**UNREVISED HANSARD NATIONAL**

**COUNCIL OF PROVINCES**

**TUESDAY, 16 MARCH 2021**

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

The Council met at 14.01.

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

**PARLIAMENT SITTING**

(Announcement)

The CHAIRPERSON OF THE NCOP: The virtual sitting constitutes a sitting of the National Council of Provinces. Hon delegates, before we proceed to questions I would like to take this opportunity to welcome Ministers from the Economic cluster, specifically the Depy Minister of Public Enterprises and the Minister of Public Works and Infrastructure. Further, I would like to make the following remarks that the time for reply by the Minister to a question is five minuets. Only four supplementary questions are allowed per question. A member who

has asked the initial question will be the first to be afforded an opportunity to ask for a supplementary question. Time for asking a supplementary question is two minutes. Time for replying a supplementary question is four minutes. A supplementary question must emanate from the initial question. Having provided that clarification we now move on to questions.

Ms B T MATHEVULA: Chairperson, I rise on a point of order.

*Xitsonga*:

Hi nga si ya emahlweni na ntshamo wa siku ra namuntlha, tsundzukani leswaku eka ntshamo lowu nga hundza a hi ri na xiphiqo xa vahundzuluxeri. Hikwalaho, hi nga si ya emahlweni ndzi lava ku tiva leswaku xana xiphiqo xa vahundzuluxeri xi kotile ku ololoxiwa leswaku ku nga vi mina na n’wina lava hi hundzuluxelelaka swirho swa hina? Ndza khensa, Mutshamaxitulu.

The CHAIRPERSON OF THE NCOP: There is the question! Last week I found that this issue was sorted out. I don’t expect it to arise. If it does, we will have to really look at it with more and more determination and put more efforts than we have done before. I’m sure the Secretary to the NCOP, Adv Phindela,

would like to give us an assurance that that matter is okay and it has been attended to.

The SECRETARY OF THE NCOP (Adv M PHINDELA): Indeed, Chair, we

do have interpreters in the virtual and in the House and we hope that you will not have problems that we had previously. Thank you very much.

The CHAIRPERSON OF THE NCOP: Thank you very much. Let’s move

on to questions.

**QUESTIONS: CLUSTER 4B - ECONOMICS**

Question 24:

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Thank you very much hon Chairperson, I am standing here on behalf of the Minister of Public Enterprises who has not been able to join the session. The response to the question from the hon Mmoiemang is as follows, following the President’s February 2019 announcement that Eskom will be unbundled into three separate companies under Eskom Holdings, starting with the creation of a transmission company, the Department of Public Enterprises published a special paper on Eskom in October 2019. This paper was titled, *The Roadmap for Eskom in a Reformed Electricity*

*Supply Industry*. This paper was outlining the roadmap and the blueprint to restructuring and the separation process.

The restructuring will assist in augmenting Eskom’s business model and put in a path to long-term stability. This is the first step that will address the fit for purpose question that Eskom and the industry has been struggling with. It will also provide a better sight into Eskom’s operations and it will also provide a fair and equitable transparent access to the transmission grid by the private power producers. The objective of the reform process is to functionally separate and ultimately form three legal wholly owned subsidiaries of Eskom Holdings as outlined in the Eskom roadmap.

Eskom is undergoing a functional unbundling phase that would be completed by 31 March 2021 and the creation of a transmission company by 31 December 2021. The legal unbundling of generation and distribution will be completed by December 2022. Herewith I also attached progress in respect to the functional separation. Eskom has finalised the divisionalisation and launched three divisions with boards and managing directors. It has also established separate PNLs in place through standard operating procedures, including costs as well as profit centres. A total of 9 400 employees have

been relinked with 6 770 employees moved from corporate functions to divisions.

On the separation as well as readiness, Public Finance Management Act applications for the establishment of the transmission company have been approved by both Ministers of Finance and of Public Enterprises. And the initial report on due diligence outcomes for the corporate structure and the transmission company.

There has also been established an intergovernmental steering committee on Eskom reform which comprises of Public Enterprises, Mineral Resources and Energy, National Treasury as well as Eskom. This was established to address the risks

... [Interjections.] Lastly, the turnaround strategy for the year 2020-22 was developed to address the challenges faced by Eskom. The questions of financial structural and operational sustainability underpinning this strategy are five key pillars, namely operations recovery, improving the income statement, improving the balance sheet, as well as implementing of the road map and securing a culture for both the people and the organisation.

The post-COVID-19 operating environment exacerbated by the deterioration in key microeconomic indicators including further downgrades by credit rating agencies have had an impact on key components of Eskom’s turnaround plan. However, Eskom and government continuously evaluate the impact of these factors emanating from the operating environment to ensure that it makes the necessary adjustments in its turnaround plan. That concludes my response to the initial question, Chair. Thank you.

Mr K M MMOIEMANG: Through you the National Council of Provinces’ Chairperson, thank you Deputy Minister for your comprehensive response to the question that I posed. Indeed, it put us in a much better position to understand progress thus far with regard to the restructuring of Eskom. Now, hon Deputy Minister, the country has been experiencing sporadic instances of load shedding of late and it looks like it is an ongoing process considering the fact that the country is trying to rebuild our economy from the devastating nature of the COVID-19 pandemic. Can the Deputy Minister explain to the public – the South African community, what is the main course of this persistent crisis of load shedding and what is the department doing to arrest the situation? Thank you, Deputy Minister.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Thank you so much,

hon Chair. It is almost like it’s a coincidence in that today, during the course of the day, Eskom, through its group chief executive, was addressing the nation on the very same matter of persistence load shedding. I will just highlight a few things. I am sure the details could be gleaned from that exposition made during the course of today.

This current stage two load shedding that have occurred in recent times is caused by breakdowns at various power stations. If I may, there are two elements of the strategy by Eskom, going forward. Firstly, it is that of heightened maintenance on some of the operating units which has not been done over a period of time. The strategy is that in order to regain generation capacity, some of the plants that are due for maintenance should be taken out. There is a conscious effort that is planned – plants that are taken out. But we continue to experience other breakdowns in other plants which had tended to create a situation where in a day we have been in excess of 11 000 megawatts of power that is missed out of the rest of the generation fleet which then makes this load shedding unavoidable, in a sense.

Going forward, we are working to ensure that improvements and efficiencies are achieved in terms of the operational capacity, both at Medupi and Kusile. We are attending to the defects that makes us not to achieve maximal output from there is a matter that is receiving priority. We are also working with the Department of Mineral Resources and Energy, accelerating and acquiring additional capacity from independent power producers in order to close the capacity gap that exist.

These are the measures and support that the department is giving to Eskom to mitigate the current environment. Thank you, Chairperson.

Mr M NHANHA: Thank you very much Chairperson of the National Council of Provinces ...

*IsiXhosa*:

... Sekela Mphathiswa kunzima phaya kula Eskom ...

*English*:

... only yesterday, the CEO said load shedding will be with us for the next five years, at least. Deputy Minister, but is even more worse is some assertions by the group CEO when he

said he is worried about Kusile and Medupi because they are behaving like old power plants whilst in fact they are new power plants and we pinned our hopes on those two plants in particular.

Now, it is worrisome that he thinks they are behaving like old power plants. Deputy Minister, but having said that, I hope you will agree with me that part of the President’s announcement in turning Eskom to a profitable business will be the return of corporate governance to the power utility and root out the remains of state capture era.

To what extent are rogue elements and very known enablers of state capture at Eskom are disrupting efforts by the new management led by the group CEO, André de Ruyter in his efforts to bring stability to the power utility? Thank you, Chairperson.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Through you hon

Chairperson, and thank you to the hon Nhanha. The group chief executive would have said as well that Eskom is working hard to ensure that those design defects in some units, both at Kusile and Medupi have been established are being acted upon

to ensure that these units do not behave like old units that had a much longer life.

Yes, in terms of ensuring good governance, the board is acting very swiftly and firmly to ensure that within the management echelons at Eskom, and throughout the operational environment, integrity is returned and that where malfeasance is established, very decisive measures are taken to bring those who are in bridge to book. It is something that we should expect that with the passage of time it shall improve in terms of whenever they are such discoveries get to be acted upon.

Thank you very much, Chair.

Ms B T MATHEVULA: Thank you, Chair. Deputy Minister, will the restructuring plan at Eskom also include correcting the tendency of appointing white males only in key strategic position at Eskom and the review of all power purchase agreements with independent renewable power producers that only benefit South African ... [Inaudible.] ... financial and energy sector? Thank you, Chair

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: I hope I follow the

hon member very well. In respect of appointments - as it is consistent with government policy - appointments should be on

the strengths and merits. And indeed due regard must be taken off the transformation effort that the country is undertaking, and as such all the management echelons including the rest of the staff at public institutions should reflect as much as possible the demography of our country.

Regarding the independent power producers, where such contracts are found to be onerous into the future, the experience that has been learnt out of the current process is been effected into mitigating the cost as associated with these. This matter has come to the fore that there were contracts entered into whose terms are quite onerous and the entity has been asked to look into that matter to see as to how those can be varied so that the terms are more favourable.

I think in so far as the ownership of this, we would wish to see greater transformation and diversity also within the operators in the space. It’s a function that can be left to the external forces in the market, of course also assisting those who can operate in that space as far as policy permits. Thank you very much, Chair.

Mr A B CLOETE: Chairperson, the best announcement the President should have made was to privatise Eskom but the

government has said numerously that Eskom is not for sale. You have made that very clear from the department and I think that Deputy Minister you will agree with the Minister here. We are stuck with the problem that even the Chairperson of the Standing Committee on Public Accounts, Scopa, said recently.

The Minister himself recently said that the restructuring and reform programme for state-owned enterprises, SOEs, such as Eskom is pragmatic and devoid of an ideological fundamentalism.

Deputy Minister, everyone has an ideology, yours is statism, where the state has substantial centralised control over social and economic affairs. Would you at least admit that your intervention in Eskom or any SOE has subsequent failures, as we are seeing now with Eskom, which is having an enormous effect on the country as a whole and in fact destroying our country?

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Thank you very

much, hon Chair. The hon member has said so much that everyone has an ideology, so it is his ideology that makes him to arrive at the conclusions he make. Let me just say what policy of government is. The policy of government is that we will pursue amidst the economy which is the role for the private

sector and the role also for the public sector in a sense. On a case-by-case basis, we have to look at what is optimal and what is best going forward. And in this regard, given the transformational requirements of the country, it was considered prudent that the energy generator for the country working together with the private sector but with very heavy state presence should be the solution, going forward. If you can imagine many of the people who needed this, who have had no access to electricity for many years, it is unthinkable that the private sector could be able to provide for that.

That is why we keep the arrangement we have and many other reasons. Thank you very much.

Question 18:

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Thank you very

much, hon Chair, the response to that question is as follows: The root cause of the power interruptions around uMkomazi area is mainly the theft of Eskom cables. The most affected areas include uMkomazi substation that is feeding Ward 99. Widenham substation, Freeland Park and St Joseph substations are equally affected. There is aforesaid problem started as a small, isolated case where Eskom easily repaired or replaced the stolen cables. However, over the years, these theft incidents have escalated to an almost daily occurrence. The

modus operandi are that the thieves go to the main supply point, dig around it and then spike the cable which causes the breaker to trip. Unfortunately, in some instances, Eskom is unable to supply customers with alternative source of supply.

Eskom already has put in place by way of response to these challenges in the area the following key intervention: Engaging the communities, the local communities to assist in reporting the theft to the local authorities, reporting these to the SA Police Service, the SAPS, the community leadership as well as structures, including the watch guards. Eskom has also increased security patrols in and around those areas, as well as replacing some of the underground cables with overhead lines. Eskom has replaced some stolen copper cables with aluminium cables. The above mitigation strategies have been a very expensive exercise. In addition, overhead networks are prone to lightning strikes during severe weather storms.

The high risk sections around uMkomazi and Widenham substations will take about three to six months, to partially convert to overhead lines about 65% of the network unfortunately due to town layout, not all the cable network is easily convertible.

Lastly Chair, Eskom regional office in the KwaZulu-Natal province had continuous engagements with the local communities and its leadership around this problem, while Eskom is doing its best in dealing with this, in this area, with the most network converted to overhead network, copper theft remains a challenge. Thieves will almost likely move to another area.

Government support is required to assist with the cable theft and or regulating and policing scrap trading, which has created a huge market for this kind of vandalism, but it is the kind of work we can only succeed when we work together.

Thank you.

Mr T J BRAUTESETH: Thank you, Chairperson, thank Deputy Minister, I really appreciate that response. Mr Deputy Minister, we as the community in uMkomazi spend a lot of time engaging on this particular issue. I am, in fact, a member of a WhatsApp group Ward 99 service delivery and every single day there are outages and I represent a community in that area that are sick and tired of promises and are only interested in real hope and real change and they want it now. Deputy Minister, I am sure you are aware of the challenges in the area and you’ve highlighted some of them. The problem is that we need a firm commitment from the department relating to the funding that will be spent in the Ward 99 area for the

implementation of remedial action to make the lines as safe as possible from criminal elements.

Finally, Deputy Minister and I mean this not as a got you question, but as a real intergovernmental query. When can you instruct senior officials in Eskom to contact me? Because they certainly have not been in touch with me at all. I have tried to contact them to arrange an urgent intervention meeting on the ground in this area of uMkomazi so we can resolve the crisis and also meet with the residents and explain the difficulties with them and the solutions going forward. Please Deputy Minister, we really need this intervention and your assistance. My details are on the Parliament website and your officials can contact me. Thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Thank you very

much, hon Chair, thank you as well to hon member, a challenge of this magnitude has to be dealt with in a collaborative effort. On the part of the government, our commitment to ensure that energy is secured for all our people, including all the residence in uMkomazi. Our first commitment is to make sure that even when there are these acts of criminals that alternative ways to secure uninterrupted energy are actually

secured at the earliest possible. Of course resources permitting that. It is a commitment we can make upfront.

Secondly, all the stakeholders and interested parties need to be engaged because they should, they are part of the solution to that effect. If the hon says he has not been consulted or has not been invited to any of the engagements, I referred to. I do undertake that we will cause our Eskom team in KwaZulu- Natal working on the matter to immediately ensure that all the stakeholders are actually made to be part of all the efforts towards finding the solution to the matter. Thank you very much.

Ms L C BEBEE: Thank you very much Chairperson, greetings to the Deputy Minister, ... [Inaudible.] ... it’s a network hon Chair. Load shedding, hon Chair. Can you hear me now, hon Chair?

Mr X NGWEZI: Yes, I wanted to raise a point of order that may the Chief whip deal with this matter. I think the ANC has a lot of members they can actually address this matter of a member who can’t speak because of the network. It’s not her own making, but the Chief Whip can address this matter, especially of the ANC. Thank you.

The CHAIRPERSON OF THE NCOP: We will look at it; I am sure it is noted. For now, let’s try for the last time to see if hon Bebee cannot proceed. Hon Bebee. There seems to be a problem. Let’s proceed to hon Ngwezi of the IFP.

Mr X NGWEZI: Thank you very much ...

*IsiZulu*:

... Mhlonishwa Nyambose, Sihlalo wethu weNCOP, ngibingelele nakuSekela Ngqongqoshe.

*English*:

Hon Deputy Minister, from your explanation that you are giving in this question, it appears that so many issues relate to acts of the criminality on the ground and I would like to know from you whether there are any cases opened perhaps by Eskom or rather stakeholders around the area. If there are cases opened, how far is the investigation on the matter because we cannot afford to keep on investing money in the resources, we cannot protect and also are we giving any kind of protection of strategic infrastructure that we are actually funding or rather investing in different areas of our communities? The issue of electricity is quite a very important one. I know the problems are complex. Thank you, Chair.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Thank you very

much, hon Chair, I may respond in the general sense first. The campaign we have embarked upon to deal with acts of vandalism in so far as the infrastructure that belongs to our people is concerned. Where we are encouraging, perhaps to that effect, there are many arrests that are taking place and we are encouraging that people report, because indeed with this emergence of scrap yards. In this industry, we’ve seen the rise of vandalism as well, particularly of infrastructure that belongs to the state. To that effect, policing has been increased and has been strengthened around this matter and various dedicated units are in place.

But to be very concise to the question, I would rather come back to the specifics in respect of Ward 99 in the surrounding areas in so far as the incidents that had been reported about the acts of criminality in that area. Yes, I agree that we have to ensure that there is protection of these amenities.

That is why Eskom already is doing some patrols in the area. This is to add to a call made to communities to report to the police whenever they see instances of individuals damaging this infrastructure. Again, my apology, I cannot be specific in this regard given the ... very pointed nature of the question. Thank you.

*IsiZulu*:

Nk S A LUTHULI: Ngiyabonga Sihlalo, ngibingelele nakuSekela Ngqongqoshe woMnyango. Sekela Ngqongqoshe woMnyango, siyaqonda ukuthi izinkinga ezibhekelene naleya ndawo yizinkinga ezikhona nakwezinye izindawo. Futhi siyakuqonda ukuthi inkinga ka-Eskom inkulu kakhulu, kepha futhi kunjalo kuyaqondakala ukuthi nezinye izindawo ngaphandle kwalena esikhuluma ngayo njengamanje, ziyaba nalezinkinga zisheshe zilungiseke.

Umbuzo wami uthi kuwena: Kungani pho uma ngabe kwezinye izindawo inkinga kagesi nokuntshontshwa kwezintambo zikagesi ikwazi isheshe ilungiseke, le ndawo ingalungiseki? Kungani kungabonakali sengathi izindawo ziyalingana nanokuthi ziphathwa ngokulinganayo uma ngabe zihlaselwa yilezi zinkinga? Ngiyabonga.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Thank you very

much, hon Chair and thank you for the concern. In our endeavour in providing support to Eskom, firstly, all the customers across the length and breath of the country are considered to be equal and therefore measures that are put in one area to intervene in a specific problem are sought to be applied uniformly. That’s the policy landscape we have. Where the hon member gains the impression that there is an unequal

treatment that is given to customers where that is pointed out we would wish to have that corrected if at all it is the case. The policy is very, very clear in this regard. All the people are treated equally. What applies in Ward 99 in so far as that persisting problem would apply in any other part of the country without any preference. Thank you very much.

Ms L C BEBEE: Thank you very much, Chairperson. Can you hear me now?

*IsiZulu*:

USIHLALO WOMKHANDLU KAZWELONKE WEZIFUNDAZWE: Yebo, siyakuzwa.

Qhuba.

Nk L C BEBEE: Ngiyabonga Baba.

*English:*

Hon Deputy Minister, we know that Eskom has to deal with an unfortunate situation of power shutdown in Soweto as a result of R18 billion owed to the utility. This is despite the fact that Eskom has already scraped the township debts twice in the past. My question, hon Deputy Minister is: Does the department have a plan in terms of which to make Soweto people to start paying for electricity in order to avoid a situation where

other parts of the country start refusing to buy and pay for electricity? Thank you very much, Chairperson.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Thank you very

much, hon Chair if I can proceed to respond to hon Bebee’s question, the answer is yes we do have a number of measures that have put in place to try and ensure that just as is the case, anywhere else in the country that the culture of payment of services must be upheld. With respect to Soweto specifically, working with the Department of Co-operative Governance and Traditional Affairs, Cogta,the SA

Local Government Association, Salga, and Gauteng Provincial government we have mobilised all the stakeholders there towards ensuring that for services that are rendered, there is payment made for that. We have, among others, sought in consultation with the communities around there, to ensure that there are installed split meters with anti-vandals’ kiosk as well as the electrification of informal settlements.

We have also encouraged the conversion of the current conventional Soweto customers to be prepaid meters to ensure that this will enhance revenue collection as well as the culture of payment. The enforcement of credit management on the remaining conventional customers as well as those where

there are disconnections, where there are bypassed meters by ensuring that if we collaborate with security agencies to ensure that these are not corrupted. Of course, also the rolling out of free-basic electricity for qualifying residents in line with the metro or municipal area, criteria and as well as actively monitoring that. We are seeing improvements in this regard. The result is that more of our members of the community are paying for and they are buying electricity which attest to the fact that they are converting from the previous system into the prepaid system, does make for some progress even though we can still do more and we are looking to a greater collaboration going forward in this regard. Thank you very much, hon Chair

Question 25:

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Thank you so much

hon Chair, and thank you to, hon Rayi. The response is as follows: The department is indeed concerned about the delays in the revival of SA Airways as the airline has been under business rescue for over a year now, with no resolution in the sense. The business rescue practitioners as we all know, are governed by the Companies Act of 2008. The department doesn’t have much control over the affairs that they are seized with, as mandated by the Companies Act of 2008.

The business rescue practitioners were able to pay the voluntary severance packages to about 3 163 employees who had applied for such, as well as some 69 employees that were identified as critical for maintenance and care of the airline, theirs were deferred. Furthermore, three months’ salaries were paid 3 385 employees that signed the settlement agreement for outstanding salaries. If I may, it was out of government’s care about employees that these measures were put in place. Ordinarily, without intervention by government, perhaps this would have been dealt with even more unfavourable terms toward the employees.

Yes, we do, we are concerned about the plight of the employees. We are also concerned about the plight of the airline returning to service as early as possible. Thank you very much Chair.

*IsiXhosa*:

Mnu M I RAYI: Mandithathe eli thuba ndibulele kuwe Sihlalo, ndibule nakuye uSekelwa Mphathiswa ngempendulo ecacileyo ethe ngqo, kumbuzo wam. Imeko phaya kwa-SAA Sekela Mphathiswa, iye yabaphatha kakubi kakhulu abasebenzi. Ayizange ikhe icingwe into yokuba namhlanje, singaba asinalo eli qumqhu lezophapho.

Ingaba, manyathelo mani isebe eli elinawo ukuqinisekisa ukuba namanye amaqumrhu aphantsi kwalo, awazifumani ekwimeko efana nale yakwa-SAA, apho abasebenzi bangazibona bephelelwa yimisebenzi? Enkosi

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: As the department, we are doing as much to make sure that all the state-owned companies under our wing are optimal in their operations, and that we could avoid the incidents where employees tend to be negatively affected.

We have specific interventions that are aimed against Alexkor, which is currently facing liquidity challenges. We are providing the same attention to Denel which is in its self is experiencing a number of challenges to do with their cash flows. Eskom, we have just spoken about, in terms of what is being done and the turnaround strategy in this. We have also noted the incidents that have given rise to some of the problems, maleficence and corruption. To that effect, we have a number of investigations and matters that have been referred for criminal investigations to the National Prosecuting Authority, where we are looking at making recoveries where such are possible.

A number of these would have been spoken about in the Zondo Commission. These are measures that are in place, to try and ensure that, the situation in these state-owned companies is averted to be what is expected of them. Thank you very much Chair.

Mr S ZANDAMELA: Thank you very much hon Chair and greetings to the Deputy Minister. Deputy Minister, how far are you in the process of selecting an equity partner for SA Airways, from the three that we have identified? What kind of partnership agreement are you looking at? Are you expecting them to take SA Airways debt as well? Thank you very much.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Thank you very much hon Chair. That process is indeed under way in which the entity is also looking at acquiring strategic equity partners. We are hoping to conclude that matter, maybe let me just say if I have read the Minister’s intent well, in a months’ time, that process would be concluded and an announcement will be made in respect of equity partners.

In so far as the nature of that relationship, we are not looking at entirely moving out of that space. There will be some form of ownership that will reside with the state, and of

course some ownership in terms of equity that will be in the private hands. Overall, it’s sharing all that relates to both the assets and liabilities of the entity going forward. The solution includes both of those. In essence, yes it’s a matter whose announcement is eminent. Thank you very much.

Mr A B CLOETE: Thank you Chair and sorry for the interruption, I beg your pardon. Hon Deputy Minister, the opposition actually anticipated this and advised against this for years. South African taxpayers have paid tens of billions to bailouts to SA Airways. Over the past decade, we have seen bailout upon bailout and its, as we presume another failed business rescue plan, it is now plain up in the air. Now I will ask the question that every South African is asking. Are we done now with giving SA Airways more money?

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: thank you very much hon Chair. In so far as SA Airways is concerned, the restructuring of that entity as well as the repositioning going forward, is a matter that would entail some financing.

It’s part of the rescue plan, considering all those going forward only that which has been articulated in that rescue plan that would be up for funding going forward. Thank you very much.

Mr M NHANHA: Hon Chair, hon Ryder had connectivity issues. He sent me a Whatsapp message a while ago and asked me to deliver his follow up question.

The CHAIRPERSON OF THE NCOP: Please do.

Mr M NHANHA: Thank you Chair. Deputy Minister, we have heard you mentioning numbers, both are in excess of 3 000 wherein severance packages were paid, and in one instance 3 845 employees were paid three months’ salaries. Deputy Minister, we know of employees who had to sell assets to put food on the table. Their savings and other income streams dried up during lockdown. We have heard of employees forced into prostitution. We have heard of employees taking their own lives because of the financial hardships brought about by your department’s failure to pay the agreed severance packages. You have blood on your hands.

Deputy Minister, the Treasury made available the funds that your department said it needed in order to meet the commitments of SAA. Your department has failed to adhere to your own government’s labour laws. If a private company did what you did, there would be outcry throughout the country.

When will you apologise and pay the amounts due to these employees at SA Airways. Thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Thank you very hon Chair. Certainly the plight of employees a t SA Airways is a matter that we were equally tasked or equally concerned with. That is why in the first instance we made sure that, part of the solution includes a portion of money that should be paid out to employees. As far as I know, all the employees that had requested as such, that had signed up to it, were paid. Unless there would be information that I am not exposed to, that would suggest the contrary.

As such, I may not really comment on the other comments that the hon member has made, that of blood in our hands, definitely no, unless it may be demonstrated that, there were monies due, that ought to have been paid but were not paid.

We had processes in place to facilitate that, and as far as we know, the numbers that I am referring to were numbers that followed due processed, numbers that were detailed and defined beforehand. Thank you very much.

Question 17:

The CHAIRPERSON OF THE NCOP: Hon Deputy Minister, we move on to Question 17. This question is on Labour Court order and pending against Denel. This question is from Mr Arnold to the Ministry of Enterprise. Over to you, Deputy Minister.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chair, the

response to the question is as follows: Yes, we are aware of such developments, and as soon as – the question is, whether on numerous occasions failed to comply with a Labour Court order to pay employees – the answer to that is, yes have, we have been aware of such, and we have since assured that there is improvement in operation in some of the operating divisions, so that there could be a situation in which the outstanding salary payment could be decided.

Of course, we have also targeted investments in working capital of those corporations that are a prospect which are central to cash generation. That is far I can answer to that question, Chair. Thank you.

Mr A ARNOLDS: Through you Hon Chairperson, hon Deputy Minister, thank you for the response. Deputy Minister, South Africa has got a high unemployment rate, and those that are employed lives from hand to mouth, month after month. It

therefore cannot be business as usual when state-owned entities, SOEs, fail to pay salaries to the workers.

What consequences will be if any, for the management and Directors of Denel for failure to pay salaries, and their failure to comply for the August 2020 order that instructed them to do so?

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chair, let me

thank the hon member for the question. In my earlier response I have referred to the challenges that the institution faced, in terms of its operating environment and the attended cash access to resources in that sense. I have also referred to the fact that the board, currently, is engaging the employees in respect of looking at the entire environment, including opportunities for new cash inflows, to help the organisation going forward.

Yes, the matter has been before court, and it has been pleaded in court by way of the special circumstances that obtained before the powers that be, that is your management, including the board in this regard. We are very sympathetic to the board as well as the management given our understanding of the plight that organisation is going to. We would encourage that

all the parties find each other, so that there could be work at the solution that could be a win-win for all in that case. Certainly, yes, we consider it extremely grave that the employees have not been paid for this long. Thank you very much.

HON MEMBER: The question is, what are the consequences, hon Deputy Minister. Are the any consequences? Say no.

The CHAIRPERSON OF THE NCOP: The follow-up question will be by hon Smit.

Mr M NHANHA: Chairperson, hon Smit is also battling. Would you mind if I take the question on his place?

The CHAIRPERSON OF THE NCOP: You want to take the question?

Mr M NHANHA: Yes, Chairperson.

The CHAIRPERSON OF THE NCOP: Hon Nhanha, please proceed.

Mr M NHANHA: Thank you very much, Chairperson, for allowing me. Deputy Minister, as you also know and you have alluded to this issue that at the centre of the Labour Court actions by

the employees at Denel, is the company’s liquidity issues which have led to it being unable to pay salaries and consequently, unions obtained a labour order compelling their employer to pay their salaries.

Once again, your government is flouting its own labour relations regulations. The truth of the matter is that, currently, Denel does not have many projects in its books, hence they find themselves forced into this situation. Their biggest project at this stage is Project Hoefyster, which I am sure you know about. Hon Deputy Minister, even this project is now unlikely to come to fruition. It is nine years behind schedule, and with recent massive cuts to the defence budget, it is very likely to be shelved.

What is your department doing to ensure that this project succeeds and eventually improves the cash flows and the

balance sheet at Denel? Thank you, Chairperson.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chair, if I may

plead with the hon members that we have at hand a situation that requires that we have a quick turn-around of the organisation that is Denel, to be in a position to meets its obligations towards workers and other interested parties, and

to that effect, together with the board, we have identified a path to that. I would just plead that, let us give the opportunity to both ourselves and the board to take the committees of Parliament into confidence about that.

As of consequences, where there is a case in which wilfully there has been neglected doing what was supposed to be done, you have in that instance to take measures. In this instance, it’s not that there has been anyone who didn’t want to pay.

But the question is, how to secure that with which to pay? Yes, Hoefyster is one of the key priorities for which we are in conversation with the Department of Defence, as well as all the affected parties, to visit that project again, including the other projects.

Therefore, I wouldn’t say that we should count Hoefyster out,

it is quite one of the key programmes that needs to be taken

out to change the fortunes of that execution. Thank you very much, Chair.

Ms T C MODISE: Chairperson, let me greet my colleagues. Thank you very much, Deputy Minister, for your comprehensive response. It shows that the ANC-led government is on top of the issues. Hon Deputy Minister, last year, Parliament

expressed shock that the entity has suffered unaudited loss of R1,8 billion for the financial year 2019-20, which was attributed to a significant decline in revenue and poor programme management.

So, my question is, what has your department done to get to the bottom of this, and what sort of action has been taken to remedy the situation in order to assert a potential derail situation? Thank you very much, hon Chair.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chair, the

response is as follows, since 2019, the department has been in consultation with critical stakeholders in Denel, and it has been working to repositioning of the state-owned company and its business model. Denel has been given the approval to exquisite the loss making divisions, as well as selling noncore assets. The focus in the immediate is to fix the operational performance and delivery on contract in order to boost cash flows and working capital that is required to support the operations, including the payment of salaries, among others

The medium to long-term focus will be on the business model of the entity to support access to stable export market and

access to capital with limited government support. Thank you very much. That is as far as I can respond to that question. Thank you very much, hon Chair.

Question 22:

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chair, the

department has indeed, over the few years, including the period before our tenure, that is before 2019, committed to producing an overarching government Shareholder Management Bill, in line with the recommendations of the Presidential Review Commission on State-owned Enterprises that published its report in 2014.

The approach to market and source the skills to undertake the efforts was embarked on. We have preferred that as a way of dealing with the matter, given the skills base that eroded within the department, owing to the challenges that the department was going through.

What became a limitation was that the quotations that we got for that work were beyond the resources that we marshalled, as the department, at the time.

Further, attempts at initiating the effort to undertake this effort internally, besides the low-skilled base were thwarted by the immediacy and necessity to strengthen the government systems at state-owned enterprises, through the appointment of boards and management and the review of government’s oversight frameworks. This work became a priority, as we sought to immediately unravel the state capture damage at the Department of Public Enterprises, DPE, as well as in the state-owned enterprises.

The appointment of the Presidential State-owned Enterprises Council meant that the department now had access to skills. Ordinarily, it would not have been able to afford to oversee the government shareholder management development effort.

In line with the 2021 Sona commitments, the Government Shareholder Management Bill will be concluded by the end of the 2021-22 financial year.

Mr M NHANHA: Chair, Deputy Minister, not that I really care about whether the Shareholder Management Bill flies or not. Quite frankly, I am not a fan of that Bill. I asked the original question just to pick your brain and get to understand where the department stands. Some South Africans

are justifiably concerned that this proposed Shareholder Management Bill will actually further strengthen the hand of the state in running the SOEs. What guarantees can you give this House and civil society that this Bill will actually bring decentralisation of power and give more input to the public? Thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chair, the Bill

is not yet in place and if I were to speak about what the Bill will do, I will almost be talking as though I was privy of what the Bill contains. Regarding the concerns that the hon member and all the other people who think the same way he does have, they will be able to put their views across because any Bill, as we know, in our country is taken through various forms of public participation events and consulted upon widely, so that it reflects, as far as possible, the sentiment of the majority in the country, in respect of how to manage these enterprises. Thank you.

Mr T APLENI: Hon Chair, you would forgive me for the video. We have a power outage. So, my battery is about to die. Deputy Minister, the Minister, in 2019, in his address to the Select Committee on Public Enterprises, on the department’s annual performance plans and budgets, said that the ultimate goal was

to have self-sustaining entities whose executives could be held accountable, and that the Shareholder Management Bill would achieve this. Considering the department’s failure to propose this Bill, what other measures has your department put in place to ensure self-sustaining SOEs and accountability from their executives?

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chair, I hope I

have made it clear that, in respect of the Shareholder Management Bill, it was only the resources that have proven a constraint, at that time, including the priority that changed that made us not to complete that exercise. So, as it is, that exercise is envisaged to be completed by the end of 2022.

In respect of ensuring that these entities, as far as possible, are self-sustaining, indeed, yes, that is the goal and it remains the goal. Some are self-sustaining without requiring the fiscus, from time to time, being relied upon for their operations.

So, yes, through our efforts, that is the goal that we seek to achieve. Thank you very much.

Mr A B CLOETE: Hon Chairperson, we have seen this Bill and we do not have much information. As the Deputy Minister has said, it still needs to come to Parliament. When I read about this, there were some issues I was wondering about, especially relating to what the Deputy himself said, that this Bill will allow for tighter oversight. When I hear oversight, I think about Parliament. My question is: When the Bill is processed and everything has been written, is Parliament’s oversight role also considered in this, and in what way will it strengthen our oversight over SOEs?

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chair, in fact,

it is Parliament that will pass that Bill. So, surely, I don’t imagine Parliament passing a Bill that would emasculate the power of Parliament in terms of oversight. So, it goes without saying that the role of Parliament remains as we know it today and as it expands, as we keep expanding that mandate of the oversight functions of Parliament. The hon member does not need to worry about that. Thank you.

Mr T B MATIBE: Hon Chairperson of the NCOP, Deputy Minister, in the interim, while Parliament is still working on the Shareholder Management Bill, has the department put in place measures that ensure that the boards and executives of all the

entities are held accountable, and has there been any disciplinary criminal charges of those found to have acted improperly? You might not elaborate on all of them, but a few examples. Thank you.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chairperson,

yes, indeed, the department has made some interventions like firstly, the development of minimum standards for board performance evaluations.

Secondly, the review of the remuneration guide as well as the risk and integrity framework, among others, are some of the reforms that have been put in place, designed to ensure that the boards and executives are remunerated and held accountable in line with their performance and that of the state-owned company, as well as to manage the conflict of interest concerning employees and board members of these state-owned companies.

Thirdly, prohibiting employees and board members from receiving or soliciting gifts from companies doing business with the state-owned company in question, including lastly, the prohibition of employees and board members from doing business with the state-owned companies.

Governance clean-up is taking place across all state-owned companies and the boards have made significant strides in pursuing the recovery of funds that were illegally diverted from the state-owned companies, and some matters are currently under criminal investigation.

The department continues to tract implementation and recommendations contained in the SOC forensic reports in order to ensure that those found to have transgressed prescripts are held accountable, in line with the laws of the country. The SOCs are working closely with the relevant law enforcement authorities in this regard. Thank you very much.

Question 26:

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chairperson,

the response is as follows: The dire financial state of our state-owned companies, SOCs is a product of the state capture inspired leadership appointments which were a precursor to the systemic looting of these public companies, as the hon member has correctly pointed out. However, are also a result of business models and practices that have not been reviewed and changed over a long time living the SOCs behind when compared to sate-owned entities, SOEs and other parts of the world and local private sector competitors.

The spectre of technology and the resultant indirect substitution of services and products that would not have been foreseen at the founding of our SOEs. It is critical to point out that the SOEs can be successful businesses. Some of the biggest by way of revenue in the world are where state-owned companies and the number of them would be found in the US, China, the Netherlands as well as Germany, just to name a few.

Specifically, we are adopting models that are aimed at ensuring this learning from best practices in the world. Like ensuring effective legal and regulatory frameworks. Ensuring that the ownership is clearly enunciated as well as ensuring the equitable treatment of shareholders, management of relations with stakeholders, the transparency and disclosures by the SOEs, as well as ensuring that there is clarity in respect of the responsibilities of the board.

We do have a sense across the board in respect to where our state-owned companies are and what needs to be done. We are really working hard to ensure that we achieve the necessary turn around for all of them.

I do have rather a very lengthy paper here which could be made available as part of this comprehensive response. Thank you very much, hon Chair.

Ms M L MOSHODI: Hon Chairperson and hon Deputy Minister, thank you for the comprehensive response. We are happy that the department is looking at other global models to building the governance base to ensure a high-levels of success in our state-owned enterprises. Especially those who suffered many years on state capture and plundered systemic looting and rechannelling of public resources from the benefit of individuals and their families and friends.

My question hon Deputy Minister is: When do you expect all these interventions to start translating into improved services offerings in the SOEs and for the people to start seeing some of the SOEs improving, with no load shedding, SA Airways, SSA, taking to the sky, Passenger Rail Agency of SA, Prasa, providing reliable train services to commuters, Denel going back to be a major player in the production and sale of weapons and defence equipment? When do you think we will see these results, hon Deputy Minister? Thank you very much, hon Chair.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chair, with

respect to the recovery of funds as a case in point particularly following the investigations to some of the corruption cases I could say we have already and Eskom has already completed the first phase of mandatory lifestyle audits with 383 lifestyle audits completed on executive and senior managers and their partners where such was required.

Of the 34 high risk cases handed over to the Special Investigating Unit, SIU, for further investigation. Seven resulted in no adverse findings, eight resulted in recommendations and referral to Eskom for disciplinary action and seven employees resigned during that process. One Eskom official was dismissed. Remaining cases are still under investigation.

On criminal investigations underway by the Directorate for Priority Crime Investigation, DPCI, and the National Prosecuting Authority, NPA, relates to evidence from the Zondo Commission and the referrals, to date I can just highlight the following recoveries that have been made: A R10,5 billion value of contracts set aside as a result of the SIU interventions, a recovery from African Development Bank, ADB, of R1,5 billion, R1,1 billion from Mackenzie, R1,77 million

from Deloitte, Price Waterhouse Coopers, PWC, R93 million, an amount of R3,8 billion civil suit has been lodged against former board members and former executives as well as the Gupta family.

There is progress on the Zondo Commission which relates to a number of activities as well as the follow-through that has been undertaken in that regard.

With regard to Alexkor we have terminated some of the illegally entered into contracts like the stelasky investments. There are many other such developments across the landscape of our SOCs for which interventions decisively are been made. Thank you very much, hon Chair.

Mr M S MOLETSANE: Hon Chair and hon Deputy Minister, if indeed there was work done by the Department of Public Enterprises to assist public entities to turn things around: Did the department use consultants or its own employees who are experts in their fields? If consultants were used, when does the Minister envisioned his department to start employing people with the relevant qualifications and expertise to run public entities? Thank you, Chair.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chair, as a

matter of practice, first we have to exhaust the available skills we have internally on any assignments. It is only after such has been exhausted that we look to the external support by way of external service providers.

Yes, there had been occasions in which external service providers had been used. It is also something that is done not as the permanent feature it is done given the absence of that in terms of the expertise we have.

We are in the process of completing an organisational structure that has taken account of the need of the expertise we need in the department. I am sure with the populating of that organogram the need for external hands will be minimal. Of course all of this is done in a manner that is open to scrutiny where such a need arises. Thank you very much.

Ms H S BOSHOFF: Good afternoon Chair and good afternoon to you Deputy Minister. Hon Deputy Minister, I find it strange that you and your government ... [Inaudible.]

The CHAIRPERSON OF THE NCOP: Hon member, can you speak louder and closer to the mic.

Ms H S BOSHOFF: Hon Chair, can you hear me now?

The CHAIRPERSON OF THE NCOP: Yes. It is much better.

Ms H S BOSHOFF: Thank you very much. Good afternoon Deputy Minister. I find it strange that you and your government have waited so long before adopting the good practices from all the other countries. However, that said Deputy Minister, you must admit that the SOEs are engulfed by more challenges than success. It is about time that government exits the stage and simply let business do what they know best. I think you get the gist of my sentence there.

It is also clear that the centralisation of the SOEs under one department has failed. The state capture project has to be undone. Eskom belongs to the Department of Energy and Mineral Resources, Denel belongs with Defence, Transnet with the Department of Transport and so on.

Hon Deputy Minister when will you and your Minister resign and ask the entities be returned to the appropriate departments? I thank you, Chair.

The DEPUTY MINISTER OF PUBLIC ENTERPRISES: Hon Chair, I think

firstly, let me just say that the adoption of the best practice is arising out of looking at a range of state-owned companies across different systems in the world. The Chinese have state-owned companies, so is the United States, Great Britain and Germany, etc. They all operate Malaysia - they all operate in a particular way. It is not like one size that fits everything you take the best from across. That is the first thing.

Whether or not we think that we should exit that space and give these to the private sector to do what is good at. As government we have policy and that policy recognises that there is a room in the affairs of society for the private sector as well as the public sector. In this case we have not reached a point at which we think that such entities such as Eskom we should exit from in the manner desired by the hon member. I guess and also the other colleagues of hers.

Whether or not these are in one department – I would like just to correct that impression. State-owned companies are not in one department. I think the hon member needs to correct that. There are state-owned companies in various departments of the state. We only have six or seven out of more than 500 state-

owned companies. Some of which the hon member might not even know them. However, they are placed in many departments and not in one department. For sure that understanding must be corrected.

Lastly, it is really the prerogative of the President to keep or fire Ministers and Deputy Ministers. In this instance we have not had the occasion to think that we could ask the President to retire us, but maybe the hon member could then appeal to the President for that. For that instrument rest with the President. Thank you.

The CHAIRPERSON OF THE NCOP: I am told that the hon Ngwezi is back. So, we will go to him. Your follow-up question, hon Ngwezi.

He is now connected. We will now ask the hon Ngwezi to pose his follow-up question.

The SECRETARY OF THE NCOP (Mr M Phindela): Hon Chairperson, I can see that the hon Ngwezi is on the virtual platform, but I am not sure what is happening him. His mic is off, as well as his video, but his name is appearing.

The CHAIRPERSON OF THE NCOP: We will now proceed. This hon members, brings us to the end of the questions to the Deputy Minister of Public Enterprises.

I would like to thank the Deputy Minister for availing himself to answer the questions.

*IsiXhosa*:

Sithi ke, nangomso wenze njalo.

*English*:

I will now handover to the Deputy Chair of the NCOP. The hon Lucas as we move on to the questions directed to the Minister of Public Works and Infrastructure. The hon Lucas.

The DEPUTY CHAIRPERSON OF THE NCOP: Chairperson, I don’t think I will leave my video on all the time, because of all the emissions that we are actually generating by using our videos on the zoom platform. But let me continue and just welcome the hon Minister of Public Works and Infrastructure, hon Patricia De Lille, auntie Pat, we want to welcome you to the NCOP, and we will continue and request that I don’t have to remind you that for a first response, there is five minutes and then each of the follow up question you can respond for four minutes.

And then hon members for a follow up questions that you are going to ask, you will each have two minutes. So, hon Minister, Patricia De Lille welcome to the NCOP and remember that we have been thinking of you through your difficult time and we believe that God has been able to comfort you, so you may continue. Thank you very much.

Question 27:

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Thank you,

Deputy Chairperson and good afternoon to all the hon members. Once again thank you for the opportunity to spent some time with the NCOP members today.

The question that I will deal with first, is around the Beitbridge issue. Now, to have an informed position on the feasibility of rectifying all physical defects of the Beitbridge border fence. The Acting Director General of the department sent a technical condition assessment team out to Beitbridge in December of 2020, to make an assessment of the extent of the border fence and the deficiencies and bridges.

So, the technical team has discovered that the fence in its current form is not fit for purpose and that it’s a

non-compliance also with the specifications. And the

department has taken a decision not to further entertain any repairs or maintenance to the existing fence, it will also lead to irregular expenditure.

Now, any further border fence initiatives will be located in the context of the integrated border management solution, that’s currently underway. And in this regard, the site clearance process, is aimed at being completed by June 2021, this year. From where the department will then embrace and utilise best practice approach to border security in consultation with the Department of Defence.

We have prepared a request for information, a request for ideas on the integrated border fence solutions. We are looking at finding solutions and testing the market as to what is available to fix our porous borders. This request for information will go out in the coming Sunday’s newspapers and it will also be published on the government tender portal, for the request for information.

Once we have received the new ideas, the best ideas and the best practice, we will then consult with the Department of Defence, who are to use the department and then decide on a way forward. I thank you, Chairperson.

Ms M L MAMAREGANE: Deputy Chairperson, thank you, hon Minister for the comprehensive response, but what is fast becoming clear, is that our borders are porous generally, which poses serious challenges to the security of our country.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Yes.

Ms M L MAMAREGANE: My follow up question is; does the department have a plan to secure all other borders in addition to correct the mess that unfolded along the Beitbridge. Thank very much, Deputy Chairperson.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Chairperson,

thank you, hon member, yes, the Department of Public Works and Infrastructure, we have now join the Inter-Ministerial Committee, the security cluster and in that security cluster, we also have the Minister of Home Affairs who is now responsible for the implementation of the New Border Management Authority. The Minister has already appointed an Acting Commissioner, and yes we are now, all working together to find a long and lasting solution for the border fences.

The Minister of Home Affairs, is also working together with the Department of Public Works and Infrastructure, DPWI, in

looking not only the border post but we will also be looking at the type of fencing, we are doing research hon member, to see what is the best solution for our country. We also looking at a definite methodology, because as we know that the fiscus of the country is not in a good space and therefore we are looking at the built-operate-transfer, bot, we are looking at public-private partnerships, because this project of over 3000 kilometres is quite a big, big, big project. We can and we will the NCOP hon members an update from time to time about the progress that we are making. Thank you very much.

Ms H S BOSHOFF: Deputy Chair, good afternoon Minister. Minister your response today, was responses given to the National Assembly in February indicate that you, intent to ignore the recommendations of the Standing Committee on Public Accounts, SCOPA, to remedy the defects in the Beitbridge border fence. It is clear that you are washing your hands off this washing line and then the tax payers of South Africa must once again fit the R40 million bill, for your department’s incompetence and/or criminal behaviour.

This House should also then be aware that Treasury is currently considering whether to remove Makwa Construction as a contractor for government business. Will you Minister, give

the House today an update on these developments and advice the House on steps, your department is taking to ensure that this company is never, ever again contracted, regardless of Treasury recommendations or Minister, will you simple as before pass the buck and allow this company to get away with it? Thank you very much, Deputy Chair.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Chairperson,

hon member, if you have read the Order Paper, you will see there is a question coming around the service provider and what the Special Investigating Unit, SIU, has been doing. So, I will be addressing that part of your question in another question that is to follow up, that’s on the Order Paper today.

Secondly, you are not correct hon member, to say that in February I had rejected any proposals, we have said from the beginning that when we went before SCOPA, if you go and look at the recording of SCOPA, you will see that I had said it emphatically in that Beitbridge SCOPA, that we will not repair the existing fence or fix it, if we do so, it will be irregular expenditure and therefore we are not going to fix that fence that is not fit for purpose. So, that is in the recording with SCOPA, and I will advise the hon member, to go

and have a look at the video of my answer to SCOPA on that day.

Hon members must remember that yes, we all agree that this was a mess, a complete mess and therefore, we have started the investigations. I was the one who wrote to the Auditor General in April of 2020, to ask for an investigation, on 25 April I further gave instructions to the Anti-Corruption Unit within the department to do an investigation, which is being done with the assistance of the SIU. And then, again on 25 April, I issued a further instruction to the department not to make any further payments to the companies. So, the record is there and the report has been submitted to SCOPA and to the Portfolio Committee on Public Works and Infrastructure and the facts are all in there. I thank you, Deputy Chairperson.

Mr A B CLOETE: Deputy Chairperson, hon Cloete here, can you hear me?

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: We hear you.

Mr A B CLOETE: I will be asking the rest of the question for hon Du Toit, he is on oversight in North West Province.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Continue.

Mr A B CLOETE: Hon Minister, I can’t feel for you because I think you have no means about this issue, you just wish it to go away but it remains a dirty laundry issue. Actual, where the Beitbridge fence was built to the amount of R40,4 million, lot of money being spent there and misspent. My question to you is – and you spoke about request for investigations, whether there’s any consequence management up to now or disciplinary action, at least any officials or executives and were there any funds recovered for the substandard work done on the fence? Thank you.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Deputy

Chairperson, in the question that will follow, the SIU did approach both companies and the SIU is in the process of wanting to declare those contracts null and void and that I will answer in the question later on. Yes, we have also given a report to SCOPA and to the portfolio committee. On consequence management and how far we are with consequence management, that is ongoing and we are giving update to the portfolio committee. And we can do the same update to the members of the NCOP, as and when request it. But, there was consequence management. Thank you very much.

*Xitsonga*:

Man B T MATHEVULA: Ndza khensa, Xandla xa Mutshamaxitulu.

*English*:

Ms B T MATHEVULA: Minister, how far is the Special Investigating Unit, SIU, with its pursue of civil investigation to recover the money that your department wastefully paid to the contractors, that your department approved to erect the fences at the Beitbridge border? Thank you, Minister.

The DEPUTY CHAIRPERSON OF THE NCOP: Before the Minister respond, hon Mathevula, the Minister has been indicating on various occasions that she will be responding in full, in another question that will follow. Will it be fine if she then goes to that question when it comes up and respond to all the issues around the Beitbridge, particularly with regards to the Special Investigating Unit? Do you agree, hon Mathevula? I’m asking.

Ms B T MATHEVULA: Deputy Chair, is she going to respond today?

The DEPUTY CHAIRPERSON OF THE NCOP: Yes, she said there is a question that is still coming up. So she will be able to give the comprehensive response, when that question come.

Ms B T MATHEVULA: Deputy Chair, no problem.

The DEPUTY CHAIRPERSON OF THE NCOP: Yes, thank you very much, because I’m afraid she will have to tell you; I in the question that is coming, I will respond to that thing and that is what I don’t want, I want give...so that everyone can get a comprehensive response. So let us move to the next question.

The next question is by hon Brauteseth of the DA and hon Minister, we will give to you to respond on that one. That is question number 19.

Question 19:

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Deputy

Chairperson, hon Brauteseth I have received the submission that you put with your question. I just want to say that the Bill before Parliament today will bring certainty to the South Africans and all investors because it clearly outlines how expropriation can be done and on what basis it can be done.

As we all know expropriation is done all over the world. In the United States it is called eminent domain, in the UK, New Zealand, many European countries and also in Africa.

The existing Expropriation Act dates back to 1975. The Presidential Advisory Panel pointed that the 1975 Act is inconsistent with the Constitution and the correction of that has been long delayed.

The panel also pointed out that the 1975 Act undermines the constitutional principles enshrined that must be lawful, procedurally fair and reasonable administrative justice.

Now, this is the current position, hon Deputy Chair, in terms of various existing laws, the President and at least seven Ministers or the premiers, all the municipalities have powers to expropriate. What is needed is the law of general application that will ensure that any Act of expropriation is in compliance with the Constitution of 1996. So all of the bodies will have to exercise those powers in terms of the new expropriation rule if and when it is enacted into law.

Now, hon Deputy Chairperson, I have noticed that you know since the Bill has been published in October 2020 and

submitted to Parliament for further processing, material facts about the Bill being twisted and somewhat distorted and this has become a consistent mechanism that has been used by opponents of land reform. So, the Expropriation Bill describes in that there are rigorous procedures and processes to arrive at no compensation. Nowhere in the Bill does it talk about land grabs nor does it prescribe expropriation.

The Bill was also certified by the Chief State Law Advisor as being constitutional. Also expropriation is only one of the methods that may be used in the acquisition of land that could be used for land reform.

Now, I briefly want to refer to section 25 of the Constitution provides for the solid and clear foundation for the implementation of the law. It states that property may be expropriated only in terms of the law of the general application for public purpose or in the public interest and subject to compensation. The amount of which and the type and manner of payment which have been either agreed to by those affected or decided by a court.

Now in terms of section 34 of the Constitution, everyone in this country has the right to have any dispute that can be

dissolved by the application of law in a fair public hearing can bring it before an appropriate court. For really it makes no sense that a democratic government will now revert back to the old apartheid style practices of taking homes and businesses away from the people and surely also no court in this country will agree to it.

So, the Expropriation Bill sets out the procedures must follow before and during expropriation. How compensation must be calculated and paid and where and how decisions can be challenged? All decisions can be challenged.

It also includes a mediation process and it guarantees access to the court as the final form of oversight and decision- making.

Hon Deputy Chair the Bill is now before Parliament and South Africans do have another opportunity to make their proposals to Parliament so that we can conclude the Expropriation Bill and replace and repeal the 1975 Act of Parliament. I thank you.

Mr T J BRAUTESETH: Hon Deputy Chairperson, may I just start by extending my sincere condolences to the hon Minister for the loss of her dear, husband.

However back to the hot kitchen of politics hon Minister, I thank you for your very detailed answer. You have covered some of the areas, but there are still concerning references to issues in the Bill such as the intellectual property that the reasons for no compensation are currently unlimited that the Bill could encourage land grabs on unoccupied private property.

It also discourages property speculation and investment. You have also referred to access to court. What if the person who need to approach the court does not have the funds, who will cover those costs?

Hon Minister you know that we were colleagues in the DA not so long ago and you know the DA strong commitment to orderly and legal land reform. There is no doubt that it is quite well documented. I am of a concern that your department is engaging with this Bill in slash-and-burn Stalin’s tactics which will have ruinous effect on investment in South Africa.

So, the question I have to you Minister is: Are you compelled by your position to be a follower of the glorious ANC national democratic revolutionary disaster? Thank you, Deputy Chair.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Deputy

Chairperson and hon Brauteseth. I must learn to call your surname correct. My apologies if I do not pronounce it correct.

You know there are some interesting developments in our country. We had a consultation with more than 83 countries embassies in our country to brief them on the Expropriation Bill. It was very well received and supported by those countries.

One of the issues that they did raise hon member was the issue of intellectual property rights. We have received some good proposals from the international community around the issue of intellectual property rights. We have taken those inputs from the international community. I will be submitting them to the chairperson of the portfolio committee in the National Assembly who is driving the process for Parliament to consider those proposals.

Just around who will pay the costs, as you will see there is another new Bill called the Land Court Bill. In the Land Court Bill, it really deals with access for especially the poorest in our country and the most vulnerable. We already have assistance for people to access the courts through our legal aid system. However, with a dedicated Land Claims Court, they will certainly be assistance for people who want to dispute or who want to challenge any decision that was made. For there is nobody hon member must be denied access to the courts on the basis that he or she does not have money. As Members of Parliament, we must ensure that that must not be the case when it comes to the Land Court Bill that is also before Parliament now. However, thank you very much, hon Deputy Chairperson.

*IsiZulu:*

Nk S A LUTHULI: Ngibonge Sihlalo, ngibingelele uNgqongqoshe woMnyango ...

... when we chose to focus our attention on property owners and the right of a few privileged citizens in this country, we digress from our legitimate politics of land expropriation and redistribution as well as the rights and interests of those who were dispossessed of their land.

The question that we should be asking is: What action will you take to ensure that the expropriation of land without compensation and its redistribution is a transparent process that will safeguard the right of the landless and the dispossessed? I thank you.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon member of

the EFF thank you for the question. That is why we follow the legislative process to design laws that can protect the rights of everyone in South Africa. It must protect the land of the landless and it must protect the rights of the landowners.

That is the balance that we are seeking in the Expropriation Bill so that we create a balance between the landowners and the landless. For the facts are in our country that many of our people are landless and we know the ownership patterns of land in our country.

There is also another policy of government which is called the Land Donation Policy. I was really surprised to see how many landowners can now come forward to donate land to the state.

That is all to find the balance so that we make sure our people can no longer wait for land reform. Land reform includes land restitution that we must speed up and complete. Land reform include land redistribution and we are starting to

redistribute land that is owned by the state and the land tenure. That is the broad land reform programme in our country. Expropriation is but one mechanism of acquisition.

So I agree with you, hon that we must move with speed and urgency to deal with the legislative framework so that we can speed up land reform in South Africa. I thank you.

Mr M I RAYI: Hon Deputy Chairperson and hon Minister, firstly the national democratic revolution is not a disaster, it is about the liberation of black people in general and Africans in particular.

My question therefore is that considering that issues relating to land are a function of the Department of Agriculture, Land Reform and Rural Development, hon Minister has there been any level of co-operation with the said department and if any, will there be any co-operation in future once the Bill has been passed? Thank you.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon member,

yes indeed. Very good co-operation. There is an Interministerial Committee, IMC, chaired by the Deputy President Mr Mabuza and all the Ministers that deal with land

and related issues are members of that. Also in Cabinet I am working very closely with the Minister of Agriculture, Land Reform and Rural Development especially around the issue of restitution. We are in the process and we are making good progress to return some of the farm land and agricultural land to people who were dispossessed or were forcibly removed from their farms. Yes, we are making good progress.

I learn a lot from the Minister. She has been in the portfolio where I am in today. She is leading the land reform programme. Indeed, hon member I want to assure you that there is very good co-operation between myself and all the Ministers in the Interministerial Committee. I thank you.

Mr X NGWEZI: Hon Deputy Chairperson of the NCOP and greetings to Minister De Lille and colleagues. The follow-up question on this one is: What are the government’s plan for land held under the custodianship of traditional leaders?

Will this land also be considered under any land redistribution schemes or will traditional leaders model of custodianship of this land be allowed to remain? If not, why not?

*IsiZulu*:

... ngoba sikhathazekile ngodaba lwaMakhosi. Amakhosi ahlala eshiywa ngemuva uma kwenziwa izinhlelo zikahulumeni, angachazelwa kahle.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Minister, did you get the question.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Yes, I did

get the first part of the question and I can answer, hon Deputy Chairperson. I do not know is the summary in IsiZulu was part of the first part of the question? Let me attempt to answer the first part.

The DEPUTY CHAIRPERSON OF THE NCOP: You can switch on your translation function, because there is translation neh.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Oh.

The DEPUTY CHAIRPERSON OF THE NCOP: Let them assist you on putting on the translation function.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Alright.

Thank you for the advice hon Deputy Chairperson.

The land owned by traditional leaders that process is led by Minister Didiza. I know that Minister Didiza has done a lot of work around the issue of communal land and traditional land.

We also send a delegation to a few African countries to go and see what is the experience of how they deal with communal and traditional land and so that process is led by Minister Didiza and as part of the IMC. However, she is the lead department there, hon Deputy Chairperson. Thank you very much.

Question 28:

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Thank you,

hon Deputy Chairperson. The Special Investigating Unit, SIU, launched an application on 23 September 2020, to freeze the banking accounts of the service providers. The SIU Tribunal then made an order by agreement that the service providers would not make any further claims for payments from the Department of Public Works and Infrastructure. On 17 November 2020, the SIU instituted legal actions against a Caledon River Properties (Pty) Limited, Magwa Construction and Profteam CC with the Special Tribunal under the case number GP17/2020.

Therefore, the main ... [Inaudible.] ... in the application is a declaration of invalidity of the contracts concluded between the Department of Public Works and Infrastructure and the respondents, the service providers.

This application must oppose and the matter has been enrolled to argue jurisdiction which was also raised as a point of ... [Inaudible.] ... and then the matter was then heard on 26 January 2020, in the Special Tribunal. The tribunal then on 25 February 2021, dismissed the respondents’ points ... [Inaudible.] ... and the matter will proceed in the absence of any appeal. Now, summonses for the loss and or damages suffered by the department will be issued once the SIU declares a contract null and void. So, that is the latest update around SIU Tribunal procedures, hon Deputy Chairperson. Thank you, hon member.

Mr K M MMOIEMANG: Thank you, Deputy Chairperson. Hon Landsman has a connectivity challenge. Therefore, he dedicated the question to me. Thank you, Deputy Chairperson and greetings to the Minister. The follow-up question is just as follows, Minister, has the department been able to uncover any evidence that could potentially point in the direction of officials of the department facilitating this contracting processes that could lead to the department taking action against them. Thank you, hon Minister and Deputy Chair.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Deputy

Chairperson, yes, the department instituted a disciplinary

action against 13 of the department officials and that process is ongoing. However, as I was saying that if there is a need for a report to the NCOP we can certainly bring you the latest update, but I can confirm that the disciplinary action was instituted against 13 members of the department. I thank you.

Mr A B CLOETE: You spoke about the freezing of those bank accounts. In that process, hon Minister, were there any political interference from anyone to stop the attempt to freeze those accounts, and if so, can you provide us details, please?

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon member

Cloete, certainly I’m not aware of any interference. This is being driven by the SIU Tribunal which is a legitimate structure to deal with allegations of corruption, and so, I’ve not heard of any interference by any politician. Thank you very much.

Mr T J BRAUTESETH: Hon Deputy Chair, hon Boshoff is struggling with connectivity and has asked me to take the question.

The DEPUTY CHAIRPERSON OF THE NCOP: Are you taking the question, hon Brauteseth?

Mr T J BRAUTESETH: Yes, I am a ... [Inaudible.] ... Deputy Chairperson.

The DEPUTY CHAIRPERSON OF THE NCOP: Yes, you may continue is just that your cellphone is a bit ... [Inaudible.] ...

Mr T J BRAUTESETH: Deputy Chair, is that better?

The DEPUTY CHAIRPERSON OF THE NCOP: It’s much better. Thank

you.

Mr T J BRAUTESETH: Thank you, hon Deputy Chairperson. I do appreciate it. Hon Minister, thank you very much for the detailed answer and there are two issues that I want to touch on. My research shows me that since you have to make a decision, and I was advised that you would make a decision, by around mid-March which is where we are now, about whether or not Magwa Construction would be used again or would be excluded as a contracted to government. I know that Magwa Construction had an unusual history with government with other projects that have been problematic and I will be sending a written questionnaire.

Number one, can you just give us some updates on Treasury’s decisions in that regard and then, Minister, I trust you have stated to us that you are more than happy to give us the details of the 13 disciplinaries that are ongoing. We are here today in the NCOP and we are right here in front of you. Can you please give us those details of the 13 disciplinaries, and perhaps give us a timeline as to when those disciplinaries will be completed? Thank you, Minister.

The DEPUTY CHAIRPERSON OF THE NCOP: Before the Minister respond, can I request the Chairperson of that committee to get that information so that we don’t use too much of the time that is here that the Minister responds to the question she has already aware of. Continue, Minister.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Thank you,

hon Deputy Chairperson. The process they really to follow is within the Department of Public Works and Infrastructure, we have what we call a Restriction Committee. The Restriction Committee met in August last year, and they then have contacted the service providers to provide them with the reasons as to why they should not be restricted from doing business with government. That process has taken a bit of time because the service providers wanted to get the copy of the

investigation report which was handed to them. Therefore, once the Department of Public Works and Infrastructure received their input and reasons, then we can make a recommendation to National Treasury to do the restriction, because only National Treasury can do that.

I have to find out, hon member, whether, in fact, the report is with National Treasury already and whether National Treasury has made a decision because that is their mandate to decide whether to restrict or blacklist any company, and then I will come back to you, hon member. Thank you.

Ms S B LEHIHI: Thank you, Deputy Chair. Minister, once it is all good and well that there are ... [Inaudible.] ... to recover the monies that you have paid to the contractors of the Beitbridge border fence, there also need to be accountability and consequences for your department as well. Besides, trying to recover the money, how else have your department ensured accountability for what transpired. Who has been then accountable and how? Thank you.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Thank you,

hon Chairperson. I have explained earlier on that there are processes that are taking place that even of the people who

are accounting consequence management that they are entitled to a fair process ... [Inaudible.] ... representation, and therefore, we are following due process and also the unions are involved. So, I want to assure hon members that those processes are being driven by the human resources, HR, department and we cannot interfere there until such time that they have concluded the processes.

So, yes, we have done what we could so far in terms of the Public Finance Management Amendment Act, the acting director- general, DG, and the chief financial officer, CFO, of our department. All of us are involved there. The administrations are involved. So, I will just hope that I know the patience of people are running out and that these processes are taking a very long time. However, as I was saying, hon Deputy Chairperson, on the request of the NCOP members, I will bring you the latest update and we can arrange for such a meeting.

Thank you very much.

Question 20:

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Deputy

Chairperson, I’m getting there. The Department of Public Works and Infrastructure and the SA Police Service, SAPS, are engaging in a consolidation of leases particularly for the

crime intelligence operations to be incorporated into one side with the SAPS Police Station within Pinetown. Then, the anticipated outcome is to consolidate most of the SAPS operations in Pinetown, into one facility. So we have requested SAPS to submit their needs assessment to enable us to do an analysis and to consolidate all their accommodation into one facility.

SAPS are in the process of compiling their organisational requirements - like a needs assessment for this project. Once they have submitted that to us, which they have not done at the time of answering the question, we will then allocate some funding for the project.

Up till now, we have not allocated funding; we have not committed any funding. But in addition to this work, hon member, the department has recently concluded site clearance for the construction of a forensic science laboratory in Pinetown and a procurement instruction for this service has been issued, to commence the planning phase for delivery of this forensic science laboratory. In short Chairperson, it‘s all work in progress. Thank you.

Mr T J BRAUTESETH: Deputy Chairperson, Minister, this a problem ... and I fully understand that you are taking advice from your officials but, it is literally a problem when you are receiving advice and it is very different to what is on the ground. I am reminded of the great MP Helen Suzman when she said ‘One should get on the ground and see for yourself.’

The reality is that I was at that police on 24th of February, and I engaged with the officials that you are referring to.

They advised me that they are still waiting for a structural engineering report from the Department of Public Works and Infrastructure. They also advised me that they raised with the Department of Public Works and Infrastructure that all the cells at the police station are nowhere near the five star protocols which are mandated by the SAPS.

They also pointed out that the barracks which was being raised with the public works are in filthy shocking state and I have seen them myself and they still await conversion with the detective officers. The lifts in the building are completely dysfunctional and as a result, the building is completely wheelchair unfriendly.

The air-conditioning in the building is completely non- functional. I am sure if you know Durban in hot summer months it would almost be impossible to work in. The building itself is completely dilapidated and filthy.

The site you are referring to relating to the SAPS’ Forensics Lab, I know it well. The bush and the trees there are still as high as a four or five storey building and they are a home to criminal elements in the area.

Minister, I understand that you are just taking advice from your officials and I really want to invite you to join me on the ground with the officials to come and see what actually looks like, so can understand that your officials are unfortunately not doing [Inaudible.]

The problem is that this Pinetown Police Station is a massive police station and services the biggest metropolitan area outside of Durban in KwaZulu-Natal. So I really would like to ask you that you come on to the ground even with me in a bipartisan fashion and we have a look at this police station and really deal with it immediately. Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Minister, that has been an invitation, would you like to respond?

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Deputy

Chairperson, I was in Durban on Friday where I visited two courts in Chatsworth and the new family court that I think will be launching soon on the 26th of March.

Yes, I appreciate when I hear that members do oversight. Because it is through information that we receive from you that we are able to make further interventions. Normally, when I reply to any supply chain management question, I would say that I was informed by the department. And you are right hon member, in this one again, I was informed by the department.

But certainly, we will have a look into your invitation and I think what we can do in the meantime, hon member is that, I can raise it with the regional – if you can give me the information, I can arrange it with the regional manager Mr Vilakazi and send him out there, together with the department officials and then come and give us a feedback report based on the concerns that you have raised today. If you can send the report to me I can arrange that in the meantime. I don’t know when next I will be in KZN again but certainly, it need not

wait for the visit. We can even work on it as soon as possible. I thank you, hon Chairperson.

Mr X NGWEZI: Hon Minister, as far back as three years ago, the eThekwini Municipality announced R35,9 million set aside for a metropolis infrastructure revamp. Some of the buildings that were to be revamped included the Metropolitan Police Headquarters at 16 Achie Gumede place, the Training Academy at Lahee Park in Pinetown and other areas.

I would like to know if the hon Minister, through the provincial counterparts, aware of any progress as it relates to these mentioned projects? If she does, please provide details. Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: If you have the information, hon Minister, you can provide still provide it to us like I have advised before. You may respond.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Deputy

Chairperson, this is eThekwini Metropolitan Municipality issue, but again, I can certainly see if we can get you some more information on this and then pass it on to the Deputy Chairperson and get it on to the hon member. But I must admit

that I have got no knowledge of that at all. Thank you very much.

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you hon Minister for the commitment to make a follow up.

Ms S A LUTHULI: Deputy Chairperson, my question is ...

The DEPUTY CHAIRPERSON OF THE NCOP: Is the disco over now? You may continue.

Ms S A LUTHULI: ... I am trying to recharge in the car now and there are cars passing by. I am sorry. Because of the load shedding, my battery is sitting at 1%. My question to the Minister is ... Am I audible?

The DEPUTY CHAIRPERSON OF THE NCOP: You are. Just continue, we know you have got challenges.

Ms S A LUTHULI: ... I would like to know how the renovations that will be underway affect the service delivery and the turnaround for the resolution of cases.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Deputy

Chairperson, I didn’t get the first part of the question. Did she make references to renovations? I could just hear the last part.

The DEPUTY CHAIRPERSON OF THE NCOP: What she has asked is that in the case where renovations will be undergone, what will be the arrangements to ensure that there is no break in the service delivery. I don’t know whether the [Inaudible] renovations. But she is anticipating that there might be a challenge with the regards to the service delivery if there are any renovations.

Mr M S MOLETSANE: Deputy Chair! Can I assist with question?

The DEPUTY CHAIRPERSON OF THE NCOP: Yes, hon Moletsane. You want to repeat?

Mr M S MOLETSANE: Minister, the question reads: Has there been any feedback on how the closing down of the police station while renovations are underway has affected the community‘s ability to access services as well the turnaround time for the resolution of cases? Thank you, Deputy Chair.

The DEPUTY CHAIRPERSON OF THE NCOP: I don’t know – is it specifically, but maybe you have discussed it in the Ministerial Committee. If you have the response, you may.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Deputy

Chairperson, I don’t have the response I just want to ask, is this also relates to the Pinetown Police Station. Then I can get the response for the hon member. But right now, I don’t have the response for her. Thank you very much.

Mr M S MOLETSANE: I was asking the question on behalf of hon

Luthuli and I don’t know if she is gone.

The DEPUTY CHAIRPERSON OF THE NCOP: I see she is on the platform. I hope she could be able to respond. If not, we will continue. And we will come back to this because; we can also outside of this forum solve that specific issue. Let’s continue because I think we understand the challenges.

Mr K M MMOEIMANG: Deputy Chair, greetings to the Minister, I want to believe that, from the response that you gave - I think those that are watching us on the parliamentary channel are asking themselves, what is the link between Pinetown Police Station and the role the Minister is playing as the

political head of the Department of Public Works and Infrastructure.

Can the Minister of the department and also as the custodian of the public asset in terms of the relevant law, just share the role that the department plays in terms of maintaining public assets? Thank you.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Deputy

Chairperson, hon Mmoeimang yes, the mandate of the department is – first of all, in terms of two broad pieces of legislation, the first one is, Government Immovable Asset Management Act, 2007, GIAMA, that deals with the disposal and maintenance of government owned properties.

The second relevant piece of legislation is, the Infrastructure Development Act of 2014, that guides us how to build new infrastructure but also to repair and maintain existing infrastructure. So you are correct hon member, that is a legal mandate of the department.

When it comes to the specifics, like the question was put to me, I will also be honest with you hon member, that if I don’t have the answer I will certainly go and get the answer. This

is all that I was saying. It is not that I am trying to say it’s no our legal mandate, it is our legal mandate. Therefore, in terms of accountability, I must give feedback to the hon members. Thank you very much.

Question 21:

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Thank you hon

Chairperson and hon member. The department’s mandate is to provide office accommodation for national government departments. Such accommodation must meet the necessary occupational health and safety requirements to ensure the wellbeing of workers and the public accessing services from the premises.

In this case, the department had to invoke a termination clause after the lessor failed to perform its contractual obligations in terms of the leased contract that was concluded on 21 May 2020 by both parties.

So, the new procurement process has already commenced, which is anticipated to be finalised in June 2021. As the department restarts the procurement process of the new office for the Department of Home Affairs, it shall and it must ensure that the building is well located to ensure easy access to the

building in terms of transport and ... centrality to the place for our customers and clients.

The responsibility to ensure the safety of citizens outside of government buildings now resides with the Minister of Police and I’m sure we can bring to the attention of the police commissioner some of the safety issues that is occurring outside of the police station.

Mr T J BRAUTESETH: Thank you very much hon Deputy Chairperson. I’m sure the Minister appreciates that at least I’m doing my work today. I’m earning my salary.

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): Yes, we see

that.

Mr T J BRAUTESETH: Minister, thank you very much for that feedback. I do appreciate it. It is just very unfortunate that I now have to go back to the people of Pinetown and tell them that, after we had been informed that the premises had been located in May 2020, they must now wait another six months during which time they have to go to a premises, and Minister here I’m talking about elderly people who are queuing for

documents they need for the SA Social Security Agency, Sassa, grants. While that is happening, they are being mugged.

Now, I understand that that doesn’t fall under your department but your department certainly does play a role in the relocation to a safer locale.

The other issue is that I have engaged on numerous occasions with your acting director-general on this issue, and I’m sorry to pull him into this, but I’ve not received any response from either him or the director-general of Home Affairs and therefore I was forced to bring this to your attention.

Minister, what the people of Pinetown want is just a bit of hope. They want to know that at some point they will be able to go to safe environment and conduct their Home Affairs business without literally being scared of being mugged, beaten up, put in hospital, while they are just trying to get an identity document, ID, book or whatever the case may be.

That is not fair government to our residents, to our citizens.

So the question I have for you Minister, is just a plea today. What will you do as Minister of this department to please expedite this process so that we can get solid information to

the people of this area, that will make them feel a bit of hope and a bit more confident in using the services of Home Affairs in the area?

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): You did

well and that is a request, but the Minister can give a commitment.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Yes, I

certainly will give a commitment Chairperson, that before Friday this week I will come back to the hon member with ... all the concerns that he has raised and all the issues that he has raised. I will ask the department to provide information with clear dates as to when what will be done, but before close of business this coming Friday ... What will be the date? The 19th March, I will come back to the hon member with some more information from the department, with clear deadlines and dates. Thank you.

Mr A B CLOETE: Thank you Deputy Chairperson. Minister, what hon Brauteseth explained now ... [Inaudible.]

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): Is it me or

is it the hon Cloete’s audio? Hon Cloete?

An HON MEMBER: We can’t hear him.

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): We’ll come

back to you. Let’s now allow hon Moshodi.

Ms M L MOSHODI: Thank s very much Deputy Chair and thanks to the Minister for the response. My follow up question is as follows. Can the Minister provide clarity on whether the department will be undertaking a similar project in other areas that are crime hotspots across the country?

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon

Chairperson, in terms of the programmes and projects that the department is busy with, I can certainly provide the hon member with a list of requests from the user departments. We respond to a request from a user department to build anything for them or to repair a building for them, and I can get a list from the department of those requests from the SA Police Service for new buildings, or maintenance, or repairs, and then forward it to the hon member. I can do that. Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): Thank you

hon Minister. Hon Cloete, are you back? Not yet. Then we will give over to hon Zandamela for now. Zandamela?

Mr T APLENI: Thank you Deputy Chair. Minister, crime is not the only issue that affects ...

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): Hon Apleni?

Mr T APLENI: Yes, ma’am?

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): You

could’ve had the courtesy to indicate that you will be responding. I mean, let us respect the processes here. You may respond but you could’ve just indicated so that we would’ve known. Continue.

Mr T APLENI: I’m sorry Deputy Chair. I took it for granted,

because there was another Chair before. So I really apologise.

Minister, crime is not the only issue that affects the residents of Pinetown when trying to access the services of Home Affairs. Long queues and computers that were regularly offline were also some of the issues that residents complained about. Besides a change in location, what other measures have been put in place to ensure that residents receive efficient services?

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): Just to

remind the hon member that this is the Minister of Public Works and Infrastructure, and you are now speaking about services of Home Affairs, so that we don’t say the Minister did not respond to the question. Over to you hon Minister.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon

Chairperson, thank you for your advice and I agree with you. The question needs to be put to the Minister of Police; sorry the Minister of Home Affairs. Thank you very much.

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lucas): Yes, Home

Affairs. Thank you. Hon Apleni, can you please mute your microphone? I observe that hon Cloete is not yet back. So, we will continue to Question 29 as asked by the hon Dangor. Hon Minister, over to you.

Question 29:

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon

Chairperson, the Department of Public Works and Infrastructure has applied what they call the deemed cost model in order to determine the value of immovable assets under its custodianship; and the total value of both lands and buildings is just over a R123 billion.

I will quickly give a breakdown of the land; there are two types of land: we have 10 455 pieces of vacant land, the value of that vacant land is about R14,5 billion; then we have another type of land for improved land, and of that we have

18 586 pieces of land and the value there is R25,7 billion.

Then on the breakdown of the buildings we have three types of specifications: the specialized assets buildings, of which we have 46 396 buildings to the value of R48,7 billion; then the office space, offices, we have 9 437 buildings to the value of R9,9 billion; and, a number of residential properties, 22 805 residential properties to the value of R23,9 billion.

So, this is how we have determined the value of the buildings in land using what they call the deemed cost model. Thank you, hon Chairperson.

Mr M DANGOR: Hon Minister, kindly outline the plan the department has to ensure the refurbishment of all these properties with a view to avoiding a situation where departments source alternative accommodation from private companies at astronomically high costs to the state. Thank you, Minister.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon Dangor,

you raise a very, very important question and as the problem that has been ceased with the department for many, many years. And that is we spent, as a government, R5 billion letting in properties fro the use of government’s accommodation. We only receive R60 million per annum from letting out our own government-owned buildings and so, there is a big variant and discrepancy that we are working on now.

Firstly, we started the process two years ago to renegotiate all the leases that we hold with the private sector. We have been successful in recovering some of the money. But our biggest, biggest problem is that our own internal record keeping. I found out that there are over 500 private companies in South Africa that we are renting building from. But the Department of Public Works pays a month-to-month rental; and because we pay month-to-month we are being charged more because there are no long-term leases. And that is why I’ve turned this weekend to put advertisement out in the paper to make a plea for help from the private sector, those who are leasing to and from the Department of Public Works to please come forward with information as to why we are renting on a month-to-month basis.

This is not only costly for us but it is also irregular expenditure. And I want to get to the bottom of it, why can’t we have more long-term leases that can save the government more money?

There’s also lot of corruption as far as this is concerned, sometimes when the private do want to renew or extend the leases they’re asked to pay money and I’ve even said to the private sector ‘I won’t charge you any money, it will be free’ but just give me the information so that we can stop the practice of month-to-month leases. Because if we get that income we can then use that money, hon Dangor, to refurbish and to repair and use some of these buildings.

We now have a new mandate as the Department of Public Works and Infrastructure and that is to sweat the state assets, to see how we can generate some income from our own state assets and very soon we will be putting out the first 200 buildings into the market for the purposes of refurbishing, where people can use it up to words and lease it from government.

So, that plan with the establishment of Infrastructure SA under the acting leadership of Dr Kgosientso Ramokgopa, we are

working on a plan and that is to see how can we get value out of our own assets. I thank you, Chairperson.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Dangor, you have a follow up question. Oh, have we concluded the follow up? Hon Dangor? Was it the second question? No, it was the first ... the original question.

Hon Dangor, I see you are on the platform but I don’t know what’s happening. Let me continue. Hon Ngwezi!

Mr M DANGOR: I asked two questions: the first question and the follow up question.

The DEPUTY CHAIRPERSON OF THE NCOP: Okay. Thank you. I’m just a bit confused. It seems as if the weather is playing with us. Hon Ngwezi!

Hon Ngwezi seems to be not on the platform. We will now then ask any ... hon Motsamai of the EFF. Hon Motsamai!

*Setswana*:

Rre K MOTSAMAI: Tona, maikaelelo a lefapha a go tlhokomela le go laola [Go sa utlwagale.] meago ... gonne seo se fetsa madi a dipaakanyo mo lefapheng.

*English*:

The DEPUTY CHAIRPERSON OF THE NCOP: I don’t know if ... was there any interpretation? I couldn’t hear whether there was any interpretation. Minister!

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon

Chairperson, I have been trying to use the link now, here, but

I couldn’t hear any interpretation. [Inaudible.]

Ms B T MATHEVULA: Deputy Chair, on a point of order.

*Xitsonga*:

Loko hi sungula ntshamo wa namuntlha Mutshamaxitulu va hlamuserile leswaku xiphiqo xa vahundzuluxeri va xi lulamisile.

*English*:

So, I’m surprised now when you say that there’s no interpretation for what hon member has just said. So, can you please ... and the other thing also confirm that the

translation is fine. So, can you please get into that order, Deputy Chair. Thank you.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Mathevula, as we are speaking, we’ve been trying to listen whether there is any interpretation because I am aware that hon Motsamai really loves his mother tongue, but there was no interpretation. So, I’m also asking advocate to look into that issue but in the meantime, is there anyone that can assist to enable the Minister to respond to this question?

Okay!

Can you please just summarise what hon Motsamai was asking.

The Secretary to the NCOP (Adv M Phindela): Deputy Chairperson, I also want to confirm that there is interpretation.

The DEPUTY CHAIRPERSON OF THE NCOP: But we couldn’t hear it

... myself, advocate, I couldn’t hear it and the Minister also couldn’t follow it. Can we please be assisted and can the summary of the question just be ... can we be assisted with it; that is a request.

The Secretary to the NCOP (Adv M Phindela): If hon Motsamai can repeat the question. My apologies, Chair.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Motsamai, please assist us my dear.

Mr K MOTSAMAI: Hon Minister ... ke [am I] right? Am I audible, Minister, Chair?

The DEPUTY CHAIRPERSON OF THE NCOP: Yes. What is audible is

the interpretation. It’s fine, you may continue.

*Setswana*:

Rre K MOTSAMAI: Ke re maikaelelo a lefapha a go tlhokomela le go go dira gore meago e tsenye lotseno ke a feng? Ka gonne meago e mentsi e marantha mme lefapha le fetsa madi ka dipaakanyo tse e di dirang mo meagong eo mme lefapha le feletsa le sa dire lotseno ka meago eo. Ke a leboga.

The DEPUTY CHAIRPERSON OF THE NCOP: Thank you very much, hon Motsamai, for the fact that you were really willing and able to repeat your question. We appreciate that. Hon Minister!

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon

Chairperson, I want to agree with hon Motsamai that the fixing of the dilapidated buildings, of which there are many across our country. It comes about because of lack of maintenance, lack of repairs, but these buildings also become danger to society when wrong people invade the buildings and they live there with criminal activities.

So, yes, we do have a programme in our facility management. The first part of the programme is to have a schedule maintenance plan because the lifespan of any building is between 30 and 50 years; so, you need to have a plan how to maintain it. We currently do a lot of maintenance and repairs on a reactive basis. When the department phones us about a complaint then we will go and fix it. So, it is really costing us a lot of money but we have now put out ... since the past two years the department has put out two-term contracts and on the term contracts we have companies ready that can do repairs almost immediately instead of going out for a tender for every request for repairs that we are receiving.

But I do share and I do agree with you that it is costing the state a lot of money. Thank you, hon Motsamai. Thank you, Chairperson.

Mr M NHANHA: Minister, the asset register of public works remains a millstone around your neck and that of your department. This register makes your department the biggest landlord in the country and the public perception is that by and large you are a derelict mastande; no better than a slum lord.

Your answer today to hon Dangor’s follow up question reveals that your department simply cannot manage this property portfolio effectively.

I’m wondering whether is it not time to allocate these premises to departments that inhabit them and allocate those departments with relevant portion of your budget to maintain those properties? Thank you very much.

*Afrikaans*:

Baie dankie, Voorsitter.

The MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE: Hon

Chairperson, first of all, to change the function of any Ministry and to put that function to other departments, it is only the President of the country that has the power to move the functions from other departments.

As you know that the Department of Public Works was reconfigured in the Sixth Administration and infrastructure was added to it. And I will be the first to admit that it has been a battle for many years.

Hon Chairperson, I can tell you that recently I received a report from the external audit about how much money we’ve spent as this department on fixing our immovable asset register. Way back in 2015 R19,8 million was spent, in 2017 another R16,5 million was spent and then again in 2018 another R42 million was spent. But we still don’t have our immovable asset register 100% on a digital platform.

In the past two years there were attempts by the department to issue a tender to digitise the immovable asset register. I was informed by the department that on both occasions the tender was nonresponsive, up till early January this year.

I did make an intervention; I’ve now turned to the National Treasury to assist the Department of Public Works and Infrastructure to write the specifications for the tender in the right way because if the specifications are not right you are not going to get what you really need; and so, that is where we are now. National Treasury has already started

drafting specifications; help us so that when we go up for the tender again that this time it will be done right.

But I do admit that we do have problems with the maintenance of our massive, massive property portfolio. It is a value to the country as worth billions and we have to change our policies to see how we can, one, protect our assets, but secondly, how do we use the assets of our country. Which is really the family silver; it belongs to all of us. How do we use the family silver to make sure that we generate some income also, for the people of South Africa? Thank you very much, Chairperson.

The DEPUTY CHAIRPERSON OF THE NCOP: Hon Minister, I think you were really frank, honest, but you were still comprehensive with regard to the issues and we appreciate your approach to the NCOP with regard to the question session. Let me then thank you for the fact that you’ve availed yourself and I also want to thank our hon Chairperson, all the permanent and special delegates as well as secretary and the team for the session of today. That concludes the business of today and the House is adjourned.

Business concluded.



Council adjourned at 17:01