**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

# TUESDAY,08 DECEMBER 2020

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

The Council met at 14:02.

The CHAIRPESON OF THE NCOP: The Chairperson took the Chair and requested members to observe a moment of silence for prayers or meditation. Thank very much, just to remind delegates that rules and processes apply in relation to this virtual sitting. I would also like to remind you of the following; that the virtual sitting constitutes a sitting of the NCOP, that the place of the sitting is deemed to be Cape Town, where the sitting of NCOP is. That delegates in the virtual sitting enjoy the same powers and privileges that apply in the sitting of the NCOP, that for the purpose of the quorum all delegates who are logged on to the virtual platform shall be considered present, that delegates must always switch on their videos, that delegate should ensure that the microphones on their gadgets are muted and must always remain muted.

Please to note that interpretation facility is active and that any delegates who wishes to speak must use the raise your hand icon.

To move on, hon delegates, I have been informed that there will no notices of motion or motions without notice except the motion on the Order Paper in the name of the Chief Whip. [Interjection.]

Mr A ARNOLDS: Chairperson, on a point of order Chairperson

The CHAIRPESON OF THE NCOP: We therefore proceed [Inaudible.]

... hello, yes. What is your point of order?

Mr A ARNOLDS: Yes, Chairperson, my point of order is, according to the Order Paper and what the EFF has requested that we have an opportunity for more motions. So, I only see the Order Paper saying motions and there is only one motion. So, we as the EFF has requested that we also move motions in the House and we didn’t have the opportunity to move motions for the period of time.

So I don’t know why, the Order Paper only saying motions, but there is only one motion from the Chief Whip. Thanks Chairperson.

The CHAIRPESON OF THE NCOP: Yah...the issue really in front us is that there was an arrangement made that there be only this one motion on the Order Paper for today, that’s my understanding, but this does not mean there will be no motions in future or in the sittings. For today there is only one motion.

Mr A ARNOLDS: Chairperson, can I raise another point of order on what you are saying.

The CHAIRPESON OF THE NCOP: Yah, what’s a point of order?

Mr A ARNOLDS: The EFF, we have requested this before, due to the programme that there was limited opportunity for political parties to do motions, that is why we are requesting now to do motions, but I can’t understand you are saying there is an Order Paper, it’s saying motions and there is only one motion. So, why can’t we move...[Interjection.]

Ms C LABUSCHAGNE: Point of order...

The CHIEF WHIP OF THE COUNCIL: Why don’t we let the Chief Whip make a comment on the matter, so that we can move on, because there is no attempt by anyone to stop anybody from moving any motion or take any motion.

Ms C LABUSCHAGNE: Point of order.

The CHIEF WHIP OF THE COUNCIL: Let us not have an impression that there is someone who is trying to limit motions and the EFF is being denied an opportunity to put motions to the House.

Ms C LABUSCHAGNE: Point of order, Sir.

The CHIEF WHIP OF THE COUNCIL: Yes, Labuschagne.

Ms C LABUSCHAGNE: Chairperson, on this point of order, I have to say that the motion was on the programme and the request came through on the webs group to remove the motion in order for the people to prepare for declaration for tomorrow. I also indicated that we already have motions but happened is that the ANC outvoted the rest of us on the decision on the WhatsApp

group. So, maybe you don’t have that information but is not a clear cut that or agreed on that. Thank you.

The CHAIRPESON OF THE NCOP: Yes.

Mr K M MMOOIEMANG: Can I raise a point of order Chairperson before the Chief Whip, because I know what he is going to say. He going to say, this is the programme and we just want to continue with the programme, but it’s unacceptable that we don’t have the opportunity to move motions. This is a Council House not an ANC House.

The CHIEF WHIP OF NCOP: Thank you Chair, my apology that as a Chairperson of the Council you are subjected to discussion that party whips should have behind closed doors, to prepare the agenda for the sitting with your approval. Indeed, when we approach every sitting we do so with great caution not to stifle the participation of the parties in the House, and we do not even have the power to undermine participation, even the smallest party in the House.

Now, madam Labuschagne is right, she expressed her displeasure for not having motions. The rest of all parties agreed that we

have to shelf the items not to have motions, and in particular hon Arnolds I don’t want to create any problem but we liaise directly with the party whip which is mam Mokause and she also concerted that we should not have the item of motions for today.

So, it’s not really my call to want to make a big issue of this Chairperson. We do appreciate that we have got items before the agenda of this House, that we need to be processed. So, there was an agreement and as I say fairly Ms Labuschagne did expressed her displeasure that we don’t have motions and the rest of parties agreed. Thank you.

The CHAIRPESON OF THE NCOP: Thank you very much.

Mr A ARNOLDS: Just on a point of order, please[Interjection.] [Inaudible.] saying here.

The CHAIRPESON OF THE NCOP: I have never given you the opportunity to speak now, please. Hon Arnolds spare us ...

Mr A ARNOLDS: Come again, Chairperson, I raise a point order. I need to clarify something here, because Chief Whip would be

saying her member is not here that can verify what the Chief Whip is saying now. So Chief Whip [Interjection.] [Inaudible.]

The CHAIRPESON OF THE NCOP: Hon Mmmoiemang or hon Nhanha. Let’s start with Mmmoiemang.

Mr K M MMOIEMANG: Thanks Chair, sir, I am raising in terms of rule 35, that the hon Arnolds must respect the ruling that the Chair has made because in terms of rule 35, the presiding officers will take precedence and you have already pronounced on this matter, it is wrong for hon Arnolds to continue undermining with the ruling that the Chair has made and also we do not want to be subjected to what happens [Inaudible.] forum, not all of us are part of that forum so therefore, I want to make a humble appeal to hon Arnolds to allow the ruling that you have made to stand, so that we proceed with the proceedings please hon Chair. Thank you.

The CHAIRPESON OF THE NCOP: Hon Nhanha.

Mr M NHANHA: Chair, I would want to come on another point of order when you exhausted this one, unless you are directing me to cross ahead.

The CHAIRPESON OF THE NCOP: We are on this item, this item, there’s no other item on the agenda but this item.

Mr M NHANHA: No, I had a point of order Chair but a separate point of order. I wanted to check if you have exhausted this one so that I can raise my own point of order.

Mr A ARNOLDS: Chairperson, we are going to be ...[Inaudible.] by the ANC majority here. [Inaudible.] ... experience.

The CHAIRPESON OF THE NCOP: Hon Arnolds, I have not given you the opportunity. Let me be more generous and allow you Nhanha to speak. Let’s hear what point of order you are in.

Mr M NHANHA: Hon Chairperson, thank you very much for taking my point of order. My sincerest apologies for delaying the important business of this House.

Chair, I would like to raise an equally important point. I would like to congratulate the DA’s Eastern Cape leader Mr Nqabayomzi Bhanga for being elected as the Executive Mayor of Nelson Mandela Bay. [Interjections.]

The CHAIRPERSON OF THE NCOP: Hon members, order!

Hon members, we will now proceed!

The only motion that is in front of this House is in the name of the Chief Whip of the NCOP. So, I call on the hon Chief Whip to table the motion. Hon Chief Whip.

# NOTICE OF INTERVENTION IN NORTH WEST PROVINCIAL GOVERNMENT INVOKED

(Draft Resolution)

The CHIEF WHIP OF THE COUNCIL: Hon Chairperson, I move without notice:

That the Council—

1. notes the notice of intervention in North West Provincial Government invoked in terms of section 100(1)(b) of the Constitution of the Republic;
2. and established an Ad hoc Committee to;
	1. follow-up on progress in North West Provincial Government in terms of the Council Rules and the Constitution;
	2. make recommendations where applicable;
	3. exercise those powers as set out in the Council Rules that may assist it in carrying out its task;
	4. consist of members of ANC five, DA two, EFF one, FF Plus one;
	5. alternates as follows, ANC two, DA one, EFF one, FF Plus one, IFP one;
	6. and that the committee should report of the NCOP on 26 March of the coming year.

In favour: Eastern Cape, Free State, Gauteng, Kwa Zulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West and Western Cape.

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

# CONSIDERATION OF REPORT OF SELECT COMMITTEE ON LAND REFORM, ENVIRONMENT, MINERAL RESOURCES AND ENERGY – RATIFICATION OF THE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA AND THE EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM) FOR CO-OPERATION IN THE PEACEFUL USES OF NUCLEAR ENERGY AS WELL AS THE EXPLANATORY MEMORANDUM ATTACHED THERETO, DATED 1 DECEMBER 2020

Ms T C MODISE: Hon Chairperson, Deputy Chairperson, the Chief Whip and all the hon members that are participating here today, the committee was last week briefed by the Department of Mineral Resources and Energy on the nuclear energy agreement between the South African government and European Atomic Energy Community on 1 December 2020. The purpose of this co-operation agreement was to expand and deepening the mutual economic, scientific and technical benefits of co-operation. The agreement is a tool that would be used to create foundation to co-operate between South Africa and European Atomic Energy Community, EAEC or Euratom, in the field of nuclear energy for peaceful purpose.

The committee thanked the department for the international agreement with the European Atomic Energy Community and note in this regard that the agreement include countries involved in the programmes, expertise and knowledge that would benefit South Africa and its aspirations.

The committee was of the view that foreseeable benefits will not only affect not only the energy sector, but will also contribute towards the economic sector such as consumer products, agriculture, industrial, health, science research, transport, water resources and mineral sector and the environmental sector.

The committee indicated that the consultation process on the agreement conducted by the department was appreciated. However, the committee was of the view that the Department of Health, Agriculture, Land Reform and Rural Development seemed to have been left out of this process.

The committee was of the opinion that these departments are also beneficiaries of this agreement and should be made aware of it.

The department’s response to all the questions posed by the members and clarified the legislation emanating from the agreement would be the funding Bill which the Department of Mineral Resources hopes to finalise by the end of the current financial year.

The department further added that the country will be responsible for its own funding when research projects are initiated in line with the provision in the agreement. Hence the funding Bill aims to clearly define all aspects findings with regard to the agreement in this response to how the provinces will benefit from the agreement via skills transfer and training programmes.

The committee was informed that the programme will be spread across the provinces at various institutions of learning and research.

The department further explained that the delaying in tabling the said agreement to Parliament was previously more focussed on the procurement of nuclear power, not on so much joint research opportunities of agreements such as these. This was now changed as overtime government realise that acquisition of

knowledge and research will greatly assist the process of acquiring nuclear energy and associated industries using peaceful application of nuclear technology.

The committee was assured by the Department of Mineral Resources and Energy that South Africa has the necessary knowledge, expertise and capable to responsibly handle nuclear material and dispose of nuclear waste and that because of the cost of the country’s Koeberg Nuclear Power Station. South Africa has many proven and tested nuclear protocol overseeing by the National Nuclear Regulator.

The department also informed the committee that the agreement will be reviewed in every five years by the signatories and that the monitoring agreement for South Africa will be done by department. That the Department of Mineral Resources and Energy will on regular basis report to the committee on the progress of the agreement.

Hon Chairperson, in conclusion the committee welcomed and agreed in the proposed implementation plan for the ratification on the agreement including the instrument to address the

potential of noncompliance. Hon Chairperson, the ANC supports this report. Thank you very much. [Applause.]

Debate concluded.

Question put: That the Report be adopted.

In favour: Eastern Cape, Free State, Gauteng, Kwa Zulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West and Western Cape.

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

# CONSIDERATION OF TAXATION LAWS AMENDMENT BILL AND REPORT OF SELECT COMMITTEE ON FINANCE THEREON

**CONSIDERATION OF TAX ADMINISTRATION LAWS AMENDMENT BILL AND REPORT OF SELECT COMMITTEE ON FINANCE THEREON**

**CONSIDERATION OF RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL AND REPORT OF SELECT COMMITTEE ON FINANCE THEREON**

Mr E Z NJANDU: Hon Chairperson, hon Deputy Chairperson, hon Chief Whip, all members, good afternoon. The NCOP Select Committee on Finance reports to the House as follows. The Minister of Finance first introduced the draft version of the 2020 Taxation Laws Amendment Bill, which is the “T-Lab”, and the draft version of the 2020 Taxation Administration Laws Amendment Bill, the “Talab”, together with the draft version of the 2020 Rates and Monetary Amounts and Amendment of Revenue Laws Bill, during the February 2020 national Budget tabling.

The Taxation Laws Amendment Bill, B27B of 2020, the Tax Administration Laws Amendment Bill, B28 of 2020, and the Rates and Monetary Amounts and Amendment of Revenue Laws Bill, B26B of 2020, were formally tabled in Parliament on 28 October 2020, together with the Medium-Term Budget Policy Statement, the MTBPS.

On 12 November 2020, the National Council of Provinces formally referred the Taxation Laws Amendment Bill, the Tax Administration Laws Amendment Bill and the Rates and Monetary Amounts and Amendment of Revenue Laws Bill to the Select Committee on Finance for consideration and report, after the Standing Committee on Finance voted on them on 11 November

2020. The National Assembly passed the Bills on 27 November 2020, and the committee received a briefing from the National Treasury and the SA Revenue Service, Sars.

Therefore, Chairperson, tax exemption of the employer provided

... The committee acknowledges the concerns raised by the stakeholders and the recommendations made. We observed that the proposed amendment in the 2020 Taxation Laws Amendment Bill does not take away the entire tax incentive but allows the

exemption to apply to bona fide bursaries and ensures equity across employees. We have noted the explanation given by National Treasury in that, currently, public servants cannot

access the incentive and, as education is a private expenditure, there should be incentive for all. We have also noted National Treasury’s acknowledgement that policy decisions can be received if they no longer render desirable outcomes.

Chairperson, on the contribution to economic growth, investment and the creation of much-needed jobs, the objectives of the Tax Administration Laws Amendment Bill include the following: to amend the Estate Duty Act of 1955 so as to make textual corrections; amend the Income Tax Act of 1962 so as to delete obsolete wording; to make a decision subject to objection and

appeal; to enable a public benefit organisation, PBO, to provide funds and assets to any department of government of the Republic and effect consequential amendments relating thereto; to align provisions to provide that only approved public benefit organisations can provide certain certificates; to

provide that audit certificates must be obtained and retained by certain organisations; to align situations where withholding tax on royalties was due and payable but subsequently becomes irrecoverable with that of withholding tax on interest; to

provide that certain entities be excluded from the definition of provisional taxpayer; to align the wording with certain current processes and remove a reference to a deleted

provision; to modify the requirement of intent for certain criminal offences; and to effect a consequential amendment.

On the Rates and Monetary Amounts and Amendment of Revenue Laws

Bill, having considered the issues raised by the stakeholders and responses of National Treasury, the committee accepts the amendment. It further recommends that National Treasury, the SA Revenue Service and other relevant agencies significantly increase their efforts in addressing the illicit tobacco trade especially of its upsurge with the COVID-19 lockdown restrictions and the even greater health challenges that the

illicit tobacco trade poses. National Treasury should monitor the implementation of the policy on heated tobacco products to assess the outcomes.

Chairperson, in conclusion, the Select Committee on Finance,

having considered and examined the Taxation Laws Amendment Bill, the Taxation Administration Laws Amendment Bill, and the Rates and Monetary Amounts and Amendment of Revenue Laws Bill, recommends that the report of the committee be considered.

Thank you very much, Chair.

Debate concluded.

Question put: That the Bill be agreed to.

*Declarations of vote:*

Mr D R RYDER: Chair, if this House had any respect, the Taxation Laws Amendment Bill would be returned to the National Assembly with recommendations to amend it. Sadly, the process was so rushed that the majority in the committee were convinced to accede to the pleas of the Executive and the office bearers in Parliament to allow a flawed Bill to pass rather than to make a stand for what is right.

The details of the matter were well-ventilated in the committee. But one of the things that this Bill does is to remove an incentive which was introduced in 2006 for taxpayers to reduce the burden on the state to fund education. The Treasury is concerned that R4,000 in revenue foregone per claimant is more of a risk than the approximate cost of R16,000 per learner should that learner be forced to return to a state- funded school because of the removal of this incentive.

Treasury were convincing in their arguments and avoided certain questions. I disagree with Mr Njadu’s point of view that we were convinced by their comments. There was broad agreement in fact in the committee that the principle itself is flawed. And certainly that the National Assembly had not fully applied its mind and interrogated the implications of the amendment. The NCOP had an ideal opportunity to exercise its powers in terms of section 75 (1)(a)(2) of the Constitution. Yet, political expedience and the need for the National Assembly colleagues to go on holiday seems to have won the day.

Less obvious, but certainly worth noting, were our sentiments towards ending the section 12(j) incentive for investments and emerging local entrepreneurs, especially considering the

massive positive impact that this has had on small local businesses and the benefits of keeping funds in our economy as opposed to investors taking their funds offshore. Once again, the big-picture benefits of an incentive have been inadequately scrutinised and interrogated. The incentive is being removed for the sake of comparatively small amounts revenue foregone.

What we are seeing is Treasury tidying up the bedroom to create a good impression on the firefighters while the house is burning down.

The scrap metals proposed are questionable, especially considering the international treaties which Treasury themselves pointed out. The issues here are complex and require much deeper engagement by the National Assembly committee with DTI, Treasury, industry role players and law enforcement agencies.

Our minority comments have been included in this very well- written report. But we cannot support the recommendations. The DA remains opposed to this Bill and will not support it. We propose referring it back to the National Assembly for improvement.

Thank you, Chair.

Mr M S MOLETSANE: Chairperson, this is a declaration on the three Bills – the Taxation Laws Amendment Bill, the Tax Administration Laws Amendment Bill and the Rates and Monetary Amounts Amendment Bill. Chairperson, I think we can all agree that the Taxation Laws Amendment Bill, the Tax Administration Laws Amendment Bill and the Rates and Monetary Amounts and Amendment of Revenue Laws Bill are crucial Bills for the administration and generation of revenue for the sustainability of South Africa. Unfortunately for the ordinary working class South Africans, they are the ones who bear the brunt of the tax burden and can be sure of a tax increase year-in and year-out despite no guarantee of a salary increase. South Africans are the mostly highly taxed people in the world with value-added tax –VAT- now levied at a standard rate of 15% from a previous 14%.

The Rates and Monetary Amounts and Amendment of Revenue Laws Bill seeks to raise R12,8 billion from personal income tax despite the majority of South Africans living from hand to mouth month to month. The majority of South African workers do

not even earn a decent living wage. Yet it is these workers who will have to fork out R12,8 billion in personal income tax.

As envisaged by the Minister of Finance and Sars in aid of increased revenue collection, where will this money come from when the harsh reality is that unemployment is sitting at 30% with youth unemployment reaching a staggering 59% in the first quarter of 2020? Many have taken salary cuts and suffered major job losses this year due to the Covid-19 pandemic. The government and Sars have deliberately failed to capacitate tax law enforcement and deal with all forms of illicit financial flaws and base erosion and profit shifting activities, which caused the country to be in excess of R200 billion annually.

To deal with illicit financial flaws decisively, the EFF’s general anti-avoidance of the Tax Bill puts in place comprehensive measures, including harsh penalties for the biggest culprits – the directors of the banks, audit companies and the bulk of multinational businesses. The Bill is in its final drafting stage.

The Tax Administration Laws Amendment Bill is proof that government has no feasible plan to generate revenue to the

benefit of ordinary South Africans as opposed to the continuous fruitless and baseless bailout of SOEs such as SAA and Eskom.

The EFF cannot therefore in good conscience support the three Bills that will dig even deeper into the shallow pockets of the South African workers. The EFF rejects the Bills.

I thank you.

*Afrikaans*:

Mnr S F DU TOIT: Agb Voorsitter, die reeds wankelrige huwelik tussen die belastingbetaler en die regering laat veel te wense na. Daar is telkens meer en meer selfsugtige kwelpunte wat kop uitsteek.

*English:*

Section 12J investments and the venture capital company, VCC, tax regime incentive will come to an end in 2021. This was a local investment-focused incentive that enhanced growth, created jobs and retained much needed skills and economic growth in the country. And if it is not reinstated, South Africa will risk losing modus operandi on onshore investments

*Afrikaans*:

Hoe is dit moontlik dat die regering belastingwetgewing wat werkskepping tot gevolg het en wat beleggersvertoue in die ekonomie vestig, nie herinstel nie? Beleggers word ontmoedig om plaaslik te belê en die geld word, in effek, weggewys.

Die regering plaas toenemend meer druk op individue wat die privaatsektor deur middel van gewone belasting, hoë dienstegelde en lewenskoste ... Nou moet Jan Allerman, wat ‘n leeftyd lank gewerk het en tot die staatskas bygedra het, verder aan bande gelê word en ingeperk word deur nie toegelaat te word om sy of haar eie pensioenfonds te onttrek vir immigrasiedoeleindes vir ‘n periode van drie jaar nie.

Die regering hou op hierdie manier individue gevange en perk hul vryhede in. Hierdie persone het gehelp om hierdie land se infrastruktuur te bou, maatskaplike dienste in stand te hou, om by te dra tot armoedeverligting, om by te dra tot die verryking van, onder andere, selfgesentreerde, egosentriese, selfsugtige wraakgierige en korrupte politici wat nie oordeelkundig met die bates en die staatskas gehandel het nie.

Baie van hierdie persone wat nou genoop voel om te emigreer doen dit nie uit vrye wil nie; hulle word wel deur u party,

Voorsitter, die ANC, en deur soortgelyke haatdraende partye, deur diskriminerende wetgewing, onveilige buurte, ‘n onveilige land, deur vervalle munisipaliteite en hospitale met bedenklike infrastruktuur, deur haatspraak en veragting gedwing om ‘n ander heenkome en ‘n rustige rusplek te soek. Nou word selfs ‘n rustige aftrede vir sommige onmoontlik.

Die regering moet belasting verdien en kan dit nie net in nie.

*English:*

When, Chair? When will the government deal with finances in such a manner that South Africans feel and see that these hard- earned funds are used and applied to the benefit of the country and all South Africans.

In closing, tax laws like these do not contribute towards social cohesion. They result in a greater division. Tax laws like these could result in South Africans diversifying their investment portfolios in such a way to diverge funds and investments away from South Africa

*Sesotho:*

Mmuso o batla chelete fela. Re batla go sebetsa. Re a dula mona.

The unhappy marriage between the South African government and its taxpayers could result in someone sleeping on the couch in the near future, Chair. The FF Plus does not support this Bill.

Mr Y I CARRIM: Chairperson, colleagues and comrades, Mr Ryder says that if this House respects itself. Maybe he should start respecting the House and its constitutionally defined role.

Maybe he should start with respecting the Constitution. The Constitution is clear. When it comes to the Bills that are not section 76 we do not have powers that we would otherwise have, that is, section 75 and Money Bills. So he must not make up as if we could have altered the Bills fundamentally. As it was pointed out in our report as advised by Advocate Frank Jenkins, actually, all we can do - although it is important that we must do it where it is necessary and we have done it in this House many times before Mr Ryder got here - is to send a report adopted by the committee to the NCOP House for reference to the National Assembly committee which can either reject or amend the report, and we can do nothing further. We can only amend

the Bill, if you like, through a report. We cannot amend the Bill. Let’s be clear about that.

Why should we have the same powers as the National Assembly? We are not another National Assembly. But why that thing is said? All of us agreed. The ANC itself took a lead. Actually, we have raised this with the Chief Whip. It is unacceptable especially the context where Minister Tito Mboweni find it ostensibly brought the Medium-Term Budget Policy Statement, MTBPS, a week late. But we have raised it with the Chief Whip that’s why I am highly bemused because I have reported it to the committee. The Chief Whip was very empathetic. In fact, both the Appropriations and Finance committee chairs are going to approach all the powers that are in the NCOP that we cannot continue like this on tax Bills and the Appropriations legislation. We got it too late and so on. So he had empathy.

He talks about we [Inaudible.] to the executive; they put pressure on us. What pressure? I don’t understand.

Secondly, the NCOP operates under pressure from the executive. What pressure is from the executive? In fact, we hold them to account. We in fact held three extra meetings apart from which I engaged offline with [Inaudible.] an official. [Inaudible.]

than their imagination. Yes, yes, we did mention that if we... it’s a structural issue here. Maybe we need to bring forward some of the dates because what happens is that if the NCOP sits beyond this week, we will enter into the space of constituency time. And [Inaudible.] is Christmas break. That’s what we said. When we leave here the aim of the ANC is that we don’t go into a holiday, but we do two weeks of the constituency work that you are accountable for. So, let’s be clear about that.

On the matters that he raised and the other members overlapping with them - the three matters. Firstly, I would suggest to members that if you care, read the report. The report is much more of your answer, Mr Ryder in particular.

On the matter of bursaries we said that, look there is an abuse. In fact, in all three provisions where amendments were made, very conveniently, very glaringly they forgot to mention the problems that arose. In all three policy matters some sections of the private sector are abusing it to escape paying taxes. That’s wrong. Why don’t you point to that? We said to them on the other hand. Firstly, you can’t be absolutely sure on the bursaries. We work unqualified approval of the clause. We said let’s see what happen and if things don’t work out what

are the ...[Inaudible.] ... within two years, the National Assembly in particular, but also to us? We said the same about [Inaudible.] There is a meeting on [Inaudible.] December this week I think or shortly hereafter on the very issue he raises.

On all these issues we made an unqualified in our report acceptance of this are minutes. Bearing in mind all that I made in the very first point, which is that, as the NCOP our powers are limited on a section 75 Bill. If it was a 76 Bill on the other hand, we would certainly have had the opportunity to engage in it as we have more powers.

Finally, it was an unprecedented at the number of submissions made in the public hearing. Apparently, the staff said they haven’t had this sort of things for nine years. Not this range of issues we had eight, I think before the oral submission were referred to as thirteen. The reason for this is some of them came talking new submissions. They were like foreign shopping thinking they can bring [Interjections.]

The next level we will balance the engagement. Boldly, Chairperson, we agree we need more time and we will engage further with you and the other office bearers. Thank you.

Bill agreed to in accordance with section 75 of the Constitution.

Ms C LABUSCHAGNE: Chair, on a point of order: I counted and 18 votes are against.

The CHAIRPERSON OF THE NCOP: it is 16.

Ms C LABUSCHAGNE: I counted the hands that voted against plus hon ... [Inaudible.]

An hon member: What difference does it make?

An hon member: Yes, because we have given you a difference of two.

An hon member: There is no difference at all.

An hon member: We have given you a discount of three.

The CHAIRPERSON OF THE NCOP: The majority has voted in favour of the Bill, and I therefore declare the Bill agreed to in terms of section 75 of the Constitution.

# TAX ADMINISTRATION LAWS AMENDMENT BILL

(Consideration of Bill and of Report of Select Committee on Finance thereon)

Debate concluded.

Question put: That the Bill be agreed to.

Bill agreed to in accordance with section 75 of the Constitution.

# RATES AND MONETARY AMOUNTS AND AMENDMENT OF REVENUE LAWS BILL

(Consideration of Bill and of Report of Select Committee on Finance thereon)

Debate concluded.

Question put: That the Bill be agreed to.

Bill agreed to in accordance with section 75 of the Constitution.

# CONSIDERATION OF JOINT REPORT OF SELECT COMMITTEES ON APPROPRIATIONS AND FINANCE APPOINTMENT OF THE DIRECTOR OF THE PARLIAMENTARY BUDGET OFFICE

Ms D G MAHLANGU: Thank you hon Chair, am I audible?

The CHAIRPERSON OF THE NCOP: Yes, you are.

Ms D G MAHLANGU: Hon Minister, permanent and special delegates present here, fellow South Africans, good afternoon. It is my honour and privilege to table before this House, a Report on the Appointment of the Director of the Parliamentary Budget Office on behalf of the Select Committees On Appropriations in the National Council of Provinces, NCOP.

The Director for the Parliamentary Budget Office, PBO is recommended by the committee in terms of Section 15 of the Money Bills and Related Matters Act, Act 9 of 2009 as amended, which establishes the Parliamentary Budget Office, that must provide independent, objective and professional advice and analysis to Parliament on matters related to the budget and other money Bills.

Part of its mandate includes supporting the implementation of the Money Bills and Related Matters Act, Act 9 of 2009 as amended. In accordance with Section 15(7) of the Act, which requires that any committee considering making such recommendation contemplated in the act, must do so in an open and transparent manner. A clear, open and transparent process was established.

After receiving a letter dated 2 October 2019, a Joint Sub- Committee representing all four Committees of Parliament, was established on the 22 October 2019 to deal with the process. All four committees, meaning two Select Committees on Finance and Appropriation, Standing Committee on Finance and Appropriation approved the advert with the assistance of the committee section and human resource and it was placed in the two national newspapers including Parliament website.

Out of more than 30 applications received, only nine candidates were shortlisted and subjected to public scrutiny. Their abridged curriculum vitaes, CVs were published for public comment. About 11 submissions were received from the public, nominating potential candidates. All interviews were broadcasted live in Parliament channels and YouTube.

Subsequently, three candidates withdrew from the process before interviews were held, and six candidates were only interviewed on the 29 September 2020.

The committee is satisfied with the process followed and that, tight and stringent measures were followed on the day of the interviews, where all candidates were kept in the holding room, with their gadgets being taken away from them until the interviews were concluded. One of the interviewed candidates, Prof Daniel Plaatjies passed away unexpectedly two weeks after the interviews. May his soul rest in peace.

On 3 November 2020, the recommendation to the four committees was tabled in a joint meeting. Immediately thereafter, the committees deliberated, considered and adopted their respective reports recommending the successful candidate to both Houses.

The committees agreed that the appointment of the Director of the Parliamentary Budget Office, be subjected to a five-year fixed term contract, with the conditions of service being substantially the same as those of the top rank of the public service as per section 15(5)(b) of the Act.

The committee recommends that, in accordance with Section 15(5)(a) and(b) of the Money Bills and Related Matters Act, Act

9 of 2009, the Select Committee on Appropriations recommends as follows: that Dr D J Jantjies be appointed as Director of the Parliamentary Budget Office with effect from 1 December 2020. Ngiyathokoza Sihlalo (Thank you Chair.)

*Declarations of Vote:*

Ms C LABUSCHAGNE: Hon Chair, the Western Cape has noted the process followed on the appointment of the Director in the Parliamentary Budget Office. This office is an important, technical and academic support structure, established in terms of the Money Bills Amendment Procedure and Related Matters Act, Act 9 of 2009, intended to provide insight and support to parliamentarians who may not be expressed on fiscal matters.

The office therefore has to remain in this responsibility, to ensure that the best advice is given to Members Parliament, MPs of both Houses to inform committee analysis, inputs oversight and recommendations. The director of this office has a particular role to play.

This serious duty demands persons of the highest calibre with a divers set of skills, including the technical skills, the ability to manage a team, to simplify and explain, to encapsulate complex matters, to present to diverse audiences and to unapologetically navigate ideological complexities. All the candidates were shortlisted during a dual process, following the untimely and passing of Prof Plaatjies. No single

...

Mr Z MKIVA: Hon Chair, permanent delegates and special delegated present, fellow South Africans ...

*IsiXhosa*:

... bantu bonke baseMzantsi Africa, kweli lizwe lakowethu liphela.

*English*:

It is my honour and privilege to table before this House a report on the appointment of the Parliamentary Budget Office Director on behalf of the select committee. Chair, I therefore wish to support what has already been put forward by the hon Mahlangu.

Chair, the Director of the Parliamentary Budget Office is recommended by the committee in terms of Section 15 of the Money Bills and Related Matters Act, Act 9 of 2009 as amended, which establishes the Parliamentary Budget Office that provides independent, objective and professional advice and analysis to Parliament on matters related to the Budget and other money Bills.

Part of its mandate include supporting the implementation of the Money Bills and Related Matters Act, Act 9 of 2009 as stated. In accordance with section 15(7) of the Act which requires that, any committee considering making such recommendations contemplated in the Act, must do so in an open and transparent manner as hon Mahlangu has put forward. Chair, a clear, open and transparent process was established.

After receiving a letter on 2 October as stated, a Joint Sub- Committee representing all four Committees of Parliament, was established in October to deal with the process. I must say Chair that, this process began with an advert, an advert which basically succeeded a process wherein we looked at the job profile, job description as well as the whole process of advertising.

As hon Mahlangu has indicated that, 30 applications were received. Only nine candidates were shortlisted, in a very clinical and meticulous process, meticulously processed under the stewardship of all the committees as I have indicated. The shortlisting and subjecting to public scrutiny, their abridged CVs were published for public comments. About 11 submissions were received from public nominating potential candidates. All interviews were broadcasted live in parliamentary channel and YouTube. Subsequently, three candidates withdrew from the process before interviews were held, and six candidates were only interviewed on the 29 September 2020.

The committee was satisfied with the process followed and that, tight and stringent measures were followed on the day of the interviews, where all candidates were kept in the holding room with their gadgets being taken away from them until the interviews were concluded. Sadly, one of the interviewed candidates, Prof Daniel Plaatjies passed away unexpectedly within two weeks after the interviews.

On 3 November 2020, the recommendation to the four committees was tabled in a joint meeting. Immediately thereafter, the

committees deliberated, considered and adopted their respective reports, recommending the successful candidate to both Houses.

The committees agreed that the appointment of the Director of the Parliamentary Budget Office, be subjected to that five-year fixed term contract, as communicated by the hon Mahlangu. The committee recommendation is in accordance with the

...[Interjections.]

The CHAIRPERSON OF THE NCOP: Your three minutes are up.

Mr Z MKIVA: Come again!

The CHAIRPERSON OF THE NCOP: Your three minutes are up.

*IsiXhosa*:

ILUNGU ELIHLONIPHEKILEYO: Vala ngesiXhosa.

Mnu Z MKIVA: Sihlalo ohloniphekileyo, ndifuna ukuthi lo msebenzi wokuchongwa komntwana womthonyama, ngumsebenzi owenzeke elubala bonke abantu bebukele, iqela elilawulayo namaqela aphikisayo bonke baxoxa kula komiti bavumelana

ngazwinye kwinto yokuba ...[Uwele-wele] ...uGqr D J Jantjies ulifanele eli wonga nalo msebenzi wokuba ayiqhube le...

*English*:

.. Parliamentary Budget Office, PBO ...

*IsiXhosa*:

... ibheke phambili [Uwele-wele.]

*English*:

Chair, the opposition not necessarily opposed

...[Interjections.]

An HON MEMBER: Chair, yes you are muted

Mr Z MKIVA: Chair, I was saying that ...

An Hon MEMBER: Please unmute Chair.

The CHAIRPERSON OF THE NCOP: Finish up.

Mr Z MKIVA: Dr D J Jantjies ...

The CHAIRPERSON OF THE NCOP: Is there any other declarations?

An Hon MEMBER: Chair, why don’t you call that member to order?

The CHAIRPERSON OF THE NCOP: Declarations hon members is three minutes, maximum. [Interjections] Thank you very much.

Question put: That the Report be adopted.

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

AGAINST: Western Cape.

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

The Council adjourned at 15:21.