription platform. What plans do you have in place, Minister, to ensure that DStv financially compensates the fiscus for the market value of this channel over the years and to use those funds to give impetus to the failed digital broadcasting migration policy?

The MINISTER OF COMMUNICATIONS: Thank you very much. Firstly, when the whole issue around digital migration was mooted in South Africa, the estimate was that we had almost 5 million South Africans that would have to be assisted. As we speak, the number is below 4 million of those that have to be assisted, because it is not everybody. Those that stand to be

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 47

assisted by government are those that are indigent and are on the database of the SA Social Security Agency, Sassa.

Secondly, it is not only those who then have to have a digital television. With the installation of your set-top box and the connection with Sentech ... already the ones that I am referring to have access to the parliamentary channel.

Therefore what is of importance is that this parliamentary channel is now taken off pay-TV and put onto free-to-air, and the intention there is to ensure that South Africans have access to the proceedings of this Parliament.

Recovering the money: that has never been part of that. The issue of the licence has nothing to do with digital migration. We are working with the SABC on two things: we need to find a better way of collecting licence fees; and we need to partner with the various stakeholders that are part of the Broadcasting Digital Migration Advisory Council so as to ensure that, just as people are able now to pay for their pay-TV every month without fail, the SABC must also find a better way, because the costs are high to collect just a mere R75 and

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 48

hence the losses that are being incurred. This is but one of the interventions that they are putting together. Thank you.

Dr M Q NDLOZI: The question of free-to-air, hon Minister ... Okay, let me put the question this way: How much is MultiChoice getting for broadcasting Parliament on its platform? Is it MultiChoice that benefits, or is it the SABC or Parliament that benefits? How much money is being made by people watching it on that platform, because that platform is not free-to-air; it's people paying.

The MINISTER OF COMMUNICATIONS: Thank you very much, hon Ndlozi. The costs were too high on the side of the SABC. It was the SABC that was incurring these costs, and these costs had escalated precisely because of the inability of the SABC to pay MultiChoice. So this has actually accumulated over time, and, with the current negotiations that are taking place on all the debts that the SABC is working on, they are now trying to find out exactly how much they have spent because of the bad agreement that was signed before - and that is exactly the problem, because there was no stipulated amount and the costs were more on the side of the SABC in carrying them.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 49

Mr M U KALAKO: Thank you, Speaker. Minister, let me first commend you for speedily looking into this issue. I remember in the committee in your first meetings that this was an issue we raised. Is it possible, Minister, that you will sit down with your executive and the board to quickly make sure that this issue between the SABC and MultiChoice is addressed?

The MINISTER OF COMMUNICATIONS: Thank you very much, hon member, and thanks for the question. This is a relationship that is part of those that are now under review, precisely because of the bad contracts that had been entered into between the SABC and the various service providers. It is the same with contracts with Safa, contracts with the PSL ... and one of the things that we are now looking at is for the SABC to sell its own content rather than it relying on MultiChoice as a channel. MultiChoice will have to pay for the content that the SABC is producing on its own, as compared to what has been the arrangement previously which has been detrimental to the financial viability of the SABC. Thank you. [Applause.]

Question 186:

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 50

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Hon Deputy Speaker, the question deals with food insecurity as well as the exposure of our to food insecurity. We have been engaging in different forms to assist our communities to ensure that access to food is addressed, as the department. This presents two challenges. One challenge is the ability to buy food if you cannot produce it. The second one is to be assisted to produce it in your own garden. A number of programmes have been developed including the recognition of the World Food Day on which the whole world looks at the plight of those who go to bed without food. South Africa is one of the countries in which the number of people who go to bed without food is still high.

Although some improvement has been made, there is still a challenge. This year, we have chosen an area called Brandwag in the Western Cape so that we can have this day on 24 November 2018. We did not only look at how people should be given food by donations from the companies. We started the campaign using our young efficient extension officers to promote harvesting of grey water into tanks which is used for drip system to irrigate their fruit trees. That is successful

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 51

because when we visited the area we could see that people were enthusiastically working in their own gardens.

The aim is to create a system which is sustainable that people can be able to produce their own food. Access to food remains a challenge because during times of drought access to food becomes more expensive even if you have got money. We also came up with a programme that will deal with communities along the coastal areas to find ways in which they can benefit from the programmes that the department has come up with. Thank you, Deputy Speaker.

Mr N CAPA: Hon Deputy Speaker, I am taking the follow-up question on behalf of hon Matlala. Hon Minister, you have just explained these initiatives but now, what mechanisms will be in place to ensure that the initiatives you talked about will be implemented effectively as well as monitoring the progress made in this comprehensive food security programmes? Thank you.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Thank you, hon Capa. As a means to ensure that there is

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 52

sustainability in the programme, we have come up with a programme to employ over 1000 agri-students who are currently unemployed. The aim is to increase the number of extension officers as we believe that only through such trained and efficient officers can it be able to do monitoring and evaluation to make follow ups and build the capacity of our provinces. That is why we have deployed the services of the Agricultural Research Council, ARC and Namak CO LTD, Namak to make sure that where those services were procured from private institutions they are done internally.

We believe that through those programmes communities will begin to be able to harvest water. As I have spoken about Brandwag, in every household we have installed a 2 500 litres of water tank and they are about 200 to ensure that all used water for washing is harvested so that in terms in drought we are able to be proud of the fact that, that water is reused for irrigation.

As I have also spoken about the fact we are now giving out fish species to our coastal areas. The aim is to make sure that they are trained thoroughly in terms of running co-

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 53

operatives, particularly in management. It will be through these programmes that will be assisting our provinces and we can account for every cent we deploy.

The availability of the seed resistant cultivar of maize so that even in drought conditions production of food will not be compromised. It is participating with people and inviting business people to ensure that our people are well trained. Everybody can produce food provided such means are provided. [Time expired.] [Applause.]

The DEPUTY SPEAKER: Before hon Cebekhulu, hon Capa and hon Matlala, both of you are in the House. Hon Matlala, I am talking to you and hon Capa.

IsiZulu:

Ayenziwa lento eniyenzile.

Sesotho:

Le se ke la hlola le e pheta ntho eo le e entseng.

English:

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 54

You are both in the House and it should never have happened here. Do not do that next time.

Dr M Q NDLOZI: Hon Deputy Speaker, on a point of order: We like reprimand. You must tell us what they did because you are saying it out open in the House. Otherwise, it will be like we are agreeing to a reprimand we do not know that might be illegal. What did these two hon members do that you are reprimanding them for so, that we can agree and associate with the reprimand. Akere you are not alone here.

The DEPUTY SPEAKER: I am impressed that you accept reprimands, including those that might come your way. Usually the rules do not allow that a member represents one who is in the House, which is what happened here. They did not choose the decisions here. You often do that frequently in the House. The rules do not allow that to happen. We are reminding you. The member could have asked the question himself.

Inkosi R N CEBEKHULU: Hon Minister, why is it that this government is so intent on the use of Genetically Modified Organism, GMO maize which is used by 80% of our people as a

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 55

staple food as one of its strategies for food security? The GMO foods, pesticides and herbicides that are used in conjunction with them have been classed by the World Health Organisation, "as possible carcinogenic to humans". When is this government going to adopt the precautionary approach and conduct its own long-term studies into use of GMO staples, pesticides and herbicides which not only possibly cause serious harm to human health but also irreparable harm in the environment? I thank you.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Thank you hon Cebekhulu. Let me explain this by saying. It is not all cultivars that are used in maize production are GMOs. Only 54% of what we produce as yellow maize is GMO and it is used particularly for animal feed. The only commodity that is produced 100% GMO is cotton which is used for textiles as well as soya beans which are used for soya cake in the manufacturing of the livestock feed.

As I said earlier, that as a department, through the ARC, we came up with a 20% drought resistance seed. It is not GMO maize. So, we promote that for communities and for maize for

WEDNESDAY, 31 OCTOBER 2018

Page: 56

human consumption we use such. There is a debate scientifically which looks at the methods to be used in mitigating climate change and intensify food production, especially for animal feed.

I take the point about the concerns about the GMOs and what they could cause to the health of individuals. But we do not use the maize that is GMO for human consumption but only for animal feed. Therefore, as a result that question does not arise. Nevertheless, I am willing to engage further with you and I am sure...

IsiXhosa:

...uBayethe uyilibele ukuba besiphaya KwaZulu-Natal sinikezela umhlaba kubantu bakwaMkhwanazi. Ngowusuke wena uqhwabe izandla uncome ukuba lo rhulumente we-ANC uyasebenza; unika abantu izinto ezintle; utshintsha isizwe kwaye ubanika inkululeko. Enkosi. [Kwaqhwatywa.]

English:

Inkosi R N CEBEKHULU: Hon House Chair, just one thing to correct from the Minister.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 57

IsiZulu:

Ngiyacela KwaZulu uBayede Ingonyama kuphela amakhosi Amakhosi nje. Ngiyacela singasebenzisi uBayede uma Inkosi ikhuluma ngoba ngingahle ngigwetshwa KwaZulu ngihengwe. [Uhleko.]

USolwazi N M KHUBISA: Ngiyathokoza Sihlalo, Mhlonishwa Ngqongqoshe esikhathini esiphambilini bekuyinto ejwayelekile ukuba ubone laba abethu abafundile okuthiwa abalimisi kukhona futhi nabenza ucwaningo abaqeqeshiwe emakolishi ezolimo. Babeza kubantu emakhaya laba bantu bekhona bezoluleka ngokwezomoba, izinto ezithinta imfuyo nokunye nokulima kodwa kuhambe kwahamba bancipha. Bangabe besabonakala phakathi kwabantu okudale ukuthi uma isimo sezulu siguquka nendlela abantu abalima ngayo, noma bakhona abantu bebesebeyekile ukulima kodwa kudale inkinga enkulu lokho. Yini mhlawumbe ebanga ukuthi kwehle isibalo sabantu abangabalimisi ngoba namakolishi ezolimo ubuwazi ukuthi bazoqhamuka kuwona, abanye basafunda bengena phakathi kwabantu bezobalekelela? Mhlawumbe ingaxazululwa kanjani le nkinga ukuthi abantu bangabebesabathola laba bantu abangabalimisi abaqeqeshiwe emakolishi ezolimo.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 58

IsiXhosa:

UMPHATHISWA WEZOLIMO, AMAHLATHI NEZOKULOBA: Mandixolise Mhlekezazi, andinazo iinkomo zentlawulo kuKumkani.

English:

To you hon Khubisa, it is true and we have decided to employ 1000 unemployed graduates. The aim thereof is to train them as extension officers who can be able to do research. I agree with you, with the current challenges of climate change, we need a new attitude. We need to understand what cultivars can be used under which conditions.

We used to promote also the usage of organic methods. I have said earlier that maybe one day we might just visit the area I have alluded to. We are training people to even have their own organic fertiliser developed by their own decomposable food they use. It is one area I think we need to focus on. I agree with you that such should reside within the communities so that they can be able to assist communities and train them. We are doing just that.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 59

We are planning to improve the capacity to make sure that there is project management so that provinces, on their own, can have the requisition skills, technically to run those programmes. I agree with you that we have to do that and we are doing it already.

The HOUSE CHAIRPERSON (Mr C T Frolick): The last follow up on this question; I see the hon Dlamini from the EFF has indicated. Are you now the hon Dlamini, hon Paulsen?

Mr N PAULSEN: Sorry, but his button was closer. [Laughter.]

The HOUSE CHAIRPERSON (Mr C T Frolick): You must play with your own button; but you may continue. [Laughter]

Mr N PAULSEN: Like Minister Gigaba.

The HOUSE CHAIRPERSON (Mr C T Frolick): No, you play with your button.

Mr N PAULSEN: I heard it on good authority that Minister Gigaba is fairly... [Inaudible.]

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 60

The HOUSE CHAIRPERSON (Mr C T Frolick): No, I want the question hon member.

Mr N PAULSEN: Minister, the Fetsa Tlala Food Production Initiative is five years old and it is only now that you have set a very mediocre target of 450 black commercial farmers. I think the problem is that this department sets itself very mediocre target which it does not achieve in any case. So, what assurance does this Parliament have that this will not be one of those many good initiatives of the ANC which will fall along the wayside and will fail despite it being mediocre target? Thank you very much, House Chair.

The MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES: Hon Paulsen, let me correct you firstly. Fetsa Tlala Food Production Initiative does not deal with the development of the commercial farmers. It deals with food insecurity. Fetsa means finish hunger. It is a different programme. Secondly, let me come to 450 commercial farmers you are referring to. To develop commercial farmers you need to have access to markets. It will not assist you produce more commodities, no matter how of good quality they may be.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 61

That is why we have got our attaches globally to make sure that markets are opened. Hence, as we debate there will be now, for the first time, export by our own farmers of lucerne hay to China. It is one form that you can be able to assist them through Comprehensive Agricultural Support Programme, Casp, that you can be able to link them to such programmes.

We have got maize or maize products. I was in the USA last week to argue for our citrus fruits to be exported to the USA. Those are forms that we are engaging in. The issue you are raising about failing, I cannot comment about. I am inviting you to travel with me to Brandwag and there you will see what we have done in changing poverty to a vibrant food security initiative.

Because you are also in the Western Cape, maybe you will be able to accompany me - please leave behind your overall because they can mistake you for something else, go with me in a green overall. Thank you very much.

Mr J R B LORIMER: Hon House Chairperson, on a point of order:

For the second time this afternoon DA members had been within

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 62

the first four on the list and had not been called on. Now we realised that this happens occasionally but it has already happened twice and we are not even halfway through this afternoon's questions. I would request that you to not allow that happen again.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, I do not know what informed you but we follow the screen here in front of us. When I took over from the Deputy Speaker he indicated to me, the ones that are here. I even checked with the Table Staff here in front of me where we are. So, we took it in that sequence.

Mr J R B LORIMER: Hon House Chair, that is not our information at all. We have checked for the second time now, we have been within the first four.

The HOUSE CHAIRPERSON (Mr C T Frolick): Then, you are misinformed hon member.

Question 187:

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 63

The MINISTER OF AGRICULTURE FORESTRY AND FISHERIES: House Chair, on the matter of small-scale fisheries programme, I am proud to report that we have just allocated fishing rights to communities in the Northern Cape for 15 years and those communities are very proud because now they can go and fish without looking behind their backs. [Applause.] They can be able to compete with a variety of species as we believe that, when communities begin to participate in the fishing industry, we will - one way or the other - be dealing with the scourge of poaching because communities will be part of the process and begin to know that they can fish, not only fish, but be able to process the fish they catch and be able to access markets. Access to protein-rich seafood is very important for our people. For many years we have turned our people into different formations, like forcing them to do wrong things because we had denied them the right to access those fish species. In the Eastern Cape we've got 37 co-operatives already approved. We will be allocating in November in the Eastern Cape. In KwaZulu-Natal we've got 72 communities who have been approved. In the Western Cape I'm sure that by April next year we will be doing the same. Access to fishing rights is the right of all those who reside in coastal areas. If they

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 64

are deprived of the right to fish, they are therefore made not to participate in the economy of the country.

I am proud that this question was raised as we believe it one of the means that we can be able to dent unemployment and give those people dignity of being fishermen and fisherfolk ...

[Interjections.] so that they can all go and fish, it is what they are called, they are called fishermen, it is not my own creation. I am trying to say that they are fisherfolk so that everybody feels comfortable.

The right to fish is not enough. It is the right to process your fish, to market it, so that you can realise, even in the dams of Cofimvaba, we will be putting fish for those along those areas because there is fish that can be fished in freshwater, so that people can eat fish and enjoy it, they can sell it, make a livelihood out of it and I know Mr Paulsen is very fond of fishing. And my view is, if we can give people the right to fish, we will be dealing with poaching because though people who are staying along coastal areas understand who is doing this illegal practice. Thank you very much.

[Applause.]

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 65

Mr P D N MALOYI: Thank you very much Minister, what are the implications of suspending the training of co-operatives in the Western Cape? And related to that, it's the right allocation process in KwaZulu-Natal, you are saying it will only be done subject to the bylaws being adopted. What does this mean? Does this mean if the bylaws are not adopted we will not proceed with this important process? You are making a statement Minister and I want you to confirm whether I have heard you correctly or not, that the department is not aware of any dispute raised by the small-scale fishing sector regarding the fishing quotas, is that what you are saying?

The MINISTER OF AGRICULTURE FORESTRY AND FISHERIES: House Chair, the point that I'm driving at is to say that, in KwaZulu-Natal already we have identified and recognised 45 small-scale fisheries. We are in the process of training them and because processes take time sometimes, the issue that is referred to, in terms of people who are in farming, lets say, in my community there is a person who has been given a small-scale fishing right but he is a teacher or policeman, we have to look at that, so that nobody can believe that he has been denied and somebody has been wrongly allocated. In KwaZulu-

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 66

Natal I can assure you that by November we would have allocated the 45 co-operatives with fishing rights. We are busy training them. Also, the process of approving these co-operatives is with the DTI. We are working very well with them to ensure that our people are not only given rights but they are trained to manage their finances, have access to small boats, improve the methods that they use in the fishing process and ensure that they can use all the fish at their disposal for different purposes.

I'm saying therefore, in my answer, we are aware of the fact that there have been objections only in the Western Cape in the allocation and qualification of some on the basis that they may be employed somewhere else. But it is not a national phenomenon hence I believe that we will be able by April next year to have gone through this process of allocation of small-scale fisheries as I believe it is very important for our people to be proud of residing close to the ocean and be able to participate in the harvesting of the marine living resources.

Inkosi R N CEBEKHULU: House Chairperson ...

WEDNESDAY, 31 OCTOBER 2018

Page: 67

IsiZulu:

... mhlonishwa, olokuqala umuntu akakuthokozele ukuzwa ukuthi umnyango uphokophele kangakanani ukuthi ulekelele abantu bakithi ukuze babe nethuba nabo kwezokudoba kodwa engifuna ukubuza mhlonishwa ukuthi njengalokhu kunale nselelo obukhuluma ngayo manje yokudoba okungemthetho okuyi-poaching, kunenselelo enkulu eNingizimu Afrika yokuthi kudotshwa ama-abalones ngokungemthetho, nxa ngabe sebebaniwe abekade bedoba ngokungemthetho wathathwa lowo mhlomulo, kwenzakalani kuwona uma ngabe umnyango uwuyigcinile? Uyayidayisa? Imali yakhona isebenza ukwenzani emuva kokuba sebephuciwe bona? Ngiyathokoza.

UNGQONGQOSHE WEZOLIMO, AMAHLATHI KANYE NEZINHLANZI: Ngibonge Bayede, Hhayi mani ...

English:

... not Bayede again.

IsiZulu:

Ngibonge mhlonishwa, ngibonge Ndabezitha, ungicelele uxolo kuBayede. Mangisho kuyiqiniso ukuthi ...

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 68

English:

... poaching is happening but it is not true that only our people are involved in poaching. Only this year a settlement was made in the New Jersey court where a commercial company was found to have been fishing here in Hout Bay illegally and they were found guilty and we will be able to get some money from those proceeds, around a million rand. How will we use that money? That money will be utilised only to assist communities around where poaching takes place as well as to train and empower those who have to ensure that no poaching takes place. I repeat ...

IsiZulu:

... ukuzingela okungemthetho sizokunqoba sikuhlule ...

IsiXhosa:

... xa sisebenza nabahlali bakuthi abakweza ndawo, sibanike amalungelo. Ubuze umbuzo omhle othi...

English:

... what happens to the funds that are generated? Firstly, we have changed the store that used to keep dry abalone, it is

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 69

now kept somewhere else where nobody can easily go and retake it from those who guard it and we must make sure that no fish or abalone is illegally poached even before it is taken to our store and we can do that through partnerships by engaging other state departments who must work with us to ensure that nobody is allowed. But once we give people the right to fish; I believe they will be encouraged to also play a role in making sure that no poaching takes place.

But further, we would like to launch an awareness campaign against poaching. [Time expired.]

Mr P VAN DALEN: Thank you Minister for giving our fisher communities and small-scale fishers some attention at last and I would just like to ask, in light of the World Wildlife Fund, WWF, court case, you talk about poaching but it is rising and nothing seems to be done to clamp down on it. Will the Minister consider ring fencing the proceeds that the department now makes out of selling the confiscated abalone? And pay the small-scale fishers or the smaller quota holders to stay out of the water so that it gives our fish stocks time to replenish and rejuvenate, maybe for two or three years, so

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 70

that they can have longer lasting fish stocks in the sea that would be better to allocate to our communities. Thank you Minister.

The MINISTER OF AGRICULTURE FORESTRY AND FISHERIES: House Chair, on the first question I may not comment as the case between the WWF and the department is ongoing but on the second issue that you are raising I agree with you. I have said that the funds that have been accumulated from the case of the late Mr Arnold Bengis will be utilised purely to ensure it assists communities in projects as well as to enhance the programme to fight poaching. And the same of course will happen with the proceeds from stolen abalone. I don't think we need to proud of making money from stolen abalone.

We should use it ensure that we protect, prevent and ensure that our people are made proud of being residents along coastal areas. It is one area that I think me and you and any other person in the House should work together on as we believe that the police may do their work but we need to also approach the countries that receive these stolen goods so that ... [Inaudible.] And we also need to improve the hatchery of

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 71

abalone so that we can be able to produce more abalone. But it must be a hatchery owned by black people because the issue of colour does play a role. As it stands, the main beneficiaries of our fishing industry are the old commercial companies, as we are taking this case; we believe that its aim is to reduce the Total allowable catch, TAC. Whilst you reduce the TAC, you are forcing our people to go and poach as they cannot sit unemployed. We can win this battle to save our marine resources by working together. And I agree with you, every cent that will be made will not be used for administrative purpose, it will be used to ensure that our people in those areas respect our marine resources. They can only do that if they believe that they benefit from this fish species that is sought after because it is also linked to elements in drug trafficking. [Time expired.]

Mr N PAULSEN: Chairperson, there has never been a time when fishing quota allocations were favourable towards the communities in the Western Cape, the traditional black African and Coloured communities, what are the alternatives for those fishing communities that have been denied a livelihood

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 72

especially those in the Western Cape, KwaZulu-Natal and the Eastern Cape? Thank you very much.

The MINISTER OF AGRICULTURE FORESTRY AND FISHERIES: House Chair, hon Paulsen, one of the measures we have taken to address that, and not limited to small-scale because you can't be small forever, but it is a beginning. Secondly, we have been to courts on many occasions fighting cases where companies have been trying to limit the scope to which we can do transformation. We are engaging companies, to say to them, forfeit some of the rights of fishing quotas and give them to small-scale fisheries but the handicap is not that people do not have rights, it is access to vessels. Most of our people have quotas only on paper; they get fish and give that fish to other companies and companies refuse to allow them to go and fish because they want to allow, hide, the quantum they make from buy caches. Kingklip and Monkfish, we need to declare those as fisheries and target black people as the recipients thereof. It is something we are fighting to do. I hope, with your support, we will be able to achieve that.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 73

We can transform this industry quicker than yesterday provided that we work together so that black people are proud of being in this business.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon members, Question 168 has been asked by the hon Mazzone to the Minister of Public Enterprises. I have been informed that the Minister of Public Enterprises has requested that all questions addressed to him should stand over in terms of Rule 144(1).

Question 188:

The MINISTER OF ENERGY: House Chair and hon members, the answer to the question is that the Department of Energy is in the initial stages of determining the suitability of publishing a maximum price for one of the grades of petrol instead of publishing a fixed one.

A market-sounding exercise was undertaken and the responses from key stakeholders indicate that further consultation is still required, as the socioeconomic impact assessment of such a change in regulatory methodology will be need to be

WEDNESDAY, 31 OCTOBER 2018

Page: 74

undertaken in order to indentify, and especially to mitigate, against any unintended consequences. Thank you.

IsiZulu:

Mr N E GCWABAZA: ... sibonge Ngqongqoshe wenze kahle Bhungane ukuthi uma uzwa abantu bakithi bekhala ngalengcindezi edalwa ukwenyuka kwenani likaphethiloli bese usungula uphenyo oluzoveza amaqhinga okusombulula le ngcindezi nokuthi uphethiloli ungakhuphuki ngendlela engalawuleki. Kodwa kukhona amaqembu Ngqongqoshe ezepolitiki asekhethhe ukusebenzisa lolu daba ngendlela engenalo iqiniso ngoba efuna amavoti ngokhetho lonyaka ozayo.

English:

Could the hon Minister explain to the public the external and domestic factors which gave rise to the increases in the price of petrol?

IsiZulu:

Nokuthi imiphumela ke Ngqongqoshe yaloluphenyo ingase iphume nini? Ngiyabonga.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 75

The MINISTER OF ENERGY: Thanks for that follow-up question. I can indicate briefly that there are two major factors that impact on the high prices of fuel in our country.

Firstly, we do not possess oil in South Africa. We depend on imports from major oil-producing countries. The price of crude oil is dependent on that level, especially from the Organization of the Petroleum Exporting Countries, Opec, members, so it is beyond our control. [Interjections.]

Secondly, the rand-dollar exchange rate also plays a very critical role in the determination of prices.

That is why, as the ANC-led government, we are concerned about this. That is why this proposal will go a long way towards alleviating this issue in South Africa.

We are consulting with major stakeholders in our country and we believe that there will be a proposal on the table before the end of January 2019. Thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 76

Mr J R V LORIMER: Minister, following your research into the restructuring of the fuel price, did you come the conclusion that increases in the Road Accident Fund levy can be avoided in the future?

The MINISTER OF ENERGY: The issue of the Road Accident Fund is not a part of this study right now because it has a very critical impact on the fiscus. So, those discussions will be parallel to this process because we do not want to impact on the issue of the fiscal consolidation as emphasised by our Minister of Finance during his Medium-Term Budget Policy Statement.

So that issue of the fuel price together with the Road Accident Fund will be dealt with separately.

The HOUSE CHAIRPERSON (Mr C T Frolick): The next follow-up question was scheduled to be asked by the hon Meshoe, but I do not see the hon Meshoe in the House. Hon Ntlangwini?

Afrikaans:

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 77

Me E NTLANGWINI: Minister, die meeste van ons swart en Kleurlingmense is afhanklik van petrol om by die werk uit te kom en spandeer meer as die helfte van hul salarisse op petrol.

Ons het na u kantoor geskryf, Minister, om antwoorde te kry oor die hoë petrol pryse. Kan u asseblief sê waarom u antwoord so ingewikkeld was en meer 'n gewaffle was, en nie eintlik vir ons 'n antwoord gegee het nie?

English:

And why has government not taken a political decision on the petrol price instead of leaving it to the markets to have free reign, thereby exploiting our black workers who spend half of their salaries on petrol to get to work?

IsiZulu:

UNGQONGQOSHE WEZAMANDLA: Yebo, ngiyitholile ekugcineni ukuthi uthini uzakwethu. [Uhleko.] Njengoba bengikade ngichaza ke ukuthi siwuhulumeni ka-ANC sifuna ukuthi siluxazulule lolu daba ngokuthi siphenye ukuze isixazululo kube yisona esizosiza abantu bakithi, ikakhulukazi labo abasebenzayo nalabo

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 78

abahluphekayo. Ngakho ke ngithi kuzakwethu akalinde uMasingana ngowezi-2019 loluhlelo siyoba nalo. Nawe futhi neqembu lakho lombangazwe uma kukhona izinto ofuna ukuziphosa lapha yiza nombono wakho. Sizowuthatha siwubeke kahle. Ngiyabonga.

Mr J A ESTERHUIZEN: Hon Minister, as noble and good as it is for government to consider setting a price ceiling on unleaded fuel, has the department investigated what legal steps would be necessary to make this possible?

The MINISTER OF ENERGY: The legal steps would be determined by the proposal that is still forthcoming. That is why we are consulting especially with the industry players, in particular Scientific Advice to Policy by European Academies, Sapea, who has given us a preliminary proposal, but they want to consider the matter very comprehensively by giving us written comments before the end of January 2019.

So I also want to extend an invitation to you to provide us with your suggestions because we are very serious about changing and putting a cap on 93 unleaded petrol.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 79

Question 162:

The MINISTER OF MINERAL RESOURCES: Kleinsee is an old diamond mine in the Northern Cape in Namaqualand. It is a mine belonging to De Beers diamond. Now, what we are actually advising De Beers to do and we are going to monitor that it is done is that, if you mine and that mine is no longer operational, it's important to close that mine and actually fences off so that there is no easy access to the mined out area. That is what is important with regard to that one. We are also holding regular meetings with local police to ensure that law enforcement is also done effectively. The department has also engaged the owner of the property, De Beers in this case to ensure that they properly monitor potential areas of access to the worked up area.

When Kleinsee is totally mined out, the actual solution is actually rehabilitation of that mined up mine called Kleinsee in Namaqualand.

Adv H C SCHMIDT: Hon Minister, this is not the first time that blatant illegal mining is taking place in plain sight. The same happens with illegal chrome mining near Burgersfort. Yet

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 80

again, we have months of law breaking with no response from the Department of Mineral Resources. When will we have illegal mining such as this Kleinsee regulated?

The MINISTER OF MINERAL RESOURCES: The reason that we are engaging the Minister of Police to have a unit in the Police Service that deals with illegal mining is because law enforcement is the responsibility of that department. The Department of Mineral Resources would not have a capacity to enforce anything against illegal mining because that is theft. Illegal mining is a criminal activity. Therefore, it must be treated as a crime

To try to address the question of illegal mining, we have also considered that we regularise illegal mining into small co-operative. We have two experiments, one in Kimberly and one in the Tubatse valley. We want to see how those works. If it works well, we will actually roll it out to all the other areas. The solution is: small scale mining must be supported, licensed and actually produce. Their products must go to the formal market of that particular mineral. That is what we see.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 81

Illegal mining must not be given any other complexion. It is a criminal activity and it must be treated as such.

Mr N S MATIASE: Mr Minister, people are working in the mines to provide for themselves and for their families. The Freedom Charter says the wealth beneath the soil belongs to the people. Why do you criminalise them? Why don't you create an enabling environment for these people to work within the framework which is conducive than to follow the new liberal definition of the DA, which demands on you to declare these people has criminal and engaging criminal activities? Do you have a plan in place to create that enabling environment? How soon can the industry of the so-called illegal miners be regulated? We want concrete answers and concrete action.

The MINISTER OF MINERAL RESOURCES: The problem is that when you prepare a question from home, you don't listen even when an answer is given because you brought your question from home. I am saying we have started regularising illegal mining into giving them a licence to produce. We have an experiment in De Beer in Kimberly. We have another experiment in the Tubatse valley. If it works properly, we will roll it out.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 82

That's what we are saying, but just grabbing minerals is a criminal activity because if we do that we can as well open up everything, but we are regularising them. That's the answer. I am repeating it.

Mr J A ESTERHUIZEN: Minister, apart from the impact on infrastructure of ...

The HOUSE CHAIRPERSON (Mr C T Frolick): Order, hon members. Would you repeat? You can start again, hon member.

Mr J A ESTERHUIZEN: Minister, apart from the impact on infrastructure on the small community and the danger to the miners themselves, do you realise that it's costing the country more than R5 billion per year in lost of revenue on diamond? Minister, you also said, it is a criminal activity, why is it mostly foreigners that are involved in illegal mining in South Africa? How can we continue to allow people to enter this country illegally, contravene the laws of this country in engaging in such activity? How can you not stop this through your laws? Thank you.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 83

The MINISTER OF MINERAL RESOURCES: He is a mineworker by background. Everywhere I worked, I had fellow workers from Lesotho, Mozambique and Botswana. So, when a mine is closed and people go and do illegal mining in those mines, many of them is because they have been in those mines. All we are saying is that we should regularise them into proper miners, who produce formally and channel the produce to the economic space so that they contribute to the economic activity of the country. If they don't do that and they want to steal that money, grab it and go away quietly with it, that's a criminal activity. That's why they should be treated as such, whether they are foreigners or domestic.

Mr M H MATLALA: Hon Minister, I am happy that you have answered these questions that I was supposed to ask you. It shows that you and your department, you are hands on in dealing with the challenges that is facing the mining sector in the country, yes, because you said to us today that you have a long plan in dealing with the challenges of illegal mining in the country. I am very happy that you answered this question correctly so. Thank you very much.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 84

The HOUSE CHAIRPERSON (Mr C T Frolick): So, you don't have a question, hon member?

Mr M H MATLALA: No question.

Dr M Q NDLOZI: On a point of order.

The HOUSE CHAIRPERSON (Mr C T Frolick): Yes, hon member.

Dr M Q NDLOZI: This is a question and answer session. You rise, you ask a question. You will compliment each other in the ANC offices, not here. Here, we ask questions.

The HOUSE CHAIRPERSON (Mr C T Frolick): Hon member, take your seat now. Members are allowed to make comments, however, is preferable for questions to be answered.

Question 190:

The MINISTER OF MINERAL RESOURCES: The question by hon Luzipo is regarding the oil and gas industry - the delay in the processing of the Mineral and Petroleum Resources Development Amendment Bill, MPRDA Bill, which has been in Parliament since

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 85

2013, actually has equally delayed the establishment and development of the oil and gas into a fully fleshed sector.

The department is busy developing Oil and Gas Bill to regulate the sector and would ensure, among other things, that it provides way equitable access to these resources. Petroleum and gas can only pay a huge price if it continues to be an appendix to mining, that's why we think that when we separate legislative framework for them and establish it with a fully fleshed sector, we are standing to benefit as a country and we can deal with the issue that was raised in terms of prices of petrol and all those things when we begin to produce our own.

Mr S LUZIPO: Thank you House Chair and thanks to the Minister with the answer. Unfortunately, there is something called political astuteness; it sometimes retards people ideologically when they can't rise to the occasion.

The issue, therefore, Minister, is that in your answer that you have given and in relation to the withdrawal of the MPRD Amendment Bill, with the intention of introducing regulations

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 86

for oil and gas - how will those regulations deepen the agenda for transformation and equitable access. Thank you very much.

The MINISTER OF MINERAL RESOURCES: The provisions of the MPRDA, which will be migrated to the new legislative framework is actually explicit in terms of transformation and participation of black South Africans in that sector. It is quite an important sector and it is important for all of us to develop it so that our people benefit from it and they participate actively in the economy of the country through that sector. It is quite an important sector.

Adv H C SCHMIDT: Thank you, hon Chair. Hon Minister, the oil and gas industry are urgently awaiting the promulgation of the internal legislation of oil and gas, in particular for the much-needed investment as you pronounced yourself upon. The question is from when is the new legislation to be tabled in Parliament. That's the most important issue. Thank you, hon Chair.

The MINISTER OF MINERAL RESOURCES: We are going to be ready with the draft in three weeks time, but whether it will go

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 87

through Parliament is a different matter. I 'm not in the running of Parliament, but we will draft it, we are discussing with the sector. In three weeks time, we will have the framework and the first draft tabled for discussion. A decision on whether to bring it to the Cabinet sitting of Parliament for it to prescribe is a different matter.

Ms N K F HLONYANA: I'm taking it House Chairperson. Section 79 of the Constitution says that only the President can refuse to withdraw a Constitutional Bill. What was the basis of withdrawing the Amendment Bill?

The MINISTER OF MINERAL RESOURCES: The intention is pronounced by the Minister, but the process is not run by the Minister because that Bill is before Parliament, and parliamentary processes exercise that decision. So it is not the Minister who withdraws the Bill, it is the NCOP that send it back to the National Assembly and it is the National Assembly that can withdraw the Bill. That's it.

Mr J A ESTERHUIZEN: Hon Minister, although gas is included in the new integrated resource plan, in this new Integrated

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 88

Resource Plan, IRP there is no clear policy or legislative and it is legislative uncertainty about gas in this country. When will this be rectified? Thank you.

The MINISTER OF MINERAL RESOURCES: The Integrated Resource Plan, IRP falls under the jurisdiction of the Minister of Energy. I would imagine when you ask questions to the Minister of Energy he will be in a position to answer that question.

Question 191:

The DEPUTY MINISTER OF LABOUR: I am taking the question Chairperson. During the past year, public employment services registered more than 667 000 work seekers; more than 197 000 of whom were provided with employment counselling and advice. During 2016, services were also taken closer to the people through the launch of the self help service station or kiosks. In more than 22 labour centres and a further 40 labour centres were equipped with the kiosk during 2017.

The Turnaround Solutions programme of Productivity SA has saved over 145 000 jobs and created more than 600 new jobs opportunities since it was incepted. Unemployment Insurance

WEDNESDAY, 31 OCTOBER 2018

Page: 89

Fund, UIF also funds the Training Layoff Scheme; a scheme that is designed to prevent job losses in companies in distress.

Productivity SA has through the Turnaround Solutions programmes, provided support to 71 companies facing economic distress by restructuring and improving their productivity and operational efficiency, thereby minimising the retrenchment of workers. In the process, 8 515 jobs were saved.

Productivity SA also offers the Workplace Challenge Programme, which is an Enterprise Support Programme with a focus on achieving productive high income economy, which is globally competitive, targeting the productive sectors of the economy which have a potential for labour absorption. Over the past financial year, 590 companies were supported through the Workplace Challenge Programme, WPC and over 45 232 jobs were sustained.

The Training Layoff Scheme, in addition to other active labour market interventions has from its inception, saved 11 000 jobs, accumulatively taking into account all the other relevant Department of Labour schemes. About 19 600 jobs were saved - as I said, while 45 232 jobs were retained.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 90

Notwithstanding that the Training Layoff Scheme was designed was designed to respond to the 2009 global economic crisis.

We have succeeded in reshaping its construct so that it also responds to threats to employment that may not be related to the global economic crisis. We have also extended the period for which intervention can be employed - from six months to 12 months. The scheme has also included the opportunity for workers to be trained in other skills other than those offered by their respective employers. This is to enhance the mobility of their skills and to increase prospects of securing jobs in other industries. This new introduction also allows the workers to change their career paths. Thank you very much.

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you hon Deputy Minister. Apologies hon members for not informing you that the question asked to the Minister of Labour will be answered by the Deputy Minister.

Ms S R VAN SCHALKWYK: Hon Chairperson, thank you very much to the Deputy Minister for his elaborate answer, conscientising the people of South Africa exactly how much intervention had

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 91

been made and how many jobs are being saved through these specific interventions. But hon Deputy Minister, yesterday we received the latest unemployment figures and it indicated continuous increase of unemployment in South Africa. And due to this fact, there is a continuous increase of applications for Training Layoffs Schemes which are currently standing at 21%. Are there specific sectors which you are prioritising to benefit through this initiative or how are you choosing the sectors that you prioritise for interventions? I thank you.

The DEPUTY MINISTER OF LABOUR: Well, I don't believe that we are prioritising per-se any specific sectors, but what I know is that every company that finds itself in distress, we entertain its applications. We look at the merits and if we believe that indeed our intervention is going to result in the retention of jobs, then we accordingly give them the necessary support. Thank you.

IsiZulu:

Mnu M HLENGWA: Hawu, sengizotshelwa nguwen. Sihlalo ngiyathokoza lelithuba onginika lona. Aa Dilizintaba Nkosi ...

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 92

English:

... I hear what you are saying and you are speaking about interventions of the past and ideas, hopes, dreams and aspirations that the department has, but the reality is that it has not yield any results which are favourable for the collective interest of South Africans. Unemployment went up yesterday by 0,3%, which is close to 10 million people who are unemployed. Now so, none of the interventions has yield any results. Isn't it time that you go back to the drawing board and devise new strategies because the more things change, the more they seem to stay the same. So what hope and comfort do you gives South Africans that your interventions are actually working when they are not? And so, isn't it really time that all this things that you narrated be changed because you have had them for the longest of time?

IsiZulu:

Kodwa abantu basahlupheka, abasebenzi bangaphansi kwengcindezi engakaze ibonwe ... [Kwaphela isikhathi.]

USIHLALO WENDLU (Nk M G Boroto): Siyathokoza Mhlonishwa isikhathi siphelile.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 93

English:

The DEPUTY MINISTER OF LABOUR: If saving 145 000 jobs and creating more than 600 new job opportunities does not amount to having an impact, I don't know what we ... because it is everybody's responsibility to ensure that as many people are employed. The main responsibility of the Department of Labour as we should know is to regulate the labour market to ensure that the rights of workers are not violated, that workers receive their rights as accorded to them by the Constitution and labour laws. I don't think at this stage there is a need for us to go to the drawing board. In fact, let us collect information that we are in the position to get as parliamentarians, share it with the public up there so that they come to the labour centres and take advantage of the benefit that are being provided. Thank you very much.

Mr M BAGRAIM: Deputy Minister, the Training Layoff Scheme has been an unmitigated disaster, only 61 companies in 10 years. The trade union movement has given little to no support to the scheme and there is no take up at all. The results have been negative in the sense that mass retrenchment has followed most of these attempts. The department has spent millions on the

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 94

schemes and has little to show for it. Deputy Minister, are you contemplating scrapping this all together? Thank you.

The DEPUTY MINISTER OF LABOUR: We are not contemplating scrapping this all together. In fact, we are not contemplating scrapping any of the programmes that we have because to the thousands of people that I have referred to, who are benefiting from these schemes, this is a lot of work that the department is doing. As to the trade unions not supporting, well I am not aware of that. But all I know is that at Nedlac and also with the Department of Labour, we engaged fruitfully with the trade unions. I don't know about your relationship therefore with the trade unions as the DA. But in our view, we are getting all the support that we need from the trade union federations. Thank you.

Mr T RAWULA: Deputy Minister, in developed economies where workers owns means of production and sit on board that takes key decisions, workers are able to influence the way a company treats its employees. An example of this is Germany, where the following 2008 financial crisis, instead of going straight for retrenchments, companies and workers were able to agree to

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 95

more flexible working hours to avoid retrenchments. But also avoid the bankruptcy of those companies. But here, because the only power that we have is political power, the EFF will establish Job Protection Act and Job Protection Fund which will make sure that the employer exhausts all options before resorting to retrenchment to avoid further job losses. Will the Minister support it as a progressive idea from the EFF?

The DEPUTY MINISTER OF LABOUR: As a progressive organisation ourselves, obviously we will support any idea that is going to assist us in addressing the unemployment crisis that the country is facing. Thank you.

Question 165:

The MINISTER OF ECONOMIC DEVELOPMENT: Chairperson, the Competition Commission has been widely praised for the quality of its work on measures and cartel actions and on abusive dominance investigations.

In April this year, the Competition Commission was awarded the Global Competition Review Agency of the Year for Asia-Pacific, Middle East and Africa. There is much that we can be proud of

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 96

in the effectiveness of the commission and its successes in dealing with cartels and measures, as well as abusive dominance. Even strong institutions will have challenges from time to time, that they need to address.

Hon Cardo wrote to me to highlight concerns that had in the appeared and I have engaged the Competition Commission on those issues, as well as on matters the Auditor-General highlighted in the audit report.

The commission provided me with the detailed responses on a number of these issues, covering amongst others: the challenges they face with physical security of staff and premises; the issues relating to a particular court judgement and the problems finding experienced law firms who are not conflicted.

I am aware that hon Cardo and other hon members had extensive engagement with the Competition Commission during the proceedings of the portfolio committee on the matters raised in the letter. I now wish to address where we are with our process of considering the concerns rose.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 97

During the second reading debate on the Competition Amendment Bill in this House last week, I indicated I will be establishing a set of expert panels to review various matters relating to the effectiveness and efficiency of the competition authorities and the department to ensure that the authorities are ready to implement the Competition Amendment Bill during next year subject to the outcome of the parliamentary processes.

Mr Tebogo Malatji, a lawyer in private practice will lead the panel to consider institutional matters affecting amongst others the Competition Commission and the tribunal. Part of his advice will be to consider the proposed changes to the Act and its impact on the financial human resource and systems requirements of the commission and tribunal and the department.

He will review amongst others, the issues raised by the Auditor-General and its implications for ensuring that the commission is able to procure the appropriate legal economic and forensic resources, given that investigation and litigation are cofunctions of the commission, as well as

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 98

considering the legal cost incurred by the commission to date and policy on the use of law firms.

This may include guidelines and insights flowing from litigation over the past ten years including on the commission's capacity resources and procedures. His focus will include looking at the budgetary challenges facing the commission in light of its expanded work load and mandate, including its funding model, scope to improve efficiencies and procedures, all in order to assist with the work of the commission.

This will also look at bottlenecks in the commission and tribunal processes flowing from the greater case load of the authorities in the past five years. I mean, in number of other areas including security of persons and property given the focus of the commission on criminalisation of cartel conduct.

Mr Malatji will also consider current governance arrangements in all the institutions and whether changes are required to strengthen. As we address these challenges, we need to do so in ways that constructively build the institutions, protect

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 99

the independence build on the considerable strength and at the same time address any gaps or weaknesses in the system. [Time Expired.]

Dr M J CARDO: Minister, I hope you will make available to me the response give to you by the Competition Commission, but my question to you is that, do you regarded as above board that in Ndzabandzaba Attorneys, a law firm whose principal partner Antony Ndzabandzaba used to be a senior employee at the Competition Commission has received R72 million in payments from the commission, since January 2015 whose channelled 31 out of 44 cartel cases by the commission over a two year period and was on the receiving end of R42 million in irregular expenditure by the commission over the past two financial years? If not, what do you intend to do about it?

The MINISTER OF ECONOMIC DEVELOPMENT: Chairperson, hon Cardo had put a question to me earlier in writing dealing with this particular matter. In the course of answering that question I provided comprehensive details made available to me by the commission stating out the details of this.

WEDNESDAY, 31 OCTOBER 2018

Page: 100

Lets me just quote one little bit over it, it says here that the majority of cartel cases handled by Ndzabandzaba Attorneys have been resolved through prosecution and settlement that were confirmed by the tribunal. The law firm successfully negotiated settlements to the amount of R594 million and has a 100% success rate on the prosecutions at the Competition Tribunal thus far.

Now, I raise that hon Cardo, because one of the challenges the commission faces is that the traditional law firms in Sandton normally act for the litigants that appear before the commission. The commission in allocating its own workers to find law firms that are not conflicted, they don't look as it were from the view of the litigants but they look at view from the commission and that limits the number of law firms that the commission believes it can have confidence to be able pursue the cases of the commission. In that small pool of law firms, the commission has appointed more than one and you correctly pointed out this given the bulk of its work to one law firm.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 101

Part of the review we are looking at, is how do we in source more capability in the commission bringing in good technical legal expertise inside the in-house in the commission and also say how do widen the pool of law firms that the commission feels may not be conflicted in dealing with matters of the commission.

I think, though I want to underline this issue, we have an institution that worked well. There are some challenges here and there that we must address, but in dealing with those we don't break down institutions in order to solve little problems that the commission may have or to deal with the issues that Auditor-General have raised. [Time Expired.]

Ms S J NKOMO: Hon Minister, the Competition Commission is an essential independent regulatory body which investigate abuse of dominant positions by, for profit, business and enterprise in order to achieve equity and efficiency in the South African economy.

Once one of the stated purposes of the commission is to recognise the role of the foreign competition in the republic,

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 102

it must also ensure that small and medium-sized enterprises have equitable opportunity to participate in the economy, especially from our historically disadvantaged sections of our population for an example, how is it that the Competition Commission ensures that foreign investments or foreign owners entities are not in fact monopolising certain segments of the South African retail fashion industry? Thank you.

The MINISTER OF ECONOMIC DEVELOPMENT: Chairperson, hon Nkomo, you correctly pointed out the legal mandate of the commission. Let me give you an illustration of a recent matter that came out before the commission and was finalised in the tribunal and it involves the Chevron matter where Chevron US oil company decided to sell-off its share in Chevron South Africa.

The commission working with the department put forward a settlement agreement in the Competition Tribunal. What this did was, this is the Caltex garages. The settlement agreement reserved for South Africans the right to if you like own and operate the bulk of the Caltex garages. It also increases the opportunities to black South Africans and small businesses to acquire liquid petroleum gas, LPG, gas that can be distributed

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 103

and finally, it looked at ways of enhancing small business through a fund that was created of about R200 million.

Coming to the issue of foreign entry of retailers clothing of fashion retailers in South Africa, that matter up to now has fallen outside the scope of the Competition Commission in law, because none of those have been through a merger. They have all been through green fields investment, which means it doesn't come through the door of the Competition Commission.

What we will be looking at are other interventions, other initiatives to talk to the big retailers for an own retailers to ensure that there is greater sourcing of goods from South Africans. One very good example of that is the Walmart transaction. It is not fashion but it is a retailer and the commission and tribunal working with the department, eventually we had the competition appeal court imposing on Walmart a R240 million localisation fund. This reports small business and local entrepreneurs. Thank you very much.

Ms N NOLUTSHUNGU: Chairperson, the commissioner and his team are investigating some of the most powerful companies who are

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 104

equally the most corrupt in our country. If anything, the 2010 World Cup stadium collusion was just the tip of the iceberg and now they are threatening the commissioner and his team, because they are continuing with the investigation. Have you found any co-ordinated attempts to assassinate the characters of the commissioner and his team? Thank you.

The MINISTER OF ECONOMIC DEVELOPMENT: Chairperson, one of the issues that have come out in the investigations up to now has been the extent of vested interest in the economy. Recently, over the last period, we have had a number examples and I have highlighted this in reply to a parliamentary question where a Deputy Commissioner was held up at gun point and his computer and other equipment was taken, where the commission officers were bugled with the intention of stealing laptop computers where a senior staff of the Competition Commission, the finance officer was held up, where the cell phone of the commissioner disappeared.

This potentially point to a challenge that vested interests are obviously very concerned about the effectiveness of the competition authorities. We are currently doing a security

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 105

review in the state of the competition authorities and in the meantime, the commission has put in place protection services for the core staff and for the premises of the commission, so that we in fact are able to ensure some integrity and control and protection over the property, equipments and the person's of the commission.

So, as the security ... the report is completed, we will have a better inside on the potential source of this and if there is any coordinated effort to undermine the Competition Commission.

Question 180:

The DEPUTY MINISTER OF FINANCE: Hon Chair, to the hon member...

IsiXhosa:

... onguSekela Mongameli wabantu abayalelayo.

English:

We want to say, the Minister of Finance is still familiarising himself with the Treasury comments on the Bill and will

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 106

provide a detailed response once the Parliamentary Standing Committee on Finance has completed this process. We take a view that; this Bill is sponsored from within Parliament. We are looking forward to comment once the Parliament expresses a particular view and interact with that.

Dr M Q NDLOZI: Hon Gungubele, since the real Minister is not here. You have been around this department for a very long time, have you read the Bill that has been proposed? If you have not, you must tell us why, if you have then what are its details. I understand Comrade Mboweni maybe is an arrivalist, but you have been here. Have you read the Bill, if not, why? If you have, what are its details? What is its central argument? Thank you very much

IsiXhosa:

USEKELA MPHATHISWA WEZEZIMALI: Ohloniphekileyo ophethe iNdlu yoWiso-mthetho, inyaniso kukuba le mizamo yalo mthetho ifikile emehlweni am. Ndaqwalasela, ndisaqhuba ndiqwalasela. Yamkele ke le nto xa sisithi, izimvo zethu zakufika ngelazo ixesha. Enkosi, Sihlalo.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 107

Ms P NKONYENI: Hon Chair, Deputy Minister, the Postbank has recently resumed the duties of paying social grants to deserving recipients, but has not been upgraded to the status of being a fully fledged bank. Why has the current legislation not been amended to allow for the post bank to become a fully fledged bank? Thank you.

The DEPUTY MINISTER OF FINANCE: The short answer is that, in that area we have gone beyond policy. The administrative process is on course, in due time I think that answer will be attended to. Thank you.

Dr M Q NDLOZI: Hon House Chair, no no no, this Deputy Minister is not helping us. He is here answering on behalf of the Minister. He is giving us no answers. There is nothing he knows. He is probably still trapped as a mayor in Ekurhuleni Metropolitan Municipality.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Ndlozi, I do not think that...

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 108

Dr M Q NDLOZI: You are still suffering mayoral consciousness, you do not know anything. No, this is unacceptable.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Lees, can you please take your seat ok. There is mama here.

The MINISTER OF HIGHER EDUCATION: Point of order. In terms of Rule of Anticipation, the Bill is before a committee and would come to the House. Does the question not fall foul of the Rule of Anticipation? [Interjections]

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you very much for that information that we got, hon Pandor, can you continue hon Lees. [Interjections] Hon Lees continue.

Dr M Q NDLOZI: Do not protect incompetence. Do not do that.

Mr R A LEES: Hon Deputy Minister, Minister Mboweni had an illustrious career as the governor of the SA Reserve Bank. Do you and the Minister support the ANC's resolution to nationalise the SA Reserve Bank and if so, what are the reasons for your support?

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 109

The DEPUTY MINISTER OF FINANCE: Hon member, I think our attitude to that question is just to restate that, both from the resolutions of the ruling party, paragraph 27 and constitutional clause 224, we abide at all material times unwaveringly and unequivocally with the independence of the SA Reserve Bank, because that principle of The Monetary Policy Framework being formulated by government and interaction with the Minister of Finance is a principle that is not under threat which we will always abide by. We use that opportunity to restate to South Africans that is the stunts of the movement and the ruling party.

Question 192:

The DEPUTY MINISTER OF ENVIRONMENTAL AFFAIRS: Chairperson, firstly, let me indicate that South Africa is the third largest country when it comes to issues of biodiversity. That's how rich we are. But, we are saying as a department, we should translate this richness into economic opportunities for our people as well as job creation. In other words, as the department we are saying, in order for us to fight poverty ...

IsiZulu:

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 110

... silwe nobubha, silwe nokungasebenzi kumele sisebenzise lamafa esinawo emvelo ukuthi abantu bethu bathole amathuba.

English:

Coming back to the question. The Department of Environmental Affairs creates work opportunities through the following programmes. The wildlife economy, waste economy, ocean economy, as well as the youth environment services, the mass training services, these are all our programmes. The Youth Community Outreach Programme, the Groen Sebenza, the Department of Environment Affairs, DEA, Human Resource Development Programme. And many more, like Working for Water, Working for Wetlands, Working on Fire and so forth. Thank you.

Mr Z S MAKHUBELE: House Chair, hon Deputy Minister, would you recall that the purpose of the National Biodiversity Economy Strategy was to encourage the participation of those previously marginalised individuals in the wild life economy especially, the black majority population. This thinking featured prominently in the ANC's document titled "Ready to Govern - ANC Policy Guidelines for a Democratic South Africa.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 111

Can you outline to the House the key outcomes which have been achieved thus far with regard to the implementation of the National Biodiversity Economic Strategy? I thank you.

The HOUSE CHAIRPERSON (Ms M G Boroto): Can you switch on mic please?

The DEPUTY MINISTER OF ENVIRONMENTAL AFFAIRS: Sorry about that. Yes, indeed. The biodiversity strategy has come up with key achievements. One of the achievements is, we were able to identify the land for transformation purposes. We have also made a break through in capacity building for community structures, unlocking the potential of protected areas. You would remember that protected areas were there just for people to look at but they couldn't do much about them. So, we have tried to unlock that potential.

The potential of game and wildlife ranching activities that relates to stalking, trading, breeding and hunting as well. Another key achievement is the bioprospecting sector. These are the people that are searching ... [Interjections.]

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 112

The HOUSE CHAIRPERSON (Ms M G Boroto): Continue hon Deputy Minister.

The DEPUTY MINISTER OF ENVIRONMENTAL AFFAIRS: ... these are the people that are searching, collecting, harvesting as well as extracting indigenous specimen. However, we are also pressing on the issue that our people should only not be good for harvesting. They should be part of the wider value chain.

In fact, the wildlife economy has created over 782 jobs through various wildlife economy projects. The department has also trained 25 community property associations. Let me just go back to the bioprospecting issue. [Time Expired.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Hlengwa, you have hon Singh after you. You have to choose who comes with the question.

Mr N SINGH: Hon Chairperson, hon Deputy Minister, the devastation caused by the fires in Knysna in 2017 and even this year is well documented. Unfortunately, it came with the

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 113

loss of the lives and we offer our condolences to families of lost people.

Deputy Minister, there is an organisation - I don't know if you are aware of - called the Southern Cape Fire Protection Association that is involved in a project there, to deal with the control of invasive alien plants and the challenges facing communities after the fire. Their challenge is that there are very limited financial and human resources to manage this environmental challenge.

My question will be, are you prepared to urgently recommend that we turn this challenge or threat that the community face into an opportunity for young people and woman in that area to be involved in the working for fire projects, so that it would be economic upliftment for them and it will also deal with the threat of fires in the future?

The DEPUTY MINISTER OF ENVIRONMENTAL AFFAIRS: Chair, we would do this hon Singh through our Environmental Protection and Infrastructure Programmes, EPIP. This is done on a three year term so, I am not sure wheteher they still have the

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 114

opportunity to make an application so that it could be approved. But I would also assume that in this case it's an urgent matter. So, we could look at that as well. Thank you.

Mr R K PURDON: Deputy Minister, it's not just the youth and women who are struggling in South Africa. Can you outline your plan to advance equity, skills development and the creation of opportunities for all South Africans? And I emphasize, all South Africans?

The DEPUTY MINISTER OF ENVIRONMENTAL AFFAIRS: Chair, when I mentioned the youth and the women I am aware that there is a need to empower the larger community. We do have such programmes as well. For instance, we do have opportunities in the waste economy which has no border whether you are young or old, we do have opportunities in the ocean economy as well. So, we do have those programmes within our sector. Thank you.

Ms L MATHYS: House Chair, Deputy Minister, this question was nicely phrased that the ANC is committed but, we will go with the "supposedly" committed. Because, we want to know what has been achieved so far. We have youth unemployment that is at

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 115

27,5% unemployment amongst women is at a staggering 29,5%, there the primary care givers bringing our children in this country. What has been achieved? And, don't tell us about job opportunities. Stop using these DA words because they like to abuse us with job opportunities, things like skills development and they want to use our work, where is it? Tell us what has been done. We want jobs. What is the development that has been done? You see, we sit next to them and I can't wait for us to leave. [Time Expired.]

The HOUSE CHAIRPERSON (Ms M G Boroto): You time has expired, thank you.

The DEPUTY MINISTER OF ENVIRONMENTAL AFFAIRS: Chair, let me just make an example of the youth environment service which we ... [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Deputy Minister, continue answering because your clock is ticking.

The DEPUTY MINISTER OF ENVIRONMENTAL AFFAIRS: ... which we term as Youth Environmental Service, YES. This is a national

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 116

youth service programme. It aims to provide employment. Well, I heard your issue of not opportunities, it also broadens environment, knowledge and practical skills.

But let me come to the numbers. This programme is implemented in the nine provinces. Coming to the numbers the project is implemented over a period of two years. A total of 1170 participants have been recruited for the financial year 2018-2019. Let us then go to the mass training programme as well. This programme has commenced with implementation of a total of 175 mass training projects which have already recruited 10 thousand young people. The training programme is currently under implementation includes - but is also not limited to conservation and environment, construction that is in the plumbing, tiling, brick laying, painting, waste management environmental education awareness, landscaping and so forth. Coming to the Groen Sebenza Programme, which is a very popular one [Time Expired.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Unfortunately you cannot continue with that one, your time has expired.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 117

Question 147:

The DEPUTY MINISTER OF FINANCE: Chair, the Reserve Bank has fully protected the deposit of up to R100 000 of all 22 000 affected depositors. In determining the broad parameters of how support would be provided, the Reserve Bank acted with fiscal support in a manner consistent with government policy. This policy seeks to ensure that management and shareholders of banks remain responsible for the running of their banks and do not operate recklessly, with the knowledge that government will underwrite losses that arise out of that management. Put differently, government policy seeks to remove the moral hazard.

The Venda, Building Society, VBS, retail depositors have one of the following options and the choice is completely within the discretion of each depositor: one, withdraw all the funds at any ATM or at the facilitator bank branch; two, transfer all funds to another bank account at any bank in the Republic of South Africa; three, retain the funds and their facilitator bank account and use their associated debit card to make payments as and when necessary.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 118

Mr M HLENGWA: Hon Chair, hon Deputy Minister, the bottom line is that the VBS came into existence to deal with a particular set of needs for the people of Venda. Now the situation is that that bank found itself in the hands of corrupt individuals and politicians who are grand thieves, to say the very least. So, the ripple effect of that is that depositors may have access to their funds, but the issue goes beyond access to funds because it is the broader set of opportunities and realities which they had as a package - access to financing for home loans, car loans and so on.

With the collapse of the bank in the manner that it has and we are redirecting them to the big four and they are going to have a greater expectation of other things that may not be available. The IFP wants to know how we assist with that kind of relief, to ensure that services broadly are available. The access to money is one thing, but there is a broader set of expectations that people have. The unfortunate part is that you sort of said that you don't want the bank to be saved in the manner that has been narrated. So, where do you stand in so far as rescuing the bank as well is concerned?

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 119

The DEPUTY MINISTER OF FINANCE: Hon Chair, I think we have said several times that we are committed to be part of the process of ensuring that services that gave access to poor people and people in far-flung areas, that normally could not be secured by the established banks, continue.

However, there is one principle that we keep on explaining - VBS is a financial institution in terms of a particular law and that law governs an institution, as such. We always say that we wish it can be saved within the law. When all assessments are done in terms of its balance sheets and its assets and liabilities render itself insolvent in terms of the law, having the ability to move forward, we want to support that. However, if it does not meet those requirements as an institution, then it is a different case.

We have a commitment to ensure that the services that the poor had through VBS can be accessed through different institutions, if possible. We support the salvation of VBS within the law.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 120

Mr R A LEES: Hon Chair, Deputy Minister, a 2016 reply to a parliamentary question by my colleague, hon Mileham, revealed that there were municipalities that were making illegal deposits with VBS Bank. It seems, and I emphasise seems, that National Treasury waited some 10 months without taking any action to intervene before they wrote to municipalities to point out that the deposits with VBS were illegal. Has an investigation been undertaken in order to review the action taken by National Treasury and to identify any shortcomings that could have been avoided, so that we don't have a repeat of the situation? Thank you.

The DEPUTY MINISTER OF FINANCE: Hon Lees, I think what we want to say with regard to this matter is that we do have acknowledgement of the 2016 October incident, but in dealing with this matter, there had to be discussions with the affected people, in particular the bank itself. We had an option of saying that the money is in the bank, it is wrongly banked and that they must get it out the next day, but it had particular implications. So, there had to be an engagement over time.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 121

If you remember, some of the effected people who are implicated in terms of theft, then already, had attempted to take Treasury to court with regard to this matter. That conversation and interaction occurred up to a point where Treasury realised that there was a liquidator crisis. At that point, interventions were made. In our view, we are not going to run away if there are any weaknesses that get exposed by the final report with regard to Treasury. We are committed to deal with that.

As far as we are concerned, a lot of attempts were made to deal with the situation in a constructive and useful manner, but we did not get the co-operation from those who are actually controlling the bank. I repeat, if the investigation and the process expose particular weaknesses on our side, we are committed to deal with those.

Ms T V TOBIAS: Hon Chairperson, Deputy Minister, the ANC should in advance thank the curator for ensuring that the depositors' money is actually saved, especially ordinary depositors that did not make a wrong investment compared to councils. You are very happy that a relief has been given to

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 122

the poor, but what we think should be taken into consideration is whether there is a possibility that the threshold of the monies that have been afforded to the poor people who deposited their money into VBS can be changed, so that, as interventions are made after the commission has reported ... [Time has expired.]

The DEPUTY MINISTER OF FINANCE: I think I heard the question. [Interjections.] We are open to engagement on these issues, but the fundamental principles to us are that we want to be part of the process that ensures that the credibility of the sound financial management in South Africa is not compromised. So, we are open to whatever useful exercise that can actually assist in improving the situation without taking us out of the historic sound management of the finances in South Africa.

The HOUSE CHAIRPERSON (Ms M G Boroto): The last follow-up question is from hon Khubisa. [Interjections.] You can come and check here. No, come and check. I cannot cheat, not me. No, come. [Interjections.] Hon members, can we allow ... He came here. I wonder why they are saying no. He came here.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 123

Prof N M KHUBISA: House Chairperson, hon Deputy Minister, I think hon Hlengwa's question was aimed at addressing the plight of the poor, in actual fact, around the whole issue of the VBS, including the fact that municipalities invested a lot of money into VBS. I understand that, at the moment, your department is working in tandem with Cocta to try and ensure that these monies are brought back.

It is has also been proven that some of the municipalities were warned about this by your department. At the moment, they are adopting what you call a lackluster approach. Some of them are not willing to give reports on how they will retrieve the money. What will your department, working with Cocta and other agencies, do to ensure that these sectors do respond to what has happened to VBS? Thank you very much.

The DEPUTY MINISTER OF FINANCE: Hon Chair, Prof, there is a set of different role players in this matter, as you have said. There are municipalities, managers who abdicated their responsibilities; there are supposedly trusted institutions who have abdicated their responsibilities. In a nutshell, what we are saying is, if you read the Motau Report, which is

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 124

volume 1, ... By the way, there is another volume, which is going to tell us some interesting stories.

What we are saying is that the extent to which each municipality is made accountable must be informed by the final reports and legal situation of that municipality. In other words, if there are individuals in a municipality who are found to have breached the law, they will be dealt with, both from the point of the individual or the institution.

Even if you go to VBS, there are tracks of money that went to a series of people, families and managers. All those matters are being followed to conclusion. At the conclusive point, with no doubt, a legal analysis of what actions must be taken will have to be made. Whether you are from the ANC, UDF, a commander, anyone, you will have to answer in as far as this is concerned.

Mr N S MATIASE: Chairperson, on a point of order: The Deputy Minister is lamenting about irrelevant issues. What he should be responding to is who the real enabler of the VBS scandal is.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 125

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, no, I cannot respond. That is not a point of order. Hon members, the time allocated for questions has expired. Outstanding replies received will be printed in Hansard.

Hon members, we will now take the questions that were transferred from written to oral in terms of Rule 146.

Question 3:

The DEPUTY MINISTER OF FINANCE: Hon Chair, a couple years of difficult market conditions have put immense strain on the performance of print media companies in South Africa.

Cumulatively over the past two years, the total returns of the Tiso Blackstar Group are down by 78,22% and that of Caxton and CPT Publishers Limited by 39,8%. Independent News and Media, INMSA, is not different from the listed print media companies. Due to difficult trading conditions the loan that INMSA had to settle during August 2018 has thus not been settled. The Public Investment Corporation, PIC, is in discussions with this institution on the way forward to resolve this matter.

[Interjections.]

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 126

An HON MALE MEMBER: That is the scandal!

The HOUSE CHAIRPERSON (Ms M G Boroto): The hon Lees will take charge of the question as asked by the hon Maynier.

Mr R A LEES: Deputy Minister, the loan having not been repaid, what are the current conditions under which the term has been extended? In other words you are saying there are discussions taking place, but presumably there is some sort of an agreement in place as we speak to allow that. Failing which, why has legal action not been instituted to recover the loan that is outstanding?

[Interjections.]

The DEPUTY MINISTER OF FINANCE: Hon Lees, at this instance, they are our debtor, having not settled the loan they were suppose to settle. The discussions are to ensure that they settle. If those discussions do not bear fruit, necessary steps will be taken.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 127

Dr M Q NDLOZI: This infighting between media houses, not only to get access to PIC funds, but to also monopolise media platforms news, papers and televisions, as you know is not good and is not in the public interest. Employee's pensions through the state-owned asset manager are not being used for media development in society and the strengthening of freedoms of speech or the value of freedom of speech. So, has there been any interest in how much other media houses have received for instance like Tiso Blackstar Group?

The DEPUTY MINISTER OF FINANCE: If I got your question hon Ndlozi, I would not say ... [Laughter.] I do not think that is the detail I personally I have gone to, but it is a detail we will be following as we continue to clarify this matter. However, at this point in time I cannot give you a detailed answer to that question.

Ms N ABRAHAMS-NTANTISO: Hon House Chair, it is important that the repayment contract is in line with relevant legal principles, guiding extension of payment contracts to ensure that the PIC does not lose out in this process. We therefore request the National Treasury to make sure that the PIC board

WEDNESDAY, 31 OCTOBER 2018

Page: 128

protects the public finances and gain returns from all investments. Can you hon Minister, guarantee that the PIC will not be a loser in this agreement? Thank you.

The DEPUTY MINISTER OF FINANCE: Hon member, that is our obligation as occupants of the positions in that we are at the moment. Otherwise we would be found wanting if we do not follow the principles we have articulated.

IsiZulu:

Mnu M HLENGWA: Umdala kangaka, unjani uma unje?

English:

Hon Deputy Minister, at the heart of the problems at the PIC of course was that the grant looting that took place at the PIC. The commission of inquiry of sorts has been set up with a very minimal timeframe or scope. Don't you think that given the fact that we are coming from a dark period of the Zuma years of corruption that it would be proper to extend the scope and the timeframes that have been stipulated so that we can actually get to the bottom of everything that has taken place there, because otherwise it becomes a cosmetic

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 129

commission of enquiry or a cosmetic investigation as opposed to being thorough and so is the National Treasury happy with terms of references as provided and how are you going to ensure that you actually do justice to this exercise? Thank you.

The DEPUTY MINISTER OF FINANCE: Hon Hlengwa, if my memory serves me well that those terms of references goes back I think to 2015 and one paragraph at the bottom if I quote it properly, it says, "If outside that there is an information that requires you to go beyond ..." The panel is given in my view, a scope to attend to, to the areas that you have actually raised. I say this believing that I have read it and understood it in that way. I will go back and check it and be sure if it is exactly the way I am answering you now.

[Interjections.]

If it is not like that then we will have to check how it is attended to.

Question 5:

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 130

The DEPUTY MINISTER OF FINANCE: Hon Speaker, Question 5 our response at the moment is that the Public Investment Corporation, PIC, did not investigate its investment in Ayo Technology Solutions as all based on the records at our disposal. Appropriate investment and due diligence processes were followed when the transaction was approved. However, if there is information beyond the one we know, it is information we are committed to attend to.

IsiZulu:

Mnu R A LEES: Mama uSihlalo ngiyasebenza ngempela

English:

The HOUSE CHAIRPERSON (Ms M G Boroto): Yes, so is the Deputy Minister.

IsiZulu:

Mnu R A LEES: Sobabili.

English:

Deputy Minister, the problem here that arises is that the chief executive officer, CEO, of the PIC committed to

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 131

investigate this investment. That was a public commitment made by the CEO of the PIC. So, the question then is: Why did he not do, sir?

The DEPUTY MINISTER OF FINANCE: Hon Lees, we have to follow those facts. If indeed those facts are as you have stated and some accountability will have to be sought with regard to that. Thank you.

Prof N M KHUBISA: Chairperson, linked to this one, hon Minister, there is some information that keeps on coming that the PIC is commissioning some funds to a company that is doing a trans-border work possible to Mozambique of almost plus minus five million dollars, is it that allowed if that be the case?

The DEPUTY MINISTER OF FINANCE: Thank you, hon member, we have come across that information in public newspapers and so on. It's a question that I have asked that the PIC furnish us with the answer. It is the answer I hope not to very short, we must be able to get and probably give a feedback in as far as that party is concerned.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 132

Ms P NKONYENI: Chairperson, referring to the hon Minister, we are aware that all investment decisions by the PIC are directed by detailed client mandates which are negotiated individually with each client in line with their investment profile and risk appetite. Also that the client mandates must comply fully with the requirements of the financial sector conduct authority with which the PIC is registered as an approved financial service provider. Will you please check with the PIC board if there are any concerns regarding this particular investment? Thank you.

The DEPUTY MINISTER OF FINANCE: Hon Chairperson, I did not hear the last sentence. I want to apologise.

The HOUSE CHAIRPERSON (Ms M G Boroto): Can I allow you to repeat it.

Ms P NKONYENI: Yes, I wanted to ask the Deputy Minister whether he will be able to check with the PIC board if there are any concerns regarding this particular investment which was raised in the Question we are dealing with right now.

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 133

The DEPUTY MINISTER OF FINANCE: I thought the Question we are dealing with is: Whether the Public Investment Corporation has investigated its investment in certain company, if not, why not and so on? As I have said with the records at our disposal, there is nothing that is questionable. However, the PIC as you have already said hon member is obligated to have what we call its own institutional mandate in line with the mandate of the clients. As I have said to hon Lees that if we get anything untoward and with regard to the commitment by the CEO to investigate, we would make sure that necessary follow ups are done in as far as ... [Inaudible.] ... is concerned.

Question 6:

The DEPUTY MINISTER OF FINANCE: Hon House Chairperson, for some logistical reasons, we wanted to request in terms of Rule 144 if I am quoting it properly that if this question could not be rolled over.

[Interjections.]

UNREVISED HANSARD

NATIONAL ASSEMBLY

WEDNESDAY, 31 OCTOBER 2018

Page: 134

The HOUSE CHAIRPERSON (Ms M G Boroto): Can I be assisted. Alright. Thank you, very much. I am advised that that is allowed. Hon members ... [Interjections.]

Mr D BERGMAN: Hon House Chair, I am sorry. On a point of order. Hon House Chairperson, on what basis would that question be disallowed?

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon member, the question is not being disallowed to start with. It is just a request from the Deputy Minister that it stands over. [Interjections.]

Rule number ... can we check on Rule 144. It is allowed. That is allowed. Hon members, that concludes the business of the day and thank you to all the Ministers and Deputy Ministers who responded to the questions today. This House is adjourned.

The House adjourned at 18:18.