**TUESDAY, 03 MARCH 2020**

***PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES***

The Council met at 14:00.

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

Question 1:

The DEPUTY PRESIDENT: Thank you Deputy Chair for the opportunity. Our response to the first question is that we really welcome it as it gives us an opportunity to explain to the people of South Africa why we have expended so much time, so much resources and energy on matters that are far afield as those in South Sudan.

We are happy to report that, yes, indeed, there is progress. Our involvement in South Sudan and the Intergovernmental Authority on Development region has always been about lending a hand of support in assisting the South Sudanese people to find solutions to their challenges through dialogue means as well as to assist them to

constitute the Revitalised Transitional Government of National Unity. At the centre of the mandate of this unity government is to ensure that the process of national reconciliation and healing is realised through the restoration of permanent and sustainable peace, security and stability in South Sudan. The conflict that erupted in 2013 had led to the losses of life and displacement of ordinary people, especially women and children and fragmentation of the security forces.

The issue of the number of states and their boundaries and the unification of the necessary armed forces were the two key outstanding pretransitional matters that needed to be completed. That has led to the two successive extensions of the pretransitional period in May and November 2019 because these two matters were not completed.

On the number of states the matter was settled when President Salva Kiir made a proclamation to return the country to 10 states with three administrative areas. This paved the way for the formation of the Revitalised Transitional Government of National Unity.

On the matter of transitional security arrangements, there is good discernible progress that has been registered so far, which is a good foundation for further progress.

On 22 February 2020, we attended the swearing-in of the vice presidents and the inauguration of the revitalised unity government, which in all intents and purposes marks the beginning of a process of national healing and national unity.

Hon members and hon Deputy Chair, we are aware that the leaders in South Sudan have much work to do in these coming 36 months of the transitional period. During that period they should draft a permanent constitution and they should also get ready to conduct democratic elections.

In pursuit of the African agenda of building a stable, secure and peaceful Africa, South Africa will continue to support South Sudan on postconflict reconstruction and development efforts, especially in establishing strong and resilient institutions to anchor democratic governance, peace, security and stability. Thank you very much. [Applause.]

Mr S J MOHAI: Thanks very much Deputy Chair and thanks to the Deputy President’s response. Let me also take this opportunity to join the ANC and the rest of the people of South Africa in congratulating Comrade Deputy President for his illustrious leadership and for receiving the Africa Leadership Impact Award which was awarded in recognition of key role he played in brokering a peace deal in South Sudan. We also want to commend the South African government together with the African Union leadership for the sterling work in brokering a peace deal in Sudan and helping the Sudanese people to find answers to their own problems.

Deputy President, I just want you to share with us to what extent are solutions to the problems facing South Sudan exclusively the collective imagination and wisdom of Sudanese devoid of external influences from the rest of the world. I am raising this question because history in conflict situations bears enormous evidence that peace process always fail if solutions are not home grown. Is the Deputy President confident that the building blocks have realised the participation of the citizenry towards realising this? Thanks, Deputy Chair.

The DEPUTY PRESIDENT: Thank you very much, Deputy Chair. Well, what is encouraging in the situation of South Sudan is that all the

parties that were in this conflict are signatory to the peace agreement. They have all entered into the peace agreement and they have signed the revitalised peace agreement document. It’s a very extensive document with a lot of things that must be achieved on certain time frames. They did not adhere to the time frames and that led to the postponement. The two outstanding issues were the borders and the unification of the security forces. The question of borders was given to us, South Africa, to lead and mediate, and we mediated it successful. In this case I must thank the Deputy President of South Sudan Dr Riek Machar, President Salva Kiir and our President, President Cyril Ramaphosa for the role they have played in pushing these parties to agree. In this way they have given the people of South Sudan a chance to peace and we congratulate them.

But in the main all committees that are found in the peace agreement document are made up of South Sudan people. They have been struggling to find one another. There is an element of trust deficit. They don’t trust one another. From time to time there would be disruptions. It was not an easy exercise. It is not going to be easy to allow the process of healing. These are people that fought. The majority of these people that were displaced. They took up arms and fought amongst themselves. We are sure that the period that we

have entered into will mark the beginning of peace. Thank you. [Applause.]

Ms M O MOKAUSE: Thank you Deputy House Chair. Deputy President, we’ve been to Sudan as a country, South Africa, and we have spent more time there. Don’t you think that it is time to be honest and ask ourselves if our intervention has helped Sudan? We all know that diplomacy can take quite sometimes but nonetheless South Africa has been involved in this process. Shouldn’t we perhaps consider giving other people who have not intervened in the issue of Sudan a chance to go there and intervene? Perhaps we take another approach which is more inclusive and more democratic. Or maybe we give young people within a region a chance to intervene in South Sudan.

The DEPUTY PRESIDENT: Thank you very much. I think the process that was followed in South Sudan was initiated by the African Union. All structures created were of the African Union. We talk about the Intergovernmental Authority on Development, Igad, in that region.

All leaders in that region were given the responsibility by the African Union, AU, to look after South Sudan. We happened to be in that space as South Africa because we were appointed in two categories. We were appointed as a body called C5. These are five countries that are also supporting the peace process in South Sudan.

So we are part of the C5 and we are also part of handling the matter of boarders - the number of states and was chaired by South Africa.

We were also given an opportunity to mediate through our special envoy which is I in this case. In this process with other special envoys, Kenya, Uganda, Sudan and Ethiopia, all have sent their special envoys. I was requested by the group of special envoys to mediate and chair. I chaired the matter on the boundaries until to a point where we found a solution on a matter that was very difficult. It’s emotional when it comes to them. It involved their tribal setup and it involved the previous conflicts, the fighting.

I think the AU is doing very well in trying to silence the guns. It’s an effort that we should continue. South Africa must not undermine itself. What I have noticed is that our brothers and sisters in the continent do respect South Africa. [Applause.] Probably, it is through that that we were afforded the space and be listened to. Probably, that is why we managed to broker this peace. Every time they recognise South Africa. At times we would feel ashamed because they would call South Africa the big brother. We don’t feel good about that. But as a country we should not undermine ourselves. Your brothers and sisters rely on you. Thank you very much. [Applause.]

Mr M NHANHA: I am being intimidated, Deputy Chairperson. Hon Deputy President, elections were initially promised in South Sudan in 2015. They were postponed to 2018, and most recently they have now been moved to 2021. In terms of the African Peer Review Mechanism what do you think is the recommendation of the African Union in so far as the legitimacy of the government of South Sudan is concerned? Thank you.

The DEPUTY PRESIDENT: Thank you very much. That is why the African Union has established Igad. The Intergovernmental Authority on Development has insisted that all the parties that are in conflict in South Sudan must come together and be signatory to the peace agreement. Firstly, all the warring factions were together in signing the peace agreement document. In that peace of agreement in the main is cease fire. All those who were fighting must stop fighting. Together they had to form structures - all of them. They had to form structures that would be looking at pretransitional mechanisms that would prepare the country to the transitional period. As we speak now, from 22 February, they have entered into the transitional period. It is no longer pre now.

In the transitional period they must attend to the constitution. They have a draft constitution. After adopting the constitution then

they must prepare for elections. There are certain institutions and bodies, like our Chapter 9, and to deal with provinces. They must deal with everything that is in the constitution. They must agree as South Sudan people before they go to the elections.

As South Africa we are going to assist them. We will continue our support in terms of the cantonment, training and screening of all armed forces because we want these people to put down their arms. It is only the national defence force of that country that can carry a gun or a riffle, and not any one. Ordinary people must be disarmed and soldiers must go to cantonment areas and be trained and screened so that we have one national defence force - an army of South Sudan.

It is a difficult journey, but I am confident that they will make it with the support of the AU and our president as the chair. I think they are in good hands. We will continue to support them in terms of resources. We have already taken food and uniforms there. South Africa, including other countries like Kenya and Uganda, has been very supportive to South Sudan. We take it as our responsibility.

It’s one of us. These are our brothers and sisters in the continent and we must find an African solution to African problems. Thank you very much. [Applause.]

Ms M N GILLION: Chairperson and Deputy President, the biggest challenge facing that transitional government, first, is to ensure that there is lasting peace, development, social justice and economic progress for the people of South Sudan. Deputy President, my question today is, are there any plans to ensure that the transitional government implements a comprehensive programme of security sector reform aimed at establishing a professional and the revitalisation of South Sudan?

The DEPUTY PRESIDENT: Thank you very much. The transitional government step that we have reached now does not suggest that Igad must disengage, AU must disengage or as special envoy we must disengage. In fact, we are going to reinforce more to be with them. Currently, we are dealing with the security mechanisms because there is a complaint that some are not going to the cantonment areas. Some soldiers are loitering around and they are seen caring riffles everywhere. But in terms of the peace agreement every soldier must be in a cantonment area. There is a cry about logistics. They can’t carry food to the soldiers and they can’t travel. They need assistance of your choppers, food and all that. So the AU will discuss that. Our leaders will then give directive trough Igad to the special envoys and to the Sudan people to say we are going to assist in this way, this way and that way. But the kind of

assistance that goes to South Sudan is AU assistance. South Africa is part of the AU. The obligation that is upon our shoulders now is that we are chairing the AU. They look at us as a bit developed country in the continent. They are expecting more assistance from South Africa and Nigeria. Thank you very much. [Applause.]

Question 2:

The DEPUTY PRESIDENT: Deputy Chairperson, hon members, it cannot be

denied that access to land and equitable ownership remains a fundamental pillar of building a socially inclusive and cohesive

society. For us, the historical injustice of land dispossessions and resultant skewed patterns of its ownership impose a moral obligation

to correct the wrongs of the past, by expanding access to land to

promote greater economic inclusion and social cohesion.

To achieve this, government is currently implementing a comprehensive land reform programme in a very systematic, orderly

and responsible manner consistent with the rule of law.

We have committed ourselves that through the release and redistribution of strategically located state-owned land, we will ensure that land is made available for agricultural development,

human settlements, and economic development, including a targeted focus on stimulating rural and township economies.

In this approach, there is no room for chaos and anarchy perpetrated

under the guise of land reform. We are concerned about reports of sporadic land grabs in various areas around the country, including the North West.

Incitement of violence and lawlessness is an antithesis of what we stand for as a constitutional state. As government, we condemn any incitement to lawlessness, particularly one that results in land grabs, as these are in violation of the laws and the Constitution of the country.

We reiterate our call to all our citizens of our country to exercise restrain, and to allow government to implement the necessary policy and constitutional reforms aimed at redressing the imbalances of the past, as reflected in skewed and inequitable patterns of land access and ownership.

To discourage unplanned and disorderly occupation and use of land, government has put in place legislative measures that guide planning and land use management decisions at all levels, including local

government. The Spatial Planning and Land Use Management Act, Pluma, designates various land portions for specific use, depending on spatial development priorities for earmarked land in any given

locality for certain specific purposes. Various land uses could

range from human settlements, agriculture, social infrastructure, to industrial use.

Therefore, it goes without saying that land grabs disrupt orderly

and systematic planning and development, including the provision of requisite infrastructure to support land use decisions.

As part of discouraging incitement to violence and land grabs, it is

critical for municipalities to put in place bylaws to regulate

processes for dealing with issues of land access and use in areas under their jurisdiction.

Where there are blatant violations, incitement of violence and land

grabs, the law must take its course. You can rest assured of the capacity of our criminal justice system to enforce compliance, in

line with our commitment to the rule of law. Thank you very much. [Applause.]

Mr S F DU TOIT: Deputy Chair, Deputy President, with reference to recent land invasions that took place in the North West province, where actual ownership of land was provided by the land owners to the police, a legal route was taken and alternative land is available. This specific instance has been going on for more than two years now.

Agricultural activities are prohibited and additional employment activities are also prohibited as a result. My question: What will you do to resolve the matter to ensure that social cohesion and the protection of job opportunities take place in instances like this where the whole process has been stretched out over years? Thank you.

The DEPUTY PRESIDENT: Hon member, we have received a communiqué from the municipality and the province of the North West, requesting a certain portion of land from the national government to be released to the province, and finally to the municipality for the purpose of human settlements.

This question has triggered a response on our side to check what is happening in the North West, and we found that request on our table.

So, we will have that discussion with the Premier of the North West and probably facilitate the transference of that the land to them.

However, the land will be transferred with a tag. You can transfer the land to the province and then they use it for something else. So, we are going to transfer it with a tag that it is specifically for human settlements. Any other use is not allowed, so that we resolve the problem of land shortage.

If there are people who genuinely don’t have land for ssettlement, government is going to provide, and we have made that commitment. So, we are going to attend to it. Thank you very much. [Applause.]

Mr S ZANDAMELA: Deputy Chairperson, Deputy President, you have mentioned that you have a concern with the land grabs that are taking place especially in the North West. What are your immediate plans? I heard that you mentioned that the land will be transferred with a tag in other areas, but there is a general problem in the whole country. People need land. There is no land. Hence, the amendment of section 25 should be concluded as soon as possible.

What is your immediate plan, especially in other areas, because this is a general crisis throughout the country? Thank you.

The DEPUTY PRESIDENT: You would be aware that I am chairing the Inter-Ministerial Committee, IMC, on Land Reform. We have made quite significant progress in terms of isolating land that is in the hands of government, nationally and provincially, that must be released to people. We are going use an instrument under the redistribution policy. We are redistributing this land back to the people, free of charge, but we are targeting women and young people. [Applause.] We are going to make that announcement. It is quite vast pieces of land. The portions of land all over the country go beyond a million hectares.

We have released land, specifically for human settlements. We are working together with the Minister of Human Settlements. Land that was in the hands of Public Works in strategic areas in towns has been released and given to Human Settlements. Human Settlements must discuss with provinces and municipalities and they must build houses. The tag – it is for no other use. This land is for human settlements. So, that is going to be announced.

However, beyond that, people have claimed land and said that they have been removed from specific pieces of land during the apartheid era, only to find that some of the land that had been claimed is currently in the hands of government. We ask why they are not giving

the land to these people. It is their land. [Applause.] Finally, government has agreed to release this land free of charge. We are going to take it out of our books, because land has been claimed. The claim has been verified and the claim is correct.

While you are still discussing section 25, we are busy this side. Thank you very much. [Applause.]

*Afrikaans*:

Mnr G MICHALAKIS: Agb Adjunkvoorsitter, ek wil dit nie graag op hierdie stadium doen nie, en ek dink nie dit is doelbewus dat u dit doen nie, maar soos die Adjunkpresident antwoord, kan ek baie duidelik hoor en sien hoe u saamstem en beaam.

Met groot respek, as voorsittende beampte, is u veronderstel om onpartydig te wees en dit moet ook so voorkom.

Die ADJUNKVOORSITTER VAN DIE NRVP: So, ek het nie landprobleme nie?

Mnr G MICHALAKIS: Ek sal versoek dat u asseblief ... Ek besef dat u dalk met hom kan saamstem, maar ek wil nie weet dat dit u opinie is dat u met hom saamstem nie.

Die ADJUNKVOORSITTER VAN DIE NRVP: Dankie agb lid. Ek het u punt aangeneem. Ek het ook landprobleme. Ek het u punt aangeneem. Dankie.

The DEPUTY PRESIDENT: It looks like there is no question here. It is just a complaint.

The DEPUTY CHAIRPERSON OF THE NCOP: No, the question is coming. Hon Deputy President, it was just a point of order. [Laughter.]

Mr D R RYDER: Deputy Chairperson, Deputy President, we cannot pretend that land grabs and land invasions are not happening. Right now, in the south of Johannesburg, between Lenasia South and Walkerville, informal houses are being erected in a systematic way on vacant land. People are paying a person, who is not the owner of the land but who is closely linked to the EFF for the right to erect shacks there.

This is replicated across the country. It seems to be part of organised crime. In this particular case, as you have mentioned, the land is owned by the Gauteng province and is earmarked for housing. These invaders are trying to circumvent the housing lists. Most of them erect shacks; they paint their names on the door, but then they are not even staying there.

The matter has been raised with the *City of Johannesburg Metropolitan Municipality.* The matter has been raised with the Gauteng province and there is no action. The rightful beneficiaries of this land are being bullied out by a twisted political programme. The situation is replicated throughout the province.

Ms M MOKAUSE: Deputy Chairperson, on a point of order: It looks like we are being undermined here. A member rises in the House and says that EFF members are organising a crime of land grabs. That should be withdrawn. [Interjections.] It has to be withdrawn. People must not take us for a ride here.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Nhanha, allow me to chair. You are ... [Interjections.]

Ms M MOKAUSE: You steal the land and then you come and take us for granted. It must be withdrawn.

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you, hon Mokause, you made your point. I will request the Table staff to check that and then advise me.

Mr D R RYDER: Deputy Chair, I stand by my facts. The rightful beneficiaries of the land are being bullied out by a twisted political programme. [Interjections.] The situation is replicated throughout the province.

The President says that there will be no land grabs allowed and yet, in reality, on the ground they are being allowed. When will government act to protect its land, its housing programme, its people and its laws by evicting these opportunists, confiscating the building material and acting against the person who is defrauding people by selling land that is not his to sell? Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Before the Deputy President respond, hon member, I would really want you to rather withdraw if you have said that the EFF is organising crime, please, before we have an issue. [Interjections.] Hon Ryder, can you just withdraw the part where you have said that the EFF is organising crime. The implication thereof ... Can you withdraw just that specific one.

Mr D R RYDER: Can I repeat what I said.

The DEPUTY CHAIRPERSON OF THE NCOP: Yes, you may.

Mr D R RYDER: It is not what I said.

The DEPUTY CHAIRPERSON OF THE NCOP: No, hon member, I am ruling that you withdraw the issue around the organised crime. You understand the implication very clearly. So, just withdraw that specific part.

Mr D R RYDER: Deputy Chairperson, I cannot withdraw something that I did not say. I don’t know how to address it. It is not something I said, so, I cannot withdraw it. But, if the impression was given, I withdraw that the EFF is involved with organised crime. Their members might be.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Ryder, we wanted you to withdraw the implication that the EFF is involved in organised crime. Thank you. You may sit down.

The DEPUTY PRESIDENT: Your concern is well placed. I think we must start somewhere. South Africa is run by the laws of this country, according to the Constitution. There is no other way that can help any authority anywhere. The only way is to apply the law. If you get challenged when you apply the law, amend the law, but failure by an authority to apply the law is tantamount to abdicating your responsibility. If you are a government, a municipality, or you own

a piece of land and someone invades that land, you must stand up and approach the court, because the person is doing something wrong.

There is a law that protects everyone. We shall not allow this country to gravitate into a lawless society. Apply the law.

So, I don’t agree with municipalities that allow people to invade land and they keep quiet. Then they want to come at a later stage and tell the people to leave. Then they don’t provide them with alternative land. The moment the first shack is erected, as the municipality, you should ask them what their problem is. The municipality should tell them that it is not their land.

It is the responsibility of the provincial government to look after its assets. It is the responsibility of the municipality to look after its assets. We come here and we complain as if we are the owners of these assets. There are owners and they are sitting and they are not taking the necessary action.

So, it is wrong. If they don’t have a bylaw, they must create one. I have seen provincial governments going to court and they were granted an eviction order to evict the people. That is the only correct way to do it. Thank you. [Applause.]

Mr K M MMOIEMANG: Deputy Chairperson, Deputy President, thank you for the manner in which you responded to the question. Indeed, the unresolved land question lies at the heart of the uneasiness of the landless and disposed sectors of our society. As the ANC, we are more concerned about the progress that you have made with regard to implementing removing laws and policies that, firstly, inhibit land distribution, secondly, removing laws that promote racial inequality in land holding and tenure security. Therefore, we want to ask the Deputy President to explain the progress that you are making in terms of reviewing those laws that have been an obstacle in terms of ensuring that the tenure of security of laws is reviewed, to stop evictions and also to ensure that we remove barriers that will prevent black farmers to use land productively to improve livelihoods and benefit communities. Thank you.

The DEPUTY PRESIDENT: The fact that we have now created the Inter- ministerial Committee, IMC, on Land Reform emanates from a resolution of the ruling party in its conference where it spoke about land reform and indicated its unhappiness about the pace at which we are moving as government. It is very slow and people are not happy with the process of willing-buyer, willing-seller.

Therefore, a discussion emanated which finally came to the NA where

we are looking at making sure that this land reform process is a bit faster and that it is not costly, the way it currently is.

However, we must admit that there were certain pieces of land that were in the hands of government that could have been utilised correctly and government did not at that time. Had that land been redistributed to people, it could have increased our productive capacity in terms of agriculture. It could have lessened the shortage of land for human settlements. We could have done a bit as government.

So, we took that criticism and we moved faster. You will see the kind of land that we are going to release. This land is there in the hands of government. We are saying to departments to tell us why they should keep that land.

There is land in the hands of the Department of Defence; there is land in the hands of the parastatals, the SOEs like Transnet. You know about some of the pieces of land. You have seen a piece of land somewhere. Those pieces are owned by government. They are stalling development. We should release them. As much as we say some land that has been taken and dispossessed from our people must come back,

we must also, in the same vain, release land that is in the hands of government, so that this country can be productive.

That is the shortcoming. If we don’t criticise ourselves, we will not see our mistake. We must acknowledge our mistake and do better.

I must say that our processes of land reform are moving a bit faster. I am happy with the performance of the IMC. There are very good Ministers. The Minister of Public Works is moving at a high speed. Things are happening. Land is going to be released. So, I am content.

In the next month or two, we will be giving people back their land. The redistribution policy had been published for comments. We are going to utilise that to distribute land to young people, to women. So, the country will change. It will change. Thank you very much. [Applause.]

Question 3:

The DEPUTY PRESIDENT: Deputy Chair, as government we are committed to resolving the energy problem that continues to cost inconvenience to our daily lives. Causing constraints to the development and growth of the economy. A combination of short-term, medium-term and

long-term intervention is required to address the electricity supply and demand gap.

Last year, the Minister of Minerals and Energy published the Integrated Resource Plan 2019, IRP, as a guiding blue-print for the implementation of targeted interventions to respond to the electricity supply challenge. This IRP is aimed at ensuring that security of supply by developing adequate generation capacity to meet the country’s electricity demand is achieved. To this end, one of the key interventions in the energy mix is the accelerated implementation of the Renewable Energy Independent Power Producer Procurement Programme, REIPPPP.

Hon members, would be aware that this programme is already in the process of implementation. Bid Windows 1, 2, 3 and 4 are already operational. Bid Windows 1, 2 and 3 are already supplying energy into the grid. We are still waiting for Bid Windows 4, to commit to the amount of energy that they will supply into the grid.

The Department of Minerals and Energy is in talks with the independent power producers to explore available options to bring projects in Bid Window 4 on stream sooner than the originally expected date. That of course, will depend whether these projects

have been completed or not because, we are now bringing them closer than the expected finished date. We want to assist the current supply constraints by bringing closer that Bid Window 4 and still pursue the department to open for Bid Window 5.

The Department of Minerals and Energy is also finalising consultation with Eskom, National Treasury, and the Department of Public Enterprises on the time table and modalities for the procurement of Bid Window 5, like I have said. The details of the implementation timelines will be outlined by the Minister of Minerals and Energy in due course once all the consultation processes have been finalised. However, it is important to point out that the Minister has already submitted to National Energy Regulator of South Africa, NERSA, the necessary determination in terms of Section 34(1) of the Electricity Regulation Act. Once NERSA has finalised its processes, the Department of Minerals and Energy will proceed with the procurement.

The Department of Minerals and Energy has developed regulation under the electricity regulation act outlining the framework of the development or procurement that must be done by the municipalities of their own power generation capacities. These regulations will be published for public consultation during which time South African

Local Government Associations, Salga, and all different municipalities will have an opportunity to comment on those regulations. Thank you very much.

Ms T C MODISE: Deputy Chair, let me welcome the response by the Deputy President. It shows that the ANC-led government is doing very well to the working class and the poorest of the poor, it is ...

*Setswana*:

... Yo o sa boneng ke sefofu.

*English*:

Hon Deputy President, does South Africa look at addressing possible delays in the successful IREIPPPP such as land rights and request permits such as environmental authorisation? Thank you.

The DEPUTY PRESIDENT: Deputy Chair, in terms of our electricity, generation capacity as a country, we are falling short of the capacity to generate more and more energy and that is constraining the country from development. We are talking about all these renewable energies because we desperately want to expand our generation capacity and this process and this time will pass.

At a particular point we will be a better country and it is a necessary problem that we are facing as a country because, it acts as catalyst that will catalyse the country to stand up and deal with the problem. As far as we are concerned, we are going to deal with this problem and the problems that are experienced by Eskom, we are going to deal with them, and it is a question of time. I am confident with the new leadership that has been appointed.

I must commend the new chief executive officer, CEO, for the good work he is doing. You can tell with the consistent messages that are coming from Eskom about maintenance even if it means putting certain power stations out of operation, do that so that you secure the power supply. This is the message that South Africans have been waiting for and we can see that the ceo is on the right track. Thank you very much. [Applause.]

Mr A ARNOLDS: Deputy Chairperson, hon Deputy President, the REIPPPP was launched in 2011 by your government with one of the aims to create jobs, instead we are getting more unemployment, higher electricity prices and load-shedding. In order to grow the economy, the country needs affordable electricity prices. Households are already struggling with higher electricity prices, with annual increases more than inflation and negatively impact on the economy.

My question to you is that are you aware in your REIPPPP that the President’s family are involved as independent power producers, and will you be the first to speak out against nepotism? Thank you.

The DEPUTY PRESIDENT: The first answer will be that I am not aware and we are not going to support that. I am sure the family of the President is aware... But we must also be careful not disadvantage people because of associations. Some people have got the right like any other person, as long as that right is procured correctly. We are fine with it. Let’s not deviate from the challenges we are facing. If there is a problem we will deal with that problem but the biggest issue is that this country must increase its generation capacity.

When we procured these independent power producers, Bid Window 1, Bid Window 2, Bid Window 3, they were already in the system, they are already putting energy into the grid selling it to Eskom. On Bid Window 4, they are still preparing their projects some are solar, some are wind, ready to put into the system. But on top of these independent power producers, as government we commissioned Kusile and Medupi, in 2010. We never thought we would run short of electricity because here are two power station that will add more than 4 000 Megawatt into the grid, here are independent power

producers and we thought we would be home and dry, but come 2020, Medupi and Kusile are not finished are not giving us the required capacity that we planned for.

Independent power producers are individuals that are supplying five Megawatts, two there, ten there – not significant. There is not even a single independent producer that is producing 500 Megawatts, all of them are less than 100, and some are less than 50. Whether they are there or not they don’t make any difference. The only snag we experiencing is with Kusile and Medupi. These two power stations were supposed to add 4 000 Megawatts. We were not supposed to be experiencing load-shedding. But we appreciate the challenges and we are going to fix these challenges. These two power stations will come into operation and it will ease the burden. That is my answer. Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you Deputy President. Before we continue, possible for the benefits of the special delegates, each of the supplementary questions have a limit of four questions. Even if you have raised your hand and I have not identified you, it means that I already have the quarter of four supplementary questions. I don’t want to be intimidated here because I can see people are trying to intimidate me now.

Mr S F DU TOIT: Deputy Chair, Deputy President, with regards to mining companies being requested to look at manufacturing or making their own electricity to keep activities running and the amendment of section 25 of the Constitution, if that amendment is successful by any chance, what is the possibility that independent power producers might be expropriated without compensation since that might be in the best interest of the country?

The DEPUTY PRESIDENT: No, it won’t. Let us not abuse the phrase of “expropriation without compensation.” We are abusing the phrase.

This is a business and it is owned by an individual. How do you expropriate a business owned by an individual? No! It is not related to the land question. People have been dispossessed of their land and they can prove that their ancestors were staying there by showing the graves etc. There is a process.

Land is an economic tool that people can use to advance their livelihood. That is why we are talking about the expropriation of land without compensation. But independent power producers, they generate electivity and sell it. For now, they have made an agreement that they will sell it to Eskom. But that does not limit them to sell it to any user in future depending on how our regulation environment unfolds.

However, to date, we have agreed that municipalities can apply to the department to procure their own electricity from any other source. Maybe at one stage they will procure it from these independent power producers as long as they can prove that they are financially stable because, if the municipality is in financial distress, then it’s putting the entire country into a financial problem. So, it is important that the Department of Mineral and Energy must evaluate the financial fluidity of that municipality to sustain this procurement. Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon De Toit, order!

Mr R D MACKENZIE (Western Cape): Deputy President, thank you for the last point in your answer and it is actually a very important point. Given the fact that there are 22 municipalities currently in good financial standing in the Western Cape who are able to maintain themselves and can produce a renewable energy on their own and given what the President said in the state of the nation address few weeks back, will you give unequivocal support based on your previous answer that you will give the 22 municipalities in the Western Cape the go-ahead to start immediately implementing their REIPPPP and will you then give Minister Mantashe a call - I see you have got your phone with you - to ask him to withdraw his court case against

the City of Cape Town currently before the High Court given your own previous answer.

Will you ask him to withdraw that case and allow the City of Cape Town to continue in starting to procure the electricity to get that burden as you said away from those that cannot? Thank you.

The DEPUTY PRESIDENT: The statement that I have just made - is not based on rumours - it is based on facts. The President in the state of nation address said so. Why should I go at length and repeat what the President said? That is policy! ... [Interjections.]

Hon MACKENZIE: Will you give Minister Mantashe a call?

The DEPUTY PRESIDENT: ... yes, that is policy!

The DEPUTY CHAIRPERSON OF THE NCOP: Hon MACKENZIE, if you want me to throw you out, you must continue with what you are doing now. You must continue.

The DEPUTY PRESIDENT: So, what I am trying to say is that it is going to happen and municipalities must prove that ... But all what we know is that a number of municipalities are failing to pay Eskom.

No matter what the discrepancies are but, the voice from Eskom is that ‘we are not getting paid.’

So we must come closer to municipalities and say, why are you not paying and they will then say the bill is not the true reflection of the consumption etc. But the fact of the matter is that municipalities are struggling! They are struggling. It is one thing to say hey, let’s allow them to go and procure and down the line they get into trouble, you see. Thank you.

Question 4:

The DEPUTY PRESIDENT: Deputy Chairperson, in the 2020 state of the nation address, His Excellency, President, highlighted some of the steps that will be undertaken to address governance failures in the state-owned enterprises, SOEs. Amongst others, the Presidential State-Owned Enterprises Council will undertake a process of rationalisation of all the state-owned enterprises to ensure that they serve strategic, economic and developmental needs of our country.

In this regard, Cabinet has on numerous occasions been apprised by the Minister of Public Enterprises on the work being done in improving performance and governance of a few SOEs that are

continuously in trouble. Those SOEs are Eskom, SA Airways, SAA, and Denel. These are some of the SOEs that are continuously struggling. The rationalisation of state-owned companies is work in progress, and will be undertaken until all of them are in a healthy position to be able to sustain themselves.

Currently, all boards of state-owned companies are in a process of being reviewed and strengthened. They have further been directed to focus on addressing all governance failures that have negatively impacted the performance of state-owned companies. At Denel, changes have been effected with the announcement of the new interim board and so are similar interventions at SA Airways and Eskom.

The board of Denel has been repositioned. Since then, the board has been doing a lot of work to reposition the company and stabilising its finances. This also includes expanding the order book of Denel and its recapitalisation with regard to the provision of funding requirements for the restructuring.

Denel is currently implementing a turnaround plan to put the company on a sustainable recovery path. Amongst others, the key pillars of the plan are improving corporate governance and oversight to ensure effective management and accountability; divesting non-core assets

to generate revenue, reduce costs and achieve operational efficiencies; and retention of core skills and delivery capabilities to restore impaired reputation.

With regards to the SA Airways, during the state of the nation address, President Ramaphosa announced that the business rescue practitioners are expected to unveil their plans for restructuring the airline in the next few weeks.

In December 2019, the President announced that the re-establishment of the energy task team to deal with energy supply in the country is going to happen. The task team, chaired by the Deputy President has since been established and consists of Minister in The Presidency, Minister of Public Enterprises, Minister of Mineral and Energy, Minister of Finance, Minister of Co-operative Governance, Minister of State Security Agency and the Minister of Police.

This task team is a critical institutional platform to co-ordinate support interventions towards ensuring that Eskom has the requisite capacity to meet its obligation of providing electricity. This task team will have the luxury of inviting independent experts to advice it on the challenges faced by Eskom.

The situation seems to be improving and there is a clearer plan by the Eskom leadership. They have begun with the plant maintenance programme to improve generation capacity. We are thus confident that the Eskom leadership will do whatever is possible to put the organisation and the entity on a sustainable recovery path, including all the governance challenges that they are experiencing.

As government, we will continue to support the board, the chief executive officer, CEO, and the management of Eskom in trying to address these challenges so that we can reverse the energy crisis facing the country. Thank you very much. [Applause.]

Ms M O MOKAUSE: Thank you Deputy House Chairperson, Deputy President, it looks like there is too much ...

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokause, can I call you to order? You are deliberately demoting me. I am the Deputy Chairperson of the NCOP. I am not the Deputy House Chairperson. [Laughter.]

Ms M O MOKAUSE: You know, people in this Parliament love positions. It is evident today. [Interjections.] Deputy Chairperson of the NCOP

... [Interjections.] ... Thank you.

Deputy President, it looks like there is too much secrecy here and people are willing to go as far as misleading the President with regard to the operations within the state entities. You went out and told South Africans and the media that Minister “Jamnandas” and the Eskom chairperson, in fact, misled the President on the January load shedding.

Deputy President, are you aware of any conversation between Minister “Jamnandas” and any other sources which are in the process of buying Denel and Eskom assets, as of March 2020? If you aren’t aware, are you also aware that this conversations and deliberations are happening without the knowledge of the state President, because Minister “Jamnandas” ... in fact, he is the President of this country?

The DEPUTY PRESIDENT: Well, thank you very much; truly, I am not aware. Maybe I am naive but I can’t be prying on what people are doing everyday. As government representative, we have an obligation to do our work transparently. So, I am not aware. All I am aware of is that there is a friction that exists between the EFF and the Minister of Public Enterprises. [Applause.] I do not know what informs that friction, but each time I see you, there is a fight.

You remember the last time I was in the House, we spoke about a letter ...

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Deputy President, can we allow a point of order?

The DEPUTY PRESIDENT: Yes

The DEPUTY CHAIRPERSON OF THE NCOP: Let me hear the point of order here.

Ms M O MOKAUSE: Deputy Chairperson of the NCOP, the Deputy President is out of order. We cannot say there is a friction between a political party and a Minister when we come to this House and raise legitimate and genuine issues. You are out of order and I am going to ask you to withdraw that.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mokause, that is not a point of order. Hon Deputy President, you may continue!

The DEPUTY PRESIDENT: Well, Deputy Chairperson of the National Council of Provinces, if the member asserts that I am out of order, maybe we should accept that and say ... it is my suspicion ...

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Deputy President, there is no order on what is out of order. So, you can continue! [Laughter.]

The DEPUTY PRESIDENT: My suspicion emanates from the fact that I came to this very House and I was asked about a letter that I was supposed to have received about Minister Pravin Gordhan. I responded that I haven’t received that letter because there are procedures in the House to be followed. If there is a problem or a question, it must go through the procedures of this House. We went around in circles discussing this matter. After leaving the House, I kept thinking about this question. [Laughter.] Why ... I am a member of the National Assembly and I can see the friction. [Laughter.]

Now, if the member says I am out of order, I withdraw. [Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Deputy President, I want to repeat that at no stage you were found to be out of order.

The DEPUTY PRESIDENT: Okay, thank you. Okay, I am done.

Mr S MSIMANG: Thank you very much madam Deputy Chairperson of the NCOP and Deputy President. Deputy President, I want to say to you

that since 1999 to 2017 the SA Airways has received R39 billion. Between 2017 and 2019 or last year, they received another

R10,3 billion. We have just heard the Minister of Finance talking about another R16,3 billion that is going to be allocated in the next coming three years.

The national carrier prides itself as being the flag-bearer of the country and it being able to not only fly international but also able to cover all the areas of our country. Now, Deputy President, there has been cancellation the flights from East London and Port Elizabeth and we are now hearing about further cuts that are expected or further cancellation of flights.

The questions that I want to ask are the following: Given the fact that we have given so much billions to the SAA to date and also planning to give more, has the government engaged with other airlines to fill the void that the SAA is opening? Can the Deputy President give me two specific things that will be done differently in the next coming three years that have not been done in the last

21 years?

Lastly, don’t you think that it is time that we look at privatising part of or selling the SAA completely?

The DEPUTY PRESIDENT: On the last question, as government, we are not looking at privatising the airline. We still think we can deal with the challenges facing it. That is why this time; we have allowed a business rescue practitioner. You’ll understand that when a business is referred to a business rescue practitioner, it means the business is facing problems; the business must be rescued. The business rescue practitioner will tell you exactly what is wrong with the business. If you want this business to function, you have to attend to this and that. The business must change this and that; and that this is not sustainable, that is why the business is losing a lot of money.

It is the reason why we voluntarily subjected this business to a business rescue practitioner because we want to rescue the business. We agree that the business is facing a lot of strain and it is going through difficult times. We have not come to a point where we should desert the business. We still think South Africans want this business. It is their business. We haven’t reached a point where we think South Africans are saying it must be sold. The SAA belongs to the people of South Africa. We are not at a point where we are saying that in the interest of the country, let’s sell this business.

The President came out in the state of the nation pronouncing that we are going to rescue this business and the country agreed. It is of course painful because we are paying money to rescue it. But be rest assured that this too will pass; the business will be back on its feet and be a strong.

With regard to the routes, we can’t give them up because an airline business is about routes. That is why taxi people are fighting about routes everyday because the more the routes the more the income. So, we aren’t going to desert our routes. If we do that it will mean it is temporary and sooner or later, we will get them back. Thank you very much. [Applause.]

Mr S ZANDAMELA: Deputy President, I understand why the hon member said the SAA must be sold. We now understand what interest he is pushing. What I want to ask Deputy President is ... you gave us a clear answer when it comes to Eskom that you are a bit happy. It seems like you are turning the corner.

Well, there are a lot of things that have been raised today, especially with the SAA; the cancellation of routes, etc. Can you please, maybe, put the country and this House into confidence by giving a clear answer on what is it exactly that is going on at the

SAA? Where are we? Are we getting it right or you are still waiting for the business rescue practitioner to give you his report? Thank you.

The DEPUTY PRESIDENT: I am generally in the same position as you with regard to information about the SAA. This is because as government, we are running the SAA as a business. It is a public entity and government is the biggest shareholder, if not the only shareholder. When it comes to the running of the business, there is the board, the CEO, etc. It is run at a distance. It can enter into private agreements and dealings.

For us to agree to subject the business that we own to business rescue practitioner by virtue of having majority shares, it means we are agreeing to follow the company laws that if a business is dying, subject it to business rescue. Now, if you rescue the business, you are not allowed to interfere with the business rescue practitioner. You can’t be the referee and the player at the same time. [Laughter.] The only thing that we have told the business rescue practitioner is that he should rescue the business and tell us what has brought us here ...

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Deputy President, just one moment! Hon Michalakis, is that a point of order? If you don’t have a point of order, you know your question will stand over for the next question session.

The DEPUTY PRESIDENT: Yes, I am saying that we have agreed to allow the business rescue practitioner to take over. We thought it is a fair decision to get an independent view about the business. We have a board that has been fighting with the CEO and all that. The board was not helpful. Well, we might say it is incompetent and what not, but it wasn’t helpful. Hence, we have agreed to put the business under business rescue.

The business rescue practitioner will then present a report in the shortest-term available from today because they operate on timelines. So, South Africans will know exactly what the problem with the business is. We might be told that maybe it is the food that we eat in the plane that is the one that is costing the SAA a lot of money, maybe the tickets are too expensive or the SAA is not compatible with all the other airline prices. They will tell us exactly what the problem with the airline is and then we will fix that. That’s all I can say. Thank you very much. [Applause.]

Mr A B GOYIYA: Hon Deputy President, not very long ago, the hon Minister Pravin Gordhan was congratulated and people were prepared to fight when he was removed as a Minister. Today, he is the worst thing they have ever had. I want to give you homework to investigate what went wrong. But in our view, there is an obsession of trying to gain political relevance using the person.

Our follow up question ... without raising the populist rhetoric that my hon members here are busy with ... we want to check whether there is an operational plan, particularly for Eskom because our interest is much on Eskom especially when it comes to the poor people? We want to check with regard to the operations as to whether it will improve the efficiency of Eskom to ensure that we fight the debt burden? My view is that the amount of debt both owed by Eskom and owed to Eskom has an impact on the efficiency of Eskom as an entity.

How do we ensure that as time goes by, we have reliable energy supply in the country and don’t have the crisis that we are having now?

The DEPUTY PRESIDENT: Deputy Chairperson, I think the first thing that we are trying to achieve with Eskom is to get stability. We are

quite confident that the CEO that has been appointed ... I can assure the House that he is appropriate ... he is confident; he knows what he is talks about.

Well, other compatriots and folks in the country had a problem with his colour. And I want to say that people shouldn’t have a problem about colour; our country is nonracial. [Applause.] I can assure you that you have a diligent person.

The first meeting that we had, he gave us exactly how he understands Eskom. He indicated that we can’t avoid load shedding. He wanted a number of things fixed. He indicated that he won’t lie to us that there won’t be load shedding again. He said there will be load shedding as he will be fixing different power stations. I found him very fair.

He is doing something about Medupi and Kusile. He is doing something about the skills in the company, about the number of employees that seem to be more than required in the entity, and about the generation capacity of Eskom. The biggest elephant in the room is the amount owed by Eskom – the debt.

This matter is being discussed at Nedlac. Labour wants to come into the discussion. You’ll remember that some of the money that has been borrowed by Eskom belongs to the Public Investment Corporation, PIC, the workers; it is their pension money. The workers have a say. The workers in our country are amenable to rescue their own public enterprise. They are still discussing and I am hopeful that we’ll find a solution. If we can deal with the debt problem of Eskom then we are out of the woods.

I am just worried about the culture of payment of electricity. Our people must pay. I have seen our people in Soweto marching about the bills. As much as they have concerns about the bills that have been issued by Eskom, let them discuss that, but finally, our people must know that the electricity we are using; Eskom is using money to generate it. We must pay.

I must say to our people in Soweto that I was part of them when we were boycotting payments because we wanted to bring down the apartheid government. Things have changed. Today, we have a democratic government. We can talk. We must pay and sustain our own country. That’s my appeal to my brothers and sisters. This time, this is your own government. You have elected this government and

you have participated in the elections. So, you can’t refuse to pay. By so doing, you are bringing the same government down. [Applause.]

Question 5:

The DEPUTY PRESIDENT: Hon Deputy Chair, ours is a constitutional democracy. The Constitution of the Republic of South Africa, Act 108 of 1996, makes provision for the principle of the separation of powers. According to this principle, the power of the state is divided into three different but interdependent components, namely the executive, the legislature and the judiciary. Neither the Cabinet nor Parliament may supersede, ignore or undermine the constitutional powers of the judiciary. That will be my response to the question. Thank you very much.

Mr D R RYDER: Thank you for the response, Deputy President. Our record of an independent judiciary is excellent to date, and the separation of powers is a cornerstone of our constitutional democracy but it was recently announced that the ANC’S national executive committee took a resolution that the executive should have all powers when making decisions relating to land expropriation without compensation, effectively proposing the executive overreach. This is essentially making the courts appear as the scapegoat for slow land reform.

The reality is that national government itself has dismally failed in accelerating adequate land reform within the confines of the Constitution and complementary legislation. There is still so much land that has already been expropriated with compensation by national government but has not been handed out to South Africans. When will this administration stop blaming another arm of government for its own failures, respect the decision-making powers of the courts and admit that the legislation for satisfactory land reform is already in place.

The DEPUTY CHAIRPERSON OF THE NCOP: Just before you respond, hon Deputy President ... if you want, you can respond. But I don’t know how political party issues become relevant within the House when we are debating. Because that is a political party issue; it is a resolution of a party, and it is the same as talking about the EFF and saying something about them. What I am saying is that you can respond if you think you want to respond, but it is not relevant to us in the House. Hon Nyambi?

Mr A J NYAMBI: It is a point of order, Deputy Chair. In terms of the Rules of the House, if you are going to make a statement like the previous member has done, you have to do it in the form of a substantive motion. Firstly, it is distorting the resolution of the

ANC. It is abusing the question of the judiciary, Parliament and the executive, whilst smuggling something that is totally different. So, if he wanted to ask whether the President is going to comment or ask about the ANC, let it be factual in terms of the resolution of the ANC. He should not come here and distort that resolution.

The DEPUTY CHAIRPERSON OF THE NCOP: Your point is taken. Hon Michalakis, one thing I cannot understand is why you are standing whilst I have not even recognised you.

Mr G MICHALAKIS: Can I stand on a point of order, Deputy Chair.

The DEPUTY CHAIRPERSON OF THE NCOP: No hon Michalakis, sit down. [Interjections.] I am not dealing with your emotions here; I am dealing with the matter on the table. So, even if you feel you ...

Mr G MICHALAKIS: I can’t hear you, Deputy Chair, because I am hearing quite a lot of shouting from the special delegates from Gauteng.

The DEPUTY CHAIRPERSON OF THE NCOP: Sit down! That one I am sure you can hear it very clearly.

Mr G MICHALAKIS: I have a point of order.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Michalakis, sit down and indicate on what point you want to rise. [Interjections.] Yes. I now recognise you. On what point are you rising?

Mr G MICHALAKIS: Thank you, Deputy Chairperson ...

The DEPUTY CHAIRPERSON OF THE NCOP: What is your point?

Mr G MICHALAKIS: I am indebted to you for your kindness ...

The DEPUTY CHAIRPERSON OF THE NCOP: Are you rising on a point of order? Or, what is the point you are rising on?

Mr G MICHALAKIS: Hon Deputy Chairperson, I am rising on a point of order, yes.

The DEPUTY CHAIRPERSON OF THE NCOP: What is your point of order?

Mr G MICHALAKIS: Hon Deputy Chairperson, the House Chairperson’s point of order indicated just now that the member should bring a substantive motion. Firstly, the House does not make ... or the

Rules do not make provision for a substantive motion. Secondly, the ANC is not a member of this House. So, I do not understand how on earth a member should bring a substantive motion for the ANC in the ANC’s opinion, it is the presiding officer that is actually making such a point of order.

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you hon Michalakis, I think you must sit down because that is not a point of order. I repeat that the Deputy President of the country can respond if he wants, but he is not compelled because the issue is not about a resolution, legislation or a policy; it is something that was said in a meeting of a political party and I don’t think we are compelled to accommodate such things.

The DEPUTY PRESIDENT: Deputy Chair, I think we will follow your ruling but I must say that the judiciary will always remain an arbiter. If any two warring parties have differences, the judiciary will settle that. Now, the judiciary has made options available. If you are not happy with a certain decision of the judiciary, you can appeal. You can appeal twice but finally the decision is binding.

Once you go to the Supreme Court, the matter is concluded.

We can debate here about the constitutionality of everything, but finally, if we are not happy, we will go to the Constitutional Court and the court will decide. That is how these separations of powers are. Because you are not constitutional experts, the laws that you pass here can be challenged. For example, someone can tell you that a certain law that you have passed is not constitutionally correct. The person can take you to the Constitutional Court and maybe the court agrees with him, and the laws will be referred back.

If you can ask how many laws have been referred back by the Constitutional Court to be corrected by this House – it is a lot of them. That indicates the independence of the judiciary. For instance, if you passed that law and the President have assented to it, that is, you as the legislature have passed the law, and the President - the executive, has signed, the judiciary can disagree – that is how independent the judiciary is. So, I don’t see any threat, the judiciary will remain the judiciary, we don’t want to impose. But if there is any matter that we don’t agree with amongst ourselves, whether it is with regard to compensation, for example, I want to compensate you with R2 and you want R10, we can finally go to court. The court will settle our disputes, and finally we will have to agree with the settlement because you can only be allowed

twice to appeal, and the last time during your appeal, you should take the settlement. That is how far I can help you.

Mr T S C DODOVU: Thank you very much Deputy Chair of the NCOP. Deputy President, in order to realise the objectives of the National Development Plan, it is quite important for the different spheres of government to work together, integrate their efforts and actions to realise those particular objectives, more especially around unemployment, poverty alleviation and inequality within our society. With that in mind, what are other platforms and other initiatives by government to ensure that we remain co-ordinated and that its actions are integrated for giving better services to the people? I am asking this because for me that is quite important. Thank you.

The DEPUTY PRESIDENT: I think in terms of our Constitution it gives the executive ample space ...

The DEPUTY CHAIRPERSON OF THE NCOP: Just before you respond hon Deputy President - when I was listening to the question and also according to the advice from the Table, that is a complete new question. Apologies, hon Dodovu, we will not accommodate that one. Hon Ncitha?

Ms Z V NCITHA: Thank you very much Deputy Chairperson. Before my question to the Deputy President, I just want to state the fact that every government institution should make indispensable contribution to the ultimate goal of the state, namely the advancement of the general welfare of our people. A relationship of interdependence and interaction between government institutions as well as civil society is therefore necessary.

Section 41(2) of the Constitution is clear on that. My question therefore is, “In light of the question from the DA, are there any impending disputes between the three spheres of government, especially in relation to their execution of the constitutional mandate?” That is what I would like to know, especially because the DA raised the issue. I just want to know if it is not one of the ways of creating crisis where there is no crisis. Thank you very much.

The DEPUTY PRESIDENT: Standing here, I am not aware of any challenge between the three arms of state – I am not aware of any contradiction, it might be something that the member anticipates will happen or maybe as she said, that she has heard that a certain organisation is discussing about something that she is not very sure of. Maybe we can wait until that thing is clear and see whether it

contradicts the three arms of the state as they stand. But for now I think we will be jumping the gun to say there is any violation of anything. Thank you. [Applause.]

Question 6:

The DEPUTY PRESIDENT: Thank you hon Deputy Chairperson. Our overall approach to stimulating economic growth, deepening broad-based economic inclusion and meaningful participation is predicated on the understanding that we need to transform townships and villages into thriving economic hubs and integrate them into the mainstream of our economy. Township and rural economies represent an untapped potential that could unlock new frontiers of growth and diversification of industrial development and investment in areas where the majority of poor and underprivileged communities live.

Embedded in the government’s implementation of the district model is a clear articulation of our targeted approach towards investing in economic sectors to support entrepreneurship and job creation in townships and rural areas. Within a defined spatial development perspective, government’s one plan is intended to integrate and align government’s investment to achieve maximum impact that will contribute to the long-term development of a specific district or a specific metro.

As part of government’s plan to support provincial growth and development strategies, we are currently working with provinces to align their provincial economic development plans with the broader goals of the National Development Plan.

At a district level, we are identifying high impact investment

projects that will drive growth based on individual comparative advantages of each district or of each metro. The portfolio of

projects includes projects implemented in deep rural villages and

townships to promote agricultural production as well as beneficiation, infrastructure development and support to local

industries, network industries and new communication technologies. This would be enhanced through proper co-ordination by the newly

established Infrastructure and Investment Unit that is located in the Presidency.

Special economic zones, SEZs, and the revitalisation of industrial parks is one of the key pillars of our industrialisation programme and are critical platforms to integrate township and rural small businesses into domestic and global market value chains. They play a catalytic role to promote entrepreneurship, skills development and infrastructure development in townships and rural areas.

For instance, where the hon member comes from in Mpumalanga, the refurbishment of warehousing facilities in places like Kabokweni and the envisaged Nkomazi SEZ in Ehlanzeni district — where the hon member comes from — has the potential to create opportunities for small businesses to participate in agriculture and agroprocessing value chains, thereby accessing domestic and export markets. The building of the new fresh produce market that is located in Mbombela, which has already started, is one opportunity that is offering small-scale farmers, together with commercial farmers, a platform to market their produce.

As part of supporting small businesses, including those in townships and rural areas, we are working with provinces to ensure that we provide funding and mentorship support to improve their prospects of success. The township entrepreneurship fund is intended to provide needed support to all our rural and township small, micro and medium enterprises, SMMEs, and will be rolled out within the context of the District Development Model. This fund, located under the Department of Small Business, is meant to support small businesses and small farmers.

Working with the department ... with the planning commission, we have initiated collaborative engagements with the provincial teams

to formulate a functional framework to empower township and rural businesses.

In this regard, leveraging government procurement has been identified as the key tool that can kick-start and accelerate the empowerment of township and rural enterprises. For example, the government nutrition programme presents one big opportunity for the procurement of fresh produce directly from farmers to supply government institutions such as schools, hospitals and prisons. As the National Council of Provinces, you should play a monitoring role over provinces in their implementation of all these initiatives.

Again, our infrastructure programme has the capacity to stimulate the manufacture of construction materials to supply materials for the construction of our houses, schools, hospitals and roads. We are working with national and provincial governments to ensure that our public spend fosters the development of rural and township businesses. National government is also working with provinces and municipalities to improve the regulatory environment for small businesses in townships and rural villages.

It is our firm commitment to ensure that government promotes inclusive economic growth and also takes the previously neglected

and disadvantaged communities in our rural areas and townships into programmes that will fight unemployment, programmes that will fight poverty and programmes that will fight inequality. Thank you very much. [Applause.]

Mr A J NYAMBI: Thanks Deputy Chairperson and thank you Deputy President for the detailed response. Justice has been done to my question. The only missing part is ... when we in the NCOP have this flagship programme, Taking Parliament to the People, we always witness the dominated expansion of informal trade, especially in townships and rural areas. So, as the House that is doing effective oversight in departments, Deputy President, if you can probably share with us the strategy that will try to ensure that it extends to other actors that are involved in the economy such as large corporations, the media and nongovernmental organisations, to ensure that they are part of the solution in addressing the details of what you have presented.

Indeed, I can confirm that where I come from it is happening exactly as you have explained.

The DEPUTY PRESIDENT: Thank you very much. Hon member, I’m working closely with the Minister of Small Business. Now, this

entrepreneurship fund is located in her department. The discussion that we have is, first of all, let’s go out there and find these SMMEs. If they are not there, let’s create them and present them with an opportunity to manufacture and produce goods that will be sold to government. The goods that we are talking about are bricks, window frames and food that we give to our children. That means we can set up small farmers, utilise the agrihubs and utilise the fresh produce market to process their products. However, the first platform where to sell these foods is your own government institutions. These small businesspeople are guaranteed their return. That means that if they produce, their goods are definitely going to be bought.

We are also encouraging that, as much as some of the money that we are going to use to support them is going to be a grant ...

Government is going to give them that money, free of charge. However, some of the money should be a loan attached to a financial institution. So, we are giving them blended finance. We are giving them a grant; we are giving them a loan to start their business. You enrol them and support them so that you see to it that they succeed.

We are expecting this to happen in all our SEZs. That is where we think our SMMEs should participate. Why? It’s because in those SEZs

there are special conditions that are offered to businesses in those areas. Firstly, they get reduced tariffs on electricity and they get reduced tariffs on water. Secondly, the conditions with regard to whatever services they get in a SEZ are relaxed in order to support investment in those areas.

So we think this is one way of stimulating economic activity, especially in the informal economy in your rural areas and townships. We have already directed that all the former industrial parks that used to function in the former homelands must be renovated. We must allow small and medium enterprises to come and occupy those industrial parks, and start producing.

There are a lot of things that they can produce ... services that government can procure. So, we have identified government procurement as the first tool that can stimulate SMME development. [Applause.]

Mr R D MACKENZIE (Western Cape): Thank you Deputy Chairperson and Deputy President. Deputy President, I must say that you speak candidly and frankly about our problems. This is rare. You really speak like the President of the country. Thank you for that.

Deputy President, as someone who is the former premier of a province you fully understand what is needed for provincial economies to flourish and what is needed for them to succeed. Given what the President also said last month in his state of the nation address about independent power producers, IPPs, and about what provinces need ... and you know that electricity is currently the biggest stumbling block for our provinces to succeed ... and earlier on in your reply you mentioned that some provinces or some municipalities might not be financially able and they might collapse, etc ...

However, given that it has been said by the Western Cape ... and by

... that there are 22 municipalities that are currently ready to generate their own electricity by IPPs, what will you do as the Deputy President and as the Leader of Government Business, to assist those municipalities, whether its the Western Cape, Gauteng or the Eastern Cape, that are current ready to proceed? What will you do as the Leader of Government Business and the Deputy President to allow those that are ready and financially able to proceed and become less of a burden to Eskom?

The second part of the question is as follows. Last week Sebokeng Zone 4 was without electricity for four days. So, many of our township businesses and small businesses ... the fridges didn’t work. They couldn’t serve cold beer and they couldn’t make food for

the people. How will you as the Leader of Government Business ... and what can one do to hold the municipalities accountable for those small businesses in our townships that couldn’t function?

The DEPUTY PRESIDENT: Thank you very much. With regard to the first part of your question, like I said the Minister of Mineral Resources and Energy — after the instruction by the President that municipalities that can afford should be allowed to procure electricity from any generators, not necessarily Eskom — is now busy putting in regulations. This will regulate how a municipality is going to go about accessing that opportunity. There are certain requirements that you must fulfil but as we are talking we as a country are gearing ourselves ready to free those institutions that can be freed. If private businesses have the capacity to generate on their own they will be allowed to generate so that we ease our capacity. The country needs to move forward and as we speak Eskom is unable to match the demand. So we should allow these other IPPs to come into this space so that the country can move forward.

This is how we suggest we should move forward but the Minister is going to announce the regulations that municipalities ... They will be discussed with the SA Local Government Association, Salga. All municipalities will have an opportunity to discuss.

However, when it comes to SMMEs in a municipality, the first weakness of a municipality ... people will go around ... open businesses without the knowledge of the municipality. You’ll find a spaza shop ... the municipality is not aware they are trading. It is their duty. This business must pay revenue to the municipality. You can’t open a business in any space in a municipality without the municipality knowing. And, you must pay.

So, municipalities must make bylaws assisted by the province. If you want to open a liquor outlet you must get a licence and we must see to it that this liquor outlet is not next to a school or next to a church, so that we don’t have mixed developments ... on this side you have children going to school while on this side you have people drinking alcohol, as if there is no law. Municipalities must take their responsibility. If you want to open a liquor outlet we are going to tell you, you can open it there, and you can open at this time and this time and this time you must close. And, you must pay a certain revenue. That is the responsibility of a municipality of a province. Register all these businesses and support these businesses. It will then be easy if I come to a province from national ... you want to assist SMMEs ... already the municipality has an inventory; a database of all those companies because they know ... they operate within the municipality.

So, municipalities are found wanting. Up until they define ... they enact laws that will bring order in a municipal space ... Even in terms of settlements, there should be order. You can’t just put a house ... put a business without the consent of a municipality. So, in a way our municipalities are abdicating their responsibilities. That is why there is chaos. [Applause.]

Mr M DANGOR: Your Excellency Deputy President, the challenges to the development of ... [Interjections.] No, this is water in fact. ...

the development of provincial economics is sustainable infrastructure. Focussing on the delivery of health, water is important. Of concern is the Vaal River system, Tshwane and Madibeng.

My question is as follows. What measures are in place to ensure that the water situation does not have an adverse effect on the facilitation and promotion of provincial economies? Thank you very much.

The DEPUTY PRESIDENT: Thank you very much. I think after a long deliberation between myself and the President ... We had an opportunity to sit and discuss. He invited me to his house and he said, let’s have tea. I have an idea. This idea ... I’m not happy

about the way we are delivering services in the country, and I said, well, I hear ... President. He said, I’m thinking that we are disjointed. National, provincial and municipality ... we are not co- ordinated. I therefore want to propose a district model in the way we want to deliver services. Let’s all utilise the platform of a district ... national, provincial and municipal level. All of us have one plan that is defined in a district. The plan is costed and the projects are known. That will foster the working together between the three spheres of government.

Now, when you build houses ... someone must build those houses. It’s probably the province, but the municipality must ensure that there is water in those houses. You won’t have a situation where you build houses and when you come people start toyi-toying ... they want water. You must come and put ... water. However, right from inception, in the planning as you plan to put houses, you plan for bulk water. As you plan to build a school, you plan for water. So, all of us that must present the services meet at a district platform.

In all 45 ... 46 districts, plus the metros, we have got ... each and every district will have a plan, and in that plan is a combination of national government, provincial government and

municipalities. All of us are delivering services. We can monitor at a district level.

I said to the President, yes I agree. In fact President, my experience as a former premier is that, when I was in that province, I would hear that a certain Minister was in the province and he was delivering a certain project, yet I didn’t know. I didn’t know. In fact, the Minister was building an agrihub. We must put water in that agrihub and we must mobilise farmers to use that facility.

However, because we are not together that agrihub stands the risk of becoming a white elephant ... not utilised.

Now, I’m happy that as government we are rolling out the district model. We have gone into three districts and this model is working. What is interesting is that this model gives you the profile of that district. It will tell you how many women are there. It will tell you how many children-headed households are there and how many unemployed people. I mean, you get the profile of the district so that as you respond you respond on the basis of the profile of the actual situation at a district level.

However, we are going to meet at the district level ... national, the province and the municipalities in that district, and then we

have one plan about the development of that district. Whether it is economic development, whether it is the delivery of services ... water ... whether it’s the delivery of electricity, we’ll have one plan and one budget. [Applause.]

Mr M S MOLETSANE: Thank you Deputy Chairperson of the NCOP. Deputy President, following your response I heard you talking about some funding that is going to be available in order to ensure that some of the projects are successful, with the intention of trying to improve the economy in the provinces, especially the rural places and towns.

So, I just want to check with you how you are going to ensure accountability and consequence management in order to ensure that we uplift small ... farming and avoid another scandal like Vrede Dairy

... that happened in the Free State?

The DEPUTY PRESIDENT: Well, thank you very much. Each time we do our work as government we must ... it’s compulsory ... to put in checks and balances so that we secure public funds. We have rules and laws that regulate our procurement process. At times these rules are cumbersome; at times they are helpful. They assist us in lessening

corruption. In the execution of our work we must always put some measures in place that will stop and deal with corruption.

However, that should not really scare us from proceeding. We are going to support small farmers, we are going to support small businesses whether in the form of a grant ... Nationally we are going to support farmers. We are going to give them a grant, working together with the Development Bank of Southern Africa or the Land Bank. The Land Bank will give them a loan. As government we give them a grant and then we monitor that they work. They must produce and pay the debt to the Land Bank.

All the restituted farms ... With regard to all the people we are going to support with land, we must support them financially to produce ... monitor that they are producing because there is a debt that they must pay.

This is what we are going to do. Every province should register all their SMMEs. They must be in a database. They must be supported.

They must be given the necessary financial skills, management skills and business skills, until someone is capable of running his or her own company. Then we can leave that person. That person would then be a fully matured businessperson. In terms of agriculture we say

this farmer is now commercialised. That means he or she is able to carry himself or herself without any support.

However, all that we want to do is to increase the base economic activity and the production level of the country, get people to produce, get people to employ themself, get people to deal with poverty and get people to deal with hunger. Let them produce food, let them go to work and let them create work themself, but support them.

In that way, some of the businesses that you’ll have supported will then pay tax. You will have increased your revenue base. All those that will make a certain amount of money beyond a certain threshold will then start paying tax. That is the only way we can bring our economy back into life. [Applause.]

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): Thank you very much hon Deputy President. That deals with the questions. We have concluded it for the day. [Interjections.] Order! Deputy President, you may go to your seat.

Mr M NHANHA: Chair, I would want to thank hon Mackenzie and Solly Msimanga for having come to do some work here. [Interjections.] They

are not warming those benches. Thank you very much Solly. Thank you very much Ricardo.

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): Hon Nhanha, it will be the last time that you try me like this because the next time I’m going to make sure that I throw you out of the House. [Laughter.]

Hon members, just before we conclude. Chief Whip?

The CHIEF WHIP OF THE NCOP: Deputy Chair, there is a pattern developing in the House, either where members want to use questions, because they are tabled, to feature other political matters that we didn’t allow for discussions to take place on. Also, to seize the moment at crucial moments that undermine the decorum of the House.

It is established practice that after the Deputy President has addressed the House, the first ... is left for the Deputy Chair to make pronouncements on what we make out of the presence of the Deputy Chair in the House. So, I think we should be consistent with that; really not play cheap party political grandstanding here that undermines the dignity of the House. Thanks. [Applause.]

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): Hon members, the Chief Whip has spoken. Let me just appreciate the presence of special delegates that are here today and also — I should have done it at the beginning — to apologise for the delegation of KwaZulu- Natal. They are attending the address of his majesty the king and also the state of the province address. So, as a delegation they are not present here.

Let us really appreciate ... hon Deputy President ... I must commend you. The first time you came here you were just responding but I can really see that you are so used to this thing now. It was so structured and it was very good. We appreciate that because it also helps us in ensuring that the sitting does not continue for too long. In fact, I said to someone before we came here that one thing about the Deputy President is that he doesn’t have elaborate answers. He is strict and straight to the point. We appreciate that as the NCOP because you are also assisting us to understand issues much better. So, let us as the National Council of Provinces express our appreciation to you, as well as to your team that so very ably assists you. Thank you very much hon Deputy President.

Hon members, that concludes the business of the day. You are requested to remain standing until the procession has left the House. The House is adjourned.

The Council adjourned at 16:21.