**UNREVISED HANSARD**

**NATIONAL ASSEMBLY**

# FRIDAY, 20 NOVEMBER 2020

***PROCEEDINGS OF THE NATIONAL ASSEMBLY***

The House met at 10:00.

The House Chairperson Ms M G Boroto took the Chair and requested members to observe a moment of silence for prayer or meditation.

The CHIEF WHIP OF THE MAJORITY PARTY: Hon House Chairperson and hon members, I move: That the House, notwithstanding Rule 108(2) which provides that the time allocated to a member of each party for making a declaration of vote must be determined by the Rules Committee taking into account the proportional strength of the parties, limits the time allocated to a member of each party for making a declaration of vote on any Budgetary Review and Recommendation Report to not more than two minutes for the remainder of this annual session.

Motion agreed to.

# DIVISION OF REVENUE SECOND AMENDMENT BILL

(Consideration of Bill and of Report thereon)

There was no debate.

The CHIEF WHIP OF THE MAJORITY PARTY: I move that the Report be adopted.

Motion agreed to

# DIVISION OF REVENUE AMENDMENT BILL

(Second Reading Debate)

Mr S N BUTHELEZI: Hon Chairperson, hon Ministers, Deputy Ministers, hon members, ladies and gentlemen, let me start by thanking Minister Mboweni, Deputy Minister Masondo, director- general Mogajane, team Treasury, the hon members of the Standing Committee on Appropriations, SCOA, and our support staff who were working hard in ensuring today we stand in front of South Africa and present this Bill. Also, we extend our appreciation to members of civil society who shared their views with the committee. The ANC supports the 2020 Division of Revenue Second Amendment Bill [B 24-2020]

The Division of Revenue Act has allocated R1 805 000 000 among the national 51,2%, provincial 39,9% and local 8,9% of the nationally raised revenue. [Interjections.]. Let us remember there is no place called national. Finally, this money will be spent at local government level. COVID-19 has put lives and livelihoods of South Africans in an undependable position. COVID-19 has resulted in the asphyxiation of our economy. Currently, it is estimated that this year that the economy will increase by -7,8% which is contraction. This has deepened the wounds left by colonialism and apartheid.

The pain has been most felt by the multitudes of black people who were on the receiving end of successive oppressive, racist and exploitative white supremacist regimes. To mitigate the effects of this pandemic to private households and businesses the caring ANC government intervened by providing a relief package of

R500 billion, over 17 million people from poor households benefited to the tune of R40 billion, over 6 million of the unemployed benefited from special grants, 960 000 companies have benefited through the Unemployment Insurance Fund, UIF, wage support scheme, grants and loans.

This proves that the ANC cares about all South Africans irrespective of their stations in society. I am reminding us of these interventions for two reasons, firstly, the fact that we came below expectations as far as the COVID-19 impact is concerned

was not automatic but it was because of the scientific ... [Interjections.]

The CHIEF WHIP OF THE MAJORITY PARTY: Hon House Chair, on a point of order: Whilst we respect the rights of members to heckle but that member is overdoing it and he is drowning the speaker, please.

The HOUSE CHAIRPERSON (Ms M G Boroto): Okay, hon member, your point of order is sustained. Can we please be orderly? Continue, hon member.

Mr S N BUTHELEZI: ... and well-thought mitigating strategies of the ANC. We also want to show that the economic and fiscal challenges that we are now facing as a country are as a result of resources that we chose to deploy to save lives, livelihoods, jobs and business. Revenue projections decreased, expenditure increased, resulting in the deterioration of the budget balance to

-15,7% of the GDP, taking our total gross loan debt to 81,8% of the GDP. As you can see, all our ratios are going in the wrong direction and that should be arrested.

Our people are able to see what is meant to benefit them. They can see through those who purport to love them, yet they go to their

conferences and take resolutions which are meant to put them in a state of perpetual servitude and modern day slavery. Our people are able to see those who think they are not good enough to be at the dinner table but must live on master’s crumbs. It is thus not surprising that in the by-elections the ANC garnered more than 70% of the contested wards. Our people were unequivocal in the rejecting of the DA and its policies which are anti- transformation. Thus ... [Inaudible.] me now, hon members, to thank our people for the resounding affirmation of our approach to the COVID-19 challenge.

The affirmation of our strategies and policies to get us out of this economic stagnation as contained in the Economic Reconstruction and Recovery Plan, ERRP. Siyabonga. [We thank you.] We accept the mandate with the utmost humility. Let me touch on the subject that I know my learned friends here ... [Interjections.]

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you. Hon Buthelezi, can you take your seat? What is your point of order, hon member?

Ms G K TSEKE: Hon House Chair, I have a point of order. My apology for the delay, but I just want to check whether is it parliamentary to say a member is talking rubbish?

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members, unfortunately I heard what the member was saying, and we did have a ruling in this House on this matter of “rubbish” and we said was that it was unparliamentary to say that somebody is talking rubbish but the member there just said, “it’s rubbish” so it gives me a difficulty in ruling him out of order because this doesn’t come for the first time, we have had conversations. But, let me request the members to be orderly and not use offensive language, as according to our Rules. Thank you very much. Continue hon Buthelezi.

*IsiZulu*:

Mnu S N BUTHELEZI: Iqiniso liyahlaba-ke, uzwa kanjalo umangabe usondela endodeni.

*English*:

... would like to reduce this Amendment Bill to. I can bet my last dime they would lose the big picture of 2 037 000 000 expenditure that is aimed at rebooting our economy, saving our businesses and protecting jobs both in the public and private sector and talk about the recapitalisation of R10,5 billion of SA Airways, SAA.

As the ANC, we won’t be persuaded into accepting a thesis which says the workers of SAA should be left to fend for themselves. The

workers negotiated in good faith for their severance packages. There is a R2,8 billion budgeted for that. Hon members, lest we forget, when all of us were locked down because of COVID-19, these are the workers who risked their lives and went to the epicentre of COVID-19 in Wuhan, China. They went not on excursion but they went to the war zone to fetch their fellow South Africans.

There is also a R2,2 billion provision for unflown tickets. These are ordinary passengers who had bought the tickets. We are therefore legally, morally and ethically bound to honour this liability to the passengers. We cannot renege on this contract. We cannot turn our backs on these responsibilities. At least the ANC will not do this.

*IsiZulu*:

Asizi. [Ihlombe.]

*English*:

Before I leave this SAA matter, let me just assure this House that the taking of funds from other departments and Votes was mainly because those funds were not going to spend in the current financial year. [Interjections.]

*IsiZulu*:

Ngiyathemba, malungu ahloniphekile, kucacile ukuthi lento uHulumeni uyenze ngobunono akunabudlabha. Seningaqhubeka ke nizikhulumele ngoba umuntu akavinjwa ngokuthi ukhiphani emlonyeni wakhe. [Uhleko.]

*English*:

Fellow compatriots, let us agree that the sustainable solution out of this economic quagmire is inclusive growth which was announced by, His Excellency the President, Ramaphosa. The answer is ERRP. If we start implementing the plan now, I have no doubt that we can even surpass the projections of 2021. When launching the ERRP, the President said:

Despite these vital interventions, however the damage caused by the pandemic to an already weak economy, to employment, to livelihoods, to public finances and to state-owned companies, SOEs, has been colossal.

He continued:

It is an opportunity not only to recover the ground that we have lost over the course of the pandemic, but to place the economy on a new path to growth.

In the same debate, Minister Kubayi-Ngubane added that:

We have also put together an implementation plan that identifies the various key projects, the stakeholders responsible for the implementation of each project, and also outlines timelines of completion of each project.

That is what is making this plan different. It therefore gives me great pleasure to say here and now without any equivocation that the ANC government has heeded the call. The following illustrates my point ...

*Afrikaans***:**

Ons werk nou. Ons het nie tyd om te praat en te mors nie. Ons speel nie.

*English*:

It is true that the biggest engine which must fire from all cylinders is energy security. Minister Mantashe said:

Expanding the country’s energy generation capacity is a priority intervention to support rapid economic rebound. This is central to us saving our livelihoods.

He shared with this House the initiatives to deliver a total of

16 313 MW from a mix of energy. This is happening now. Minister Patel is on record saying government has master plans agreed with the poultry and sugar industry and for the clothing industry. Minister Didiza announced the release of 700 00 hectares of land to our people. In fact, she tells us that the department has already received 5 838 online applications, this also includes co- operatives, individuals and companies.

This House appropriated R3 billion to the Land Bank during the first 2020 Appropriation Amendment Bill. Again, we are walking the talk. Minister Mboweni reported government has committed

R10 billion over the next three years to the Infrastructure Fund. He also said, in the other next three years the Development Bank of Southern Africa, DBSA, will package blended finance mega projects of at least R200 billion. We are mentioning these interventions to illustrate that the ERRP is our saviour.

Government is leading the way and let us roll our sleeves and work. We invite all those who care about to join.

*IsiZulu*:

Phambili nge-ERRP! Phambili! Ukhongolose uyabonga. [Ihlombe.]

Mr G G HILL-LEWIS: House Chairperson should this Bill passed today, it will represent the moment the ANC dropped its mask. It will be the moment that the ANC show South Africa that it does not care for the poor, that it is more than happy to subordinate the wellbeing, the education, the very lives of poor and rural South Africans in the service of ANC politics.

In this government the public exist to serve the party. Where the DA governs the party exists to serve the public. That is the way it should be. This Bill details a simple choice that has been made. Mr Gadebe, a simple choice has been made and the great thing is that it goes into great detail; hundreds of pages excel spreadsheet saying exactly in detail the choice that has been made today. The choice to offer and you are right, sir, and another bailout and please help the guts. At least have the integrity to call it what it is, it’s a bailout. Of course, it’s a bailout.

Stop saying its recapitalisation, that’s cowardly. Now the bailout for SA Airways while on the other hand exerting deep cuts to the basic services on which the public depend everyday.

We have from the very beginning said that this is an immoral choice to make. It’s wrong. It’s a disgrace and no government with any sense of duty and care and honour would ever make this choice but you are doing it. Now let’s consider some of the detail of

this Bill and see who is paying for this bailout. We must make sure that the truth gets right to those South Africans who are actually paying for this wherever they live. When the clinic queues are getting longer and longer, when there is no doctor to see you after waiting all day, when the school goals keep getting bigger, when your salary is the same that taxes are going up, then you must know who you got hold accountable, it’s the ANC.

The ANC is cutting today R239 million from its own promised National House Insurance Programme. That’s the one you promised. Where are the cuts coming from, not from wealthy Gauteng or the Western Cape, Eastern Cape, Limpopo, Mpumalanga and the Free State are the biggest cuts so that the SAA can get R10,5 billion? I hope this you proud, Mr Buthelezi.

The ANC is cutting R245 million from the School Infrastructure Backlog Grant, including the biggest cut of R65 million from the Eastern Cape so while there are still 20 000 pit latrine in schools across South Africa, SAA is getting R10,5 billion. I see you looking down; Mr Gadebe, confer is the fact. [Interjections.]

Municipal infrastructure, that’s important rights, not to the ANC. That’s is getting cut by R180 million so that the SAA can get R10,5 billion. Housing, that’s important rights. Look, not to this

government. An amount of R350 million gone from housing this year, R10,5 billion to SAA. Water services infrastructure in the middle of the drought, surely, the ANC wouldn’t cut that, right, wrong, R80 million out of water infrastructure in the middle of a drought so that R10,5 billion gone to the SAA. Hundred and fifty eight doctors this year alone cannot get placement in the state system because there is not enough money for doctor’s salaries but

R10,5 billion will go to SAA. I can go on and on hundreds of pages. That is the choice you are making. It’s immoral. It’s shameful. No government should do it. [Applause.]

Ms E N NTLANGWINI: Chairperson?

The HOUSE CHAIRPERSON (MS M G Boroto): Yes, proceed, ma’am.

Ms E N NTLANGWINI: Thank you. The EFF in the past five years, Chair, has constantly raised with the House the fact that the current formula for the Division of Revenue Bill is irrational. We care saying this because of the total revenue that is raise nationally and only 10% of the monies allocated to municipalities. Municipalities are at the core face of service delivery.

When our people talk about service delivery, they are talking about their municipalities. When they talk about water, they are

talking about municipal water and when they are talking about electricity, they are talking about municipal electricity. When they talk about sanitation, they are talking about municipal sanitation. When they demand houses from government they go to their municipalities. When they have complaints about corruption, if there are corruptions at their municipalities, they go to their municipalites. To continue only allocating only R85 billion of the R1,8 trillion budget is irrational and quite frankly nonsensical. The EFF has called on this House every year when we adopt the Division of Revenue Bill for the past five years to let us amend the formula. Our proposal has always been that the majority of the money that is allocated for national department including grants, it ends up at local government and the money that is allocated to provinces first should go to municipalities, Chair.

We cannot continue to allocate municipalities only 10% and expect them to deliver all basic services especially when we know that in the majority of the municipalities there are no economic activities and municipalities themselves are at the centre of owning economic activities for most communities.

Hon Chair, the Division of Revenue Bill before the House is an adjustment of the Division of Revenue Bill presented in the House at the beginning of the year by the Minister of Finance. The

Division of Revenue Bill seeks to reduce the provision accorded all share allocated by R17,7 billion. They reduced Eastern Cape by R2,2 billion. They have reduced the Free State budget by

R1,1 billion. They have reduced the Gauteng budget by

R3,8 billion. They have reduced the KwaZulu-Natal budget by

R3,8 billion. They have reduced the Limpopo budget by R2 billion. They have reduced the Mpumalanga budget by R1,5 billion. They have reduced the Northern Cape Budget by R14 million. They have also reduced the North West budget by R1,2 million and they have reduced the Western Cape budget by R1,5 billion. These reductions are on health grants, for HIV, TB and malaria community outreach programmes, health facilities revitalisation, and progression of extensive tertiary and healthcare services and some conditional grants to revitalisation of our agricultural economy.

The fact, hon Chair, should make that all of us in this House reject this Division of Revenue Bill tabled before us by the Minister. Hon Chair, we should be using this conditional grant to revive the local economies and not advance the narrow ideological policies mentioned by the Minister of Finance. We do reject this Division of Revenue Bill with the harsh contempt it deserve. I thank you.

Mr X NGWEZI: Chair, the IFP welcomes the amendment for the most part. We acknowledge the precarious fiscal position and a need for a responsive government at a time when our communities are ravished by the pandemic and the dire economic situation. While we welcome the Bill, we trust that the reallocated funds will be the needed relief for our most vulnerable citizens without being tainted by the scourge of corruption.

The IFP echoes the committee in encouraging provincial treasuries to ensure that the procurement processes and the delivery of food parcels is executed in a responsible, transparent and lawful manner which will guarantee accountability and credibility. We note with concern the dysfunctional and poor fiscal health of municipalities that has steadily deteriorated over time. We trust that this will be an opportunity to begin to rectify these problems.

The main concern is the reduction of allocations from across government and critical programmes to contribute to the controversial South African Airways bailout. For example, an entire R1,3 billion was taken from provincial conditional grants to contribute to the airline’s business rescue programme.

I believe that I speak for members gathered here when I say that the message that these reductions for the purpose of helping the SOEs, that continues to hemorrhage taxpayers’ funds regardless of the repeated of irresponsible leadership. The South African public will remain responsible for fixing the damage all the time at their expense. Basic services and programmes that have been in the pipelines to benefit communities must now either be postponed or shifted all together to service debt that could have been avoided.

The IFP notes the reductions for the agricultural support and much needed school infrastructure all to fund poorly managed entities. Infrastructure which will serve severely threatened food security and sanitation for our children during a time when hygiene should be the outmost concern. It is the time for tough, but necessary decisions to be made to guarantee a move from long term debt to a sustainable economy.

The IFP supports the conscious effort in creating jobs via labour intensive projects. The IFP wishes to reiterate the need for effective reporting mechanisms to monitor government spending.

Finally, the IFP wishes to strongly encourage visible and responsive government as well as collaborative governance to address collective issues.

*IsiZulu*:

Noma kunjalo, Sihlalo, siyasixhasa lesi sichibiyelo saloMthethosivivinyo.

*English*:

The IFP supports. Thank you. [Applause.]

Mr W W WESSELS: House Chairperson, the single biggest failure is local government. The single biggest failure is the fact that we do not have functioning municipalities; that infrastructure has collapsed and that there is complete failure on that level of government.

It is human nature, regardless of a person’s ideology - regardless of an organisation or a party’s ideology - to when something fails at a lower level, to try and get that level in sync with the top level and try to get rid of the lower level and centralise to get rid of the problem. It is human nature, but it not a sustainable solution. The centralisation of local government is at the core of why local government is failing.

In the Financial and Fiscal Commission, 2017 submission on the Division of Revenue, it was found that the amalgamation of failed municipal entities into municipalities which are performing

better, is not obtaining the objective of the intent. It is failure because when we amalgamate and make municipalities bigger, all of those units, even the one that was performing better before hand, are now performing worse and service delivery worsened. So we need a new model of local government.

We need a sustainable model. We need smaller municipalities and we need to take service delivery closer to the people because communities are suffering. The hon Buthelezi says that the ANC won’t leave the staff of SAA to fend for themselves. But it is your government hon Buthelezi, who failed the staff in the first place. It is because of your culture of cadre deployment and your culture of corruption that the SAA collapsed. And now, taxpayers must bailout the entity and call it what you want, it is a bailout.

Take responsibility! You won’t leave the SAA staff to fend for themselves but you leave the people of South Africa to fend for themselves when it comes to water, sewerage, crime, healthcare because you, appropriate money away from bulk service infrastructure grants - away from water service grants - away from healthcare - away from peace and security - but you say you won’t leave the staff of SAA to fend themselves. But people must fend for themselves when it comes to sewerage running through the

streets, when it comes to failed infrastructure, when it comes to failed healthcare, and when it comes to crime which is a pandemic in South Africa. Take responsibility!

*Afrikaans*:

Agb Buthelezi, u moenie hier staan en praat van allerhande retoriek soos “white supremacy” en wat-wat nie! Kom, neem verantwoordelikheid en sê vir die mense van Suid-Afrika dat u misluk het, dat u regering misluk het, dat daar ‘n groot krisis is, en dat ons nou moet werk om die land uit díé gemors te kry!

*English*:

We are on the edge of the fiscal cliff and not taking responsibility and coming with rhetoric is completely irresponsible. This Bill does not solve the problems of South Africa. We need functional municipalities to ensure economic growth. Without functional municipalities, we will never have economic growth and job creation. We reject this Bill. I thank you.

Mr S N SWART: House Chair, the ACDP shares the concerns that have been expressed in the report by the appropriations committee about the Division of Revenue Bill. There are some strongly worded concerns about the proposed R1,3 billion reduction in provincial

conditional grants of provide SAA business rescue plan requiring R10,5 billion as referred as referred to by other speakers.

A number of questions can be asked as well about the process of the business rescue. Yes, this is the first process that has ever taken place of an SOE but the question is why has the business rescue practitioners not taken action against those responsible for the state of affairs at SAA? This duty is placed upon them, hon Buthelezi, by the company’s Act and they could have recovered funds as opposed to litigating on retrenchments which costs a lot of money and that in our view was also wasted expenditure.

Now even though government has said that it has to fund SAA business rescue plan, the committee expresses deep concerns in which the uniform manner in which the conditional grants to provinces are reduced across the board. Now the committee says, in its report, this sends a wrong message to South Africans, to tax payers in particular, that whenever there is mismanagement of state-owned companies, at all costs, business rescue funding requirements will be funded through uniform budget cuts across government programmes.

The ACDP agrees with this view that the conditional grants are a key vehicle to provide critical services to the communities; that

the reduction of education, health, agricultural grants is unacceptable. It is deplorable.

And yes, a robust engagement between the committee and National Treasury is necessary as Parliament exercises its oversight role. Remember, Parliament passes this Bill, we need to take responsibility and we need to act prudently and responsibly as good stewards of state resources. Remember, the lack of oversight was filed by the Constitutional Court that Parliament breeds its constitutional duties in the fifth Parliament where we did not exercise sufficient oversight in preventing looting and ... [Inaudible.]

Now, the committee makes this statement, it says it is incomprehensible to the committee as to why municipalities, yes, there is R613 million taken from municipalities, it is incomprehensible as to our municipalities are also having to have their funds taken considering all the known challenges facing municipalities. They ... [Inaudible.] fund the SAA business rescue plan and this is well said but why then does the committee approve this Bill? The ACDP, in view of what the comments said in the report, cannot support this Bill. I thank you.

*Declarations of vote continued:*

Mr N S AUGUST: Hon Chair, during 2020, there is no individual who on behalf of their family, job or business that cannot say they have not had to make difficult decisions in order to stay alive. Covid-19 has tested us as a nation and once again proven how resilient we are as people and as South Africans. Given these unique once in a lifetime circumstances the Division of Revenue Second Amendment Bill demonstrates or tests us to make decisions that will have long-term impact on the state of our fiscus and how we can continue staying afloat through these uncharted waters.

At the same time, however, Minister Mboweni must be held to account, like all other members of the executive. He owes South Africans a proper explanation for the latest SA Airways bailout – or resuscitation package, or whatever you wish to call it – and a commitment to switch off the bailout tap. At the same time, poor people cannot be expected to pay the highest price for the economic hole that we are in. The delivery of basic services to those most in need cannot be decelerated.

The conditions in which many of our people live was a crisis before Covid-19, and we cannot deviate from our course of rectifying the gross inequalities that define our society. The Division of Revenue Second Amendment Bill must seek to spend money

in ways that will have a long-term impact, while also doing the necessary to keep the nation afloat.

When considering Division of Revenue Second Amendment Bill, our primary objective must remain to look at our priorities. The priorities we carried into lockdown – narrowing inequality, reducing poverty and achieving sustainable socioeconomic justice remain our priorities.

GOOD, therefore welcomes the equitable shares of the revenue for food relief, education assistance in our schools, investment in the safety of health care workers, additional provincial road maintenance, and an increase in our childhood development grants. These investments are in line with our priorities. But, GOOD will continue to call for contract and consequence management systems to hold the handlers of the cash accountable for how our budgets are administered.

What we don’t welcome is the reduction of certain conditional grants, including the provincial Emergency Housing Delivery Grant. We note that these reductions are mainly to support the rescue plan to save SA Airways. The reprioritisation of the budget to release some money for SA Airways is regrettable.

As I conclude, we cannot continue talking about the same thing that brings us to the same situation where we are at today. GOOD has asked, and we ask again, that we address SA Airway’s poor management, its high salaries and the wasteful expenditure. Thank you.

Mr A M SHAIK EMAM: House Chairperson, let me start off with a quote from Arts Jonah:

Those who spend their time looking for the faults in others, usually, make no time to correct their own.

The NFP supports the Division of Revenue Second Amendment Bill tabled here today. Yes, he engaged. We are aware of the fact that the reason for this reprioritisation is to bail out or assist SA Airways. SA Airways has been a sore point for a very long period of time.

I think I must agree with colleagues if they say not enough is being been done to hold those responsible for the state of SA Airways, so that we could recover our money.

I had repeated in this House spoken particularly about Coleman Andrews and having sold the entire fleet, but no Minister and

nobody wants to come and give us details on that. However, the Minister of Finance has alluded to some of the challenges SA Airways has been facing. For example, one-in-three workers not being at work at any given time.

Now, unless there is a comprehensive workable plan on SA Airways, we cannot continue to be feeding SA Airways with taxpayers’ money.

Let me also add that the Minister had very well articulated the challenges that we face as a country and the risks attached to that - like some of my colleagues are talking about a fiscal clap, which is what we have been talking about for a long period of time.

I think many of my colleagues here are being very disingenuous – and when I say this, it is simply because we are aware that in many of these departments, those departments do not have a capacity and will not be able to spend those budgets that were allocated to them timeously before the financial year end in this

... [Interjections.]

The CHIEF WHIP OF THE MAJORITY PARTY (POINT OF ORDER): Chair!

Mr A M SHAIK EMAM: Now, that is what ... [Interjections.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon Shaik ...

[Interjections.]

Mr A M SHAIK EMAM: And, I will give you a good example ... [Interjections.] I will give you a good example! If you take the Western Cape, ... [Interjections.]

The HOUSE CHAIRPERSON (Ms M G BOROTO): Hon Shaik-Emam! Just hold for a minute.

The CHIEF WHIP OF THE MAJORITY PARTY (Ms P C P Majodina): Chair,

can I kindly request hon Shaik-Emam to button up the shirt; not to expose the vest, please!

The HOUSE CHAIRPERSON (Ms M G Boroto): Thank you! Hon Shaik-Emam, I hope you heard. [Interjections.]

Mr A M SHAIK EMAM: Thank you, Chair. I just flew in from Cape Town to Durban. So, I forgot my tie, but I must apologise.

The HOUSE CHAIRPERSON (Ms M G Boroto): Your apology is accepted. Proceed!

Mr A M SHAIK EMAM: Thank you very much. Now, you know ... I have just been distracted there but I was talking about the underspending. So, one of the reasons why you are taking from certain departments is because those departments do not have the capacity and will not spend their monies earnestly. I will give you an ideal example: It is the Western Cape.

The Western Cape is one government that has been repeatedly underspending their Urban Settlement Development Grant, Water and Sanitation Grant, Housing Gran - even underspending year-in and year-out. Now, when they do not spend ... Let’s assume we did not take monies from these departments: These departments would in any case not have spent those monies. So, what is the difference? Yes, it does affect service delivery.

What we shouldn’t be dealing with is the lack of capacity in these departments to be able to deliver services qualitatively and appropriately. That is what they should be dealing with. Coming here and just finding fault ... In fact, the government at this stage does not have an alternative, even in terms of SA Airways, and even though we know that challenges we faced. [Interjections.]

We discussed in the Chief Whips’ Forum the problems with are sitting with of the airlines at the moments. So, to have your own

airline – yes- is the right thing to do. We must just make sure that it is independently run so that there is no interference. The only reason why SA Airways has a problem is because of interference from politicians and political parties. [Time expired.] Thank you very much. The NFP supports this report.

Mr X S QAYISO: Hon House Chair, the ANC supports Division of Revenue Second Amendment Bill. This we do with the some concerns we have expressed on this podium. However, we believe in the interventions that the ANC-led government, working together with the social partners, has embarked upon to build and maintain infrastructure and create jobs. Frantz Fanon wrote in his famous book, *The Wretched of the Earth*:

To educate the masses politically does not mean, cannot mean, making a political speech. What it means is to try, relentlessly and passionately, to teach the masses that everything depends on them; that if we stagnate it is their responsibility, and that if we go forward it is due to them too, that there is no such thing as a demiurge, that there is no famous man who will take the responsibility for everything, but that the demiurge is the people themselves and the magic hands are finally only the hands of the people.

There is always a danger of governing over the people and reducing them into passive recipients of the state handouts. The ANC has understood this pitfall; hence we introduced democratic organs of self government in the local spheres of government. This was to implement the injunction in the Freedom Charter that:

All bodies of minority rule, advisory boards, councils and authorities shall be replaced by democratic organs of self- government.

Hon Chair, a total of R12 million has been reprioritised into the indirect component of the Water Services Infrastructure Grant, WSIG for the implementation of various water services intervention. As we know, water has been the Achilles’ heel of many municipalities in recent years.

We have noted from the Division of Revenue Second Amendment Bill that a total of R390 million has been rolled over in the Urban Settlement Development Grant, USDG to fund commitments for bulk infrastructure related projects in the Nelson Mandela Bay Metropolitan Municipality. This is in response to the crisis of municipalities in the metro for better and reliable municipal services. It is evident that the ANC has listened and heard. So, it is not that the budget has just been cut but only the money

which was not utilised has been rolled over to assist to intervene in those circumstances. That is why I am saying that you must listen.

There are many deficiencies in the supply chain management processes of government and many of these were amplified by the introduction of the energy procurement process allowed for Personal Protective Equipment, PPE to protect people from the coronavirus. There is always danger in the public sector of overpricing, potential fraud and supply chain management legislation being sidestepped.

In addition, delays in the delivery and quality of goods and services must be avoided through better planning and management of suppliers going forward. Public procurement can be used strategically to develop local industries. For example, the Incentive Grants Framework, IGF of both provincial and local government grants could be enhanced in order to strengthen localisation. They should attach conditions that expenditure must support the procurement of goods only if they are made or assembled locally within the South African borders to stimulate domestic economy.

In order to support our local government, many of which are struggling, provinces, businesses and national departments, state- owned enterprise, SOEs and households must pay their dues to business. These are the business friends of the municipalities. It is unacceptable that the municipalities are owed a staggering

R191 billion. The capabilities of the state to deliver to our people more effectively and efficiently must be developed.

We call upon the government and organised labour to engage on continuous basis on the issue of the Wage Bill, until an amicable solution is found. On the issue of the Public Service Wage Bill, the courts are not actually the appropriate fora to resolve disputes of mutual interests particularly now that the nation needs all hands on deck to rebuild the broken economic foundations of our country.

Local government must act as an enabler of economic recovery plan. Municipality authorities must become more capable of performing their functions. Local government has the potential to unleash the creativity and energies of our people to partaking working of building communities and towns ravished by the pandemic. This requires the reactivating of the organs of self government such as the civic organisations, ward fora, hospital committees, police fora, sports associations and co-operatives.

Assisting the SOEs remains at the heart of the ANC-led government and this forms part of the economic recovery plan and building a democratic capable developmental state. It is something that is very close to our plan as the ANC-led government. We are not going to worry about your list of grievances that you have submitted.

You know all these problems that you have caused emanate from your old apartheid regime. Thank you, very much hon House Chair. [Applause.]

Mr M G E HENDRICKS: Good morning hon House Chair. Hon House Chair, the country has made a lot of sacrifices to accommodate South African Airways, SAA. The party leaders had a one on one meeting with the Minister of Finance who took us into his confidence. We understand that he is in a very difficult position but what the Minister of Finance agrees with Al Jama-ah is that... [Lost network]

The HOUSE CHAIRPERSON (Ms M G Boroto): You got cut.

Mr M G E HENDRICKS: The least SAA should do is to create a lot savings now that the country is bailing them out. Further, we are aware of the fact that productivity levels at SAA are possibly the worst in the country. If you look at the figures of absenteeism and look at the wastage, productivity levels are very low. SAA

employees and management, now that the country is doing what she can, should also play their part, hon House Chair. Al jama-ah supports the Division of Revenue Second Amendment Bill.

Mr A N SARUPEN: Hon House Chair, even before the pandemic and the ANC’s lockdown crisis, South Africa’s financial situation could only be described as precarious. Unemployment and poverty were record high, corruption was rampant and a gloom national mood had set in. However, at the start of the pandemic, the perception of the President in charge with the plan made some people hope again and citizens believed that we could withstand the hardships of lockdowns because the government had a plan. After all, things were moving quickly; decisions were being made quickly and there was no perception of the plan. How wrong this turned out to be.

There was no plan. It was all makeshifts. Making it up as we go along and here we are back to square one. The Division of Revenue Second Amendment Bill is a slashed and burned budget. I say this because critical budgets are being slashed while cash is being burned on corrupt and failing state-owned enterprises, SEOs at a time when poverty and misery is worse than it is ever been.

An amount of R350 a month cannot lift the national mood or stave off the simple facts. The ANC has systematically destroyed large

scale employment over time. They have introduced rigid laws that deter investment in hiring and have spent the country into near bankruptcy. This is being overseen by the kleptocratic elite who use racialised politics as a fig leaf to cover up their real failures. The gall of the ANC speakers today to say that their slash and burn approach to budgeting was because money was not going to be spent anyway.

Let me put it into perspective, the ANC today said the

R336 million being cut from the School Infrastructure Grant, SIG was not going to be spent anyway. So to every school child in this country who has pit latrine and other toilets, the ANC had no intention in their budget of ever building you toilets. This is the situation we are in. [Interjections.] We have a government – I see I am hearing hecklings from the ANC side because they cannot stand the truth. They have no intention of building toilets for school children. They were going to always choose a failing airline over the school children.

Another egregious cut and the gall to say that this money was never going to be spent anyway is the R253 million reductions in the Public Transport Network Grant, PTNG. This ANC ... [Inaudible, Network lost] ... telling people of this country that they have no intention of making sure that there are safe accessible public

transport because if they want flights for the few rather than public transport for the many, the gall of all of this.

The cuts to R180 million from the Municipal Infrastructure Grant, MIG, at the time when local grids are failing; municipal roads are littered with potholes; and when towns are going for days and weeks without water and electricity. This ANC has a gall to say this money was never going to be spent anyway. There is one . . . [Inaudible.] line we have heard repeated by every single ANC speaker is that, this money was never going to be spent anyway.

The ANC had no intention, ever, of spending money on the people. [Interjections.]

I see hon Buthelezi is heckling quite loudly. He was the one who started with this line; the money was not going to be spent anyway. Remember, those words when you go to the ballot box. So, while we are other seeing as well? Water; we have got a massive drought and R78 million is being cut from the Water Service Infrastructure Grant, WSIG. Towns, as I have said, go for weeks without water and yet this money was not going to be spent anyway.

The sorry state of affairs cannot continue and South Africa deserves better than this corrupt system that benefits the ANC’s elites and their pet projects like the SAA. So, the DA rejects

this Bill with the contempt it deserves and we will be voting against it.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon members on the virtual platform, there have been many disturbances. Please mute your microphones. You may not be aware that your microphone is on and we can hear you very clearly. We do not want to hear what is happening where you are.

Mrs N P SONTI: And it is from your members Chairperson. It is from your members.

Hon MEMBER: They must stop stealing!

The MINISTER OF SOCIAL DEVELOPMENT: Switch off your microphone...

IsiZulu:

... nawe uyeke ukhulumela safuthi wena DA.

The HOUSE CHAIRPERSON (Ms M G Boroto): Hon Sonti, hon Zulu, please I beg of you. You cannot press the microphone; you do that again, this is a warning and I have called your name, you shall have to leave the platform. Thank you.

Mr Z MLENZANA: Chairperson, in his opening address to the third South Africa Investment Conference, President Cyril Ramaphosa drew an analogy of a King Protea, the national flower of South Africa. The unique characteristics of our national flower include its resilience in the harsh face of elements, including strong winds and forest fires. It always finds a way to recover and thrive.

This moment of recovery from the COVID-19 pandemic is similar to the aftermath of war. It is a period in which true patriots always put their differences aside and focus on the national good. But history is teaching us that post-war moments always spurs opportunists whose narrow self-interests trumps the national interests.

They blow their horns and seek to promote themselves as messiahs who hold all the wisdom. I’ve listened to hon Sarupen, as if the masses could entrust them with political power, lest we forget, hon Sarupen, many demagogues in history emerged in post-war conditions and quickly appealed to the nationalist impulses of the masses of the working classes of their countries. They were in pain, suffering from the economic fallout of war. The name of the fascist leader, Benito Mussolini and his German ally the founder of the Nazi Party, Adolf Hitler, are two examples that come to mind.

Let me then quickly come to the Division of Revenue, starting by saying the ANC supports the Bill. The South African nation will remain steadfast in the face of adversity, mainly because our people trust the ANC. The roots of our 109-year old movement go deep enough to ensure that, like the King Protea, there is steady leadership that will sail this ship to safer waters.

I mean people like the current Minister. Even in the midst of a raging economic storm, our people will never be misled by some of the opportunistic parties presented in this House. You have listened to them, Chairperson, today. The propaganda out there is that the ANC government has indiscriminately and narrowly cut funding to key service delivery programmes.

However, the truth is that, in spite of the tight fiscal space which objectively all nations in the world are dealing with, the ANC government has shown the wisdom to allocate funds to programmes that have greater potential to stimulate the economy and create jobs as part and parcel of the reconstruction and recovery effort. None of these political parties have ever mentioned anything like where the destination of a particular fund, that is why, but then that would then be the anatomy of any other position. I once more challenge this august House to debate the genesis and relevance state-owned companies, SOCs. Maybe these

reactionary forces or elements will come out with reasons for this deep hatred, because the ANC has a revolutionary responsibility to support SOCs.

Significantly, South Africans should be aware - listen now I am coming to the destination of this particular Bill - that

R7 billion has been allocated to education for school assistance. This initiative will create 300 000 opportunities for young people to be engaged as education and school assistants throughout the country to help teachers with basic and routine work. This will allow educators to be more focused on teaching.

I said now I’m dealing with facts and figures, R1,5 billion has been added to direct conditional grants to provinces for job creation and government has allocated a further R475 million for school infrastructure backlog grants, SIBGs, under the Sanitation Appropriate For Education, Safe, that is the Safe initiative. The ANC calls on the Department of Education to strengthen the planning, monitoring and delivery of the Safe projects in all provinces.

We must welcome the commitment of R316 million for the creation of more than 50 000 jobs for labour-intensive maintenance and construction of municipal infrastructure and rural roads. Now, you

are talking to a rural boy, Mr Sarupen, because I know more about what our people need, more than you. Through its character, as a forward-looking government, an amount of R496 million is allocated to ECD, that is Early Childhood Development, as it has been proven through empirical evidence, investment in ECD is critical for breaking the generational poverty trap to which the majority of South Africans were relegated to by the apartheid system.

Equally important, the Bill dedicates R213 million to HIV interventions to preserve the lives of our people. Now, let me come to the Economic Reconstruction and Recovery Plan. This one also is for provinces and municipalities. I fear that the FF Plus is crying foul over operations at local government. Do you know why? It is because they are not there. In fact, if it wasn’t for this electoral system, the FF Plus wouldn’t be in this august House. [Interjections.]

Provinces and municipalities have to play a massive role in terms of the implementation of the Economic Reconstruction and Recovery Plan at local level. Thank you, Chairperson. The ANC supports the Bill. [Applause.]

The MINISTER OF FINANCE: House Chair, hon members, I’d like to take this opportunity to thank the Appropriations Committee for

the hard work that they’ve done in working through the submissions and making sense of what at times might look like difficult terrains to traverse. I think in particular the able leadership of hon Buthelezi, Sfiso Buthelezi, he’s done very well. So, thank you very much hon member.

House Chair I really only picked up two issues in the debate thus far. The first one is about the R10.5 billion allocations for the SAA business rescue practitioners plan and the second one are the reductions in the budgets for local government. So, the two which I’ve picked up the rest really were political issues that we’ll find another day to deal with them.

On SAA, let me indicate that what I presented in Parliament is not Tito Mboweni’s views or wishes. That is the implementation of a Cabinet decision. So, do not seek to make it as if it’s my personal decision. No, my position on SAA is well known, my personal position is well known. But, we will not yet talk about personal positions; we’re talking about a Cabinet decision. The Cabinet decided that we must find a R10.5 billion for the SAA business rescue plan and that’s what we have done.The duty of the Minister of Finance and the National Treasury is to implement Cabinet decisions and this is what we sought to do here. Any further details in this regard can be provided by the Minister of

the Department of Public Enterprises when such an opportunity arises.

So, I needed to emphasize that but let me add something to this, are they, the business rescue practitioners owe it to all of us to complete their process and indeed ensure that their plan works because I fully completely understand why there is some impatience on the part of many that this business rescue practitioners are just going on and on and on. It must come to an end at some point.

At the end of July this year, we paid SAA debts of some

R10 billion and then end of August we paid R3.5 billion of the SAA debt. So, yes we can’t go on like this. At some point this thing has to be sorted out. The second issue is about allocations to local government and the ability or the inability of local government to function. I sympathise with that view and the situation has changed dramatically I’ll come to it just now.

That’s why we all have to reallocate our budgets, reprioritize our expenditures and focus on the critical issues and stay away from issues which are not critical. Some of the expenditure at local government is totally unnecessary. Whether it’s about the many body guards that people have and so on. So many things that are going on there that can be sorted out.

The municipalities as well must pay what is due to set the bulk water suppliers, Rand Water, Magalies, Lepelle Water, Umgeni Water, local government must pay those entities; otherwise they are going to be in trouble very soon. We’ll be back in this House debating about the same thing. So, we have to continue to support local government to the best of our abilities.

Let me then because of time conclude by the back drop that has influenced this Bill before us House Chair. I indicated that the global economic situation has changed that the whole globe is now facing a recession partly as a result of the pandemic but also other factors which were not attended to on time before the pandemic. So, we expect global economic performance to be poor similarly the domestic economic performance will also be very poor in South Africans who indicated a contraction of some 7.8%. That has the resultant implication of poor revenue collection to the tune of some R332 billion.

So, given the lower levels of revenue, it goes without saying that we have to adjust our expenditure envelope to take account of the fact that we are no longer as rich as we thought we were. That’s why have to do these reallocations of our budget and make sure that we keep the sanctity of the fiscal framework in place.

If we mess up on the fiscal framework, we are going to be in serious trouble. Later this afternoon or so the ratings agencies will be indicating where the ratings of South Africa are going to be. One of the issues they are looking is the sanctity of our fiscal framework and please work with me to ensure that we keep the fiscal framework in place so that we don’t’ experience further harm to our sovereign rating which has implications for our borrowing costs going forward. As it is I’m waiting a little bit anxiously for their announcement this afternoon about they’re handling our rating.

That result of their rating has immediate implications for our borrowing costs which will then make our fiscal framework even tighter. House Chair, I thank all members for their contributions on Friday morning and I wish that all parties could support the Bill but I know the usual suspects won’t support which is fine but I wish they could change their mind. Hopefully my intervention now has made them change their mind. Thank you very much House Chair.

QUESTION PUT

DIVISION CALLED

BELLS RUNG FOR 5 MINUTES

The HOUSE CHAIRPERSON (Ms M G BOROTO): Thank you hon members, I have already established with the Table to confirm that we do have requisite number of members who are physically in the chamber as well as the virtual platform. Party Whips as usual will be given that opportunity to confirm the number of their members present whether they vote against or to.

Hon members, having confirmed that we do have a quorum, the request is that the division of Revenue Amendment Bill be read a second time. Now, I’m going to start with the parties to give me the numbers both in the House and on virtual platform and we will confirm with what we have from ICT before we give the results.

VOTING

BILL READ THE SECOND TIME

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON PUBLIC ENTERPRISES ON PETITION FROM THE RESIDENTS OF JAMESTOWN, STELLENBOSCH, CALLING ON THE ASSEMBLY TO INVESTIGATE THE TRANSFER, BY ESKOM, OF MANAGEMENT POWERS OVER THE ELECTRICITY NETWORK IN JAMESTOWN TO STELLENBOSCH MUNICIPALITY (SUBMITTED BY DR L SHREIBER, MP)

Ms J TSHABALALA: House Chairperson, the community of Jamestown in Stellenbosch petitioned the National Assembly to intervene in ensuring that Eskom hands over the power supply and maintenance of streetlights in the Jamestown and Mountain View areas to the Stellenbosch Municipality.

On 12 March 2020, the above mentioned petition was then referred to the Portfolio Committee on Public Enterprises for consideration and report. National Assembly Rule 347 (1) determines that a member of the National Assembly must lodge a petition with the Secretary to Parliament for approval and tabling by the Speaker.

The petition was lodged in the name of Mr Shreiber MP on 31 July 2020; the committee considered the petition and the oral presentation were made to the committee.

Mr Shreiber, a member of the National Assembly gave a background and gave reasons why the community decided to petition Parliament. He further highlighted the discussions between the Stellenbosch Municipality and Eskom. He also informed the committee that the purpose of the petition was to appeal to Eskom to fast-rack the implementation of the handover of the maintenance of and power supply for the streetlights of Jamestown to the Stellenbosch Municipality.

In respect of the streetlights infrastructure, Eskom was responsible for the infrastructure maintenance. Mr D Louw from Stellenbosch Municipality also informed the committee that the municipality had received numerous complaints from the residence of Jamestown regarding the streetlights that were not working, which also affected their safety. The municipality had discussed the matter with the Eskom, but also sought the intervention of the National Assembly through the committee to ensure that Eskom handed over the power supply and maintenance responsibilities of streetlights to the municipality without unnecessary dela lights.

Mr R Badenhost, the ward councillor informed the committee that the residents had complains that the streetlights are not working. The infrastructure belonged to the municipality but the supply of electricity was the responsibility of Eskom. He also pleaded with the Eskom to expedite the transfer of powers to the municipality to enable it to maintain the streetlights.

Then we had Ms R Barby from Eskom that stated in response that the number of residents living in Jamestown and Mountain View, in Stellenbosch Municipality, petitioned Parliament to have the streetlights services and maintenance handed over from Eskom to the Stellenbosch Municipality. Eskom in the Western Cape engaged the Stellenbosch Municipality on this matter in July 2019 and

October 2019, based on the request from the municipality. Both Eskom Western Cape and the Stellenbosch Municipality agreed in principle that a pilot in Jamestown would then proceed after verification of assets ownership and after an asset walk-down had been done. This was confirmed in the meeting of 4 October 2019.

However, due to Covid-19 that request could not take over and then it will take over in 2020.

The committee observations are that there was an in-principle agreement made between the parties on the transfer, and that the pilot was due for implementation on 1 April 2020. Due to Covid-19 pandemic there was a delay in the implementation of the transfer. There was no resistance from either party and it was perhaps premature to petition the National Assembly at that stage when the parties’ concerned had not reached a deadlock.

The recommendations therefore are that the Minister of Public Enterprises should ensure that Eskom reconvenes these discussions with the Stellenbosch Municipality in order to expedite the transfer of power supply maintenance of streetlights to the residents of Jamestown to the Stellenbosch Municipality itself.

Therefore, the request should be considered. I so move. Thank you so much.

The CHIEF WHIP OF THE MAJORITY PARTY: House Chair, I move that this report be adopted by the House. Thank you very much.

*Declarations of vote*:

Mr C BRINK: Hon Chair, we all know that the majority of South African municipalities are dysfunctional. The case of cadre deployment and corruption had robbed most local government of the skills and resources they need to build thriving communities.

We must never lose sight of the fact that there are some important exceptions to the decline when officials are appointed on merit and where corruption is not tolerated. Infect, we should all be actively promoting and learning from the municipalities that move their communities forward despite being held back by a failing national government.

Thousands of DA-run municipalities are singled out every year by the Auditor-General and other agencies as bright stars in a duck universe. In...

*Afrikaans***:**

Stellenbos Munisipaliteit is een van hierdie heel, helderste sterre. Onder die leierskap van DA Burgermeester Gesie van Deventer en haar span, word hierdie munisipaliteit jaar-op-jaar

uitgesonder as een van die bes-regeerde munisipaliteite in Suid- Afrika.

*English:*

Just last week, the municipalities’ new wastewater treatment plant won the consulting engineers of South Africa award for best project. However, like many well run-DA municipalities, Stellenbosch, Franschhoek and the sounding communities are being held back by the failures of national government. Electricity provision is one of the most prominent examples.

We all know that the failed of Eskom state monopoly is utterly incapable of meeting South Africa’s energy needs. Yet despite repeated promises that more power will be given to healthy municipalities like Stellenbosch, they still remain entirely reliant on Eskom for energy generation.

In some parts of the municipality including Jamestown but also Klapmuts, Koelenhof, Kylemore and Franschhoek. Eskom has entirely failed to maintain the electricity infrastructure leading to regular blackouts even outside load shedding hours.

Despaired Eskom clear inability to maintain the network and despite repeatedly quest from Stellenbosch Municipality to take

over control of transmission and maintenance in this areas Eskom has to date failed to handover control.

*Afrikaans***:**

Die mense van Jamestown en Mountainview was so keelvol van aanhoudende kragonderbrekings, straatligte wat nie werk nie, sowel as die feit dat Eskom weier om beheer oor te dra aan die munisipaliteit, dat hulle vroeër vanjaar ‘n petisie aan die Parlement gerig het. Honderde inwoners het die petisie onderteken wat eis dat Eskom onmiddelik beheer van die kraginfrastruktuur oordra aan Stellenbos Munisipaliteit. As DA kiesafdelingshoof in Stellenbos het ek die petisie namens die gemeenskap aan die Parlement voorgelê. Die boodskap van die gemeenskap is duidelik: Hulle het total vertroue verloor in die nasionale ANC-regering om in hul behoeftes te voorsien. Hulle vertrou veel eerder hul DA- beheerde plaaslike munisipaliteit om die ligte aan te hou.

*English*:

I am happy to report that as a result of the co-operation between the community and the DA on this petition Eskom chief executive officer, Andre de Ruyter, has personally undertaken to end the delays and to ensure that control is handed over to Stellenbosch Municipality as soon as possible. The DA will hold him to this.

Just imagine the economic possibility that beckon for the

Stellenbosch Velley if our municipality could get control over the electricity network. By working with the private sector, we could eliminate load shedding just like we eliminated portholes and failed service delivery when we took over from the ANC in Stellenbosch a decade ago.

*Afrikaans***:**

Aan die mense van Stellenbos wil ek graag sê: Die DA is absoluut vasbeslote om dienslewering na selfs groter hoogtes te neem. Ons is gereed om harder as ooit vantevore te veg om seker te maak dat meer regeringsmagte afgewentel word na gesonde munisipaliteite soos Stellenbos sodat ons die gemeenskap uiteindelik heeltemal kan bevry van Eskom beurtkrag. Hoe hierdie spasie dop! Baie dankie.

Ms R N KOMANE: Chair, ... the petition of the residents of Jamestown in Stellenbosch Municipality is a genuine concerned by the residents. We as the EFF, we understand their challenges because we deal with this daily in our constituencies.

... of Jamestown, Chair, like all other residents anyway in the country deserves reliable service delivery and supply of reliable electricity. Whether this is done by Eskom or it is done by Stellenbosch Local Municipality. However, we must not be naïve and overlooked the ongoing on Eskom capacity as a national asset entrusted to generate electricity to transmit in utility and to

distribute electricity to major South Africans all over the country from Stellenbosch to Musina. This might look like an isolated incident where Eskom is failing to deliver basic things like maintenance in Jamestown.

However, Chair, we can tell you now that this is like to form part of well formatted attack on Eskom and the objective is to lead Eskom without any capacity to generate electricity, maintain transmission lines or to be a credible and reliable distributor of electricity.

This will entrench independent power producers and the purchase in power again that are already taking over. We must be able to isolate things and we must call on Eskom to build an internal capacity and not, Chair, to rely on tenders and contractors even for the most basic things.

Eskom has a college to train electricians, Chairperson. This college is left there in Midrand unused to its maximum capacity. Eskom has a logistic division with a proper feed, Chairperson, but it is not used to transport transformers and quality companies are hired and charged Eskom three times the prise that will cost Eskom to transport the transformers if they do that themselves. All of this is part of the strategy to cripple Eskom and handover the

strategic aspect of the economy which is the electricity supply in the hands of the few individuals, Chairperson.

As the EFF, Chair, we have consistently called on Eskom to build the internal capacity to be able to produce electricity to supply to all the residents, businesses and to revitalise the economy.

This includes the supply of electricity, Chairperson, to ... of Jamestown and the maintenance strategy of Eskom. Thank you very much.

*Declarations of Vote cont:*

Mr X NGWEZI: Chairperson and colleagues, the IFP has considered the recommendations by the portfolio committee in relation to the petition from the residence of Jamestown, Stellenbosch dated

19 August 2020 and agrees with the committee’s recommendations.

It appears that there is an agreement in principle between all parties on the transfer of power supply and; the IFP agrees that the Minister should ensure that Eskom reconvenes decisions with the Stellenbosch municipality to expedite the transfer of power supply and maintenance of street lights to the municipality.

The IFP urges that this matter receives urgent attention from the Minister of Public Enterprises and we cannot have the COVID-19

pandemic delay further access to this vital service. This matter has already been delayed since 1 April 2020 when the effective date of this pilot was agreed to but due to COVID-19, it was delayed.

The global pandemic cannot be an excuse in ensuring access to socio-economic rights is fulfilled. Colleagues, this matter brings sharply into focus the desperate plight of Jamestown community. It is not simply a matter of access to power supply. This matter speaks directly to safety and security of a community of accountability and ensuring access to socio-economic rights guaranteed in terms of the Constitution being fulfilled.

We cannot ignore the plight of this community as we have heard from the Stellenbosch municipality and the ward councillor that there have been numerous complaints from community regarding the lack of power supply and their fears of safety and security. In a desperate attempt, they turned to Parliament for answers.

The portfolio committee has pointed out that this petition might be premature as no deadlock has been reached between the parties. But it is our mandate as Parliament to ensure that we represent the people of South Africa and provide oversight of the executive.

We cannot ignore the plight of this community which has turned to Parliament for help.

The IFP urges all parties to use their best endeavours to expedite the transfer of power supply to this committee and we support the committee’s recommendations. Thank you.

Mr M G E HENDRICKS: Hon House Chair, we all pronounced very loud that this people’s Parliament. One of the ways for people to bring the issues to Parliament is by the petition. And I think that it is up to us as Members of Parliament to encourage this; that if a petition has any merits, Parliament must do what it can to show the people that we are listening to their voices.

We need to open Parliament to the streets and when a petition comes, it is in fact much easier and Al Jama-ah feels that there are enough merits for this petition to be supported. It is the people’s Parliament and we need to do what the people wants. The people want the transfer to the municipality.

We have heard that the municipality has excelled in so many fields. The municipality can do it. They own most of the infrastructure. And, I can understand why the residents are frustrated in that because something was supposed to happen in

April and it’s now the festive season and nothing is going to happen.

So, Parliament must be brave and come forward and say that we are now making a decision and your petition has been accepted. We must not be a weak Parliament. We need to show the people that there are merits in their petition; otherwise people are not going to send in petitions. You get petitions out and we find all sorts of excuses. If there are some merits, maybe not 100%, Al Jama-ah feels that Parliament must go out of its way and open Parliament to the streets. Thank you, hon Chair.

The HOUSE CHAIRPERSON (Mr C T FROLICK): Hon Mkhwanazi of the ANC will you please mute your microphone? Your microphone is on.

Ms J C N MKHWANAZI: House Chair and hon members, I stand here on behalf of the ANC to support the report of the Portfolio Committee on Public Enterprise on the petition of the community of Jamestown in Stellenbosch. The community petitioned the National Assembly to intervene in ensuring that Eskom hands over the power supply and maintenance of street lights in Jamestown and mountain areas to the Stellenbosch municipality.

House Chair, as a responsive, caring and people’s centred Parliament, the committee managed to ensure that Eskom and Stellenbosch municipality concluded and implemented what has already been agreed upon in principle. As the ANC, we were impressed with the response of Eskom but we were not surprised that they were not opposed to the request because as the state- owned company, they are always ready to provide quality services to all.

As the committee we agreed that; firstly, there was a principle agreement between the parties on the transfer and that the pilot was due for implementation on the 1 April 2020. Unfortunately, due to the COVID-19 pandemic, there was a delay in the implementation of the transfer. Secondly, there was not resistance from any parties. It was perhaps prematurely for the petition to be sent to the National Assembly at the stage where the parties concerned has not reached any deadlock but it was only the cheap party politics, especially from the DA.

As the ANC we will continue with the public participation principle which is to educate on services that are provided; consult with the people that are receiving the services so that they always get the services they deserve; involve all the participants and; partner with all the stakeholders involved.

The ANC supports the report and appeals to the House to adopt the report. Thank you.

The HOUSE CHAIRPERSON (Mr C T FROLICK): Hon Mkhwanazi, switch on your microphone please.

The HOUSE CHAIRPERSON (Ms M G BOROTO): House Chair, hon Mkhwanazi has concluded.

The HOUSE CHAIRPERSON (Mr C T FROLICK): Thank you. Hon members the motion is that the report be adopted. Are there any objections?

Mr N SINGH: Hon Chairperson!

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

Mr N SINGH: I think that was the last speaker.

The HOUSE CHAIRPERSON (Mr C T FROLICK): Yes, I am asking if there are no objections.

Mr N SINGH: No we couldn’t hear you Chairperson.

The HOUSE CHAIRPERSON (Mr C T FROLICK): My apologies, I said the motion is that the report be adopted.

Question put.

Motion agreed to.

Report accordingly adopted.

Ms J TSHABALALA: House Chairperson!

The HOUSE CHAIRPERSON (Mr C T FROLICK): Yes hon member

Ms J TSHABALALA: House Chair, on a point of privilege, as I was called the parliamentary channel recording says that I am an EFF member and my surname is not spelled right. So, it must be Tshabalala with a “T” and I am not an EFF member. I am a proud member of the ANC. So the parliamentary channel must record properly. So I thought I should raise that Chair.

An HON MEMBER: If the shoe fits wear it.

The HOUSE CHAIRPERSON (Mr C T FROLICK): Thank you hon member, we have a few challenges also with the administration around these

sittings and it is something that we will take up with the secretary to the National Assembly. It is not correct; when people sit and work, whether they are working remotely from home or not, they must give due attention to what they are doing. It is unacceptable and it must be corrected.

# CONSIDERATION OF REPORT OF PORTFOLIO COMMITTEE ON COMMUNICATIONS - 2020/21 FIRST QUARTER PERFORMANCE AND EXPENDITURE REPORT OF GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM

Mr B M MANELI: Hon House Chairperson, hon members and fellow South Africans, in introducing this report of the portfolio committee on 2020-21 first quarter performance and expenditure report of Government Communication and Information Systems, GCIS. Allow me to pay respect to all those who passed on as a result of the Covid-19 pandemic whilst at the same time saluting the frontline workers who continue to risk their own lives to save lives. More importantly I acknowledge those who kept South Africa well informed, particularly SABC employees who ensured that the national broadcaster remains the first choice in getting news for millions of South Africans throughout the stages of the national lockdown.

This is the reason the committee, in particular the ANC component chose to support all efforts and interventions by all stakeholders in particular the Ministry as the shareholder representative as represented by the Deputy Minister and as delegated by the Minister. This is to ensure that jobs are saved whilst at the same time trying to reposition the SABC to financial health and sustainability. We remain opposed to political grandstanding with no solutions at the expense of the plight of the SABC employees.

The portfolio committee considers the 2020-21 first quarter performance report which is the 01 April 2020 to 30 June 2020 of the department in the virtual meeting on 25 August 2020. The report gives an overview of the department’s presentation made to the committee which mainly focuses on its achievements, outputs in respect of performance indicators and targets set for 2020-21 financial year and related financial year.

Even though the quarter under review was during the period of the stricter lockdown levels, the committee observed that:

This department has had seven consecutive years of clean audit opinions from the Auditor-General; achieved 80% of its target with satisfactory reasons on the ones that were not achieved given the lockdown levels at the time. The department under the leadership

of the Ministry hon Minister Mthembu and Deputy Minister Hon Siweya who did exceptionally well in ensuring a single well co- ordinated message of government to South Africans both inside and outside the country which was well received. The department created meaningful partnerships with community media working the Media Development and Diversity Agency, MDDA, national broadcasters, different social media platforms and distribution of *Vukuzenzele Publication*, in particular to rural provinces in the different languages to ensure the delivery of government message whilst at the same time rebutting fake news whenever they occurred.

As I conclude, it is indeed worth saying that whilst Covid-19 related procurement, PPEs in particular, is perceived to be just about corruption. This department assured the committee that there were no deviations from procurement regulations that the department approved. Once again, this confirms that even under emergency circumstances there can be delivery without compromising the accountability requirements.

This report, House Chair is presented for the consideration of the House. I thank you.

The CHIEF OF THE MAJORITY PARTY: Hon House Chair, I move that the report be adopted by the House. Thank you.

*Declarations of Vote*:

Mr C MACKENZIE: Hon House Chair, with the 2020 my personal *annus horribilis*, apologies to Queen Elizabeth for misappropriating her term, it has also been a horrible year for millions of South Africans who after ruinous lockdown are staring joblessness, deprivation and hopelessness in the face. Leaving the Wuhan virus aside for a moment, never forget that South Africa’s unemployment crisis is the direct result of a quarter of a century of ruinous ANC policies. The European Union, EU, our biggest trading partner recently confirmed what the biggest obstacles to investment and growth are in South Africa. I won’t repeat them here other than to say that race-based classification should have died with apartheid.

You see the endless stream of entities that appear before the committee to table their reports. Appearances by state-owned entities, SOEs like SABC, the South African Post Office, and the Sector Education and Training Authority, Seta demonstrate the problem facing our country. Bore the instability conflict between the Minister and the entities; between the Minister and the board chairpersons; poor audit outcomes; inadequate reserves; negative

cash flows, fruitless, wasteful and irregular expenditure running into hundreds of millions; and demoralised staff. The list really is endless.

And then there are those entities that stand out, not only for the efficacy of their programmes but for tight financial controls that inhibit corruption and maladministration. It is these entities that brought clean audits and for the most part a satisfactory levels of services to our people. With this in mind the report on Government Communication and Information Systems, GCIS, makes for very pleasant reading. In the middle of the Covid-19 crisis the GCIS, in completely uncharted territory and then as we have not had a national crisis of this sort before, managed to operate effectively; communicate the necessary messaging from government while still continuing to carry out their ordinary mandate of normal government communications.

The contribution made by community media to free and diverse media environment cannot be underestimated. Yet, it is these small newspapers, magazine, radio and TV stations that have suffered the economic brunt of the coronavirus the most and whose survival is most at risk. The support rendered by GCIS to this critical media sector is therefore welcomed and much appreciated.

So what is it then that makes GCIS and the MDDA for example both achieve consistently clean audits, have competent boards focused on their mandates and a staff with motivated and energised people who display ingenuity and initiative? The organisational climate is healthy and untiring and all those involved in the entities, from the Minister down can be rightly proud of the association.

With all the entities operating basically in the same economic environment with the same challenges, why is it that when we contrast the excellent examples of the GCIS and the MDDA, for example, with Seta, SA Post Office, SABC, Universal Service and Access Agency of South Africa, USAASA and even National Electronic Media Institute of South Africa, Nemisa we find these entities also generating headlines just like the MDDA’s *Vukuzenzele publication,* that is a good read that actually, but sadly all the wrong headlines like qualified audits, caretaker CEO, Ministers playing boardroom bingo and musical chairs for the top seat at the table, Ministerial influence peddling that is corrupt at worst and unethical at best, failure to meet targets and as in the case of the South African Post Office still has not tabled its annual report.

All things being equal the difference is clear it comes down to leadership at the top. Besides our common membership with the

parliamentary gunshots survivors club, I hold no beef for Minister Jackson Mthembu beyond our pleasant courteous and insightful engagements in committee when the imperious Minister Ndabeni- Abrahams was on unpaid leave earlier this year.

It is here at leadership by example level and personal integrity that the contrast between Minister Mthembu who is responsible for leading a smaller but very clean and effective portfolio and Minister Ndabeni-Abrahams whose poor leadership is reflected in the dismal performance results of the huge entities reporting into her, becomes clear. I have never read of Minister Mthembu going head to head with staff executives or directors of the board.

There is not a whiff of corruption around GPS, not even during PPE procurement where so many have been found with their fingers in the food parcels.

But let us give credit where it is due. Minister Ndabeni-Abrahams did kick-start the spectrum auction process and so South Africa salutes her for that. She also issued the directive for the long overdue rapid deployment guidelines. Another success, but sadly that is where it stops. So, today I have a suggestion for His Excellency Matamela Cyril Ramaphosa and I hope you had a happy birthday Sir, and yes we know that you don’t take advice from the DA but just listen up for a minute. It is time to shuffle the deck

chairs on the *Titanic*. The Department of Communications and Digital Technology needs a firm competent experienced hand at the helm, because digital icebergs are looming large in the waters ahead of us. South Africa does not have the luxury of time or money to keep incompetent Ministers in critical positions, especially in the vital telecommunications landscape.

Why not allow Minister Ndabeni- Abrahams to swop roles with Minister Mthembu? She gets a couple of entities with the record of clean audits and the department and us gets the knowledge experience in guidance of the new Minister with the clean track record and proven leadership skills. It is a win-win for both of them but mostly importantly a win for the country and we will be much happier. The DA supports the contents of this report. I thank you Chair.

Ms N N CHIRWA: Hon House Chairperson, firstly we join other members of this committee in welcoming the appointment of Ms Williams as the Director-General of the Government Communication and Information System, GCIS. Her appointment comes at a time when we need more than ever, as a country, unapologetic commitments to women leaders in this country. The GCIS is supposed to be a crucial core in communicating government policy and programmes and

it should be a tool through which the views of the citizens are relayed back to those who lead the state.

The importance of this role is made ever so crucial today as we struggle with coronavirus pandemic. Nothing has shown just how disconnected the state is from the citizens as the inability to communicate in an efficient manner the state response to coronavirus pandemic. The GCIS must therefore take this time to reflect whether it is real sound, for instance to spend only R2 million on community radio stations while spending almost R30 million on billboards?

Do you know which communication medium have the greatest reach to the people you need to be communicating with. They often argued here that the medium such as the *Vukuzenzele Publication* could be used to communicate at a level far higher than it is currently being used for. It is still not reaching the most remote rural areas and still does not allow an effective two way communication between the citizens and the state. That newspaper must be a medium for insuring that even citizen’s voices are being heard. It must ensure that government is able to respond directly to those issues that are being raised by the citizens.

The R750 million for the GCIS budget cannot reduce our communications anxious to mere media releases and press conferences. We definitely need to do more. So, that is why we reject this report as the EFF. Thank you Chairperson.

*Declarations of vote continues:*

Ms Z MAJOZI: Hon Chairperson, of late, it is rare to come across a Department that meets its targets, or indeed, even manages to reach 50% of its goals for any given period. Therefore, the IFP would like to echo the committee’s appreciation of the work done by the Government Communication and Information System, GCIS, during the first quarter of 2020-21, despite the impact of the Covid-19 pandemic.

Rather than shirking the work at hand, the department mobilised its resources and generated messaging that was anchored on educating and raising awareness on Covid-19 and the Health Protocols that were required to be adhered to. This included the President’s Covid-19 updates to the nation, as well as cluster media briefings, paid-for advertising in community radio, print and digital media advertising and face-to-face interaction with communities.

During a period where accurate credible facts about the coronavirus were one of the most powerful weapons in limiting the spread of combat pandemic, the importance of access to information cannot be overstated. It is further worth noting that of the

R60 million allocated specifically for Covid-19 awareness, a sizable portion of the funds were allocated to community radio stations, community television and SA Broadcasting Corporation radio and television channels. This was a sensible investment, as these channels are often the sole available means of accessing information for our fellow South Africans living in rural areas.

Lastly, we applaud the department for its visible commitment to gender equality, with a staff complement consisting of 58% women, as well as the appointment of a female director-general. The IFP supports the report. Thank you.

*Afrikaans*:

Mnr W W WESSELS: Voorsitter, dit is baie duidelik dat die regering se kommunikasievermoë gefaal het tydens die grendelstaat. Die manier waarop regulasies komunikeer is was so onverstaanbaar dat baie mense in die moeilikhied beland het omdat hulle nie verstaan het wat die ingewikkeldheid van die regulasies behels nie. Dit is ‘n mislukking van die regering se komunikasiedepartement, en dit

moet erken word, want dit het tot baie mense se moeilikhede en probleme gelei.

Daar was totale wankomunikasie en teenstrydighede. Ministers het gepraat en dan mekaar eintlik heeltemal teenstrydig ten opsigte van uitsprake en reëls en regulasies uitgelaat. Dit is ‘n mislukking van regeringskomunikasie en daar moet kennis geneem word daarvan. Dit moet verbeter word wanneer ons in so ‘n krisis is, want die mense van Suid-Afrika was deurmekaar en het nie geweet wat aangaan nie. Ek dank u.

Mr S N SWART: House Chair, the ACDP will support the report. Thank you so much.

Mr M G E HENDRICKS: Thank you very much, hon House Chair. We are looking forward to an exciting time in this particular department, with a Minister that is forward looking. Even if there are serious problems at the moment, you know that the department is battling whether to retrench or not. I just want to raise the narrative that there must always be alternatives to retrenchment.

Here is an ideal opportunity to use existing staff and offer them opportunities to start enterprises in the SA Broadcasting Co- operation. They can ring fence certain activities and get some of

the staff to take responsibility, instead of outsourcing it outside the SA Broadcasting Co-operation ranks. This will empower them, especially the women members.

They can then - not only now, but in future - provide services for the SA Broadcasting Co-operation, but they can also provide service generally. In this way, the SA Broadcasting Co-operation can reduce its head count. It is important for the SA Broadcasting Co-operation to be lean and mean, now that we have all these restrictions.

Therefore, Al Jama-Ah will support this report in the hope that there will be creative alternatives to retrenchment, and that there will be empowerment of women in the SA Broadcasting Co- operation instead of retrenching them, giving them ring-fenced opportunities.

We also feel that it is time that the SA Broadcasting Co-operation go to the next level because they still seem stuck in the present decade. They need to move to the next decade. Thank you very much, hon Chairperson. We will support the report.

Ms N J KUBHEKA: Hon House Chairperson, the Chief Whip of the Majority Party, hon Ministers and Deputy Ministers, hon members, I

first want to welcome the presentation by the chairperson of our portfolio committee who has introduced the report. Indeed, as the ANC, we believe that the Government Communication Information System, GCIS, is on the right track in terms of fulfilling its mission of delivering effective strategic government communication and proactively communicating with the public about government policies, plans, programmes and achievements.

Communicating government’s achievements is essential in this day and age of fake news and alternative facts spread by people whom society should expect better from. During the peak of the coronavirus pandemic, there were many attempts by those some hon members, particularly from the official opposition who tried their best to attract attention by consistently releasing all sorts of misleading public statements.

For instance, a *Tweet* in August by DA Member of Parliament, Sivuyile Gwarube, implied that the Health Minster, Dr Zweli Mkhize, had falsely reported in June that the facility in the North West, which was a result of a public-private partnership with mining company, Royal Bafokeng Holdings, was nearing completion.

Fortunately, government communication teams were wide awake. They picked up the hon member’s false claims and duly clarified to the public that indeed the hospital was officially handed over in July, at a ceremony that was attended by the North West Premier, Prof Job Mokgoro. Can you imagine!

If there was no GCIS, parties like the DA and their right wing breezing in the Freedom Front-Plus, would have a field day with their friends in the media, rubbishing every ANC-led government programme and belittling the good work which our officials are doing every day.

Indeed, the report of the first quarter of the 2020-21 financial year of the GCIS reflects an organisation led by the steady hand of a black women professional, the director-general, Ms Phumla Williams. Malibongwe!

As the ANC, we are unapologetic about our transformation agenda because unlike some parties in this House, they consistently recycle leadership. We embrace the principle of continuity and change, as well as intergenerational mix. [Interjections.]

Just to give some friendly advice to our colleague, Ms Van Damme: As long as Helen Zille is still breathing, you will never see a

leadership collective in your party that reflects the demographics of South Africa. Zille will haunt your party until it becomes as pale and as male dominated as the Freedom Front-Plus.

The 2019 National and Provincial Elections, as well as the recent elections, have shown that Freedom Front-Plus is eating your breakfast, your lunch and also your supper in the white conservative communities. No matter how hard you try, hon Van Damme, to portray yourself as a reliable attack dog of right wing, you and your accolades, such as hon Gwarube, will never ever be recognised as equal in conservative white society.

Only the ANC-led government is truly nonracial and nonsexist in word and in deed. The ANC is among the leaders in the world in terms of extending access to government information and programmes, including for people with disabilities, women, youth, poor and rural communities.

The performance of the GCIS during the first quarter took place during the declared State of Disaster. The department was tasked to guide communication on Covid-19. All of us were glued onto our TV screens and radios whenever Minister Mthembu and his Cabinet colleagues, such as Mama Nkosazana Dlamini-Zuma, announced new

regulations and measures to contain the spread of the virus while at the same time opening various sectors of the economy.

The leadership of our government spoke in our languages and communicated a clear message to our people. Of course, they came under attack some of the opposition figures who could not accept being led. Despite the many challenges faced by our communities. The majority of the South African public understood that we are living in a new normal.

They appreciated the leadership provided by government. That confidence was affirmed in the by-election, where the ANC once again emerged as the people’s movement. Most of South Africans adhered to the Health Protocols because of the outstanding education and raising of awareness on Covid-19, led by the GCIS in particular.

On the matter of PPEs, the committee has requested a comprehensive breakdown of expenditure to the department. This is part of the responsibility the ANC has taken to lead in the oversight work of Parliament in all our committees. The ANC has committed to fight the scourge of corruption - whatever it manifest itself – and build an ethical, capable and developmental state.

The ANC support this report and we wish the GCIS well in the coming period of economic reconstruction and recovery. They must continue to inform and educate, so that all South Africans can become part of the tremendous work of rebuilding our economy.

House Chair, I thank you. [Applause.]

Question put.

Motion agreed to.

Report accordingly adopted (Economic Freedom Fighters dissenting).

Business of the day concluded.

The House adjourned at 12:12.