**NREVISED HANSARD**

# MINI PLENARY - NATIONAL ASSEMBLY

# WEDNESDAY, 19 NOVEMBER 2020

***PROCEEDINGS OF THE NATIONAL ASSEMBLY***

The House met at 14:00.

The ACTING HOUSE CHAIRPERSON hon M G Mahlaule took the Chair and requested members to observe a moment of silence for prayer or meditation.

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Hon members, before we proceed I would like to remind you that the virtual mini-plenary is deemed to be in the precinct of Parliament and constitute a meeting of the NA for debating purposes only.

In addition to the rules of the virtual sittings, the rules of the National Assembly including the rules of debate apply. Members enjoy the same powers and privileges that apply in a sitting of the National Assembly.

Members should equally note that anything said in the virtual platform is deemed to have been said to the House and may be ruled upon.

All members who have logged in shall be considered to be present and are requested to mute their micro phones and only unmute when recognised to speak. This is because the mics are very sensitive and will pick up noise which might disturb the attention of other members.

When recognised to speak, please unmute your microphone and connect your video. Members may make use of icons on the bar at the bottom of their screens which has an option that allows a member to put up his or her hand to raise a point of order.

The secretariat will assist in alerting the Chairperson to members requesting to speak. When using the virtual system, members are urged to refrain or desist on unnecessarily point of orders for interjections.

Lastly, I wish to remind you that we are meeting in a mini-plenary session and therefore, any decisions will be taken in full plenary session of the Assembly.

# THE PUBLIC SECTOR WAGE BILL AND THE NEED TO DEVELOP A COMPREHENSIVE PUBLIC SECTOR REMUNERATION STRATEGY FOR THE MEDIUM TO LONG-TERM, TO INCLUDE HOLDERS OF PUBLIC OFFICE, OFFICIALS IN STATE-OWNED COMPANIES, PUBLIC ENTITIES AND LOCAL GOVERNMENT

Mr W M MADISHA: Hon Chairperson, permit me to believe that we all know who public service workers are. Further permit me to emphasize that those who are extremely important people who work in the government institutions to implement laws and services expectations that this Parliament directs government to take forward. Those people are health workers who sacrifice their lives to ensure that all South Africans live their full and healthy lives from birth till death. There are educators whose work is to ensure that all South African people acquire skills and rather for purposes of national economic development. These are people who are administrators in all government departments at all levels.

They also fight crime which includes killings, corruption, state capture and actual theft. They also run, state-owned enterprise, SOE, and may other areas that I may not have cited. There are those people who are there in our institutions and I must emphasize that there are more than one million.

It is on the basis of this that they are important, that the state their employer is compelled to sit with them represented by their unions as is the case in South Africa today. And develop comprehensive public sector strategies which include comprehensive remuneration strategy for medium to a long-term period.

I must indicate that although the state has done that before and agreements were reached implementation has seldom taken place properly. This is proven by the 2020 Medium-Term Budget Policy Statement, MTBPS, where government celebrates victory for having succeeded to not implement the remuneration agreement and announcing the declaration of war in future negotiations.

Already government called on Parliament to agree that public service wages must be put at 1,8% and go down to 0,8% in 2021 Medium -Term Expenditure Framework, MTEF**,** and even lower beyond 2021. This is without a doubt extremely wrong. What government does – and this has become a consistent practice – is to sit down with workers and come up with agreements which government never implements.

What must be done? We really call on government to sit with the workers and develop a three-year agreement which must be implemented. They need to ensure that there are skills

developments. What has been happening – although this has been the case for over more than 10years – what government has not done has been to implement those particular levels of agreements and this is a major problem. What Parliament needs to do, is to say to the government that once the agreements have gone into after very lengthy discussions, there must be implementation, which is what I want to emphasize that it has not taken place for a very long time.

What government does is to go into three-year agreement and instead of implementing it they don’t. For instance again, they will go at least a year before the implementation and talk for the whole year, but then when the actual implementation has got to be done the opposite is the case. That is the first major problem that we are faced with.

The next one is a problem that we are faced with of local government structures. Out of hundreds of municipalities in the country, less than ten got a clean audit. What are the problems that we are faced with? We want to say Department of Co–operative Governance and Traditional Affairs, Cogta**,** has not done its work and is continuing not to do its work because in all instances, what we are faced with is that many municipalities, many local government structures don’t know what they are supposed to do

hence, we are saying, even for those people to get lots and lots of money, this is not supposed to be the case. I listen for example to the President as he was speaking yesterday where he said that municipalities have got a chance to manufacture their own power by the year 2021. I want to say that this is impossible, because a lot of money will go to these particular structures and nothing will happen altogether. Because of the incapacity that permeates those particular municipalities.

A lot of money gets stolen. Even the money that is supposed to pay ordinary workers is taken by those office bearers at those particular levels. I therefore would urge Parliament and the honourable members to look into this and say that this is impossible and it is wrong.

When you go to the SOEs, out of 700, not all of them are still important. Some share mandates, some share responsibilities despite their uselessness, they receive billions of rands which should be directed to actual public service delivery and remuneration of the important services to the people of South Africa. Therefore, close those which are no longer necessary and merge those which share mandates and the responsibilities.

I can give an example with the Department of Communication; you would remember that there two departments but they had been brought together and we now have only one department. We have been able to save money from either side. We are able to go forward properly. This is something that is not happening when you look at the SOEs. Lots and lots of monies are just thrown around and we are not getting anywhere altogether. A major problem has really come up even more because billions that go to them must be directed to the primary public service workers, to ensure that there is a delivery.

Chair, I want to emphasize that the monies that go to all these areas have got to go to the payment of workers in the public services. I want to say that all the figures that we have that have been given by the Department of Finance and so on in the past week, all that has got to be looked into and enough has to be given to the working people of our country who are there to deliver and do their best in the public services instead of simple kicking people out and ensuring that there go nowhere.

I can give an example with South African Broadcasting Corporation, SABC, which is part of the SOEs that we are talking about. Workers are just kicked out nothing is happening, they are not given anything, there are no skills, there is no money for future

development. Nothing altogether and these are things that have got to be solved.

I want to further emphasize that agreements are reached between unions and the employer which is the state in this instance. But those agreements are never implemented. We cannot agree that we rise against ordinary employers out there which are not the state and we see those employers as wrong employers and, yet here we are, a state which falls under the democratic government. But we say everything is correct because it is this state, it is this government that can go on and just throw anything and not look after the people of South Africa.

I therefore want to say to Parliament, let’s look into this and agree that this kind of firing of people, this kind of non- implementation of the agreements which are there has got to come to an end so that all these particular figures that have been given to you and all the figures that are going to be given to you in the coming few weeks have got to be looked into and we have got to make sure that there is proper implementation. Thank you, Chair.

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule): Hon Madisha, my apologies I was muted for a second there. Thank you very much.

Mr T H JAMES: Hon House Chairperson, the ANC welcomes the opportunity to debate what we define as a matter of principle. When we talk of a matter of principle, we refer to how you build social compacts, of how you build human solidarity, of how you display the highest political and ethical morality in dealing with the challenges we face, and how we take a principled approach in dealing with these challenges.

Whatever the intentions of the sponsor of this subject of discussion are, we as the ANC are interested in finding solutions, knowing that there are always alternatives and that the single narrative is never a solution to any economic challenge. In this context, one of the principles that the ANC advances is that of honouring agreements in financially challenging times which requires creative thinking and proposals. It requires lateral thinking, and not mechanical thinking.

The second principle that the ANC advances is that of an injury to one is an injury to all – that one section cannot assume responsibility for the entire part when the entire part requires attention. In other words, we have to be holistic when we deal with challenges. The third principle that the ANC advances is that there is no morality in opting for a solution where the poorest will pay. Human solidarity means that there will always be cross-

subsidisation by those who can afford to those who cannot afford. So, in the context of the public service bargaining council and its agreement, you protect the lowest grades – those outside of senior management services; those who can least afford and are classified as the poverty of the employed. What we mean by those who worked to hand over their monthly wage to debt and continue from one month to the next in perpetual poverty.

The fourth principle that the ANC advances is that courts of law are not the solution in resolving collective bargaining disputes. Running to the courts is a sign of failure, not of strength, for strength lies in convincing the one you seek to convince that their argument has serious flaws and being able to convince your opponent to see the alternative way.

A fifth principle that the ANC advances is that of an ongoing commitment to human resource development, the public service provide a wonderful example of training and development, and the ANC in its policy document from 1992, entitled Ready to Govern, spelt out the ANC’s commitment to overall human resource development of the country – the country’s greatest natural endowment. Therefore, our public service must be a reflection of this, not a battlefield for economic choices. Let us all acknowledge the role of public service workers.

Since 1994, it is them who implemented the spirit and the intention of the reconstruction and development programme of the ANC and its alliance partners. It is them who implemented the White Paper on reconstruction and development and transformation of the public service. It is them on behalf of the state, who contributed to the development of the country. It is them who rallied behind the call of Batho Pele in 1996 and responded.

The development and remuneration of public service focus for implementation of economic reconstruction and recovery plan is critical. Economic plan depends on a public service and the extensive support to the third tier recovery plans in all of their three phases. Without this support, the plan will not achieve standard results. So, there is the dialectical relationship between economic success of our country and administrative support in the public service and the public sector. Some of the ANC’s primary policy projects, like the National Health Insurance will provide for a healthier nation that will better contribute to the success of the economic recovery and reconstruction plan.

Our greatest tribute to public service workers must be their heroic role that they have played since the onset of the COVID-19 in March. It is them who have faced the ultimate danger and many contracted illnesses and there are those who have paid the

ultimate price of giving their lives so that others may live. We need to honour them and pay tribute to them in a manner that recognises their bravery and commitment.

Let us now deal with the myths that underpin this debate. The first myth is that public service wage bill debt is climbing whilst in the private sector it is declining, and that dropping private sector remuneration and rising public sector remuneration is unsustainable. So, what do the facts, evidence and research tell us? Research conducted covering the last 10 years shows that the differecnce between private sector increases and public service increases is less than 1%. In fact, we need to state and caution those in government from using private sector research whose impartiality is heavily influenced by capitalists’ accumulation path.

It is best to use state research institution that we in Parliament through Budget Votes agree to. The comparison that private sector research use as sample, revealed that nurse for nurse and teacher for teacher did not inform the research but rather, the research took petrol assistants and retail sector workers to provide evidence of dropping remunerations in the private sector. And they then manufacture the narrative that remuneration in public service is disproportionate and sustainable.

The second myth is that the public sector is bloated. This is of course losing credibility now but it still gets manufactured and repeated as a fact. International research shows that compared to other developing countries, we are in fact understaffed. Research from the National School of Government confirms that ... in fact, the vacancy rate in the public service stands at 170 000 . The 2018 Presidential Health Summit found a shortfall of 37 000 posts in the health sector. Another myth that is peddled is the conscious conflating of the posts of public sector workers with public service workers and uses this as a reason to constrain the public service wage bill.

The public sector accounts for 73,4% of the total employment in the public sector, excluding state-owned enterprises, and therefore, the total cost to the state is often used as a total cost of public service needs to put 14:31:14but in perspective. To put in perspective another perspective, public service employment increased by just over 123 000 people or 9,7% between 1994 and 2019. This increase of public service employment has not been added up with 46,7% increase in the population growth to

59,6 million in 2020 from 40,6 million in 1994 - hence the chronic understaffing in certain occupational groups.

In conclusion, the ANC approach this debate informed by the philosophical and policy positions, and one of demonstrating alternatives to finding a solution as opposed to a single narrative. I thank you, hon House Chairperson.

Ms R N KOMANE: Chair, can you please deal with this issue of the host muting us. By the way, it’s fine. Going back to the debate, let us take this opportunity to demystify some of the misconceptions around the issue of the public sector wage bill. There is an impression that is given largely by National Treasury as part of the agenda to continue with austerity policies, that we spend too much money on personnel, and we have too many people in government who are not adding value to the service delivery. To take this at face value and not interrogate systemic issues will only lead to dealing with the superficial number without substance and evidence, when a structural issue that needs our attention and needs to be resolved urgently is the nature of the state.

Firstly, there are services which the state must provide that should never be entrusted to the private sector. This includes the education of our children, the safety of our people and health care provision. At the moment, these are human beings who have to be physically present to do their work. You cannot wish them away with austerity policies. Already, the majority of them are poorly

paid, highly indebted, and some cannot even afford to put a roof over their heads and send their children to school.

Over the past years, the reality is that the salary of teachers, doctors, nurses, our police women and men, soldiers and even municipal workers have not increased in line with the inflation, and they live on one pay cheque away from poverty. So, we must not be misled by some of the statements that do not see government employees as human beings but simply numbers that you can just wake up one morning and decide to freeze their salaries; and not fill the positions which are critical for service delivery. This results in workers working for two and sometimes more than two people.

According to Statistics SA, it is estimated that the population increased by 21% between 2006 and this year, and the total headcount of government employees only increased by 16%. This means that the ratio of public servant to the population fell overall. The second biggest issue with the public sector wage bill is that we employ 1,3 million public servants the majority of whom are doing administrative work of managing contracts of tenders, if you remove those who are teachers, nurses, doctors, police and soldiers. They manage contracts between the state and private

companies because the government cannot deliver even the most basic services. They rely on tenders for everything.

Essentially, what we have here are two states in one. One is that of public servants who are many administrators and the other, of the public companies which are themselves an arm of the state because they deliver the majority of the services on behalf of the state. If we were spending more than R600 billion a year on salaries paying workers who go to work to clean the streets, build the roads, collect the refuse, build the houses, maintain electricity infrastructure, provide social services, clean our parks, manage our dumpsites and recycling activities, plan our cities, develop new economic activities, and build sporting facilities – if we do all of these – we will get the value for the R600 billion and we will not have to spend an equal amount to tenders and contracts. As a result, we will not be complaining that we spend too much money on public servants’ salaries.

Lastly, Chairperson, we must condemn the attitude of the National Treasury and the Minister of Finance - that of undermining the negotiations that were agreed upon by the unions and the state on annual increases. To now want to backtrack on the agreement in its totality undermines the relationship between the state and the workers, which has allowed us to agree in many negotiations in the

past. This is unacceptable and must be highly condemned. I thank you.

Business interrupted on the virtual platform due to technical error at 14:40 and resumed at 14:44.

Dr L A SCHREIBER: Chair, I hope you can hear me now. For more than a decade the DA has warned that the day would come when unsustainable, populist wage increases would threaten the fiscal survival of our Republic. That day is today. Today, this government spends over R30 billion per year on the salaries of

29 000 millionaire managers many of whom are political cadres who lack even the most basic skills.

However, just this past week, we heard that the state has no money left to build houses for the most vulnerable members of society.

Out of every one rand collected in taxes, 51 cents are now used to pay salaries. We spend a quarter more on salaries than the rest of the world. But figures alone don’t tell the full story. This is not merely an accounting problem. It is not even really a technical problem. At its heart, the problem with our public sector is political and ideological.

At the most basic conceptual level, the ANC’s decades-long abuse of the public sector is rooted in its desire for total control. This lust for power over society was best articulated by the intellectual architect of ANC state capture, Joel Netshitenzhe, when he wrote in 1998 that the party’s aim is to extend its control over all levers of power – the army, the police, the bureaucracy, intelligence structures, the judiciary, parastatals and agencies such as regulatory bodies, the public broadcaster, the central bank, and so on.

Today, as we face the greatest economic depression in a generation, it is clear that the ANC has succeeded in its quest to capture and corrupt the state, and the results have been devastating for our society. Aside from where the DA governs and with a few important other exceptions that only serve to prove the rule, our civil service now exists only to further the interests of a single political party rather than serving the people of South Africa.

We have ANC cadres deployed to managerial positions in the Department of Human Settlements where they are paid millions of rand each year. On what exactly are they managing now that their salaries have consumed the money meant to build houses? The executives of SAA and Prasa continue to be paid outrageous multi-

million rand salaries even though there are no longer planes in the sky or trains on the tracks.

The ideology of total control has reduced us to a sad Potemkin state that exists in name only. At first glance our state has some of the trappings of a modern public service, complete with the associated jargon and titles. But look just beyond the flimsy façade and you’ll see a state that is even not able to do the most basic things. Tax money is stolen with breath-taking ease, systems are seemingly always offline, and private businesses suffer because the state cannot pay suppliers on time.

Yet, even as the economy imploded and public sector productivity crushed, the ANC kept on increasing the salaries of their deployed cadres and their political friends in the labour unions. And now that the chickens have come home to roost, it is politically impossible for this government to reign in the public wage bill in a responsible manner. Cadre deployment has been so devastatingly successful that nearly all the most powerful and well-paid positions in the state are now occupied by ANC members and their cronies from Cosatu, the very people who have in the past toppled ANC leaders.

So, instead of going after overpaid but politically-powerful cadres in management positions, the government has chosen the cowardly route of across-the-board wage freezes which will have a disproportionate impact on lower-paid, frontline-service-delivery heroes like nurses and police officers. It is frankly amazing that the previous ANC speaker can sit here and claim that they are on the side of the poor. In fact, it is the ANC’s across-the-board wage freeze that is actively busy punishing the lowest-paid workers just to protect millionaire cadres from salary cuts.

Yet, even while they are busy punishing frontline workers, the DA can reveal today that this very Parliament has wasted a quarter of a billion rand just on business class flight tickets for retired Ministers, Deputy Ministers and their families. That’s right!

Every year millions of taxpayers’ rands are used to fly the likes of Bongani Bongo, Des Van Rooyen, Enoch Godongwana and Malusi Gigaba around in luxury. They get this benefit for the rest of their lives even into retirement. This government simply does not exist to serve the people of South Africa. It exists only to serve itself and its powerful cronies. It is willing to sacrifice basic government services just to keep cadres like Gigaba on the gravy train forever.

As far back as October 2019, the DA introduced a plan that would have cut the public wage bill by R168 billion and stabilise public finances while still granting inflation-linked increases to the people who actually deliver critical services. But this plan could only be implemented by a government that was brave enough to take on political cadres and unions. Instead, of course, the ANC chose to sacrifice the incomes of nurses and police officers as well as the 30 million poor people who depend on public services just to protect the sky-high salaries of cadres in management positions.

Hon Chair, we are in this position today because the government has consistently ignored all of the warnings along the way. And as we now slide ever more rapidly towards outright state’s failure, this is likely one of the final opportunities the ANC would get to heed our warning. If they took a moment to look out of their business-class-flight window, or stepped out of their luxury SUV, they would see that South Africa has arrived at the last chance saloon. Time is running out and the choice is clear – managers or Maths teachers; cadres or country; and politics or the people. Tik Tok. Thank you.

Mr X NGWEZI: Hon House Chairperson, as was noted in the Treasury’s response to the public submissions to the Medium-Term Budget

Policy Statement, MTBPS. South Africa’s debt service cost us now 4,8% of the Gross Domestic Product, GDP.

As members of the legislature, this figure must call alarm. If we, as a country, continue down this unsustainable path we may have a feasible economy of which to speak. This compounded by Covid-19 means that we have some difficult times ahead of us and even more difficult decisions to make.

It is common knowledge that South Africa spends more of its national income on salaries, of which it is 1,3 million public servants. According to the International Monetary Fund, IMF, this is the norm in many similar democracies.

For a long time now National Treasury has been working tirelessly to stem the financial haemorrhage at multiple state-owned enterprises, SOEs, and government departments. A failure to sustainably generate the necessary revenue by SOEs and municipalities is a stuck reminder of works we have to do.

It is unfortunate and it was entirely avoidable that the results of the unabated corruption and other mismanagement even at local government level will have a negative impact on the lives of average South Africans.

Treasury’s wage-freeze solution is one bond of desperation. The options to stabilise the fiscus have steadily been dwindling, leaving us in this precarious position. The truth of the matter is, the integrity of members of this House has been called into question due to the unethical and greedy conduct of some who sit among us – conduct which has contributed to the problem.

The IFP recognises the imperative to remunerate office holders in a manner that reflects their qualifications, capability and contribution. However, when it comes underperforming SOEs embroiled in never-ending corruption scandals, who have a revolving door of leaders, a careful and a well-contemplated approach must be taken. We cannot continue to pay millions in salaries to entities that bleed the same funds intended to rescue them. The solution must be a multi-pronged one; one that addresses top-heavy salaries and lavish bonuses, a solution that addresses the failure to generate revenue by SOEs and municipalities, one that places effective checks and balances between people and the state coffers, and one that places qualified and reliable individuals in the public office.

Hon members, it is time for us to play our part and demand solutions that are innovative and impactful, both now and for the long term. Thank you very much, Chair.

Ms H DENNER: House Chair, the hon Madisha is correct when he says that a comprehensive public sector remuneration strategy is needed. Also correct is the Minister of Finance when he said in his Medium-Term Budget Statement Policy that the reduction of the public sector wage bill will save the fiscus R300 billion.

The public sector wage bill cost us a R154 billion in 2016-17, in 2018-19 it cost the country R580 billion; this was a 78% inflation adjusted increase and a real increase of 44%. The increase from 2016 to 2019 surpassed our rate of economic growth and productivity. Presently the wage bill is over R600 billion for 1,3 million public servants; a third of the country’s entire budget. If this is not dealt with soon we will face a fiscal debt crisis within the next three years or even sooner.

Treasury realises this and from there the Minister proposal to freeze public sector wage increases for the next three years. Btu why are we in this situation in the first place? Because the ANC government does not understand the difference between being an employment creator and being an employment provider. The ANC has failed to stimulate the job and employment creation in this country. We have a record unemployment rate and before you blame coronavirus it was already a record in 2019 before the lockdown. And then they wake up the ANC’s failure to create jobs, it used

the fiscus to provide jobs. But you cannot continue to provide jobs to a fast growing labour market with fast growing salary demands due to overzealous trade unions on the revenue from an even faster shrinking tax space. Subtract that, which is stolen through misappropriation, fraud and corruption, and you will arrive at the answer which our [Inaudible.]

According to recent research done by Intellidex, commissioned by Business Unity SA, a social partner at National Economic Development and Labour Council, Nedlac, public sector wage increases as a percentage of tax revenues exceeds 50% of the revenues this year. It also showed that the country’s public service is not large in per capita terms, but that public servants are unusually well-remunerated. Which brings me back to the problem of overzealous trade unions and the ANC’s failure to stand up to their alliance partners for the greater good of the entire country.

So, they must not come here and talk about matters of principle. We need a reasonably large public service due to socioeconomic issues we are facing. But that means we need doctors, nurses, social workers, police officers and teachers; not directors for directors, deputy directors for deputy directors and personal assistants, PAs, for their PAs.

Ironically, those sectors in which essential public servants are most needed are those that who are most understaffed. While the public service remain [Inaudible.] heavy with higher than the norm salaries for middle, upper and top management.

Take the SA Broadcasting Corporation, SABC, for example, staff are devastated after receiving so-called redundancy letters. People with families, who will probably be without jobs by the end of the year because the SABC, like every other state-owned entity, could not manage their affairs, including their salary bill which is 45% of their total budget. But of this 45% salary bill, more than

R40 million goes to top management, but the journalists, technical staff and support staff who must now carry the brunt of the burden are those who received the letters.

So, therein lies the answer, hon Chair, trim the fat by trimming excessive management positions and salaries, not those who are essential to our country’s safety, security, education, health and well-being. I thank you.

Mr S N SWART: House Chair, the ACDP welcomes this topic for discussion from Mr Madisha. There’s undeniably an urgent need to develop a professional and capable state to help the country to

recover from the socio and economic ravages of both the recession and Covid-19 hard lockdown.

The Medium-Term framework highlights the dire state of public finances and urgent steps are necessary to reduce the budget deficit and stabilise the national debt to GDP ravisher.

Years of state capture and corruption have resulted in an economic recession which was before the onset of Covid-19; Covid-19 just made a bad situation much worse.

The private sector has borne the brunt of [Inaudible.] the economic devastation of the hard lockdown where thousands of businesses closing and more than 2 million jobs having been lost; most employees or many employees have also taken a reduction in salaries just to remain employed. Yet the public sector, after years of above inflation salary heights, remains largely unaffected.

It must be said, however, that public sector workers such as doctors, lawyers, laboratory assistants, policemen, have been at the forefront of the fight against Covid-19. Public sector employees also rightfully asked “Why they should have to suffer because of years of state capture and corruption that has taken

hundreds of millions or rand from the state coffers”. This is indeed a compelling argument. However, the country is in a desperate situation with the sovereign debt crisis looming, this must be averted as it will result in austerity conditions should the country have to obtain an IMF assistance. Returning public finances to a sustainable position is thus nonnegotiable.

The proposal in the Medium-Term Framework is that the public sector wage bill must be reduced R36,5 million as part of sweeping adjustments to save government spending of R300 million over the medium-term; this will take the form of salary freezes.

Economic recovery is something that should rather be emphasised and in this regard, the ACDP supports a shift in spending, from consumption spending to investment, infrastructure development. However, frontline services such as education, health, peace and security should not be affected.

The ACDP thus supports developing and comprehensive public sector remuneration strategy for the medium to long-term. This includes public office bearers like ourselves, public entities, SOEs and local government. Completed interest must be balanced on the basis of fairness, equity and affordability with best possible persons appointed to positions on merit.

Desperate situations, sadly not our own making, require desperate measures. We all need to make sacrifices or we will all sink [Inaudible.] or swim together. I thank you.

Mr X S QAYISO: Hon Chairperson, the ANC’s approach to this debate is to find alternatives as a way of finding a solution to our challenges unlike hon Schreiber listing a number of grievances to the ANC about its deployees. That’s not what we are going to assist him with. As opposed to a single narrative, what has brought this debate into focus is the key question of managing the challenges of public sector debt, and providing evidence-based solution to the challenges thereof.

The debate on the public service wage bill too often gets erroneously conflated with the public service. The public sector includes the public service, but also the local government, state- owned enterprises and other state institutions. They therefore, should be disaggregated and not be lumped together as if they are one and the same thing.

The manner in which debt is managed differs across the public sector and today the subject of this debate is about the public service. So, let us do an analysis of the public sector debt and the public service wage bill in relation to the overall budget.

This is important as there is no single instrument in dealing with debt as some would want us to believe.

Research by Hassen and Altman, two leading labour market analysts, shows that public service constitutes 72,4% of total employment of the sector. Statistics SA Quarterly Employment Statistics for March 2020 shows there were over 1,5 million people employed in the public service at the end of December 2019 - almost 350 000 people employed in local government; just over 101 000 employed in extra-budgetary institutions; and over 111 000 employed in the universities. Therefore, in total, in the public sector there are just over 2,1 million employees.

The debate on the public service wage bill is not new. During the economic policy period of Growth, Employment and Redistribution, Gear Strategy of 1996, which committed the government to a programme of austerity, it became evident that South Africa had a debt to GDP ratio of only 49,5% in 1996 of which 96,1% of the debt was owed to domestic financial institutions. The country also had an inflation rate of 7,3%. The government would later say Gear had achieved macro-economic stability but many analysts insisted that there was no macro-economic instability in the first place. What became established out of this debate at that time was that a narrow definition of the concept of managing debt which focuses

only on the budget deficit and the inflation rate has serious shortcomings.

South Africa clearly had the fiscal space to embark on the Keynesian growth path that had been proposed by the RDP. Even Business Day wrote in 1993 that a framework that tackles the issue of affordability head-on and concludes that an annual increase in government spending of 3,75% is sustainable provided there is economic growth and real interest rates are reduced to 2%. Within this scenario, the debt-GDP ratio never reaches 60%.

We are not in a new debate. This debate goes back to the era of transition towards democracy. What is important is that we learn the lessons. Over the past 26 years there has been talk about the need to reduce the public sector wage bill. So, let us look at the facts using National Treasury statistics. During 1996-97 fiscal year, the public sector wage bill was 40,8% of consolidated expenditure and that was reported by Treasury in 2000. The ratio fell to a low of 32,9% during the 2008-09 fiscal year, as the economy grew faster than the growth of the public sector wage bill from 2004. Further, the public sector wage bill was 34,1% of consolidated expenditure during the 2019-20 financial year, as the wage growth was marginally higher than the growth of the economy after 2009. As a percentage of GDP, the public sector wage bill

was 12,1% during the 1996-97 fiscal year. During the 2019-20 financial year, the percentage was 12,2% according to National Treasury’s 2020 Budget Review publication.

So, clearly, if we go by evidence-based research, the different picture emerges and raises the question: Did the sponsors of this debate understand what they were raising when they asked the Speaker for this debate? One of the biggest cost drivers for the public service is goods and services. Here I am talking about service delivery costs that our opponents raised - procurement costs. The procurement costs have massively increased the cost of government - of massively-overinflated prices. This requires our dedicated oversight as a Parliament, as part of our commitment to reduce unnecessary cost to government. Our oversight work across departments, state-owned enterprises and other state institutions must bring this to an end.

We welcome the centralisation of the tender process to drive cost down. As we declared at our 54th National Conference of the ANC, we must pursue a supportive macro-economic framework in which fiscal monetary policy are mutually reinforcing. In conclusion, hon Chair, a practical solution to the current impasse is to go back to what was proposed in 1997, that government does away with the costly monthly top-up of Government Employees Pension Fund

which, on annual basis in 2011 cost government R37 billion. Thank you very much, hon Chair. [Time expired.]

Mr A M SHAIK EMAM: House Chair, I am just being moonlighting. I have a different approach on the issue of Public Sector Wage Bill. Whilst I must admit that it is extremely high and remains an excruciating concern for the public purse, it is arguable that the salaries are high and there is no doubt about that.

What is a concern for me is that, the value for money we get from what we pay in terms of compensation to employees? When I say that, I am talking about right from the ground whether you are talking officials, councillors, MPLs, and MPs, the entire sector. Are we really getting the value for money? If you speak to Belinda Botha**,** she will tell you what a difficult time she has had at the Home Affairs from this morning. Our officials will not even be prepared to go and greet her and listen to her properly, that is how poor the service is from public servants at the moment. That is the difficulty we seem to be having.

I will give an example of the South African Airways, if you speak to the Minister of Finance he will tell, that at any given time one in three of employees were off sick. At any given time! That is where we have a problem. I think whilst the Public Sector Wage

Bill is quite high what we are not getting is the value for money. So what we need to have is an effective governance system to make sure people do more with less. That is what is lacking in South Africa at the moment. Why do we have that situation? Because we tend to employ people not based on their capacity, the ability, their qualification but because we like them, they are our friends because they have been seen in the state-owned entities in all the institutions.

We are not getting this in the private sector why? Why is the private sector able to control the employees to a much larger extent than we could in the public sector? Yet**,** in the public sector people need to understand that ... let’s be honest, we are talking about R650 billions of your money, that is going just to pay compensation to employees and we are far in excess of the norm of most countries throughout the world in terms of the GDP in terms of what we spend, but we are not getting anything in return.

The question is, should we be making everybody pay the price because some of the people are not performing because of the ineffectiveness, because of looting, corruption, poor procurement processes? No! I think what we need to do is to have a holistic approach to this.

The bill is high but we need a more effective government. If we can deliver services more effectively, I think we are getting more value for money. We won’t have a problem even with that current wage Bill. Thank you very much.

Ms M O CLARKE: Chairperson, South Africa spends around a third of its budget on the salaries of civil servants including national and provincial officials, doctors, teachers and police.

In the fiscal year starting from April, government projects it will spend around R639 billion on its wage bill. Government’s wage Bill has tripled between 2007 and 2019. Wage deals between powerful unions which are allied with the ANC have not resulted in quality service delivery for our citizens.

The ANC-led government only cares about enriching themselves and rewarding those close to them with employment. Government has become an employment agency for cadres. Often lacking skills required for the said positions. The sad reality is that South Africans bear the brunt of this as they receive diminished levels of services delivery as a consequence to this.

Government should not be responsible for creating jobs but rather it should create an enabling environment that crowds in private

investment and stimulate economic growth. For far too long as cadres employed as public servants use the mechanisms of the state to their own advantage in doing business with the state and enriching themselves. While they are current mechanism in place to prevent this problem, this has proven to be ineffective and there seems to be no political will on the part of the Minister and his department to stop this practice by government officials.

The DA recently revealed that 1 544 public servants have been caught conducting business with the state. While Minister Mchunu has repeatedly made commitments to hold these officials to account we are still awaiting the South African Police Service, SAPS, report regarding these illegal practices to sit before our committee.

It is time to take some bold steps, reduce the Cabinet to 15 ministries and amalgamate the departments where functions have been duplicated. The Minister of Finance is touted that the ANC has reduced the size of Cabinet, but this is not true as the creation of more deputy ministerial posts has nullified any attempt to reduce its size in the first place.

Big business has called on government to cut its wage bill. The current Public Sector Wage Bill is not sustainable and detrimental

to the economy of our country. Treasury seeks nearly R311 billion in wage bill reduction by 2023-24. It has chosen not to implement any salary increases. Will the ANC be able to deliver on these promised cuts?

As the ANC meets its union allies to help mobilise support at the local government support at the local government election next year, will we see these bold steps being taken by the ANC? The reduction of the wage bill will contribute to the cutting of non interest spending and could save the fiscus around R300 billion. This must be done in a fair and just manner. We need action now, Instead of managers earning millions sitting in offices. We need to reprioritise funding to posts like police, teachers, nurses and all frontline employees that provide critical services to the citizens of this country. Thank you.

Ms R M M LESOMA: Hon House Chair, good afternoon hon members, fellow South Africans, workers - unionised and nonunionised, who works and makes this country tick. I am looking forward to the day when the DA will be calling for insourcing. It is interesting that we have been brought to this debate by the former President of the SA Democratic Teachers’ Union, Sadtu, the largest teachers’ union in South Africa and the former President of the Congress of SA

Trade Union, Cosatu – the giant federation of organised working class in our country.

Indeed, the teacher and the public servant in Mr Madisha must have invoked something deep inside him to ask Parliament to discuss the public sector wage bill and the future public sector remuneration strategy. As the ANC we have entered the debate neither as an arrogant ruling party that knows it all nor as a tiny opposition party seeking attention. As some parties have done during this sitting, we enter the debate humbly so as the leader of government and the society. We welcome inputs and views by all the patriotic political parties and civil society formations that seek to build a better country for our children and our grandchildren.

In this debate I will intend to lay the facts on the table, not the myth that some neoliberal parties like the DA, FF Plus ... [Inaudible.]. We are going to put forward evidence-based facts as my colleagues earlier on have articulated, which will address the challenges of wastage in the public service and some ideas about restructuring the public service and the public sector as it were.

With regard to basic principles, first and foremost, South Africa is a democratic, constitutional and unitary state that is based on the rule of law, therefore, there is an expectation that

government always tries to act within the confines of law, and it is committed to that. Fundamental to this is the expenditure of the state funds in line with the constitutional provisions as well as the imperative to achieve progressive social economic transformation.

It is in this context that the management of the wage bill must be discussed in this House. Owing to the fact that democratic government exists to provide services to the people, it is critical that the needs of the citizens are met and recognition for those who work in the public sector serve at the behest of the citizens. However, this does not mean that public servants should not be compensated fairly for their work. Let us not forget that the public servants have risked their lives in the fight against the COVID-19 pandemic to ensure that all of us are safe and all those who fell sick are healed and have recovered – as my colleague has alluded to earlier on. We even need to ensure that the fiscal framework adopted by Parliament does not compromise government’s ability to provide the requisite services to the people.

Government must also guarantee the compensation of hard-working public officials, while at the same time protecting resources for service delivery. The policy of the ANC, which is opposed by the

neoliberal wing of the opposition, is to build a strong ethical agile and developmental state. This form of state is the best place to take millions of our people out of abject poverty and unemployment. The ANC government prefers to negotiate in order to find solutions to the challenges in the public service. This is our motto and commitment. Only the DA-led Western Cape government believes that the only option is to keep on retrenching workers.

The economic and financial hardships brought about by the COVID-19 pandemic require everyone to work for national unity and for government to work together with social partners to save the jobs, guided by the economic reconstruction and recovery plan. That plan was the outcome of the social compact reached at the National Economic Development and Labour Council, Nedlac. As lawmakers we must also work together to solve the challenge of sustainable compensation of public servants. If we fail, we will be judged harshly by history.

There is a character of the public service that South Africa needs. As the ANC we welcome the South African population that is growing and which is now at about 58 million. This means that government has to build requisite capacity to meet the complex ever-changing needs of the population. It must attract and retain

a competent cadre of public servants to meet the needs of the future.

This therefore requires a modernisation of the state by embracing new technological advancements and introducing measures to improve public sector efficiency. In dealing with the wage bill, government must ensure a return on investment by maximising the value for money of money spent on remuneration in all organs of state. While enforcing productivity measures to meet citizens’ satisfaction, government must deal with corruption and other acts of impropriety in order to earn the trust of citizens.

The ANC welcomes the Cabinet’s decision in this regard, which includes the proposal to amend the Public Service Administration Management Act of 2014 and the Public Service Act of 1994. This proposal includes moving towards a single public service and retraction of National School of Government as a national department. They also give effect to the reforms envisaged in the NDP of professionalising the public service. In terms of addressing wastage in the public service, we must acknowledge that there is a lot of wastage in the public service. There are also areas where the labour of public servants is not utilised optimally. In order to enhance performance, government must ensure

that there is greater accountability by managers and they must manage properly.

The recent suspensions, dismissals and arrests of a number of senior managers for failure to fulfil their professional obligations, for example at Eskom, Unemployment Insurance Fund, UIF, National Prosecuting Authority, NPA, the SA Police Service, SAPS, amongst others, is evidence that government is moving to acting decisively to stamp the tide of power performance in state institutions. I am not sure where the DA lives, if not in South Africa which we are in today.

Outsourcing through the procurement in government tends to be more concerned with complying with the myriad of rules and procedures than with maximising value for money. Full compliance with the rules and procedures and thus achieving clean audits has become the ultimate goal while paying four times for a bottle of water hardly attracts any attention. The ones who benefit is the private sector.

In our report of COVID-19 related expenditure by our late Auditor- General – may his soul rest in peace – raised a concern about the lack of intelligence information systems that are able to collate and compare information in real time and lack of rigorous controls

as key witnesses in the public sector system. Moreover, the ... [Inaudible.] ... of some departments sometimes make controls that work elsewhere ineffective. Minimising waste therefore means thinking beyond prescribing more controls and more audits, and instead, it would require new out-of-the-box thinking on how to device incentives for the efficient management of public resources. In restructuring the public service sector, The Presidency is the strategic centre of government and in this regard it must be the central driver of the developmental state and the state’s micro policy and planning. Comparative governance, public service and performance management as a ... [Inaudible.] Co-operative governance legislation must be enacted to deal with the issues relating to efficiency of provincial and national government’s support to local government and provinces. The Presidential Review Commission is to review the powers and

functions, and a number of provinces must be urgently established.

The Department of Public Service Administration together with the Department of Co-operative Governance and Traditional Affairs should analyse the mandate overlaps and recommend consolidating of reconfiguration of functional mandate and roles between entities and departments to inform the appropriate configuration. Dealing with the facts and evidence we would assist based on policy which is about reducing the time to develop and implement policy so that

it is not a knee jerk reaction to the policy but a scientific and imperial approach to social change. On humanitarian solidarity as a caring government and organisation which is the ANC – our glorious movement – the social and economic crisis generated by the COVID-19 pandemic, has accelerated take South Africa’s fiscal crisis.

The origins of the fiscal crisis are deeper than the COVID-19 pandemic. Public expenditure was expanded to deliver on social justice in the postapartheid era. The expansion of public sector commitments was deliberate, warranted and well targeted. It included a permanent expansion of core public services like basic education, health and policing, for example. A permanent expansion of core public services which is basic education, health and policing, and an increase in pro-poor fiscals transfers, significant real improvement in the remuneration of public employees and a surge in public infrastructure investment.

In closing, forecasts may tell you a great deal about the forecaster; they tell you nothing about the future. Importantly, not everything that counts can be counted, and not everything that can be counted counts. It is equally important to analyse the past so that you can be able to design the future. The ANC government would not allow the day to run it. We are combat ready to run the

day, thus planning in working to achieve our objectives with the resource we have, which is operating, monitoring and safeguarding the fiscal resources, evaluating and assessing transparency by reporting the actual facts in changing our general people’s lives in South Africa. I thank you, House Chair and hon members.

Mr W M MADISHA: House Chair, I thank all the hon members because without doubt we all agree that public service delivery must not be allowed to take second place. It is very important. What we must agree about further is to pay the people, and stick to agreements. I feel it is a bit bad but I understand that the last hon member who spoke, you know, I have written speeches. It becomes unfortunate because one just have to stick to that even if other members ... [Inaudible.] ... but I don’t blame the poor member. I know where we come from; she knows where we come from.

Yes, government has not done well to address many management challenges our country and people face. Yes, there is the working class, the downtrodden, the poor, whilst those in managerial positions enjoy more, hence their realm of corruption cannot be measured. That is a major problem. Let us once again check the state-owned enterprises, SOE’s. I said we must reduce and merge some of them. Take for example of the SABC where the CEO and other people in the managerial positions get more than millions of rands

every year and yet if you look at those people who run around with cameras get about R10 000 or less – and those are the people who must be kicked out. These are people who, as I say, are part and parcel of the day-to-day ... [Time expired.]... Okay, let me end by saying that South Africa has less than 60 million people, and we have a rally of Ministers and there are countries such as China with 1,3 billion people with only ... [Time expired.] Okay, thank you.

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS ON PETITION PERTAINING TO LACK OF SERVICE DELIVERY IN WARD 52 UNDER CITY OF ETHEKWINI

Ms D R DIREKO: Thank you, Chairperson. The ANC reaffirms its commitment to put local government in people’s hands and it remains guided by the Freedom Charter that contains a declaration which says, “The People Shall Govern”. A central feature of our democratic system is that government representatives and officials should remain in touch with the people and be able to engage the communities that they serve.

The ANC notes the petition of Ward 35 residents and appeals to the eThekwini Metropolitan Municipality to strengthen communication lines with the communities in order to reinforce service delivery.

Together with the communities, the ANC will build on the achievements made in delivering basic services to the people, improve access to municipal services and reduce outsourcing in the municipalities. The ANC calls on all stakeholders in the eThekwini Metropolitan Municipality to redouble their efforts in order to intensify the fight against social fabric crime in the communities, and fraud and corruption in the local government. The eThekwini Metropolitan Municipality should ensure that local communities are involved in all developmental initiatives in their respective localities.

One of the seven priorities of the ANC-led government is building a capable developmental state; a state that responds to the needs of its people; a state that values innovation, human capital and merit. It is also a state that emphasises on economic performance, education, safety, health care and infrastructure.

The Constitution of our Republic of South Africa mandates all of us to build local government that has the capacity to afford democratic and accountable government for local communities.

Accountable government should be able to communicate with the communities and in this regard public participation should play a key role. However, we as the ANC are aware of the challenges that our communities are facing regarding public participation and we

are working on that by strengthening our oversight mechanisms, together with consequence management strategies. It is in this regard that the ANC reaffirms its commitment in strengthening co- operative governance and integrated planning, implementation, reporting, monitoring and evaluation.

A game-changer programme, which is called the District Development Model, was introduced in 2019. The model builds on the White Paper on Local Government of 1998, which seeks to ensure that local government is highly capacitated and transformed to play a developmental role. The ANC appreciates the fact that the eThekwini Metropolitan Municipality is currently one of the four districts where the model has been launched. There is no doubt that the eThekwini Metropolitan Municipality and the stakeholders are equal to the task of further implementing the District Development Model in other local areas.

The ANC recommits itself to building developmental local government committed to working with citizens and groups within communities to find sustainable ways to meet their social, economic and material needs, and also to improve the quality of their lives.

Mr M H HOOSEN: Chairperson, thank you very much. In June this year, the residents of Brooksfarm in Ward 52 eThekwini, filed a petition with the Speaker. That petition contained more than a dozen complaints relating to failed service delivery in the ward, as well as the residents’ unhappiness with the ANC ward councillor who appears to only favour residents who are members of his own political party.

The complaints range from the continuous problems with water and sanitation; the lack of suitable housing facilities; the unfair distribution of food parcels on a party-political basis instead of adopting a needs-based approach; improper health facilities; and a general state of poor service delivery in the ward.

In October this year, the Portfolio Committee on Co-operative Governance and Traditional Affairs, during its oversight visit to KwaZulu-Natal, sought to engage the community of Brooksfarm to listen to their grievances, and use the opportunity to secure the intervention of the eThekwini municipal leadership and to address their concerns.

The municipality was requested to facilitate the meeting and arrange for the portfolio committee to meet with those community members who had signed that petition. Unfortunately, when the day

arrived, the planned engagement with the residents of Brooksfarm was hijacked by the local ward councillor, and instead of holding a community meeting to listen to the residents’ grievances, the portfolio committee was led to a different venue in Bhambayi township which was organised by the local ward councillor. This unfortunately turned out to be nothing more than a party-political rally.

To the credit of the chairperson of the Portfolio Committee on Co- operative Governance and Traditional Affairs, hon Muthambi, and the rest of the portfolio committee members who were present on the day, we all expressed our grave dissatisfaction for what had occurred, and it became glaringly obvious that the eThekwini Mayor and his team were well aware that the meeting was being hijacked and they sought to convince us otherwise. This incident unfortunately reflects the very immature leadership that exists in this municipality, where a meeting of this House of Parliament was hijacked for party-political purposes.

The DA wishes to place on record our deep dissatisfaction with the manner in which this matter was handled and extends our appreciation to the committee and members of the portfolio committee for speaking out against this childish behaviour from the eThekwini municipality.

Let me turn now to the substantive issues and complaints raised by the residents of Brooksfarm in Ward 52. We wish to place on record that these complaints are not isolated only to Wards 52 in eThekwini.

There are serious governance problems in this municipality that require urgent and immediate attention. Even the KwaZulu-Natal Treasury has flagged this municipality as one that is in distress. This week, for the second time, the city manager was arrested by the Hawks. These arrests relate to his failure to comply with his bail conditions and when he was arrested, together with the former Mayor, Zandile Gumede, for tender fraud and corruption. The other

52 councillors who are also fingered for possible fraud and corruption in the municipality continue to occupy their seats at taxpayers’ expense and there appears to be no political will whatsoever from the ANC leadership there to take any action against them.

The city’s infrastructure is also collapsing. Not a single day passes where you wouldn’t find burst water pipes spewing out millions of litres of water onto the streets. Sewer pipes also overflow into the rivers because it can no longer handle the volumes that they were originally planned for. The city requires billions of rand of emergency top-up expenditure to renew its

failing infrastructure because it failed to plan properly years ago when it was necessary to do so.

Corruption and fraud have become endemic in this municipality; a situation that has not changed for decades now. And while the politicians and officials are colluding with each other to rape the public purse, the very residents who put these crooks into power are the ones who are suffering the most.

On behalf of the DA, we are making an earnest and urgent appeal to the political leadership of KwaZulu-Natal province to take urgent measures to arrest the failing situation in eThekwini. Although there are some good areas and some good progresses that have been noted, the deep-seated corruption and governance failures in this municipality is causing untold hardship for the poorest communities that are desperate for simple basic service delivery.

It therefore doesn’t come as a surprise why the meeting was initially hijacked because there was a genuine attempt by some to prevent the portfolio committee from hearing the real state of affairs on the ground. Unless there is urgent intervention and constant monitoring of this municipality, the residents of Brooksfarm, together with the residents of other townships across the city, will never see the promised better life for all.

Ms H O MKHALIPHI: House Chairperson, the people of Ward 52 in Brooksfarm voting district and Comprehensive voting district submitted a petition to Parliament to seek help as their last resort because they don’t have a ward councillor. Ward councillor Sthembiso “Boxer” Zulu have relocated from this ward more than two years. Brooksfarm community and comprehensive voting district community have written to the mayor on many occasions and all correspondence has not been responded to until they opted to approach Parliament.

The Portfolio Committee on Co-operative Governance and Traditional Affairs on their oversight in KwaZulu-Natal arranged to go and meet with Brooksfarm community and Comprehensive voting district community to listen to them but the ward councillor colluded with the municipal officials - including the mayor of eThekwini to hold the meeting in the wrong place to avoid and to stop the people of Brooksfarm to talk to the portfolio committee about their issues that they face on a daily basis. The chairperson of Co-operative Governance and Traditional Affairs, the hon Muthambi raised a concern about this acts which misled the portfolio committee and ended up attending a political meeting which didn’t serve the purpose of the meeting with petitioners.

The issue of Brooksfarm, which is about a housing project, remains unresolved as is the intention of the ward councillor, Sthembiso “Boxer” Zulu, who is no longer having interest in serving the people of this area. House Chairperson, we are talking about the poorest of the poor, who does not know where to go when they are faced with the situation. People of Brooksfarm need intervention in order to benefit from a rectification project of which they are told that because when they were given these houses 15 years ago they managed to go and access loans to extend their houses, but now, with this new rectification project they are told that there is no place to extend their houses, as a result they don’t know where to go until they wrote to Parliament. I urge Parliament to intervene on the Brooksfarm community who have nowhere to go since their ward councillor has deserted them. No member of a community must feel neglected because they are part and parcel of government. I therefore thank you House Chairperson.

Inks R N CEBEKHULU: Hon House Chairperson, hon members, providing a sufficient and satisfactory service delivery is a constituent mandate of the municipalities. As the custodian of the Constitution, municipalities are tasked with ensuring that people have at least basic services they need. Fraud and corruption are the greatest hindrance to sufficient service delivery which is why adequate transparency and accountability are imperative in the

conduct of municipal operations. To know that service delivery in municipalities is profusely insufficient is disheartening because this has a direct and immediate effect on communities’ quality of life.

First and foremost, it is utterly disgraceful that the City of eThekwini is hiding behind the COVID-19 outbreak, failing to deliver housing to communities. The city reported that it had a submitted stage one application to the KwaZulu-Natal government of human settlements in March 2020 and the process was delayed by the outbreak of the COVID-19 pandemic. This justification is shameful and has no basis as the issue of housing has been ongoing since 2017 - meaning it took the city three years to submit a stage one application.

Furthermore, last year, following a community project in September, the municipality said that the delivery of housing is top priority, yet submitting stage one application only happened at the end of March the following year. In terms of national policy provisions, municipalities has a duty to undertake housing projects and municipalities failure to deliver on this matter has very little to do with COVID-19. The excuse is unacceptable and reflects the municipalities’ inability to take a truthful accountability.

Hon members, it should also be noted that the municipality failed to make a clear and detailed presentation regarding the issue of electricity contractor who attended to only 20 houses despite being issued a R14 million tender. It is profusely unacceptable that the municipality did not disclose the relevant details at all, beyond that, failing to account on an issue that involves such a exorbitant amount of state funds is suspicious. [Time expired.]

Ms M M TLOU: Hon House Chairperson, the ANC in eThekwini Metropolitan Municipality emerged victorious in the 2016 local government elections. Arising from this triumph, the ANC’s main goal is for everyone to have decent housing with services such as running water, sanitation, rubbish removal and electricity. It is in this regard that the ANC urges all the stakeholders in the eThekwini Metropolitan Municipality to work together to find ways to provide housing. This includes the state, the private sector, organisations for women, children and the community. The houses built should take people’s needs into account.

However, the ANC appreciate the response of the eThekwini Metropolitan Municipality which indicates that it had submitted stage one application to the KwaZulu-Natal department of human settlements in March 2020. It further states that the department

was now assessing the application following the easing of the lockdown. The municipality will commence with advertising tender services and we appeal to the municipality to follow due process in this regard.

The eThekwini Metropolitan Municipality should ensure that it brings government closer to the people with the objective of fast- tracking delivery of quality basic services to the people. It should improve financial management of the municipality by employing capable and qualified staff. We therefore appeal to the Department Co-operative Governance and Traditional Affairs as the main stakeholder to ensure that all municipalities perform their basic responsibilities and functions consistently by putting people and their concerns first, promoting good governance, transparency and accountability and ensuring sound financial management and accountability.

In conclusion, the ANC urges the eThekwini Metropolitan Municipality to continue building on the achievement of the ANC- led government post-1994 democratic elections. The ANC has made giant strides in terms of providing services such as houses, water and sanitation, electricity, roads that link our communities. I thank you, hon House Chairperson.

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON TRANSPORT ON OVERSIGHT VISIT TO ASSESS STATE OF READINESS OF VARIOUS MODES OF TRANSPORT AND THEIR ATTENDANT FACILITIES IN LINE WITH IMPLEMENTATION OF LEVEL 3 REGULATIONS OF COVID-19 LOCKDOWN

Mr M J ZWANE: Thank you Chair, good afternoon to the hon members. Chair, the aim of our oversight to Bloemfontein was twofold, the first one was the Mangaung Testing Centre and of course the second one was the Integrated Public Transport Network. During the visit to the Lengau Testing and Traffic Centre, the committee was welcomed by four junior officials and the representative from SA Local Government Association, Salga. The committee then visited the following areas:

The service station, where we found long queues among other challenges and we were told that these long queues were caused by COVID-19 and the lack of disinfection services.

The second area that we visited as the committee was the eye testing area. There we found that, out of eight eye testing machines, two were not working. We then went to the licence testing classroom, where there were 20 new computers because we were told that this is the new model where learners are tested

through computerised methods. Out of the 20 computers that were there, only seven computers were working.

We then moved to the debt management system and we found that, out of 10 officials that were working there, only seven were present at work. The committee was supposed to engage the following day with senior officials which were not present the first day on Friday, to get some clarity where junior officials could not provide. To the committee’s dismay, the senior officials could not turn up for the meeting, as a result that engagement was cancelled. The committee resolved to make a follow-up on the issues that were left hanging and just to find out why would the senior officials be found wanton when it comes to them doing their work.

Chair on the Integrated Public Transport Network, IPTN, the committee was taken to two sites, the first being the depot construction site and the second one being the municipality building where 10 buses were kept. On the depot construction, the committee realised that the depot was still in its infant stages of phase one. Although we were told that this phase one will be completed in March next year, looking at the development progress, the committee was not convinced that this was likely to be the case.

The committee then expressed concerns on the 10 buses which were still standing a year after they were purchased and requested a detailed report breaking down the features that led the buses to cost R5,5 million per bus and that report will have to follow.

The committee was not able to get clarity on the issue pertaining the department because the official who was supposed to be part of the meeting, did not turn up and no reasons were given. The committee expressed the need ... [Time Expired.] Although there is some process, the committee is of the view that there is still a lot to be done. Thank you.

Mr C H H HUNSINGER: Thank you House Chair. The DA supports this report and allow me to acknowledge some truckers as one of the unsung heroes during all stages of lockdown. Truckers were and still are at the forefront of distribution and moving goods and articles around the country. It will not be forgotten that truckers were denied a decent meal over thousands of kilometres. Furthermore, they were open targets and still received little regard and even less protection. Indeed, they kept the country going in so many ways, for that the DA salutes you.

At various stages and places, the portfolio committee visited ranks, stations and terminals to check on public, taxis, buses,

aeroplanes and trains. A lot was done in effort to cope and mitigate with COVID-19. Taxis were not working at full capacity, buses displayed more caution, aeroplanes were grounded and railways stood still. At Langa and Phillippi, Passenger rail Agency of SA, Prasa has allowed rail tracks to be invaded by more than 600 families who to this day prevent millions of people to get on a train to places like Mitchells Plain and Khayelitsha.

Through this, millions of rand have shifted from rail to road, contrary to what Minister Mbalula’s ideas were during question time on 11 November. During the debate on 3 November, we shared many sad stories about the vandalised rail service, but nothing will ever adequately express the scenes and feeling while visiting the train stations and rail sites during level three in May and June, not COVID-19, a bad human decision was the cause of this.

Not paying security guards, not renewing security guards’ contracts, not calling on SA Police Service, SAPS and Military Guard are all human decisions not undertaken by Prasa and this ANC government.

Their decisions which also include the hasty decision to fire the Prasa board. The no fixed idea of the toy story war room and the fantasy appointment of an administrator. Decisions which brought back less than 200 out of 2 228 kilometres of functioning rail

track. During level three stage, thousands of repatriates could return, thanks to team home away from home managed by my colleague Darren Bergman incorporation with Derco. Leading to this, an extensive road transport logistics assisted repatriates to get to their home provinces after quarantine. I want to thank the Department of Transport for their support and help in this regard.

Three categories of vehicle related registrations validity were extended. Trade plates to 31 November 2020, driving licences and Professional Driving Permits, PDP’s until the 31 January 2021, except vehicle registrations, here the cut off was mid-September. While many traffic officers were and are still are under capacitated with vehicle owners that struggle to comply even online, volumes are currently heaped up with both human and procedural capacity not coping. We therefore again request that the validity in all categories of vehicle trade and personal related registrations should be extended to the end of this financial year in 2021.

Related to this and despite their and our efforts, a plight of our tourism related minibus and bus sector and coach liner service providers are noted. Many of these fleets have not moved since March, they are struggling. Please consider waiving the permits registration licence fees. It makes no sense that aeroplanes are

filled to capacity for a multihour flight when buses are still restricted to 70% capacity rate. Bus owners are struggling and by waiving their registration and permit fees we can help them to survive.

Lastly, I want to thank all staff, officials and owners in public and private transport sectors for your efforts to make things safe for us. Your commitment and dedication to serve civil transport needs in all levels of lockdown is noted and highly appreciated.

*IsiXhosa*:

Ndiyabulela ngexesha enindiphe lona.

*English*:

I thank you.

Mr M N PAULSEN: Chairperson, we went on an oversight at various taxi ranks, bus terminus, railway stations and airports, to among others, assist the state of readiness operations and compliance of transport facilities in the midst of alert Level 3 of the covid-19 lockdown, to assess whether the information supplied by the Department of Transport on their systems to the public transport notes to prepare for Level 3 operational requirements were indeed accurate. And also, to determine whether the enforcement whether

the enforcement of regulations for operations to continue under Level 3 were being implemented.

To understand the public transport interchanges and its conditions, we had to first and foremost put into context, and the context is that this transport interchanges or better known as taxi ranks are mostly used by Africans and coloured working class commuters. So with that in mind, one can understand why the ANC are reluctant to invest and to spend money on these taxi ranks because it is only for poor Africans and coloured working class people.

Not all of these taxi ranks were supplied with personnel protection equipment, PPEs, in most taxi ranks that we visited. In some there were low functional toilets with running water. Toilets were either broken or leaking. There are no facilities to wash hands. At the Germiston Taxi Rank, commuters were relieving themselves in the open spaces. The sanitizers that were procured by the taxi industry often ran out without a plan to restock.

Facilities were filthy and there were no refuse bins inside.

Small tax were supplied but there were never filled with water. Some facilities have not been cleaned since the commencement of the lockdown. At the Nyanga public transport interchanges taxis

and buses were overloaded above the regulated 70% loading capacity and there were no visible law enforcement and a general sense of lawlessness. This overloading was due to the central line not being operational for over a year. The central line in Cape Town used to be the daily commute for more than 400 thousand passengers. Fixing the central line should be given the same priority as the South African Airways.

There were also many unroadworthy, scrapped and abandoned vehicles parked at these facilities. It is the same with the Rea Vaya Bus Rapid Transit System, which the state has invested billions of rands, as well as our rails and ports. The information supplied by the Department of Transport in most instances is not a true reflection of the status quo on the ground.

Chairperson, I want to pay special attention to the difference between the airports and other modes of transports that are used by 80% of the population ... [Time Expired.]

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule)**:** You time has expired.

Mr M N PAULSEN: It can’t be Chair, two minutes!

The ACTING HOUSE CHAIRPERSON (Mr M G Mahlaule)**:** I am advised by the table by the table staff hon Paulsen, I don’t make my own time.

Mr K P SITHOLE: Chairperson, proper hygiene and sanitation are the most important in slowing down the spread of coronavirus. The public’s transport sector is crowded, making proper hygiene and sanitation nearly impossible. As such, support in the transport sector is needed. Industry members have reported that they have very little support from the transport department. Taxi drivers did not receive masks, hand sanitizers – were not issued to the taxi ranks. Taxi ranks were also filthy and congested. Toilets did not have any hand washing facilities. What was even more alarming is the fact that taxis were filled up with 100% capacity despite the covid-19 regulations. Overall, the public transport sectors were ill-prepared for covid-19. This is a huge issue because it means that the Department of Transport has not fulfilled its duties.

The crowded nature of public transport sectors specifically taxi ranks, makes it a hotspot for covid-19. The fact that social distancing is not maintained is a cause for concern. Attention needs to be paid to funding and implementing mechanisms that will ensure that covid-19 regulations are adhered to in the public

transport sectors. Ultimately, the Department of Transport ought to step up and fulfil its duties. This industry needs specific government attention and is not a task for when government feels like they have time. This industry transports millions of our people.

Livelihood and families are at list. Currently, there is little vision and a lack of regulation that allow for a dignity of a working class when using this system. Passengers fill our statistics for road facilities and will fill more covid-19 statistics. We need to place value on the people that make use of the taxi industry. To do this, we require a more professional service support by government incentives for transportation.

*IsiZulu*:

Amarenki abolile la sasihlamba khona e-Gauteng, wonke amarenki abolile. Angibonge kakhulu, Mphathi wohlelo. Ngithokoze.

Mr L E MACDONALD: Chairperson, the ANC policy on transport was captured in the Reconstruction and Development Programme, RDP. The RDP highlighted the fact apartheid’s policies make working people reside far away from centres of employment and that their policies ensured that multiple modes of transport was required for people to get to work at huge cost and time.

The RDP sought to make road infrastructure and rail infrastructure a priority. The programme identified that the transport sector was poorly regulated. In the RDP, the ANC sought to reverse apartheid development which was an international anomaly by ensuring that public transport was promoted to the progressive development of the infrastructure and through planned regulation of the sector.

In the reconstruction growth and transformation building and inclusive economy views, the development of social and economic infrastructure as the key to economic growth and job creation. Developing an efficient transport system is critical to the growth and development of our economy.

During the committee oversight in Cape Town Harbour, it was brought to the committee’s attention that 97% of container freight is still being transported by road. In line with the ANC resolution to move freight from road to rail, we urge the Minister through his department to speed up the removal of freight from our country’s roads.

Reversing the legacy of apartheid’s transport policy will contribute significantly to the transformation of the country and improving the lives of the historically disadvantaged communities. When we visited the Prasa Metrorail stations in the Western Cape

at Langaard, we found hundreds of families were erecting homes and were living on the railway lines.

The committee pleads with the Western Cape DA-led government to release land to these landless people. This would assist in bringing services of the commuter rail to normalisation. Much in the transport infrastructure has already been delivered and much more needs to be done to which the ANC-led government is committed.

The covid-19 pandemic and the consequent lockdown to flatten the curve and ensure that health facilities were already for the pick of the pandemic has severely affected the transport sector not only in South Africa but globally. The negativity affected public transport system as buses, trains and trucks were unable to function. With the lockdown restrictions being slowly lifted, public transport is slowly starting to function within the framework of government’s disaster management regulations which puts people’s lives first through social distancing, sanitisation, and wearing of protective face masks etc.

During our oversight visit to the taxi ranks in Site C Khayelitsha and Nyanga terminus, the efforts of the department could be seen to make traveling on taxis and buses during the pandemic as safe

as possible. These steps taken will lead to the eventual formalisation and professionalism of the taxi industry led by the ANC government. The ANC supports the report. [Time Expired.]

Ms H O MKHALIPHI: Chairperson, I rise on a point of order.

The ACTING HOUSE CHAIRPERSON (Mr M G MAHLAULE): Yes, hon

Mkhaliphi.

Ms H O MKHALIPHI: Please check with the table staff because hon Paulsen of the EFF only spoke for two minutes instead of the allocated four minutes. Will you please double-check that and give us a feedback?

The ACTING HOUSE CHAIRPERSON (Mr M G MAHLAULE): I will definitely do that hon Mkhaliphi and probably give a ruling in the next plenary session because this is the conclusion of the debate and the business of this virtual mini-plenary session.

Business concluded and the House adjourned at 16:10.