# TUESDAY, 1 JUNE 2021

**PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES**

The Council met at 10:03.

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

The Chairperson announced that the virtual sitting constituted a Sitting of the National Council of Provinces

# CONSIDERATION OF DIVISION OF REVENUE BILL AND REPORT OF SELECT COMMITTEE ON APPROPRIATIONS THEREON

Ms D G MAHLANGU (Select Committee Appropriation): Thank you hon Chair of the NCOP, Ministers and Deputy Ministers on the platform ... [Interjections.]

THE CHAIRPESRON OF THE NCOP: Hon Mahlangu!

Ms D G Mahlangu: Am I not audible Chair?

THE CHAIRPESRON OF THE NCOP: You are audible, loud and clear, please proceed.

Ms D G Mahlangu: Hon Chair of the NCOP, Deputy Chair, Ministers and Deputy Ministers present on the platform, hon members, permanent and special delegates present and fellow South Africans. It is my honour and privilege to table before this House a Report on the Division of Revenue Bill 2021 on behalf of the Select Committee on Appropriations in the NCOP. The committee unanimously adopted the Bill without amendments, while the DA and FF Plus reserved their rights and the EFF abstained.

Hon Chair and members, today our country enters the youth month in which we celebrate the young people which are the future of South Africa. Yesterday we ended the celebration of Africa month in a dialectical way. We are celebrating the birth of the new month. As the old gives way to the new, I am reminded of the words of the founding President of the ANC Youth League, Comrade Anton Muziwakhe Lembede who said, I quote:

Freedom is an indispensable condition for all progress and development. It will only be when Africans are free that

they will be able to exploit fully and bring to fruition their divine talent and contribute something new towards the general welfare and prosperity of mankind.

Chair, last year we spoke about the renewal of our movement as the ANC which is unfolding in front of our eyes. This year, we are extending a call for unity and socioeconomic renewal for the whole nation. Hon Chair and fellow South Africans, on 24 February 2021, the Minister of Finance tabled a national budget outlining the government priorities for the fiscal year 2021-22 and the Medium-Term Expenditure period. This was in line with section 214(1) of the Constitution of the Republic of South Africa, which requires that, every year a Division of Revenue Act should determine the equitable division of national raised revenue between national and local government.

On 18 March 2021, the Bill was passed by the National Assembly and referred to the National Council of Provinces Committee for consideration and report as per section 9(2) of the Money Bill Act. Due to COVID-19 pandemic, the committee decided that all provincial portfolio committees on finance and or Treasury, should be part of the meeting wherein the committee was briefed by Treasury on 10 March 2021.

Hon Chair. The committee consulted with the Parliamentary Budget Office, PBO, the Financial and Fiscal Commission, FFC and SA Local Government Association, Salga. Advertisements calling for public submissions were published in the national and regional print media in all the eleven official languages. The committee received and considered written submissions from Cosatu and Salga on 12 May 2021. The NCOP through its permanent delegates, briefed some provinces between 03 and 11 May 2021. Subsequently, the committee received and considered provincial negotiating mandates on 19 May 2021 and final mandate on 26 May 2021.

This is an indication that provinces have fully participated in the process as envisaged in section 214(2) of the Constitution of the Republic of South Africa. Hon Chair and members, despite the decline in revenue collection and the tough economic situation as a result of the cOVID-19 pandemic, the committee welcomes the efforts demonstrated by government to put together a total budget of R1,8 trillion of which R639,4 billion will go to provinces, R523,7 billion as an equitable share and R115,8 billion in conditional grants.

Included in the conditional grants funding is an allocation amounting to R451 million, which is R140 million for

Provincial Disaster Relief Grant and R411 million for Provincial Emergency Housing for the 2021-22 financial year. The committee noted government’s three central fiscal objectives which are:

1. To narrow the budget deficit and stabilise the debt to gross domestic product, GDP ratio primarily by control noninterest expenditure growth.
2. To provide continued support to the economy and public health services in the short term, without aiding to long term spending pressures.
3. To improve the composition of spending by reducing growth in compensation of employees, while protecting capital investments.

The committee welcomed the introduction of a new standard Informal Settlements Upgrading Grant for provinces which amounts to R12,3 billion over the Medium-Term Expenditure Framework.

Hon Chair and members, we also welcomed the additional

R1,5 billion for the HIV, TB, Malaria Community Outreach Grant in 2021-22 and the additional R129 million for the direct component of the Health Facility Revitalisation Grant over the

2021 Medium-Term Expenditure Framework, which will fund the construction of the Tygerberg Regional Hospital and Klipfontein ...[Inaudible] ... cape.

The committee however is concerned that no additional allocation is made for the cOVID-19 component over the Medium- Term Expenditure Framework, given the much anticipated impact in the third wave of the pandemic which we have experienced already in some provinces, that have already been hit at least. Those provinces are as per the report, the Northern Cape, Frees State, Gauteng and North West.

Hon Chair, we support the ring-fencing of grants such as Statutory Human Recourses Training and Development Grant, the Human Settlements Development Grant and the Mass Participation and Sport Development Grant. Hon Chair and hon members, the committee understands and appreciates the magnitude of the current economic challenges and interventions taken by government to address the situation.

However, the committee has always expressed concerns about the service delivery impact if a blanket approach when cutting conditional grants, and made recommendations during the 2020 Medium-Term Policy Statement that, National Treasury together

with sector departments should conduct an impact assessment for these budget cuts.

In our deliberations, we welcomed both the direct and the indirect transfers to municipalities over the 2021 Medium-Term Expenditure Framework period, of which R432,6 billion will be directly transferred to local government. A further R23,7 billion is allocated through indirect grants. However, we are concerned about the service delivery impact of the

R14,7 billion reductions in local government allocation over the 2021-22 Medium-Term Expenditure Framework period.

The committee noted and appreciated the fact that, approximately a third of the Municipal Systems Improvement Grant baseline allocation of R135 million will be used to support the institutionalisation of the District Development Model adopted by Cabinet in August 2019.

Hon Chair and members, the expansion of the scope of the Municipal Infrastructure Grant to allow municipalities to use up to 5% of their allocation to develop infrastructure asset management plans is a step in the right direction, however, we do wish to express our concern. Over the decline of collection

of built revenue in local government reported by Salga from 93% in 2019 to 20% in 2020 in four metros.

We welcome the involvement of Salga in preparation ... [Interjections.}

The HOUSE CHAIRPERSON: Please proceed hon Mahlangu.

Ms D G Mahlangu (select Committee Appropriation): Thank you hon Chair. In conclusion let me go to the recommendations hon Chair. As a way forward, the committee has made the following recommendations: The PBO is required to do a research on the declining revenue collection by municipalities. The National Treasury together with the affected sector departments should quantify service delivery impact on the reduction in all conditional grants. National Treasury together with national and provincial departments must make sure that, proper internal controls and financial management systems are in place, in order to achieve spending efficiency and value for money.

In conclusion Chair please allow me. I wish to thank all committee members, provincial committee members, committee stakeholders who made submissions as well as committee support

staff. Without these role-players, the process would not have been a success. The committee recommends to the House that; the Bill be adopted without amendments. Thank you very much hon Chair and our nation.

Mr D R RYDER: Thank you Chairperson. The Division of Revenue Bill is where government signals its intentions for on the ground service delivery. Hon. Chair, a wise man said something quite relevant in last week’s Joint Sitting debate on the 25th anniversary of our Constitution. Allow me therefore to quote myself:

“If one consults the schedules of this great book, one begins to understand that the real delivery of many of the rights granted in Chapter two falls to local and provincial government. When local government fails, the fulfilment of the constitution fails.”

What we do under the division of revenue has a direct impact on the ability of government, in its three spheres, to tangibly deliver the rights granted by the Bill of Rights.

Quite rightly, the FFC, Financial Fiscal Commission and civil society have asked pointed questions around the constitutionality of this budget and Division of Revenue,

noting the apparent constriction of the ability of provinces and municipalities to deliver on their mandates especially on an inflation adjusted basis.

And yes, Minister, Treasury repeats the same argument year after year, submitting that provincial and more especially local government has the ability to raise their own revenue through licenses and levies, rates and taxes, fees and utility consumption charges.

In the current environment Hon. Chairperson, that ability has been dramatically eroded. Personal incomes have dropped, businesses too, unemployment has skyrocketed. Some of government’s relief measures, no matter how well intentioned, have failed to achieve the desired outcomes. And so even the well run municipalities are experiencing revenue collection shortfalls.

The latest round of increases for the bulk supply of utility services from Eskom and the various water board authorities have far exceeded inflation and considering what municipalities can realistically pass on will result in serious margin squeeze. In the case of Eskom, that margin squeeze is actually enforced by NERSA, National Energy

Regulator of South Africa, showing apparently little regard for the need to use the margins to maintain and expand reticulation networks. NERSA allows municipalities a lower increase that they allow Eskom for their bill. Gone are the days when utility margin surpluses could cross subsidise other aspects of municipalities functioning.

Minister, I will be the first one to acknowledge that there are two parts to an income statement and the management of the expenditure portion also needs some serious effort. The increase in the proportion of the budget allocated to local government over the medium term is of course acknowledged, but I fear it remains insufficient to keep up with the demand for service delivery. For fulfilment of the rights that were passed in our Constitution.

Hon Minister, this House focuses a little more closely on the Division of Revenue Bill as we have an explicit role to play. During our engagements with the provinces it was a consistent theme that equitable share needs to be reassessed. This is not a new request and has been repeated every year for some time now.

The Budget Lekgotla was touted as the place for this to happen last year, but the unhappiness remained unchanged during this year’s provincial consultations showing that the outcomes were not successful. A proper and fair discussion needs to take place, preferably under the oversight of members of this House with no bully boy tactics from Treasury.

The state of local government makes this discussion more urgent than urgent. Getting all of the players to share an understanding is probably the first big step necessary to find a way forward. With local government elections looming and a probable change in many mayoral seats, the time has never been better.

The next issue that I would like to focus on is the assumption that has been used when preparing this Division of Revenue Bill, that there would not be an increase in salary for government employees. It appears from the substantially less- combative media statements coming from Cabinet that there will be an accession to labour on this front and that discussions have reopened to find a constructive resolution. Failing that there will no doubt be a withdrawal of labour, with certain role-players already indicating that it will be a debilitating

strike. It must be noted that strikes have a serious financial impact.

And so we find ourselves in a position where, whatever the outcome, provinces are the ones that are going to have to sit with less money to do the things that they need to do, at a time when the need for government services is increasing as more and more people find themselves financially constrained to a point where they become increasingly reliant on government funded healthcare, government grants, government subsidised public transport, government funded education, human settlements, etc.

Be it increases in salaries or paying a premium for contractors to step in for striking staff, provinces are going to be forced to foot the bill at the expense of service delivery. The Minister has intimated that the Treasury would take this into account when adjustments are done, but where will the money come from?

Minister, the provinces need to know for sure, will you fund a salary increase if the courts demand it or if your Cabinet colleagues negotiate it?

Chair, my next comment today is not directed to the Minister or to treasury. It is an admonishment of the provinces who are consistent laggards when it comes to participating in this process. It is inexcusable that a provincial legislature does not meet the well published timelines for the processing of this Bill. It is the very fuel that makes your engine go. If you could not be bothered to hold a meeting to decide if you support the apportioning of funds for you to do your work, the very funds that pay your salary, how can you be trusted to run a multi-billion-rand institution that is responsible for the lives of literally millions of people.

Get your house in order and take responsibility for your role.

Justice Zondo has been particularly scathing of the apparent rubber stamping of the work of the executive during the commission that he chairs. Take heed of what he says.

Remember that the power lays with you to determine your support of or opposition to this Bill. Find your voices and make them heard. This chance comes but once a year. That’s only five times in a term for you to influence and change the lives of our people.

And yet Mr Chairperson, I tend to feel their frustration. I looked at the written responses that was supplied by Treasury to the submissions from the provinces and to the deliberations of our committee and honestly I became despondent. The arrogant and condescending tone makes it clear that there is little appetite for Treasury to even consider any of the inputs which are not in direct agreement with their own position. The rigidity in applying a single solution across all provinces, is consistent throughout the response.

It is no wonder that provinces couldn’t care less about making submissions because they’ll be ignored anyway. The fact is that the cost of delivering services in different municipalities and provinces should be easily quantified as a result of mSCOA, Municipal Standard Chart of Accounts. If this is not the case, then what was the point of incurring the substantial costs of implementing this burdensome and complex system?

For Treasury to come with a comment:

“The use of average cost estimates in the current local government Equitable Share formula is therefore the fairest way to account for such complex effects.”

No, this reminds me of the cartoon drawn to demonstrate the difference between equality, equity, and justice. I’ll send you a copy Minister.

In the meantime, I’ll stand here and remind members of the recent workshop that we had in the NCOP where the point was repeated: We are not victims of the budget. We are members of Parliament. We are the ones that must approve it. Let us remember that and hold the executive to account in the manner that was intended. Chairperson, while the DA says that this is generally a good report we cannot support all of the recommendations in it. We therefore reject the report. I thank you Sir.

Ms N DUBE-NCUBE (KwaZulu–Natal - MEC & LOGB): Hon Chairperson, hon members, thank you for the opportunity to present our input on this very important budget debate. It gives me a great pleasure on behalf of KwaZulu-Natal delegates to be afforded this opportunity. First and foremost, hon Chairperson, allow me to promise my best debate by joining millions of South Africans in paying tribute to many young people of our glorious land join a month as we know it is a traditional dedicated to the Youth Month of those youth who

stood against apartheid government and lay down their lives to fight for freedom and equal education.

It is on this spirit, hon members and hon Chairperson, that we work hard to reverse even more detrimental socioeconomic injustices that continued to beset us.

The people of KwaZulu-Natal and the people of this country rate amongst some of the most magnums and reliant in the world and in that they continued to look for creative ways in making the country work despite everything else not doing for it.

Chairperson, we stand here today on behalf of the people of KwaZulu-Natal who we are caring hard for a better future and going to South Africa. I am convinced that of the elected public representatives we will continue to use such sittings to debate perfect plans to put in place a radically restructured plans for reconstructing our economy and guided by the true utilisation of the public purse.

Having been seized with this B3-2021 or the Division of Revenue Bill 2021 which we are debating today. We are cognisance of the huge building a places on us to find creative innovative ways of making it work. However, it is ...

in our culture well that of tax revenue based continuity and the pressure due to dwindling pressure. We are able to create a tangible environment but with caution and other physical pressure

Chairperson, this is meant that we need to lay our debt burden the continuity be archaeal hills in our effort to say speaking on loan our debt burden.

Hon members our debt service quest are another challenge that continue to suddenly lay our efforts. Our debt burden service cost in the context of a low economic growth and now anticipated tax revenues have meant that our provincial budget as KwaZulu-Natal and all other provinces show a significant budget cuts over the 2021 Medium Term Expenditure MTEF

Hon members, it is important to note that though the bulk of the burden cuts were effected against the provinces of the MTEF from the public purse of public servants a zero percent salary increase commencing from 2020-21 onwards which our provincial budget we did reveal that we were as able to favour director-general budget cuts in a very difficult situation. I must say although we have said to the department we must make sure that we do not cut service delivery. Other departments

able to avoid cutting on service delivery and they had not to cut service delivery but unfortunately the main service delivery areas were also affected by this cut.

It is also in this vain that when we table the Budget Vote as KwaZulu-Natal Treasury, we made a draft of fundamental commitment to assist of what we have in the face of expenditure process. This include but are not limited to monitoring and evaluation reviewing all the Covid-19 emergency procurement uncured by all the departments, public entities as well as municipalities.

To ensure that all budget spending in all departments and all public entities throughout an effective in your monitoring and expenditure maintain a sound and cash management and maintain the presenter with the provincial cash position throughout the year.

Hon Chairperson, our 2021-B3 MTEF estimate of our provincial revenue and expenditure in the case of why this budget cuts in various departments and what the impacts thereof, it really does not look good for us and our community unfortunately. I must state hon members that the bulk of our budget cuts emanate in the division of cost of living in the that as

result in KwaZulu-Natal budget cut by R7,5 billion in 2021-22, R9,2 billion in 2022-23 and in turn cut reduce to none critical posts. In the public sector, the budget cuts are

R3,5 billion, R6,5 billion and R9,9 billion over the MTEF.

The consolidation budget cuts to be effected on the none personnel in the tune of our budget R1,3 billion and

R1,7 billion and R3,2 billion over the MTEF was made to the remainder to our provision own revenue strictly influence by the lower economic growth and which means that our provision own revenue was revised downwards unfortunately due to the income as a result of the Covid impact. There is a way downwards from R4,9 million and R3,7 million over the MTEF.

Our provision was also affected due to of the formula that is used to decide on the equitable of revenue amongst the nine provinces that which appears today before this House. These resulted in KwaZulu-Natal government losing R303 million and R335,5 million in 2021-22 gaining R317,7 million in 2022-23 and R89 million in 2023-24. There is addition ... in our equitable.

Hon Chair, we also wish to thank hon members, thank members of the NCOP, delegates representing the provinces indicating that

indeed our situation at the provincial levels really does not look good. The decision also to keep the contingency resolve in her province, it also really depict all the time as we try to use these contingency resolve to assist us to caution our budget as we get depleted.

Hon members I end by coting the Indian Prime Minister one of our best partners when he spoke of good governance: No good governance is not enough. For us to be pro people in good governance is causing people at the centre of development and the process. Based on these power words arguments, as KwaZulu- Natal we do support this Bill but also plead with the hon members on our side that we do really need to look at how we utilise our expenditures and our purse as a government, as a country in a way that put our people first. Thank you, hon Chair.

*Afrikaans*:

Mnr S F DU TOIT: Agb Voorsitter, die afgelope paar weke sit ons uur na uur en luister na die gesanik van persone wat met krokodiltrane snik oor die vreeslike verval van die land, die ellende waarin soveel van ons verkeer, die groeiende gaping tussen ryk en armes, die onreg wat miljoene aangedoen is, omdat hulle nie meer van die regering ontvang nie. Hoeveel van

hulle het aandeel daarin? Spreker na spreker lees stotterend, die leuns wat vir hul opgedis is, in sogenaamde toesprake, om empatie en simpatie te wek, terwyl baie van hul self agter die deur staan en deel het in die plundering, wat steeds voortduur.

*English*:

It is no secret that budget-cuts are evident in all departments. Taxpayers money is moved around on the gamblers’ table with promises of a better life, more successful projects with impressive and much needed infrastructure, assistance for upcoming farmers, very little to no relief for commercial farmers in distress and yes, another enquiry into alleged corruption of some alien force that was not deployed, nor elected and definitely not protected up to now! This is the familiar scene on South Africa’s gamblers’ table.

Will the Division of our Revenue Bill, B3-2021, have the same fate as the Bills before it? The Minister and National Treasury shovel the cards; we as parliamentarians voiced our opinion, made suggestions, tried to assist, but the dealer, National Treasury, dealt the cards and pointed us to the so- called Rulebook and government ideologies, targets they want

to hit, so-called achievements they say they want to reach,

and that with taxpayers’ money.

Yesterday, while taking part in the section 100 ad hoc committee meeting that deals with the Northwest province’s intervention, someone pointed out a very important fact, that is all too often overlooked, and it is that government will fail over and over again in its mandate of ensuring a safe and secure environment, where quality service delivery is a reality for all, by expecting people who are having vested interests on the political process to oversee the division of revenue, supply chain management and consequence management.

State capture is not over; it is not limited to the Zondo Commission’s sessions transmitted over television. It is here, is still taking place. More and more funds are needed to feed the gamblers’ addiction, more people are being made dependent on government by government.

*Afrikaans*:

Voorsitter, al die sprekers voor my en baie na my gaan na syfers en getalle verwys. Ek wil dit egter duidelik maak dat al word die begroting verdriedubbel, dit steeds nie genoeg sal wees om aan die werklike behoefdes te voldoen en die nodige herstel te weeg te bring nie. Deur blaamverskuiwing toe te pas

en na die sogenaamde onregte te verwys, soos lede, veral gedurende hierdie verkiesingsjaar doen, regverdig nie die diefstal wat plaasvind nie. Julle is medepligtig.

*English*:

Chair, through you, if any member takes part in the ongoing state capture, corruption and theft, you are complicit to the atrocities that is currently taking place. If you condone these acts of malice and turn a blind eye, you are guilty of causing unemployment, hunger, famine, contributing to violence against woman and children because you contribute to creating the environment where these acts of cruelty against South Africans take place. Shame on you!

*Afrikaans*:

Hierdie begroting kan hoe ook al verdeel en onderverdeel word, maar indien die laksman nie uit die spel verwyder word nie, sal die fondse nie korrek en effektief aangewend word nie.

Sekere dele van die begroting word beskerm om nie vir enige iets anders aangewend te word nie, soos byvoorbeeld die begroting van infraskruktuur vir munisipaliteite. Maar as die fondse nie oordeelkundig spandeer word, deur die byvoorbeeld nie vir salarisses aangewend word nie, sal infrastruktuur nie

opgebou en by die begroting baat nie. Soveel van hierdie selfsugtige, bloedorstige, dobbelverslaafde, korrupte politici kan my verkeerd bewys, as hulle net wil.

*English*:

In closing chair, Margaret Thatcher said: “The problem with socialism is, you eventually run out of other people’s money.”

*Afrikaans*:

Dieselfde geld vir korrupte politici! Dankie.

Mr M S MOLETSANE: Hon Chairperson, let me apologise for the camera. I am experiencing he issue of load shedding where I am. As the EFF, we have raised in the past, our concerns and disapproval of the way in which the current division of revenue is formulated. We have said this because the last 25 years has shown that the current division of revenue and the way it is structured perpetuates racism, it perpetuates economic apartheid and it keeps majority of our people in poverty.

The idea that municipalities will be able to raise money from citizens when they pay tax and rates, water and other services is extremely misguided and mischievous. The Minister knows

very well that the majority of our people do not earn money because they do not work and therefore they will be unable to pay for these municipal services.

As the EFF, we have said before in many of these debate on the Division of Revenue Bill that we need to go back to the drawing board. We need to start rethinking about allocations of resources between the national, provincial and municipal levels of government. We say this because we understand that municipalities are closest to the people.

The majority of our people know government through their municipalities, so if the Division of Revenue Bill continues to only allocate 10% of revenue rate to municipalities, this means that we have accepted that municipalities will remain small and nonfunctional in the bigger skim of things.

Municipalities will then not be able to address some of the colonial apartheid and its special plan because the municipalities are at the core of planning and in terms of how our history has shaped our communities. In order to change this, we need to change how municipalities work and that starts with allocating funds properly.

We see solutions and it is necessary to begin with the allocation of resources. Municipalities should go out of their way to become economic hubs of their communities, not by getting money from National Treasury and distributing it through tenders. Municipalities should be engaging local producers so that communities can benefit.

We must understand the lies that municipalities feed our people. They should be able to deliver basic services to people who cannot afford it. We are aware that money allocated to indigents does not reach them. This money gets redirected to salaries and corrupt activities.

Transparency is needed where money is spent. If these discrepancies are resolved, we will see a meaningful and practical division of revenue. The EFF rejects this Division of Revenue Bill proposed by the Minister of Finance. Thank you.

Ms D M BAARTMAN (Western Cape): Chairperson, fellow South Africans, in the national Budget, as tabled on 24 February 2021, 41,5% of the nationally raised funds were allocated to provinces in general and 9% to local government. In this regard, the Western Cape provincial government received

R54 billion as its equitable share, an increase of R771 million which is 1,4% from the 2020-21 budget and

representing 10,39% of the provincial equitable share in general for the 2021-22 financial year.

This, however, is R5 billion less than the 2020 Medium-Term Expenditure Framework, MTEF, amount of R59 billion which we were expecting. Similarly, the almost R81 billion expected in the 2022 year of the 2020 MTEF period has now been reduced to R71 billion, representing a cut of R9 billion; and in the outer 2023 year of the 2020 MTEF period we were expecting

R84 billion but will now be receiving R72 billion, representing a cut of almost R12 billion. In total, based on the new 2021 MTEF period, the Western Cape budget is being cut by R26 billion. Of this R26 billion, a R13,5-billion cut relates to the changes in compensation of employees’ wage freeze reductions – the 2020 MTEF – which relates to the 2018 agreement; a R10,2-billion cut relates to changes in the compensation of employees fiscal consolidation reductions which is the 2021 MTEF and relates to the new agreement; and a R3,2-billion cut relates to changes in non-compensation of employees fiscal consolidation reduction related to the 2021 MTEF.

Further, the Western Cape provincial government received R13,5 billion in conditional grants which represents ... [Inaudible.]

The CHAIRPERSON OF THE NCOP: The last ... hon Baartman ... is

... [Inaudible.]

Ms D M BAARTMAN (Western Cape): Apologies, Chairperson, I

can’t hear you.

The CHAIRPERSON OF THE NCOP: [Inaudible.]

Ms D M BAARTMAN (Western Cape): Chair, apologies. Can you hear me?

The CHAIRPERSON OF THE NCOP: [Inaudible.]

Ms D M BAARTMAN (Western Cape): Chair, may I continue? I am unable to hear you well. Chairperson, may I continue?

The CHAIRPERSON OF THE NCOP: [Inaudible.] ... steps ... the system. Just keep it as it is. Please proceed.

Ms D M BAARTMAN (Western Cape): Okay. Thank you. The Western Cape provincial government received R13,5 billion in conditional grants which represents 11,68% of the conditional grants allocated to the provinces.

Similar to the equitable share, the National Treasury fails to illustrate next to its current figures that this represents a R45-million budget cut based on the 2020 MTEF period; a R618- million budget cut based on the 2020 year of the 2020 MTEF period; and a R993-million budget cut of the 2023 year in terms of the 2020 MTEF period, equating a total budget cut of R1,7 billion over the new 2021 MTEF period related to conditional grants.

And while one appreciates the increases in some conditional grants, such as the education infrastructure grant of

R75 million and the transport provincial roads maintenance grant of R151 million, these amounts are offset by the large cuts in the health: national tertiary services grant of R288- million and in the health: human resources and training grant of R116 million. The rest of the conditional grant amounts are either increased or decreased by marginal amounts. The net budget cuts in the end for this financial year are

R45 million.

To date, the Western Cape is still waiting for the R2 billion promise President Ramaphosa made to assist our province with our COVID-19 support. Instead of delivering on this promise, he hid away R2 billion in budget cuts in our provincial budget and then called it “reprioritisation” when, in fact, he was forcing the Western Cape as well as every other province to cut their programmes and fend for themselves during a global health pandemic. And, in the current budget allocation, we had to bolster the R1,7-billion deficit with our own provincial funds.

In addition, according to a parliamentary reply by Minister Tito Mboweni in August 2020, between the 2000-01 and 2019-20 financial years, the national government spent R187,4 billion on recapitalising and bailing out SOEs, which excludes indemnities, guarantees and other contingent support provided to SOEs.

Eskom has received R133 million in bailouts since 2008, and is expected to receive another R112 billion over the MTEF period. In May this year, Eskom revealed that they would need

R1 billion from national government every week in 2021 to remain operational, translating into approximately R6 million

an hour. If these funds were given to provinces, then we would not be in the position that we are in currently.

In the second adjustments budget previously for the 2020-21 financial year, R2,3 billion was cut from the Western Cape’s budget in large part due to the R10 billion bailout of SAA, which had been announced by Minister Mboweni in November 2020.

Further, when reviewing the provincial equitable share for the Western Cape, several issues arise which need to be taken care into consideration regarding the proposed allocation for the province. Firstly, the equitable share formula does not take into account the listed provision needed for individuals moving towards economic centres such as the Western Cape and Gauteng.

Components of the provincial equitable share, or PES, are used to measure the demand for government services within a province which included the largest provincial competencies such as health and education. However, there is a delay in reporting on the population increases since the population figures for the previous year are used for the population variable in the PES formula. Therefore, the outdated data used to calculate the PES results in insufficient funds to deliver

services and address the needs of residents in the Western Cape. The retrospective nature of the calculation does not allow for the need to deliver services immediately to our residents.

Furthermore, the cumulative effect of the cost-of-living adjustment is not accounted for in the formula which has largely negated the population adjustments that have been incorporated.

Despite this, there is a glimmer of hope. The Western Cape has allocated R2 billion of our funding to the COVID-19 response for this financial year, including R832 million for COVID-19 support, R300 million for vaccination programmes and an extra R800 million as reserve for the COVID-19 response.

We will be allocating a further R319 million to testing artificial intelligence and machine-based learning in our systems, with the pilot starting with the provincial treasury. This build initiative could see the Western Cape province become the first to utilise such procurement and finance systems, which would support an even more agile and effective fiscal system and which would support anti-corruption efforts. Yesterday, the Western Cape provincial treasury published the

first annual procurement disclosure report in South Africa. To date, R2 billion has been committed to COVID-19 expenditure across departments and public entities in the Western Cape. Of this, 67,32% was spent on small, medium and micro enterprises, exceeding the national target of 30%; 63,59% was spent on suppliers who were situated in the Western Cape; and 60,91% of the expenditure was spent on BBBEE suppliers.

Finally, the Auditor-General’s report indicated that 75% of departments and entities in the Western Cape government received clean audits and only 20% received unqualified audits with no findings.

This means, essentially, that in total 95% of the Western Cape government was found to have sufficient internal controls to stop irregular, unauthorised and wasteful expenditure. This is evidence of the financial accountability that the Western Cape can expect from DA-run governments. We spend the people’s money on the people, for the people, and for this reason the Western Cape cannot support this Bill. I thank you.

The CHAIRPERSON OF THE NCOP: Hon Makaringe. We will move on to hon Makaringe. If he is not available for whatever reason, we

will move on to hon Vuyo Mvoko. Hon Mvoko. Let us try again, Makaringe.

Adv M PHINDELA: Chairperson, it looks like hon Makaringe is connected, but hon Mvoko doesn’t seem to be in the House.

Mr T M MAKARINGE: Hon Chair.

The CHAIRPERSON OF THE NCOP: Yes, Makaringe.

Mr T M MAKARINGE: (Mpumalanga Chairperson Office of the Premier & Economic Development): Yes, its Makaringe. I think as Mpumalanga, we submitted our comments and we are covered about all what has been said.

The CHAIRPERSON OF THE NCOP: Okay, thank you very much, Ntate Makaringe. We will move on to Mvoko. If hon Mvoko is not connected, I will then call hon Ngwezi. But as I do so, I request hon Ngwenya to take over the chairing. Hon Ngwezi.

Mr X NGWEZI: Hon Chairperson of the NCOP and may you please allow me to read my speech without a video because of the network issues. Hon Chairperson, hon Minister the Division of the Revenue Bill facilitates the realisation of the National

Development Plan, NDP, to reduce poverty and inequality by growing an inclusive economy, building capabilities and promoting leadership and partnerships throughout the society. This Bill is also important in ensuring that provinces, local government and municipalities continue to effectively address the impact of COVID-19. Although necessary budget cuts bring concerns over capacity for reaching the development agenda given the Bill’s importance.

The total national appropriation was reduced by 2,3 billion provincial equitable share and conditional grants were adjusted downwards by 50,3 billion and 2,2 billion. In Johannesburg alone, there were over 55 000 tyre bursts across the city for the period of 2020-21 and Johannesburg Water reported having an infrastructure renewal backlog of over 19

... [Inaudible.] ... This example shows that there are challenges to citizen’s access to basic services such as water and sanitation, yet the total transfers to local government declined by 2%. The budget cuts limit our nation’s capacity to reach developmental goals and infringe on human rights such as the right to water. Apart from the concerns relating to water infrastructure and sanitation, crime statistics in the fourth quarter of 2020-21 period, which is January to March 2021 showed an 8,4% increase in murder cases. While robbery at

residential premises increased by 7,6%. At uMlazi Station in KZN province reported the highest contact crimes within the same period. Therefore, the budget cuts to visible policing of R4 billion has implications on the right to life and the law enforcement mandates to protect that right. Essentially, the vehicle through which the public is protected from the increasing crime rate is de-capacitated and the consequences, especially on vulnerable groups which are women and children are unthinkable.

Furthermore, corruption has been identified by the nation’s presidency as one of the leading challenges to the performance of the state entities. Yet, the National Treasurer’s budget cuts for corruption bursting entities tells a different story. The priority crime investigation unit which is the Hawks’ budget for 2020-21 was reduced by a budget just over

R2 billion, meaning that the capacity to prove allegations of corruption will be reduced. This opposes the objective of addressing corruption which is a pandemic on its own.

The overall Revenue Bill encourages all three spheres of government to work with various stakeholders, to improve an enabling environment for faster and more inclusive economic growth. But the mechanisms that guard against economic

recreation are underfunded. Also, provincial governments that should implement growth initiatives have their capacities reduced by the budget cuts. As a party that prioritises change, we can deliver together. The Minister of Finance should consider the implications of budget cuts for law enforcement, especially considering increased contact crime rates in uMlazi.

*IsiZulu:*

Lapha KwaZulu kweleNgonyama.

*English*:

Our nation, our children and our people entrust their rights to life and protection with our police services. In keeping with the above concerns ...

*IsiZulu*:

... INkatha iyaseseka isiphakamiso lesi sikaNgqongqoshe odabeni oluthinta izimali.

*English:*

We support the budget, hon House Chairperson of the NCOP, Tata uMasondo.

*IsiZulu:*

Siyabonga kakhulu.

Mr W A S AUCAMP: Hon House Chair, this House of Parliament has got a clear and specific task, and duty which is supposed to be well known to all of us. In short, we are here to represent the best interest of our various provinces, but is that what we really do?

I am of the opinion that we are continuously failing to honour our mandate. This House is becoming a repeat offender when it comes to not listening to the pleas of the various provinces that we represent. Let each member of this House ask him or herself why do we have all our committee meetings? Why do we engage in public participation? Why do we give presentations to and get inputs from our respective provinces and the SA Local Government Association, Salga? Why? To do nothing about it?

Again, as so many times in the past, we are not listening to the desperate pleas of our provinces because once again, this House acts as a rubber stamp for what the executive presents. During the workshop that we had a few weeks ago, it was

emphasised that the executive tables the Budget but that does not mean that we must approve it as it is tabled to us.

It is extremely alarming that the inputs that provinces made during this process are to no avail. For several years, various provinces, including the Northern Cape that I represent, asked for a review of the provincial equitable share formula. This must be done in order for it to better accommodate provinces with vast rural areas, yet Treasury is dragging its feet with this. Nobody in this House will disagree with me when I say that some of these pleas from our provinces are done with merit and are justifiable. Surely they are. It cannot be that a blanket approach is applied when there are such huge differences between the rural nature of provinces, such as the Northern or Eastern Cape, when you compare it to that of Gauteng.

In this regard, it is also important to note that the highly reputable Financial and Fiscal Commission**,** FFC, submitted to the select committee that there were overwhelming concerns that the provincial equitable share formula was not responsive to the unique needs of the various provinces.

Another example of how this Bill is ignoring the pleas of our provinces is the fact that in the past, and again during the deliberations on this Bill, various provinces emphasised the urgent need for money to be made available in order to assist farmers that are still battling with the crippling effects of this prolonged drought. [Inaudible.] ... that the executive is completely out of touch with the reality on the ground when it wants us to approve a total amount of a mere R140 million towards provincial disaster relief. This is not only for disasters such as drought. It is for any disaster that might occur in any of the provinces.

To put this into perspective, I can again refer you to the Northern Cape province where, two years ago already, the amount required for drought relief was in excess of

R600 million for the year. The meagre amount of R140 million that is now made available to all nine provinces combined is therefore a slap in the face of our farmers and our provinces that desperately need assistance, and if this House approves this insufficient amount, we are as out of touch with reality as the executive that proposed it.

On numerous occasions in the past, the DA warned that the endemic corruption within failing state-owned enterprises,

SOEs, such as Eskom, Denel, SA Airways, SAA, and the SA Broadcasting Corporation, SABC, to name but a few, as well as the continuous provision of government bailouts to these mismanaged and failing SOEs, will have a huge negative effect on the delivery of services to our people. It is now an undeniable fact that that is exactly what is currently happening. COVID-19 is not the only or the biggest culprit to blame for the cuts that provinces and municipalities are facing. These cuts would not have been necessary if this ANC government didn’t continuously bail out these mismanaged SOEs.

It is the ANC government that allowed for state capture to take place. It is the ANC government that allowed for corruption to be running wild on all spheres of government. It is the ANC government that allowed for the devastating practices of cadre deployment. It is the ANC government that drove our economy into junk status. All of this was at the expense of the people of South Africa that are entitled to a proper delivery of services, and that is now being taken away from them due to this mismanagement.

The way in which the ANC government mismanaged our country is a horror story which nobody wants to tell to their children. This was confirmed to me yesterday evening when I watched on

the 19:00 news bulletin how former President Thabo Mbeki admitted this weekend at the ANC’s Eastern Cape provincial executive meeting that he did not even campaign for the ANC in all the elections since 2009. He said that he did not want to ask people to vote for the ANC due to the fact that the ANC lied to the people of South Africa when the ANC said that it had a good story to tell. Indeed, the story of the various ANC governments is not a good one to tell and I can’t blame the hon President Mbeki for not wanting to tell that to people.

This horror story was further given truth to it when Cosatu, during their presentation to the select committee on this Bill, referred to municipalities as a “dysfunctional arm” of state. Again, to call municipalities a dysfunctional arm of state might even be an understatement. This is a direct repercussion of cadre deployment, corruption and mismanagement by this ANC government.

When we look at all the inputs by all the various provinces and one looks at the continuous way in which some of those valid requests are being brushed aside year after year, we as the NCOP as well as our provincial legislatures have to ask ourselves if we will again just be a rubber stamp for the

executive, or are we going to fulfil our duty and honour our obligation to hold the executive to account. I thank you.

Mr Z MKIVA: Good morning House Chairperson, ...

*IsiXhosa:*

... Tat’uNgwenya ...

*English:*

... Chairperson of the NCOP, the Deputy Chairperson, the hon Minister of Finance, Minister of Tourism as well as Deputy Ministers, hon members, Permanent Delegates and Special Delegates, I greet you this morning. This month of June ...

*IsiXhosa:*

... inyanga yeSilimela ngolwimi lwesiXhosa ...

*English*:

... is a very important month in the tradition of amaXhosa, one of our cultural communities in this country. It is a month in which male children pass through in their rites to become young men. As we continue to celebrate our heritage I wish to quote from a poem by S E K Mqhayi, titled the Youth Month:

Aah Silimela

Nina baseBrithane thathani ikhwezi Niyokubumbana namaJamani namaBhulu Noko nibantu bangakwaziyo ukwabelana

Nisuke nenza imfazwe yamaBhulu neyamaJamani

Siza kunibamba ngeSilimela thina mabandla kaPhalo Yona nkwenkwezi inkulu kuba yinkwenkwezi yokubala iminyaka

Yokubala iminyaka yobudoda Yokubala iminyaka yasebudodeni Iminyaka yobudoda.

To interpret for the benefit of the compatriots who do not understand isiXhosa, the poet says, you from Britain take dinners and share them with the Germans and the Boers. You, white people do not know how to share anything. Learn to share to share with the Boers and the Germans. We will hold on to the June star, we the people of Phalo. That group of seven stars. It is a star by which we count our years; we count the years of being a man and we count the years of manhood.

I am quoting this poem because the Ad hoc committee of the Amendment Act of section 25 of the Constitution that was appointed to make it possible for our government to

expropriate land without compensation concludes its business today. Such a legislative exercise becomes necessary because a group of people whose forebears who took the land of the indigenous people by force in the wars of dispassion and resistance do not want to share this land. The Freedom Charter calls it the heritage of all South Africans.

Mr S E K Mqhayi says please learn to share, that which you never created, the stars. Even though we know that you do not have a philosophy or a history of sharing, I want to say to the descendants of colonialist today, please learn to share that which you have never created, the land, our land as natives. Even if you do not want to, the majority of us here in this House with the support of the overwhelming majority of our people will drive the land reform programme. This will be through legal expropriation of the land without compensation using the amendment of section 25 as well as enabling legislation.

Hon Chair, we have been given a short term of five years with the clear mandate to change the lives of our people. The mandate entails amongst others that we pay serious attention to the state of local government as it is in the coal face of service delivery. Many initiatives including by this House

have been taken with varied degrees of success. In considering the Division of the Revenue Bill, the committee has welcome the involvement of SA Local Government Association, Salga in planning and preparing for the local government lekgotla and the improved working relations between Salga and Treasury.

We are of the view, however, that this improved working relation should translate into a positive impact of submissions made by Salga on the Division of Revenue and the responses aimed to address the challenges facing local government financing such as the issue of local government funding not meeting the functions of local government that Salga has been raising continuously.

National Treasury, provincial Treasury together with the Department of Co-operative Governance and Traditional Affairs and Salga should look into this matter quite very seriously. Salga, Department of Co-operative Governance and Traditional Affairs, National Treasury and provincial Treasury need to ensure that governance and accountability of structures, financial management systems and internal controls including well capacitated internal auditors and independent committees are functional.

Furthermore, they must ensure that the work of the municipal public account committees is strengthened and legislated. This will ensure that both direct transfers and indirect transfers of local government are effectively spent and value for money is achieved. The committee further recommended that the members of the traditional councils should be trained and be capacitated. This will assist municipalities to deal with the service delivery issues and achieve much needed basic service delivery, employment creation, local economic growth, eradication of poverty and inequality. This is especially in the rural municipalities.

During the public hearings on the Bill, Salga submitted that in order to address the growing infrastructure backlogs in local governments caused by the migration to cities, capacity building mechanisms were needed as poorly capacitated municipalities underperform in the capital expenditure. This has resulted in the Conditional Grants being taken away as in the case of the Public Transport Network Grant.

Therefore, Salga recommended that the following steps should be: The creation of the effective capacity to support municipalities to root out and prevent corruption, particularly in this period of the pandemic. A mechanism to

support municipalities to build technical, managerial and leadership capacity in new normal. Salga must be involved in the study of consolidating capacity building initiatives undertaken by the Treasury. The municipality systems improvement grants must be disaggregated to show the cost of regulatory compliance for example, to the municipal standard chart of account which is costly to municipalities and the grants to implement the District Development Model must be monitored in the 21 identified districts to form future allocations to the next batch of districts of intermediary cities to form part of the District Development Model.

Hon Chairperson, during the public hearings of the Bill, Cosatu, the leading federation of the working class submitted the Bill that was silent on the following key areas of the budget allocation: An assessment of the potential negative impact of the proposed cuts and the differed implementation ensuring that it would result in a snow ball effect worsening infrastructure and service delivery deficit.

The near collapse of the Amathole District Municipality that had threatened not to pay workers for five months. They also raised the question of the time frame of government to eradicate mud schools as well as sanitation and infrastructure

backlog. The Department of Basic Education has repeatedly postponed these matters for more than 15 years.

Recommendations to Treasury are as follows: The commitment by the Minister of Finance to deal with the almost R40 billion owed to Eskom by municipalities and provinces which threatened to collapse Eskom remains a matter of serious concern.

Similarly, the reasons for underspending in various municipalities and provinces and action being undertaken to address to address the negative impact thereof needs to be investigated as part of the oversight.

We also need interventions to address the failure to pay suppliers within 30 days which is a national government policy and a way forward on the interventions in provinces such as a section 100 in the North West provincial government. The committee request the Treasury to provide and consider reports to the above issues within a reasonable period after the adoption of this report.

As the chairperson has said, the committee urges both parties involved in the public wage negotiations to respect the rules of engagements within the bargaining council and make every

effort to find an amicable solution without service delivery to the poor and the vulnerable being interrupted.

In this month of iSilimela, the month of the youth, I wish to call all of us to work together tirelessly in a youthful spirit for the reconstruction and recovery of our economy and improved service delivery particularly the poor and the rural masses and focus on better management of fiscal resources and fighting wastage, leakages and corruption. We only have one country. Let us make sure that we leave it for our children and future generations in a better condition than one we were born into.

Chairperson, I want to say to the likes of hon Ryder and Aucamp that they must not be ignorant to the history of this country because they speak as though that they live in an ivory tower and they do not see the reality out there. So, every time we come to this point of Division of Revenue they always speak as if they are not the citizens of this country. They are pointing fingers at the Treasury and they are saying the Treasury is arrogant. This department is one of the institutions of state that take the views of our people into account when they make these interventions. Thank you so much, Chairperson, we support this Division of Revenue.

The MINISTER OF FINANCE: Hon Chairperson, hon permanent members of the NCOP, representatives of the provinces, leaders of the ANC in the House and leaders of all other parties in the House, it is my singular honour and privilege to express my deepest thanks and appreciation to the hon members who have participated in the committee system shaping the report that has been tabled before us here in the NCOP this morning. The report has benefitted tremendously from the inputs from members of the public, who were able to make some submissions, and also the debates amongst the members of the committee.

It took us many years to fight for the rights to speak in these Chambers. It was not an easy struggle, but a struggle which left many deaths and many sufferings, jailed, pains and tortured. Therefore, we do not take lightly the opportunity to participate in this democratic platform. It was not easy, hon member Aucump, for us to arrive at this point. For many years black people were excluded from these forums. We were not allowed to be here. As we fought the struggle for liberation, we came on the one hand holding a bunch of flowers to extend to our white compatriot who were part of the oppressive nature of the apartheid system. On the other hand, of course, we had the guns to fight against those who were residing change.

It is such a pity, hon Chair, that today, as we have extended a hand of friendship and a bunch of lovely flowers to the majority of the white population in our country, we seem not to receive the gesture of reconciliation and working together. We seem to be in a situation where those of our white compatriots who have never loved Africans in particular, see the government of the day which is dominated by the ANC, as representing that which they have always dislike - the majority of black people. AS that said, but it’s a reality.

Everything we do no matter how hard we work there are those amongst our white compatriot who never appreciate anything with you. It is quite sad and saddening. I wish the day will come when we will all pull together as black and white South Africans to develop our country to go forward and not always be nitpicking because we never trust anything that African people can do can be correct. That’s wrong!

Here today, we have debated the Division of Revenue Bill. I very much appreciate the inputs that you have made. Although I remain very disturbed by what seems to be a gap that is never filled between those in the DA and those in the ANC, because those in the DA are unwilling to cross the Rubicon with us.

They are unwilling to move forward. For them they will always

be stuck in one place. I wish they could state unequivocally here today that they do not support the petition that is being mobilised in the Western Cape for secession of the Western Cape. They must say so quite clearly and obviously that they do not support that petition, and that they will continue to strive for a united South Africa inhabitant by black and white patriots, by men and women who love this country.

In this Division of Revenue Bill, we seek to share the central revenue that we collected amongst the three spheres of government - the national government, provincial government and local government. I urge all South Africans to work with us in ensuring that every cent allocated for a purpose achieve the purpose so intended.

Chairperson, I thank all members of this House for their contribution. I very much appreciate your work and I appreciate your guidance during the course of the debate today. Thank you very much.

*Xitsonga:*

Khanimabo! Ndza khensa swinene.

Debate concluded.

Question put: That the Bill be agreed to.

*Declarations of vote:*

The HOUSE CHAIRPERSON (Ms W Ngwenya): Hon Liebenberg, I see your hand. Are you doing a declaration of vote?

Ms R LIEBENBERG: No, mam. I thought that we will be given a chance to make our inputs also. It is sad to see that we are being labelled as nonassisting throughout the process ... [Interjections.]

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

Order, here, Chairperson. Can we proceed to the declarations from the provinces? Order!

Ms C LABUSCHANE: Hon Chair, hon Ngwenya

Ms R LIEBENBERG: Madam Speaker, can I go ahead?

The HOUSE CHAIRPERSON (Ms W Ngwenya): Hon member!

Ms R LIEBENBERG: Madam Speaker, I thought that we are attending the NCOP to give inputs and I would like to voice my input.

Ms Z V NCITHA: Order! Can I be allowed for order, Chair?

The HOUSE CHAIRPERSON (Ms W Ngwenya): No, I was on declarations, hon member.

Ms R LIEBENBERG: Provinces were not given chance to voice their opinions.

The HOUSE CHAIRPERSON (Ms W Ngwenya): We are on declarations, hon member.

Mr M DANGOR: Chairperson, it is only the leaders of delegations who can make declarations.

Mr M I MOSHODI: Agreed, hon Dangor.

The HOUSE CHAIRPERSON (Ms W Ngwenya): Hon members, is there anyone who want to make a declaration?

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

Chairperson, provinces are now allowed to do declarations of vote for three minutes. If there is no leader of delegation of the provinces making a declaration of vote, you proceed to the voting.

The HOUSE CHAIRPERSON (Ms W Ngwenya): Thanks for the clarity, Deputy Chair. Is there any member who want to make a declaration? If there is no member making a declaration, I would like to continue with the provinces casting their votes. When called, the head of the delegation must indicate whether they vote in favour, against or abstain. Can I continue, hon members?

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

the provinces.

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

ABSTAIN: North West.

AGAINST: Western Cape.

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

# APPROPRIATION BILL

(Policy debate)

Budget Vote No 38 – Tourism:

The MINISTER OF TOURISM: House Chairperson, let me acknowledge the Deputy Minister of Tourism in absentia – who is not well today and would not be able to join the debate. Acknowledge the Chairperson of the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour, hon Rayi, members of the NCOP, Chairperson, and members of the SA Tourism Board who are following the debate, director-general, acting CEO of SA Tourism, SAT, senior managers both in the department and the SAT, distinguished guests, ladies and gentlemen, hon members, while the full impact of COVID-19 crisis on tourism is yet to be determined, what is clear is that some of the scars to the tourism sector will be permanent. Projections have shown that full recovery of the sector can only be expected after 2023.

Until then, the sector will remain in survival mode, with many tourism jobs and businesses being at risk. Globally, destinations are also trying to tackle the challenge of reigniting their tourism economies.

It is for this reason that our focus for this financial year will be on the tourism sector recovery. Our work will form part of the broad economic reconstruction and recovery as

elaborated in the country’s Economic Reconstruction and Recovery Plan, ERRP**.** The department working together with the private sector and other stakeholders, developed the Tourism Sector Recovery Plan, which is TSRP in short, in alignment to the ERRP. The Tourism Sector Recovery Plan is anchored on three interlinked pillars or strategic themes, i.e., protecting and rejuvenating supply, reigniting demand and strengthening enabling capability for long term sustainability.

Under each theme, the plan outlines a set of actions, timelines of implementation of each action and the allocation of each action to an implementation agent. The main focus of our programmes in this financial year will be on the implementation of the Tourism Sector Recovery Plan. Our budget allocation for this financial year in the respective programmes and projects within the department and the entity, was designed in line with the Tourism Sector Recovery Plan.

For the financial year 2021-22, the department’s budget

allocation amounts to about R2,4 billion, of which

R1,2 billion is for transfers to SAT. We will make every effort to ensure that we deploy these resources efficiently so

that we can get more for less.

The Destination Development Programme will be the main driver in the implementation of the protection and rejuvenation supply pillar of the sector recovery plan. This will consist of supporting the protection of core tourism infrastructure and assets. To effect the implementation of these projects, the department entered into a partnership agreement with the Development Bank of Southern Africa, DBSA, in November 2020, to implement and manage the delivery of its infrastructure projects, including procurement processes.

In the next three years, we will transfer R573 million which will be spent on these infrastructure projects of the DBSA for the implementation. The first tranche of R270 million of the funds has been transferred during the 2020-21 financial year budget. The second tranche of almost around R222 million of the funds to be transferred from the 2021-22 financial year budget. We have prioritised the implementation of just over

100 tourism infrastructure initiatives across the nine provinces. This work, together with the skills development programme, is largely funded through our Working for Tourism Expanded Public Works Programme.

We will continue to enhance our visitor experience, while seeking to advance broader ownership, especially by communities. With a focus largely of villages, townships and small dorpies, thirty community-based tourism projects will be implemented across various provinces. The objective of this work is to stimulate tourism growth and economic opportunities.

We will handover compliance certificates for community projects that have been completed and these include Lehurutshe Bird and Trophy Hunting owned by the Bakgatla ba Lencoe Trust in the North West province, Isibhubhu project owned by King Goodwill Cultural Development Trust in Kwazulu-Natal and Muzi Pan Project owned by KwaJobe Community Trust in Kwazulu-Natal.

Work is also underway on maintenance and beautification of provincial state-owned attractions. The focus of this work is on improving and upgrading experiences at key tourism sites such as at world heritage sites, national heritage sites, national parks, botanical gardens and rural and township precincts. A first step in the process would therefore need to be a detailed maintenance assessment.

We will also focus on product enhancement at local community museums which will include Anton Lembede Museum at eThekwini Municipality in Kwazulu-Natal; McGregor Museum in the Northern Cape; AmaHlubi Cultural Heritage in Kwazulu-Natal; Sol Plaatjie Museum in the North West province; and Lehurutshe Liberation Heritage Museum which is also in the North West province.

We are also implementing infrastructure projects in the Indi- Atlantic Route as part of our coastal and marine tourism initiatives. These includes the architectural designs and construction for Orange River Mouth in the Northern Cape, Hole in the Wall in the Eastern Cape and Harold Johnson Nature Reserve in KwaZulu-Natal.

With regard to transformation, hon members, you will note that yesterday we have announcement our intention to defend the court challenge regarding the constitutionality of the criteria that is used for the processing applications for the Tourism Equity Fund. Afriforum and Solidarity have made a court application challenging the legality and rationality of the 51% black owner managed qualification criteria for the fund. The court has already interdicted the processing of

applications until the case is concluded.

This has dealt a serious blow to the previously disadvantaged entrepreneurs who are now at risk of losing potential deals due to this delay. Though we are fighting and we do believe that we would have this on our side – because this is a just fight and a just cause to fight. In terms of this Tourism Equity Fund we are intending to provide a combination of grant funding, concessionary loans and debt finance to support equity acquisitions and new and expansion developments in the tourism sector. The Tourism Equity Fund has brought hope to entrepreneurs who are yearning to participate meaningfully in the tourism sector. The Tourism Equity Fund, together with a restructured Tourism Transformation Fund, will continue to form part of the tools through which we will transform the sector.

We will intensify our marketing efforts to ignite demand especially for domestic travel which will be the anchor for the sector in the short to medium term. In this work, collaboration with provinces remains a priority so that we can align, co-ordinate and remove duplication of efforts and resources in our quest to propel the sector recovery - especially on domestic tourism. We will continue our efforts

in terms of marketing internationally, so that we remain and defend our markets in those areas where we operate and also gain traction in those areas where we are not currently operating.

In terms of working on the marketing entities, we indicated that our Cabinet took a decision to consolidate our marketing agencies so that we can utilise our resources more efficiently and to have one through which we send our brand messages to the world. This process is underway and the relevant departments are tasked with the implementation of this process. We have taken steps to ensure that during this process, the work of SAT is not interrupted. In this respect, we have extended the term of the current board by another 12 months to oversee the merger and the transition.

Hon members would note that last year, we appointed a seven- member advisory panel, comprising of experts with diverse knowledge in the sector and the economy, to review all our existing policies and to provide guidance to the Minister on new policy proposals. As part of its work, the panel will bring into sharp focus, transformation, travel facilitation and regulatory barriers, tourism safety, quality assurance, tourist guiding, tour operators and travel agencies,

technological development, product or infrastructure development and conferences bidding and support. Other focus areas include knowledge management, best practices, responsible tourism and sustainable tourism. Our objective is to have a new policy framework that is comprehensive to guide the sector and be more responsive to the needs of the 21st century. The panel is scheduled to complete the work by August this year and they will hand over the report to the Minister to take the process with the department forward.

The COVID-19 pandemic has worsened the social and economic challenges that find expression in the triple challenges of poverty, inequality and unemployment. We have a responsibility to ensure that economic activities that can help alleviate communities from these challenges are implemented and supported in communities, especially rural communities.

Tourism economy can play a huge role in this effort.

We also have a responsibility to strive for the creation of an inclusive and nonracial society. The kind of society we strive to create was captured in the words of Chief Albert Luthuli on his Nobel Acceptance Speech as far back as 11 December 1961, when he said and I quote:

Our vision has always been that of a nonracial democratic South Africa, which upholds the rights of all who live in our country to remain there as full citizens with equal rights and responsibilities with all others. For the consummation of this ideal, we have laboured unflinchingly. We shall continue to labour unflinchingly.

I hereby table Budget Vote No 38 from the Department of Tourism together with priorities for the financial year 2021-

22 in rebuilding the tourism sector to recovery, but not only to recover into the pre-COVID-19 but to a more inclusive tourism recovery and tourism sector that belongs to all in this country who can feel and belong to it. I thank you.

Mr M I RAYI: Thank you very much hon House Chair, hon Chairperson of the NCOP, Deputy Chairperson, Chief Whip, hon Minister and hon Deputy Minister, on behalf of the committee, we will like to wish the hon Deputy Minster a speedy recovery.

Hon House Chairperson, we need to think deeper about the role of tourism industry in driving inclusive economic growth, particular under the current COVID-19 landscape. McKinsey Global Institute indicated that it will take some time for

tourism demand to return to 2019 levels, which means that overcapacity will be the new normal in the medium term.

Organisation for Economic Co-operation and Development, OECD, survey of small enterprises in the tourism sector, suggested more than half of Small, Medium and Micro Enterprises, SMMEs, if the pandemic continues without major control, would not survive. Many reports from World Bank Group and International Monetary Fund, IMF, United Nations World Tourism Organisation, UNTWTO, the South Africa Reserve Bank, SARB, and National Treasury, have revealed that the COVID-19 pandemic has affected hard the tourism industry. Many jobs have been lost, and many businesses would face liquidation.

The COVID-19 pandemic has ravaged international tourism economy. It is reported by global institutions, such as World Travel and Tourism Council, WTTC, that the long-term recovery of the tourism industry, depends on how long it takes to roll out the COVID-19 vaccines globally to achieve effective immunity so travel restrictions can be lifted and borders opened. This is likely to happen first in China, followed by advanced countries and the middle-income or emerging market economies.

We are happy to see that government remains committed to accelerate the implementation of the COVID-19 Vaccination Programme. The COVID-19 Vaccination Programme, Chairperson should succeed, thus perform according to expectations. In the short term, existing health and safety protocols and COVID testing should be observed. Further digital solutions are regarded as one of the contributors to safer traveling, and reducing demand for traveling, which has a transmission effect to the tourism industry.

House Chairperson, the outlook for the tourism industry remains highly uncertain. Here at home, our eyes and efforts by the government led by the Department of Health are on the anticipated 3rd wave. This further put risk to an already vulnerable industry. We are thinking about jobs; the survival of businesses; the impact on households; and the level of poverty in rural areas.

We commend the government, in particular the Department of Tourism in partnership with the tourism role players, including Tourism South Africa, which is the entity of the department, in developing the Tourism Sector Recovery Plan. The Tourism Sector Recovery Plan is aligned to the country’s Economic Reconstruction and Recovery Plan. We appreciate the

government’s efforts in developing the policy strategy and action plans in a bid to reset tourism industry to continue contributing to the government efforts to drive an inclusive growth agenda.

We are convinced that government’s plans have elevated the tourism industry as one of the highest policy priorities set to realise the National Development Plan, and now the Economic Reconstruction and Recovery Plan policy objectives. The Tourism Sector Recovery Plan has put correctly an emphasis on protecting and rejuvenating supply, reigniting demand and strengthening enabling capability for long term sustainability.

Efforts to boost tourism infrastructure investment and maintenance of the existing tourism assets is the step in the right direction in order to successfully implement the Tourism Recovery Plan. Co-ordinated efforts in deploying resources across all spheres of government, including across government departments and development agencies, would benefit greatly the tourism industry.

We are encouraged to hear that multi-governance approaches, have been established to cement collaborative initiatives with

other departments such as Co-operative Government and Traditional Affairs, SA Police Services, Environmental Affairs, Public Works and Infrastructure, Transport, Human Settlements, Water and Sanitation, Energy and Mineral Resources, with the primary aim to improve co-ordination of infrastructure investment in energy, transport, roads, water and sanitation, and ICT, to boost tourism industry across the country.

Investments in rural towns, including poor towns, are also prioritised. We know that the expenditure plan of the department has set aside infrastructure funds to revamp and modernise government tourism related infrastructure assets, and some of this initiative are carried with the support of provincial and local government.

Further collaborative initiatives are being implemented partnering with the Department of Environmental Affairs focusing on sustainable tourism. The department has designed intervention plans supported by Development Bank of Southern Africa, DBSA, to strengthen infrastructure delivery, thus to build internal capacity to manage planning, management and delivery of tourism infrastructure.

House Chairperson, as much as the COVID-19 pandemic has ravaged the economy, and added social strain to the lives of the people, it has created opportunities for all to work more innovatively, and boosted solidarity. Resources and expertise in government are shared to achieve a common goal. Government is more focused on creating a more resilient infrastructure.

Over the medium term, the Department of Tourism is expected to spend R7,4 billion to drive tourism as one of the government’s strategic policy priorities. Of this amount, South African Tourism anticipated to spend R3,9 billion to market South Africa as a tourism destination of choice. Further efforts of protecting jobs and businesses are prioritised.

The Tourism Equity Fund, currently funded in the medium term of R1,2 billion, apart from the deceptive narrative advanced by mainstream media, and other anti-progress forces, seeks to drive transformation and further boost growth and expansion of the tourism industry.

As we know tourism is a concurrent function, as such, all three spheres of government are working towards deploying resources in much more co-ordinated manner to drive growth and expansion of tourism industry. Over the medium term, the

department has reiterated its commitment to work in a collaborative manner with local and provincial governments to ensure that the Tourism Sector Recovery Plan, including the Tourism Development Master Plan, find expression in the provincial and local government spending plans to support the implementation of the government District Development Model.

Government has adopted a plan that is aligned with other global countries to address the following key policy priorities: Promoting domestic tourism and supporting safe return of international tourism; supporting tourism businesses to adapt and survive; restoring traveller confidence; providing clear information to travellers and businesses, and limiting uncertainty, to the extent possible; evolving response measures to maintain capacity in the sector and address gaps in supports; strengthening co-operation within and between countries, and building more resilient, sustainable tourism.

The 2021 Expenditure Plan of the department attempts to address these tourisms related key policy priorities. These policy priorities are articulated in the Tourism Sector Recovery Plan. We should note that without adequate financial and non-financial support deployed to reset the tourism

industry, the recovery strategy and action plan would not succeed.

South Africa is one of the countries that has been lauded to have done relatively well taking into account its resources and pressing socio-economic conditions, in responding to the impact of COVID-19. The damage caused by the COVID-19 is so severe to the tourism industry more than many other industries. However, government has taken steps to cushion the blow to tourism, to minimise job losses and to build recovery in 2021 and beyond. The Department has through the

R200 million Tourism Relief Fund supported 4000, and each received an amount of R50 000, and further many businesses benefited from this.

In conclusion, we also support the ministry in its call for a policy review to look into introducing two-tier pricing system for local and international visitors. Many establishments have priced themselves outside of the local market. We condemn the attempts by Afri-Forum and Solidarity, the two right-wing organisations supported by the FF Plus, for their attempts to stop the transformation of the tourism industry and preserving white privilege using the courts.

The Minister and Deputy Minister must have courage to continue pushing ahead with the transformation agenda, regardless of the right-wing attacks. I thank you, hon House Chairperson.

Ms H S BOSHOFF: Hon Minister, hon House Chair, allow me to also extend our well wishes to the Deputy Minister and wish him a speedy recovery. Hon Minister, 300 000 jobs lost in the tourism industry is a huge knock for the country as tourism is a major contributor to the gross domestic product, GDP.

We are all aware that COVID-19 was one of the catalysts that impacted on this industry, but unfortunately Minister, your unthinkable policies like the Tourism Equity Fund played the major role in breaking the camel’s back. How Minister, did you think that by using this pandemic to promote black economic empowerment, BEE, would ensure that tourism remains the main role-player in contributing to the GDP? Your criteria used to determine who will qualify is so absurd that if it was not something to cry about, I would definitely be laughing.

Minister, in a time of a crisis where the citizens should stand together against this common enemy, namely COVID-19, you decided that assistance to struggling tourism businesses would only be driven on a race basis. You even went so far as to

have weekly meetings to determine which BEE businesses would benefit from this fund. Despicable, and shame on you, Minister, as this comes down to blatant discrimination and is most definitely unconstitutional.

Minister, take a moment to reflect on BEE and Broad-Based Black Economic Empowerment, BBBEE, which believe it or not, has been around for two decades. Your government’s flagship plans and programmes to reduce inequality and create jobs for black South Africans has failed dismally as they have in all respect had the opposite effect. You must admit Minister that it has made black South Africans more unequal, because what it has done is to put more money in the hands of the politically connected at the expense of all ordinary black South Africans. Luckily, for this industry, you were dealt a bloody nose by Afriforum and Solidarity who instituted a court case regarding this unconstitutional policy. We also await with bated breath the outcome of the court ruling.

However, Minister, getting back to the budget, we are aware that the budget has significantly been cut by an amount of R606,4 million, which will affect goods and services, transfers and subsidies, as well as compensation of employees. One of the mandates of the budget is the stimulation of

domestic travel. This must be done vigorously as we can no longer rely on attracting 21 million foreign arrivals by 2030 due to the current situation the whole world finds itself in. We are looking at 4,3 million domestic holiday trips by 2030 and this is only achievable through sustainable initiatives as the COVID-19 pandemic has shifted the debate on sustainability in respect of travel.

Minister, government needs to reframe what the successes in tourism need to be for the present and the future, to see whether tourism is benefitting the local communities, as this pandemic in all probability is going to be with us for a very long time. This pandemic has changed nothing, but on the other hand it has changed everything.

Tourism is one of those low-hanging fruits that South Africa should not only leverage, but also harness — not just as part of how we achieve our national priorities, but to also showcase our country, our people and our culture to the world, and to our own citizens. To sustain domestic tourism, the department together with its stakeholders must engage with local tourist entities to bring home the importance of the understanding and the awareness of the value of tourism and its opportunities, not only for them, but also for the

tourist. Why do I say this, Minister? As we know many local attractions throughout the whole of the country are not within the reach of many of our citizens, as the products are still priced for the international market. Let me take the Lift Gorge in Graskop as an example. For a family of four will cost R690 plus an entrance fee of R30 per adult and R20 for a child between the ages of four and 16. This brings to the total R790. Minister, this is ludicrous as the majority of our people cannot even put food on the table, let alone make use of the attractions in and around their own areas.

Many experiences that were popular in South Africa, like the bicycling tours through Soweto, started from a life experience that someone was bold enough to build into a flourishing business. This should be nurtured, and guidance should be given on how this business can remain an attraction during the COVID-19 pandemic to attract local residents and travellers alike. With a total of 520,510 travellers passing through South African ports of entry or exit in January 2021, is an indication of how international travel has been impacted.

Therefore, the emphasis on domestic travel needs to be highlighted. For South African residents, the volume of arrivals decreased by 83,8%. Departures decreased by 80,6% and transits decreased by 93,5%.

Minister, to further assist in building domestic tourism you need to ensure the safety of all our tourists. Collaboration with the SA Police Service, the SAPS, is therefore vital to showcase all that safety and security is one of your top priorities. We need to remain cognisant to the need of imparting information and requirements timeously for travel to and within the country to put at ease the mind of our travellers, be they international or domestic travellers. The harsh lessons learnt from previous experiences should be our stepping stone. Importantly, the economic growth created by the sector impacts positively on the lives of ordinary people who are simultaneously beneficiaries and co-creators. It is a sector where entrepreneurship skills can come to life.

In view of the above, I would like to suggest that the Department of Basic Education be approached to encourage learners to take tourism as a subject. This is for sure a career path that could lift many of our youth out of poverty. Tourism remains the main catalyst for economic growth and therefore we need to see and experience that the economy of which tourism is the largest contributor, is for all, and not just for the politically connected under the guise of BEE.

Furthermore, Minister, your department indicated to the select committee that you have adopted the Tourism Recovery Plan which is aligned with the country’s Economic Reconstruction and Recovery Plan. Unfortunately, Minister, without adequate financial and nonfinancial support, this recovery strategy will remain meaningless and we therefore urge you to prioritise public-private financing. Hon Chair, globally and in our own country, we have been through deep waters, something none of us anticipated, and if we think on our feet, change is definitely possible. I thank you.

Mr G M MVOKO (Eastern Cape – MEC: Finance, Economic Affairs and Tourism): Thank you very much, hon House Chair. The Minister and the Deputy Minister and hon members, good day. House Chair, as the Eastern Cape, we wish to congratulate the Minister for her Budget Vote. As a province and also tries on Tourism, the Eastern Cape has experienced first-hand economic devastation that the coronavirus disease, Covid-19, pandemic has had in the sector. It is for that reason that we are also implementing the Eastern Cape tourism recovery plan as informed by the five-point plan for the economic recovery of the Eastern Cape which also links with the National Economic Reconstruction and Recovery Plan and the tourism sector

recovery plan. To this end R19 million was set aside to bring this to life.

On the one-plan for tourism development at local level, House Chair, we welcome the prioritisation of O R Tambo District and note the support received from the Department of Tourism as well as other related sector departments such as the Department of Forestry, Fisheries and Environment, whilst there is still a lot of work to be done to realise in various tourism infrastructure projects as identified in the wild coast corridors tourism master plan, we know that some projects are already underway such as the six-day hiking trail from Coffee Bay to Port St Johns, the infrastructure upgrade of Silaka and Hluleka Nature Reserves respectively, as well as development of selected beaches which contribute to the implementation of the oceans economy master plan.

Through the provincial economic stimulus funds, we are also upgrading tourism infrastructure within provincial protected areas specifically, Dwesa, Cwebe and Mkambati Nature Reserves. Recently, we have completed the Port St Johns cable cut feasibility study aimed at diversifying the tourism experiences within the coastal zone. As anticipated that the one-plan will assist with co-ordination and integration of

tourism support services expected to be provided by other sector departments in relation to upgrading and maintenance of access roads to the tourism attraction and provision of infrastructure. We are delighted with the investment made by the national Department of Tourism industry, the Sarah Baartman District, Baviaanskloof World Heritage site where upgrades of the interpretive centre and the leopard trail are currently being implemented. This will be finalised in the second half of this year and will be delighted to host the Minister once we hand over.

Hon House Chair, the province continues to benefit from learning national driven programmes that are established to transform the sector. On the establishment of the basic quality verification program which focuses on the homestays we welcomed the visit of the Deputy Minister of Tourism together with the Deputy Minister of Small Business Development to the launch of this pilot program at Makana Local Municipality and the Buffalo City Metropolitan Municipalities in March 2021.

This will not only ensure quality assured products for new entrance, but also create jobs opportunities for quality assurers. The 15 tourism graduate students trained as assessors are youth and most of the 66 properties that participate in the program are women-owned and women-managed.

This is an excellent choice for this pilot program you to major events hosted in these municipalities. City of Makana has always been very popular in terms of homestay accommodation and we always provided our support in the past. In terms of formal grading the Eastern Cape Parks and Tourism Agency, ECPTA, has signed the memorandum of agreement with the Tourism Grading Council of South Africa for grading of Eastern Cape accommodation facilities. To date 93 accommodation facilities have been accessed, 71 graded and 22 to be presented in the next award committee meeting. Over and above this entity has a memorandum of understanding, MOU, in place with South African Tourism for collaboration in destination marketing that includes domestic, international and events. We will be looking forward to work with you on the training of the 225 small, medium and micro enterprises, SMMEs, nationally on norms and standards for safe tourism operation.

Hon House Chair, we are experiencing a lot of interesting hosting of events. As part of the recovery plan we will continue to support small-scale events to stimulate economic activity. In this regard we’re cautiously working on new partnership to promote events with permissible protocols and encouraging hybrid sessions linked with the capacity of the venues. We remain hopeful that our anchor events are linked to

tourism in the province, the Grahamstown Arts Festival ...

[Inaudible.] ... Buyel’Ekhaya Music Festival ... [Inaudible.]

... will soon come back to life to continue to the economy of our province subject to Covid-19 status. There is also an opportunity for new events of international scale that include golf water sports that are in the pipeline and look to take off in the Eastern Cape and take the Eastern Cape forward.

Hon House Chair, we have facilitated and supported designated groups, specifically women and youth with various training needs in tourist guiding, nature and culture guiding, first aid, kayaking, lifeguard and massage therapy training in various key areas in the province. We, therefore, support the youth placement in tourism establishment for exposure and experience. These contribute to the diverse education of tourism and experience and the transformation of the sector. We also welcome the continuation of the educators’ development program as well as a national tourism careers ... [Inaudible.]

... This program has proven a very popular amongst the participants of the Eastern Cape and it talks about our provincial transformation program.

As I conclude, hon House Chair, I wish to concede that we shall give all the necessary support to the Minister and the

department that she leads as we all strive to take the sector back to his glory days before Covid-19. With those few words, hon House Chairperson, I wish to welcome the Budget Vote for the national Department of Tourism. Thank you very much.

Ms L M MOSHODI: Hon Chairperson, about two months ago, on 7 April was exactly 150 years since a giant, an intellectual and a visionary was born. Mama Charlotte Maxeke rose to become an important figure in our struggle for liberation and women’s rights. She led our people at the time when anyone who questioned the transformation of the system was at the risk of been taken away from their loved ones, tortured and even assassinated.

In her address to the Conference of European and Bantu Christian Student Associations at Fort Hare in June 1930, she said and I quote:

Many of the Bantu fell and rightly took that the laws of the land are not made for blacks and whites alike. Take the question of the permit from the right to look for work the poor unfortunately did not achieve fresh from the country does not know of these rules and regulations. Naturally breached them and is thrown into prison.

As I rise on behalf of the ANC to support this Budget Vote No 38, We must never forget where we come from. Our terrible history should inspire us as law-makers and public servants, but double our effort to ensure that all our people shall be included in the socioeconomic and political life of the South African nation.

The tourism sector is essential for the socioeconomic development, growth and transformation of our country. However, it still remains one of the list transformed sector. The Sixth Administration is committed to ensuring that there are recognisable strides as they are related to the entire tourism value-chain.

We support government call to the Tourism Business Council SA to interact with the tourism industry to try inclusive growth through acceleration and transformation in the sector. And for the council for its making strategy more towards promoting tourism in the villages, townships and small towns. This will ensure that the tourism sector benefit all the citizens across the country and contributes in dealing with the inequalities that exist between the urban and the rural communities.

It is unfortunate that government in trying to transform the tourism sector has always been met by resistance and hostility by those who represent not all South Africans, but a certain race group and the status quo. The right wing forces represented by the likes of AfriForum, the DA and Solidarity are comfortable of having the majority control and ownership and fail to acknowledge that the injustices of the past continue to suppress black people from reaching their full potential in the sector.

The ANC applauds the work done by the Minister and the department for using a crucial instrument such as the Broad- based Black Economic Empowerment, BBBEE, to redress the injustices of the past and prioritise black-owned Small, Micro and Medium Sized Enterprises, SMMEs in the disbursement of R200 million which had been allocated to the Tourism Relief Fund. The SMMEs play a vital role in the tourism sector, particularly in the accommodation and the hospitality subsectors.

It is significant to note that approximately 58% of the companies in the tourism industry, generate less than R5 million in the annual revenue. With about 70% of accommodation and hospitality business falling into the

revenue bracket. Through the Tourism Relief Fund, 4 000 entrepreneurs were able to receive an amount of R50 000 each from government.

In January this year, the Department of Tourism as led by the Minister Mme Mmamoloko Kubayi-Ngubane and the Deputy Minister, Ntate Fish Mahlalela launched the Tourism Equity Fund with a total value of R1,2 billion. This fund was created for the provision of debt finance and crowd funding to enterprises with 51% black ownership so as to facilitate equity, acquisition as well as new project development in the tourism sector. It was not surprising that this process was once again interdicted by AfriForum and Solidarity. These two organisations, continue to prove that the agenda is to block inclusive growth and development of all South Africans and protect the ethnic groups in our society and maintain apartheid privilege.

As the ANC, we will continue to rally behind the good work done by the government and its partners in the transformation and growth of the South African Tourism sector. The transformation of the sector remains incomplete without the inclusion of women. Women in the tourism sector are in the majority in terms of their participation. However, they are

found in very low level jobs, as cleaners and waitresses. Women black and white are generally absent at managerial and ownership level.

The ANC celebrate women who constantly strife to make progress within the sector, such as Dimakatso Mawela who recently launched The House of Delicacy Non Alcoholic wine brand. The wine industry is an important part of the tourism value-chain.

South Africa also has increasing number of the world class restaurants with South Africans are at the centre of the possible recovery of the sector.

A study done by the wine industry body Vinpro found out that wine tourism is a significant revenue generator for South African economy, having contributed R7,2 billion to the gross domestic product, GDP, in 2019. This include direct expenditure of the visitors at wine farms, indirect expenditure of goods bought by Wibeners from other local businesses to deliver the tourism services as well as induced expenditure by the Wibeners employees at the shops. The wine industry is indeed an important contributor to the South African economy in terms of the jobs. It multiplies influx and the national income.

Programme 4 Annual Performance Plan, APP, which speaks to the tourism sector support services have been allocated

R436,6 million, for 2021-22 financial year. The purpose of this programme is to enhance transformation, increase skills levels and support the development of the sector to ensure that South Africa is a competent tourism destination.

We are confident that the increase of more than 58% of Programme 4 will enable the department to drive more transformative programmes aimed and developing women participation across the country, especially in the rural parts of our beautiful land.

In honour of Mama Charlotte Maxeke, let us call on all stakeholders in the sector to work together to transform tourism. We believe that transformation can be a win-win proportion. Because spreading opportunity is the only way to build a stable and growing South Africa. As the ANC we support this Budget Vote. I thank you, hon House Chair.

Chair, I am done!

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

Chair, is there a problem? Whilst we wait for the hon House Chair to return, we will now call on the hon Mokone.

The HOUSE CHAIRPERSON (Mr A J Nyambi): I am fine Mama!Monday

The DEPUTY CHAIRPERSON OF THE NCOP: Alright.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Thank you, hon Moshodi. The next speaker is the Limpopo MEC for Economic Development, Environment and Tourism. The hon Mokone.

Mr T A MOKONE (Limpopo – Limpopo Economic Development, Environment & Tourism): Hon House Chair and members of the committee, Minister of Tourism, hon M Kubayi-Ngubane, Deputy Minister hon A Fish Mahlalela, we also wish you a speedy recovery, MECs from various provinces, my colleagues, Chairperson of the Portfolio Committee on Tourism, Chairperson of the Select Committee on Trade and Industry, Economic Development, Small Businesses and Development, Tourism and Employment and Labour, Members of Parliament, South African Tourism Board Members, ladies and gentlemen, we want to take the opportunity to thank you for allowing us to address you

today as we come together to the Budget Vote speech by the Minister of Tourism delivered on 18 May 2021.

As the Limpopo province we support the Ministry for the leadership displayed during the hard lockdown brought by the seven attack of the Covid-19 pandemic which was felt across the whole tourism value chain. Research conducted on national and provincial level since lockdown in March 2020 clearly indicates that many tourism businesses are already in the great distress with staff especially part-time, seasonal workers were retrenched or put on an unpaid leave.

It is our duty that due to the fact that tourism is a highly resilient sector and that with adequate support the sector is abound to bounce back strongly. With the support of the Department of Tourism, South African Tourism, private sectors and role-players and the Limpopo Tourism Agency commenced with the process to engage with the industry to ignite domestic tourism and to roll out key identified priorities as espoused in the Reconstruction and Recovery Plan. The framework of the plan is guided by the United Nations where tourism organisations call for action plan to mitigate socioeconomic impact of Covid-19 and accelerate the recovery plan published on 01 April 2020 as well as the approved Tourism Sector

Recovery Plan developed at national level driven by the Department of Tourism.

The province has also been selected as one of the pilot projects for women in tourism programme supported by the United Nations World Tourism Organisation, a project that would capacitate women on project and enhance marketability for job creation and economic growth. To this end, two rural tourism projects have been identified at ... [Inaudible.] and Tshwananani textile. In support of the national initiative the Limpopo province hosted a number of consultative sessions and drives to get the public to travel again. Limpopo Economic Development, Environment and Tourism facilitated and co- ordinated access to relief funds that were roll out by the national departments and state-owned entities during this pandemic. An amount of R294 benefited from the national department relief fund.

The province also provided Tourism Relief Fund to 428 businesses to a tune of R9 million. The safety of our visitors is high on the agenda and the partnership programmes will be implemented together with the Department of Tourism involving our youth to ensure sustainability. Delivery of quality services within the establishment is also encouraged through

various platforms implemented in partnership with the Tourism Great in Council of South Africa.

Limpopo also supported the training of SMMEs all norms and standards for safe tourism operation targeting youth graduates who are placed within the municipalities to strengthen the municipality capacity at local level would be implemented again for the coming three years. This programme has proven not only as an economic relief through stipend but constitutes the delivery of quality tourism services within the municipalities and served as a link to the province and the national tourism structures. Limpopo has always hosted the hosting of national tourism career expo which has also contributed to a lot in educating our youth on a new career that has become the new goal.

The hosting of the annual Limpopo Marula Festival has been used to host a build-up career expo in the region in career of 3000 learners who have taken tourism at matric level. The province is planning to host an infrastructure conference in the month of August for the purpose of bringing together all the stakeholders to work towards an appropriate structure that grows the tourism economy. The Limpopo Tourism Agency is using digital platforms of websites and social media in partnership

with tourism industry to create brand awareness in Limpopo as preferred and leading tourism destination in South Africa reaching over 8 million people.

The province is forging ahead with the tourism transformation agenda and to increase value to this programme we have commenced with the commercialisation of 47 nature reserves owned by government. Evaluation is underway for three commercialisation projects that were advertised and they will be awarded very soon. An additional four will be advertised before the end of June 2021. We have a responsibility as the government to ensure that as communities benefit from this rich natural resources which are on their door steps. We have signed a core management with some of the communities bordering protected areas. This process facilitated and encouraged good relationships with the management authority and the neighbouring communities. These types of partnerships did not only create a platform for management to create jobs but also provide tangible economic and social benefits for the communities residing adjacent to the protected areas.

We would like to honestly thank Minister Kubayi-Ngubane and the Deputy Minister for visiting our province many a times to counsel and provide necessary support to both the department

and tourism industry. We further applaud the Minister for her consistent leadership in committing MinMec to champion the issues pertaining to tourism. The province in pursuance of the same goal also convenes MinMec forums quarterly. This will go a long a way in collective decision making. In conclusion hon Chair, we would like to commend the Minister for her stewardship in delivering on the priorities for tourism sector jointly with our province. I thank you, hon Chair

*Xitsonga*:

Man B T MATHEVULA: Ndza khensa, Mutshamaxitulu. Holobye ...

*English:*

... tourism plays a significant role in the country’s transformation and job creation. It also leads in the economic upliftment and community development. The exclusion of black people to participate in this industry is a major challenge and your department is failing to meet its target in terms of transforming the industry. As it is still dominated by few minorities with men dominating in the managerial positions.

The few blacks that are participating in this industry, specially from rural areas and townships, are struggling with no proper training and financial assistance. Minister, your

department is very comfortable in training people from big cities and neglect those operating in rural areas and township municipalities.

*Xitsonga*:

Xikombiso; eka ku letela, lexi ndzawulo ya n’wina yi nga xi endla eka Xifundza xa Limpopo, a ku ri ku letela eka madoroba lamakulu ntsena. Ku komba leswaku ndzawulo ya n’wina ya tsandzeka ku pfuna van’wamabindzu lava kumekaka emakaya na le ka swidorobana leswitsongo, hi timali ta mfumo leti a mi nyikiwile tona, ndzawulo ya n’wina yi tsandzekile hambi ku pfuna xibindzwana xin’we xa le Giyani.

*English*:

Your department is slow in transformation which is hindering many black people to participate in this mainstream economy, especially with women involvement and people living with disabilities. Minister, small and medium tourism must be used as transformative initiative to transform this industry.

Tourism infrastructure in many townships and rural areas are outdated and underdeveloped. One practical example, Minister, is the Man’ombe Nature Reserve, in Giyani, Limpopo. At this ideal place previously, you would learn about the Shangaan history, the infrastructure is not properly maintained.

Hon Minister, Limpopo is one of the tourist destinations for day travellers because of the unavailability of the four and five-star accommodation. This is why travellers choose to go somewhere else. Many tourism destinations in rural areas and townships are not properly marketed because many are operating in remote areas where internet is a major challenge. Internet plays a major role in promoting tourism marketing in rural areas, this makes it difficult for those operating in rural areas and townships to compete equally with big operators.

Minister, safety is always of paramount consideration for travellers before they travel. Previously, we have experienced attacks of tourists in the most visited places in our country, such as; the Table Mountain in the Western Cape and Phalaborwa in Limpopo.

Hon Minister, one tourist in our country creates seven jobs for our people. We cannot have tourists cancel trips to our country because of safety. We must have police visibility in hot spots where tourists visit. As the EFF, we reject this Budget Vote number 38.

*Xitsonga*:

Ndza khensa, ...

*English*:

... Chair.

*Afrikaans*:

Mnr S F DU TOIT: Agb Voorsitter, hoekom word minderheidsgroepe in Suid-Afrika uitgesluit as dit by hulpverlening deur die regering kom, waar almal deur die inperking en ekonomiese druk geraak word? Hoekom word sogenaamde hulp gepromoveer, uitgebasuin en op die voorblaaie geadverteer as dit slegs volgens ras beskikbaar gestel word?

*Afrikaans is so* ’n wonderlike taal. Dit is omskrywend en beskrywend, sonder om noodwendig op die man af, of in hierdie geval, op die vrou af te wees as ons sê dat jakkals prys sy eie stert wanneer ’n sekere Minister smalend aankondig dat sy selektief help.

Daar word deur sommige gesê dat sekere hooggeplaastes van podium tot podium spring om aan te kondig hoeveel bevondsing hulle selektief uitdeel, te midde van die alomteenwoordige hongerpyne en hulpkrete. Aksies soos hierdie is bloot populisties en wreed.

*English*:

*Maroela Media* reported that 7,2 million people are currently unemployed in South Africa and 701 000 individuals lost their jobs in the last quarter of 2020.

*Afrikaans*:

Van die 682 000 mense wat vanaf die aanvang van die grendeltyd hul werk in Suid-Afrika verloor het, is slegs 92 000 weer in diens geneem.

*English*:

The purpose of Vote No 38 — Tourism is, among others, to promote and support the growth and development of an equitable, competitive and sustainable tourism sector, enhancing its contribution to national priorities. However, what is really happening on the ground?

The tourism sector was the victim to suffer the longest under the stringent lockdown regulations. In December 2020, the amount of overseas visitors to South Africa decreased by

86% compared to December 2019. An estimated loss in turnover of 85% was incurred.

*Afrikaans:*

Volgens Monica Mynhardt, wil dit voorkom dat die aanvanklike selektiewe keuringsregulasies met betrekking tot hulpverlening deur die departement, ongeveer 93% van die bestaande toerisme ondernemings uitgesluit het. Dit is swart en wit ondernemings, met die grootste persentasie werknemers wat hieronder ly wat swart is en sowat twee-derdes van die arbeidsmark uitmaak.

Praat van jouself in die voet skiet!

*English*:

I do not understand the department’s current destructive transformation approach. The part about giving new entrants an opportunity makes sense but to do it to the detriment of so many established businesses and fellow South Africans is just ridiculous.

*Afrikaans*:

Om die fokus op transformasie te plaas, te midde van die

pandemie, is ’n skande, en hierdie is ’n stryd om oorlewing.

*English*:

The preamble of the Constitution reads as follows: “Improve the quality of life of all citizens and free the potential of each person”. This section is inclusive and not selective. I am proud to say that the FF Plus is the only party which is

taking part in this debate that has never supported black economic empowerment, BEE, affirmative action, AA, or broad- based black economic empowerment, BBBEE, legislation.

*Afrikaans*:

Ek herhaal dit in Afrikaans. Die VF Plus is die enigste party wat aan hierdie debat deelneem wat nog nooit rasgebaseerde wetgewing ondersteun het nie. Aanstellings moet op meriete plaasvind, daar moet gelyke behandeling wees en dit moet vir almal geld, ongeag hul ras.

*English*:

The South African tourism industry lost more than 300 000 jobs due to the hard lockdown; jobs lost due to the ANC’s power- hungry executive and transformative approach.

In February 2021, the Deputy Minister of Tourism said that it is estimated that businesses in the Bojanala District in the North West province alone, have lost more than R600 million. The tourism industry cannot afford such losses. The South African economy cannot afford such losses. You cannot allow a section of the sector to dry up and suffocate, just to fulfil your political mandate. Your responsibility is to all South Africans.

The radical Economic Reconstruction and Recovery Plan was announced in October 2020. It has been stalled due to the intervention of the courts. We acknowledge Solidarity and AfriForum for their efforts and pray that the court will rule in favour of all South Africans and not a selected few.

We are not here to nip at your heels. We are not here to prove a point. We are proving a point. By the grace of God, we have come thus far. We have survived. In spite of the onslaught, we have thrived and yes, we encountered setbacks that were created by this government.

The tourism sector in South Africa will not give the ANC the satisfaction of disappearing into the oblivion, so that you can blow your transformative victory horn. The tourism sector and South Africa will survive the ANC’s rule. We are surviving. Suffering does not destroy faith; it refines it. We have faith and we will not be trampled on.

*Afrikaans*:

Ons is trots ja, en ons respekteer ander. Ons sal nie toelaat dat ons menswaardigheid en ons standaarde deur julle degraderende haatdraende optredes negatief beinvloed word nie.

Om die morele hoë grond te behou is nie vir ons ’n keuse nie; dit is ’n aangename leefwyse.

*English*:

We will prevail. Thank you, Chair.

Mr X NGWEZI: Thank you to House Chairperson and greetings to all hon members and Minister. I am sorry, may I be allowed to mute the video?

The HOUSE CHAIRPERSON (Mr A J NYAMBI): You are allowed, hon Ngwezi.

Mr X NGWEZI: The advent of COVID-19, necessitated this Parliament’s adoption of the new normal and manner in which we conduct our parliamentary oversight and duties. However, have we been able to fulfil the mandates and responsibilities that we have been charged with, as the servants of the citizenry during this period? The answer to that, to some extend is in the affirmative and we’ve been able to pass budgets, consider legislation, receive ministerial reports and have question sessions with both President and Deputy President.

But, there have also been shortcomings due to COVID-19 restrictions. We were not able to physically engaged with the public, as we are normally accused of ...(muted)

The HOUSE CHAIRPERSON (Mr A J NYAMBI): Hon Ngwezi, you have muted. Hon Ngwezi, your mic is muted.

Ms B T MATHEVULA: House Chairperson, I suggest that you go to the next speaker until we find hon Ngwezi.

The HOUSE CHAIRPERSON (Mr A J NYAMBI): No, we will try to find him. You are correct hon Mathevula, let’s go straight to hon Ryder.

Mr D R RYDER: Thank you House Chairperson. House Chair, the

tourism industry in South Africa is dead. May it rest in peace. And as the Tourism Minister agrees with me and points

to COVID-19 let me say that while COVID-19 certainly has been devastating, it was the efforts of our government that have

taken this patient from casualty straight to the morgue. Crude and insensitive language perhaps in this time of bereavement, but certainly no cruder or more insensitive than the treatment that this government has given to her citizens.

The lockdown, restrictions on gatherings and alcohol sales and limits on hours and types of event, have all been devastating. The inter-provincial travel restrictions, while short lived also took their toll, but the international travel ban was the big blow.

And so the industry was wounded and limping, and then along came government to strike the fatal blow to many operators.

But true to ANC-le government form, it didn’t rely on only one

weapon in its arsenal to strike with, it threw in everything it could think of.

The failure to plan for vaccine procurement meant a very late

start. The lack of vaccines makes us an unattractive

destination for travellers, with the third wave and possibly even the fourth all brining a return of the lockdown

restrictions. Restrictions that will test the last few remaining operators to breaking point. Add to that the

department’s failure to do the appropriate accreditation of cruise operators on time, despite all of them passing the on- board inspections, and government therefore forcing a lapse of the world’s biggest operator, Mediterranean Shipping Company, MSC, Cruises to cancel season for 2021

And of course the disgusting race-based support system offered to tourism businesses. Minister, what your department totally fails to grasp is that the majority of fragile tourism businesses, those that really needed government’s assistance, are often small family run operations. If that family happens

to have been born with the wrong colour of skin, must they

lose out? You are taking us back into apartheid, Minister.

When you were last in this House I asked you if you were using the pencil test to determine eligibility for your skin. It was

a pointed question to show that all you are doing is continuing apartheid but with the roles reversed.

Everybody accepts the need for redress, but to use a crisis to

cut off individuals from government relief is no better than

the ideology of Verwoerd. What about the suppliers into those family businesses? What about their staff? What about their

middle income customers who use them because they are more affordable than the big operators who can afford multiple

shareholders and fancy shareholding structures?

No thought given to the knock on effect of your plan. We can only thank our courts for intervening, though this has been further delayed the distribution of these desperately needed

funds, but don’t blame the courts for that. Blame your department, Minister and yourself for coming up with a patently unconstitutional scheme. And now you proudly say today, that you will be wasting more taxpayer’s money on an appeal that will only serve to further delay the distribution of this desperately needed support.

But we are here to talk about budget today, House Chair. And

when one scratches into the budget proposals for 2021, one sees only a small reduction, comparatively small to the

Tourism Budget. That’s a clear indicator of the reliance government is placing on this sector to lead an economic

recovery. In the medium term, the budget has also remained only slightly reduced from where it was intended to be in the

pre-COVID reality.

The fact is that the trust placed by Treasury and the Cabinet

need to be repaid with a concerted effort to put the

department’s budget to best use to achieve a multiplier

effect. The money that this department spends should result in money coming back into the pot in the form of more tax revenue, earned not as a result of higher tax rates, but as a result of increased profits and a booming industry. But, sadly, the department’s plans are off to a poor start, with

massive underspending in the last financial year. Blame it on COVID-19, I already hear you saying, Minister.

But let us look at where the money wasn’t spent. The biggest

underspending was on projects two and four of the department.

What are they: Project two, the title is “Tourism research,

policy and international relations” and Project four is

“Tourism Sector Support Services.” Now it seems to me that

these are the very two projects which should have, and could have received a massive focus under COVID-19 conditions.

Someone who starts to build an ark once the rain has started

is going to drown. The guy who built the ark during the dry season, is the one who saves the day. And so during the long

hours of lockdown, when millionaire managers should have been

tapping at their keyboards coming up with great new ideas, policy changes and new ways to re-imagine and re-ignite

tourism, these hours were wasted as clearly thumbs were twiddled since the budget was woefully underspent, and no new

ideas, or no new constitutionally compliant ideas were forthcoming.

What a sad display of a death department. When one looks at the budget detail spread over pages 771 to 784 of the

voluminous estimates of national expenditure, it actually

looks like a cut and paste of last year’s details.

Ah wait, hold on. There is a short addition under the detail of Programme two which looks to facilitate regional

integration. There’s also some long overdue maintenance

planned under programme three and in programme four, the training of 20 port of entry personnel, 20,20 is what we are

on here, focussing on a Portuguese and French speaking.

Forgive me for not leaping about with enthusiasm, Minister, this budget shows a distinct lack of new ideas or even an

understanding of your portfolio. More of pretty much the same is not what’s going to revive this industry. Drive up Long

Street in Cape Town, one evening and look what has become of

this erstwhile tourism hotspot, that’s death. Please Minister, use your authority and shake up this department, or hand the

reigns to somebody who will. Thank you, House Chair.

Mr M DANGOR: Hon House Chairperson, hon Minister and hon members, the domino effect of the coronavirus global pandemic has brought under pain and hardships to many individuals and businesses in all corners of the world including South Africa. Tourism has always one of the industries the hardest hit by

pandemics and crises. Throughout history, the industry has borne the brunt of major pandemics and plagues. Notably the Spanish flu in 1918 to 1920, Severe Acute Respiratory Syndrome, Sars, from 2002 to 2004, the Swine flu, from 2009 to 2010, ant the Ebola virus from 2014 to 2016.

For the tourism industry is in a unique system because travelling serves as an ejector for spreading the virus. Therefore, it is usually targeted for breaking the chain of the spread of the virus.

In 2020 the volume of tourist decreased by 72,6%, from

10,2 million in 2019 to 2,8 million in 2020. Foreign arrivals dropped from 71% to 15,8% in 2019 to less than a million in 2020. However, I think there is also an issue there, if I listen to the opposition. I want to repeat to what the Minister of Finance said and I quote, “We have come together as black and white to become partners hopefully in a new South Africa.”

However, as we speak and as the other people listening to the opposition they will not come to South Africa. All we do is send out a negative message. For tourism, we need a positive

message to attract people to come to South Africa, hon members.

These are not just numbers; these are statistics that have direct implications on the livelihoods of operators of tourism establishments and the incomes of many working class families and the poor. COVID-19 is a deadly pandemic that take lives.

Friest with these crises the government led by President Ramaphosa, imposed various levels of restrictions that resulted in the closure of many economic activities. These measures were arrived at after seeking advice of the expects in various fields.

As a carrying government the ANC prioritised the saving of lives of our people while at the same time seeking to put pressure to save the livelihoods.

Having said that hon House Chairperson, tourism invested in talent through the Tourism Relief Fund, not only were 4 000 Small Medium and Micro Enterprises, SMMEs assisted, 4 650 qualifying freelance tourist guides many of whom are young people and were not eligible for applying for the Unemployment Insurance Fund, UIF, were able to get assistance through the

assistance through the establishment of the Tourism Guide Relief Fund. They received R1 500 per month over a period of three months. This may not be much, but for the unemployed youth, between having a meal or going hungry. We salute the initiatives taken in various provinces and municipalities.

The Tourism Green Coast Project, which is another youth programme has helped the youth from the Wild Coast to find them employment rather than go on being unemployed and complaining and also to start their own businesses in the tourism industry. The Green Fund is part of the tourism’s Expanded Public Works Programme and is being implemented by the Wild Life Environmental Society of SA.

In July 2020, a 119 youth from the Eastern Cape obtained a National Certificate in Tourism Guiding, as a result of a two- year programme which helped them develop skills and gained work experience at various tourism establishments. Along the Wild Coast, 32 of the youth have found permanent employment and seven have registered their own businesses, while the rest want to start their own businesses in the future.

The story of participants and the public employment programme which have attempted to start their own businesses have some where to go and we hope they are successful.

Hon House Chairperson, we are proud of the steadfast leadership that the Ministry and the department and the work that they have done across the nine provinces to showcase a variety of experiences, attractions and establishments which help to inspire confidence. These showcased have put on the spotlight in those areas that allowed them to gain traction in the market and integration of the rural and township tourists’ initiatives to the tourism recovery plan.

The Tourism Sector Recovery Plan provides a good foundation, for the path that we are all to take in rebuilding the tourism sector and strengthening the resilience for future generation. We believe that this plan must be supported by all South Africans as it aims to reduce the impact of COVID-19 crises in their employment.

That plan also recognises that the domestic travel is the key drive of tourism and the recovery effort should therefore be focused upon that. Domestic demand will entail the role that

the domestic deal-driven campaigns coinciding with the various tourist pick periods.

Collaborative initiatives with the industry to support tourism in rural township areas. We note that the tourist with grading council has started rolling out the pilot phase of the basic quality verification programme in the Eastern Cape. This programme seeks to give the emerging entrepreneurs and small business owners an opportunity to grow their businesses by attracting both domestic and international markets. In this regard, many of them have been trained recently and they are showcasing what they have been trained about. Some of them in act have been coming up with new tourism packages. This will enable travellers to enjoy the unique and authentic tourism experiences around the villages and small towns. We hope that the pilot programme is successfully completed with programmes that go gets out to the provinces.

I want to with that invite the hon Ryder and the hon Du Toit, to have lunch in Khumalo Street and this for local tourism.

Possibly when they are available to this part of Gauteng I want to take them all to those particular areas. Also show them the tourist attractions around those areas and the young

people that are coming into tourism there and the restaurants that have been started in the area to promote tourism.

With that hon House Chair, I want to say that I understand that the business of the opposition is being an opposition. You are paid for being an opposition, but you do not have to be negative for being an opposition. You are in opposition, you are the opposition and you are not the enemy. To repeat what the Minister of Finance said, we are partners and we have come together. We have come together as black and white, all of us in South Africa to create and to build a new South Africa. Let us go forward with a positive attitude. An attitude that will say to foreign visitors and other visitors, please visit South Africa. It is a good destination. It is a desired destination. It is a destination that people can come to where they can feel safe and where they will get value for money. I thank you very much.

The MINISTER OF TOURISM: House Chairperson, allow me to express my appreciation to those members who supported our Budget Vote.

I must indicate, hon members, no sector of our economy should remain a preserve of a few, and tourism is no exception to

that. Tourism business people will tell you that there is no such thing as economic growth without inclusivity. The people of South Africa gave the ANC the mandate to pursue the inclusive growth of our economy. This we shall continue to pursue no matter what may be thrown at us, whether it is insults, labelling, here in the House, or social media or in court battles.

We are also not naive to the ... [Inaudible.] ... that there are those among us who have always known and basked in white privilege and comfort, whose resolve is to protect such at the expense of the black majority. They reminisce about labour reservoirs in the black townships, and their inhabitants who dare dream to challenge the supremacy of their masters. We defeated apartheid. Yes, the struggle continues, and we shall never stop until economic transformation is achieved. It is a just cause. It is a battle. It is a fight that is worth fighting. We are prepared to fight it. This we are doing because this government was given a mandate by the majority to transform and to ensure that they have a better life.

What hon members are talking here, where they designate black people for being just workers, you have the nerve to tell us that what we must worry about is not black people being owners

... what we must worry about is black people being employees. In their country of birth and their ancestral land. They have no authority to be business owners. And this government must not support them in that quest. Many of the people who today are telling us that we seem to be racially racist in approaching what we are doing. You forget that the playing field is not level. You can’t say that you are two hundred ... [Inaudible.] ... and you say to someone you must race. How are we supposed to race when somebody is ahead of you?

What we are trying to do with the Tourism Equity Fund ... we want to make sure that people are staying on the same lane. This is not a relief fund, hon members, please remember. You seem to think that tourism equity is about relief. It’s not a relief fund. Even if courts can say to us we are not going to implement tourism equity fund, the money cannot be directed to relieve. We are done with giving grants that are not sustainable in terms of going forward. We want to make sure that the sector is sustainable in terms of transformation. But equity ... it is a willing buyer, willing seller approach that we have. Those who are willing to sell ... those who are willing to come on board, let them do so. No one is forced to abandon their assets. They have continued to say that they do

not want to benefit from government. That is why they have never paid attention to black economic empowerment, BEE.

So, we are willing to what we ... [Inaudible.] ... would think that this democracy is under threat because it is not sustainable because those who are the majority ... you continue to fight pre-apartheid ... for ... [Inaudible.] ...

What is the benefit of in this country to have the government of the people by the people when you can never be an active participant in its economy? You must continue to be a worker. So it is okay for a black person to continue ...

If you look at statistics, you will see that the poverty face of this country is a black woman. Why must it happen 27 years into democracy. And you are saying that we have allowed it to happen because we continued to listen to you and compromise. That time has come to an end. That’s why I told Afriforum and Solidarity, we will never go to the middle ground because middle ground has brought us 27 years down the line with a sector that is like this ... that is untransformed ... that is not catering for the majority of South Africans.

So, hon Mathevula ...

*Xitsonga*:

... mhani wa mina, ni kombela u tlhelela u ya xiyisisa kahle. Leswi u nga na swona a hi swona. Hi nyikile vuleteri eka matikoxikaya ya le Limpopo. Famba u ya vona, n’wana wa ka hina. EVhembe ku na vanhu lava hi ng ava letela, eCapricon ku na vanhu lava hi ng ava letela, eMopani ...

*English*:

We have trained in those communities. We have ensured that people are able to train and get opportunities that we have.

So, hon member, please just verify your facts before you come and throw stones.

The issue ... one of the departments that is focussed on rural activities consciously is this one, where we are ensuring townships, previously disadvantaged ... and it is a conscious decision we have taken. That’s why MEC Mokone can tell you about the rural projects we are doing with women in Limpopo, in the rural areas ... not urban areas.

So that’s what we are doing.

I want to appreciate my colleagues, hon members the MECs who have joined us. Thank you very much for the partnership. We do work very well, and we have always been able to work very well, and I think we will be able to build a better sector going forward.

So, regional integration ... hon Ryder, I don’t know how you read documents. Regional integration means that we will work in marketing with SADC. That is part of the tourism sector’s recovery plan. Please read it so that you can understand.

What sometimes I find difficult is when you engage and ... sometimes we provide written answers to members. Please utilise our opportunity when we engage both in the select committee and through the tools of Parliament to really get clarity about what happens ... [Inaudible.] ... because sometimes it’s futile to come and debate and you find that members have a wrong perception and even ... I don’t know whether it is reading documents incorrectly or someone has written their speech incorrectly ... Because, if you don’t even have the basics ... you don’t even understand the basics that tourism equity fund is not a tourism relief fund, it just makes it difficult in a debate. If you don’t even understand that tourism regional integration is part of marketing that we

talk about in the tourism sector recovery plan which, by the way, is driven by the sector tourism ... I’m not so sure how I am supposed as Minister to now come into a debate because, really, we should be focusing to say, what are the issues, how do we work together.

I think I support what hon Boshoff came to leave the other issue where she thinks black people must be workers.

But the issue of pricing ... we started addressing it from last year. When you have more of our sector ... [Inaudible.]

...

The HOUSE CHAIRPERSON (Mr A J Nyambi): As you conclude, Minister...

The MINISTER OF TOURISM: Thank you very much to those who supported the Budget Vote. Aluta continua! [The struggle continues.]

Business suspended at 13:15 and resumed at 14:00.

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E LUCAS): Good

afternoon, hon delegates, and welcome back to the House sitting.

We shall now proceed with the Third Order of the day, it is the Policy Debate on Budget Vote 2, the Parliament Appropriation Bill. The Chairperson of the NCOP, hon Amos Masondo, will open the debate.

But I also want, now, already to announce that after that the Chairperson will have to excuse himself because he is still leading the delegation in the Pan African Parliament and it is requested or required that he must return to that specific engagement that he is still busy with.

We will allow, now, the Chairperson of the NCOP to start the debate. Over to you, Chairperson.

# APPROPRIATION BILL

(Policy debate)

Debate on vote 2: Parliament:

The CHAIRPERSON OF THE NCOP: Greetings to everybody. Deputy Chairperson of the NCOP, hon Sylvia Lucas; House Chairperson for Committees and Oversight, hon Jomo Nyambi; House Chairperson for International Relations and Members’ Support, hon Winnie Ngwenya; Chief Whip of the NCOP, hon Seiso Mohai; hon Members of Parliament, MPs; ladies and gentlemen.

Twenty-five years ago the Constitutional Assembly adopted the new Constitution for a new South Africa. The 1996 Constitution represented the collective wisdom of the South African people.

Then President of the Republic, His Excellency, President Nelson Mandela, summed up this auspicious occasion when he said:

Our national consensus recognises that there is nothing else that can justify the existence of government but to redress the centuries of unspeakable deprivations by striving to eliminate poverty, illiteracy, homelessness and disease.

The democratic Parliament has done a lot to bring our Constitution into life. Racist laws were repealed. Progressive legislation aimed at transforming society came into being. The

people were placed at the centre of parliamentary processes and programmes. However, more work lies ahead in our pursuit of the constitutional objectives.

The 5th Parliament’s Report of the High Level Panel on the Assessment of Key Legislation and Acceleration of Fundamental Change, led by former President Kgalema Motlanthe, noted that “Government and Parliament have produced progressive policy and legislation, but with very poor outcomes”.

One particular area where we have seen major delays in the transformation project is land reform. Accordingly, the report of the high-level panel recommended that “well-situated urban and rural land must be redistributed to black people who were marginalised during apartheid”.

As we speak, the 6th Parliament is paying close attention to the resolution of the land issue. Increased security of tenure, land restitution and land redistribution are the three pillars of the land reform programme which we are pursuing with greater determination.

The process on whether to amend section 25 of the Constitution is nearing finality; the Expropriation Bill is being

considered and the Land Court Bill was introduced in May this year.

Parliament plays a key role in building a legitimate state that serves the interests of the people. Such a state is based on democratic values and a culture of human rights. It uses public resources to reverse the “centuries of unspeakable deprivations” that President Mandela spoke about. It does this with the aim of bettering the lives of the people, especially the poor.

In line with this expectation, I am happy to reflect on Parliament’s performance in the past financial year. Our performance started on a good note with Parliament achieving its 6th consecutive clean audit last year. This affirmed our commitment to the principles of good governance.

Regrettably, we began the year having to contend with both the COVID-19 pandemic and budget cuts as a result of a strained national fiscus. However, we responded quickly and decisively by adapting both our business model and operations to ensure that we fulfilled our constitutional mandate whilst minimising the risk of transmission in the parliamentary precinct.

For over a year now, parliamentary committees and plenaries have been running successfully on virtual and hybrid platforms after a few initial teething problems.

Institutional performance for the 4th quarter of the financial year reached 77%. This compares favourably to the last five years. Again, this affirms both the responsiveness and adaptability as well as agility of the institution.

When outlining future implications for parliaments, the Inter- Parliamentary Union observes that the power of new digital tools should be leveraged and embraced to deliver on the constitutional mandate of Parliament by: finding new and better ways to connect with those whom it represents; using social media platforms and open data as important tools that can allow the public to engage more effectively with MPs, ensuring openness and accessibility; and modernising operations through workflows and automation, making it more resilient, effective and efficient.

While our response to the COVID-19 pandemic resulted in an acceleration of digital adoption and innovation, it also brought with it a set of challenges that had to be overcome. These included: the state of Information and communications

Technology, ICT, infrastructure; provision of appropriate tools of trade; low bandwidth and poor connectivity; training of members and staff to effectively use the virtual platforms and capabilities; increasing broadcasting and streaming remotely; irregular and flexible working hours; and an increase in information and cybersecurity risks.

Our view is that the impact of the ‘new normal’ will require Parliament to continue to accelerate its digital journey. This will include systems that will enable Parliament to better track and monitor oversight activities as well as gain deeper insight and to make better-informed and faster decisions.

Capacity will have to be built to ensure that members and staff are able to adopt and embrace these technologies and capabilities. Needless to say, this has serious implications for our work environment.

Given the importance of public involvement in our processes, on the one hand we managed to enhance our communications channels. This entailed ensuring that members of the public have increased access to the business of Parliament than previously. The majority of the meetings of committees, public hearings and plenaries of the Houses of Parliament were

broadcast and streamed live on social media channels and radio.

The outcome of the public awareness surveys, which were conducted by Ipsos Markinor, tell us that the cell phone is one of the top 5 most accessible sources of information for the public, along with television and radio. This makes the information on the business of Parliament easily available to many, many South Africans.

On the other hand, significant improvements have been registered in relation to our Parliamentary TV Channel. We are also on course towards free-to-air television and the creation of radio broadcast services that will sustain over 90% awareness levels and continue to boost participation levels.

We also witnessed the roll-out of Parliament’s District and Provincial Women’s Charter Review process, led by the Deputy Chairperson of the NCOP, hon Lucas, and the Deputy Speaker of the National Assembly, hon Tsenoli. Already, we are learning very important lessons from these engagements with regard to how Parliament can further contribute to advancing gender equality and women empowerment.

The NCOP made a significant contribution to the work of Parliament during this period. In respect of oversight and accountability, the House saw an increase in the number of questions to the executive on matters affecting provinces. These mostly revolved around quality of health care, clean environment, quality of education, skills development, housing, water, electricity, sanitation, and safety and security.

Besides plenaries and committee meetings, the NCOP also introduced special briefings by the executive on a number of issues. There was particular emphasis on measures to mitigate the impact of the COVID-19 pandemic. Ten such briefings were held during the past financial year.

In respect of legislative work, a total of 25 Bills were adopted by the House. These included the Cybercrimes Bill, the Social Assistance Amendment Bill, the Local Government: Municipal Structures Amendment Bill and the Disaster Management-Related Bills. These formed part of our contribution to bettering the lives of our people.

The NCOP is constitutionally mandated to oversee the protection of the integrity of the three spheres of

government. As such, we also processed 14 Notices of Intervention in the local sphere of government in terms of section 139 of the Constitution. We remain worried by the increase in the number of repeat interventions.

The Policy Priorities, Strategic Plan, Annual Performance Plan and Strategy Choices documents set out the required change initiatives for the 6th Parliament. The following key institutional strategic initiatives will be implemented as key drivers of strategy execution:

An Oversight Plan to co-ordinate oversight priorities and activities of committees, Houses, and legislatures, including changes to the parliamentary programme to provide more time for committee and constituency activities;

A public participation strategy to enhance public information, access and participation through digital, joint and mixed platforms, incorporating social media and mainstream media;

A knowledge management strategy to manage information and knowledge better for the benefit of members, the institution and stakeholders; and

A digital technology strategy to allow for the implementation of e-Parliament principles.

If Parliament is to operate more efficiently and effectively, specific and needs-based capacity-building programmes are required to equip parliamentarians with the skills needed to perform their functions. Through training provided to individual MPs, support provided to committees, Legislative Sector Support funded programmes and customised short-term courses, Parliament has managed to facilitate various capacity building programmes for members during the course of the

6th Parliament.

Importantly, the task of improving the effectiveness of Parliament will require adequate resources. However, preliminary allocations for the Medium-Term Expenditure Framework reveal that Parliament’s budget baseline has been adjusted downward. The reductions are as follows: R257 million in the 2021-22 financial year, R339 million in the 2022-23 financial year and R296 million in the 2023-24 financial year.

The effect of this is a squeeze on the funding for the implementation of Parliament’s strategic plan. As a consequence, we will need to reduce costs, cut non-essential

functions and expenditure and reprioritise funding and resources. This will affect Parliament’s efforts to strengthen oversight and accountability and to further enhance public involvement.

In light of this, we have, as the executive authority, engaged the Minister of Finance on Parliament’s budgetary baseline review. We believe that the budget of Parliament is distorted due to the inclusion of items over which Parliament has no control. These are: transfers to political parties; medical aid contributions for former MPs and the executive; and travel entitlements for former MPs and the executive.

Engagements on the budget baseline and the impact of the budget cuts have also taken place at administrative level. The discussions have included Parliament’s initiatives to manage and reduce the wage bill. Such initiatives encompass the Voluntary Early Retirement Dispensation for the staff of Parliament.

Parliament has resolved to implement the voluntary early retirement dispensation from the 1st of April 2021 to the 31st of March 2022. We have approved this dispensation for qualifying employees as per the rules of the pension funds

used by Parliament. This reduction will be done in line with the fiscal challenges facing the country, from which Parliament is not spared, coupled with the protection of critical skills needed to deliver the business of Parliament.

Employees wishing to exit Parliament are provided with a fair and just process to do so without suffering penalties imposed by the pension schemes. Fifty percent of these employees aged between 55 and 65 years will be replaced with young and agile employees at entry level salaries. Three hundred and seventy- three employees of Parliament fall within this qualifying category. Should they all be released, it will cost Parliament just over R265 million.

While the process is voluntary, the executive authority or delegated authority will, before approval, assess the veracity and impact of each of these applications on the business of Parliament.

As members might be aware, the issue of the proper funding of Parliament has been on the table for some time now. This point was also raised during our appearance before the Commission of Inquiry into Allegations of State Capture. One can say that there is consensus among the political parties that Parliament

needs appropriate funding in order to have the capacity to carry out its work.

We support the argument that a Parliament that undertakes its work diligently and has the requisite capacity to fulfil its mandate will positively impact the management of the country’s public finances.

Let me, at this point, mention that the socioeconomic impact study on the proposed relocation of Parliament has been completed. The report is now with us for consideration.

Amongst the many details to be considered is the affordability and public participation process required for such a move, which will require an economic investment. I hope that members will understand that this is a debate we do not want to entertain under the current economic climate.

On the international front, the African Continental Free Trade Area, AfCFTA, a flagship project of the African Union’s Agenda 2063, which commenced in January this year, is aimed at assisting the continent to achieve inclusive and sustainable development. Amongst other things, it seeks to promote and attain sustainable and inclusive socioeconomic development,

gender equality and structural transformation of the State Parties.

Developments such as these have necessitated the review of the Policy Perspectives and Operational Guidelines for Parliament’s Involvement and Engagement in International Relations. The aim is to provide a relevant framework for Parliament’s participation and cooperation in parliamentary international relations. The reviewed document is now awaiting consideration by the Joint Rules Committee.

The recent developments in the Israel-Palestine conflict have triggered renewed concerns. We support the view expressed by President Cyril Ramaphosa at the height of the attacks, that an end to Israeli’s illegal occupation of Palestinian land is the only way to maintain peace in the region, and that a

two-state solution remains the most viable option.

At this juncture, I would like to thank the Speaker of the National Assembly and the rest of the leadership of Parliament for a great working relationship. The support of the Deputy Chairperson of the NCOP, hon Lucas, the House Chairpersons hon Nyambi and hon Ngwenya deserves appreciation. We remain indebted to the Chief Whip of the NCOP, hon Mohai, for smartly

organising the work of the House. I also wish to thank the members for their robust engagement on issues.

Lastly, I wish to convey great admiration for the support and leadership demonstrated by the Acting Secretary to Parliament, Ms Baby Tyawa, and her team during the most challenging times for our institution.

I also wish to extend a word of appreciation to the Secretary to the NCOP, Adv Modibedi Phindela, and the entire parliamentary administration, for their support to this House.

The “centuries of unspeakable deprivations” that the late President Mandela spoke about 25 years ago have bequeathed to us a legacy of struggle. Despite the gains of the democratic Parliament over the years, poverty, inequality and unemployment continue to afflict our nation.

The COVID-19 pandemic has unfortunately added to our woes. However, like any crisis, we must take advantage of the opportunities it presents, especially as we embark on our economic reconstruction and recovery phase. There is evidence that we can continue to attain what we initially set out to do at the start of our democratic Parliament.

May we all remain steadfast in our efforts to achieve and uphold our constitutional promise of a better South Africa. Thank you very much.

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

Chairperson, you are free excuse yourself whenever you are ready. We wish you well for the Pan-African Parliament session.

Ms H S BOSHOFF: Hon Deputy Chairperson, hon Minister, last week in the debate on the 25th anniversary of the Constitution, some of my colleagues reflected on what Parliament and this House represent. Today, as we debate this institution’s budget, allow me to reflect on what it does.

As the legislative arm of government, it is our task to make, scrutinise and pass laws. As Churchill said: “It is not only the job of Parliament to pass good laws, but to block bad ones.” The NCOP, in this instance, has therefore a unique role to play. We are most definitely not the NA.

We are the representatives of the provinces on the one hand and we are the counterweight, the checks and balances against the misuse of power by the other House.

However, there is a tendency in the select committees in the NCOP, the factories of thought and discussion in this place, to increasingly ignore or forego the opportunity for debate. When last did we, as a House, properly debate legislation? I mean, properly. Not only through a 3-minute unprepared waffle declaration from each province, falling in line after the Western Cape delivers its reasons for voting against a Bill, but a proper debate of quality, where we raise the issues that concern and satisfy us about a piece of legislation before us.

I cannot recall of this happening once in the last three years and it seems there weren’t any in the Fifth Parliament either. You’re all too happy to tow the party line and follow the queue from the NA, most of the time.

When last did provincial delegations or select committees sit down and assess what the effect of our laws – particularly section 76-legislation – has on the people in our provinces? There used to be a time after the NCOP was created, where this was what provincial week was all about.

Not some bogus oversight to which we never return to do

follow-ups. The NCOP used to take its job as a law-making body seriously.

Our second great task here, is oversight over the executive. In this instance, Parliament’s budget has been cut by R187 million to just over R2 billion, whilst we are responsible for scrutinising an executive that presides over a R600 billion budget. In this instance, Parliament has over the past year been innovative and as a whole, I grant, did some good work.

The lessons that we have learnt from this, is that we have no need for expensive external venues in the future. We can have our training sessions on Zoom, instead of at some hotel. There is no need for caviar and salmon sandwiches at every committee meeting. We’ve been going for more than a year without it. ’n Watertjie en dan gaan ons weer aan [a little bit of water and then we can continue again] – has done all of us, and will continue to do all of us, the world of good.

The belt is tight and if we have to cut fat, it will be our fat that has to be cut. Not the budget that should serve the people we are here to represent.

But to get back to the executive for a moment. The way in which this House is undermined by the Cabinet in some instances, is appalling and unacceptable. On too many occasions, Ministers have failed to attend our meetings or

reply to our questions. I salute and thank those select committee chairpersons who have stood up to them when this occurs and it is in some of the rare moments when we reach across the aisle, when we stand together in defence of this place. It is how it should be.

We can have our disagreements and our squabbles, but when it comes to the defence of the integrity and the independence of the NCOP and the respect it deserves, we should be united.

The NCOP, being the step child of Parliament, is an open secret. It reflects not only in how we are treated by the executive, but also in how the staff who dedicate their lives to this institution are treated as well. For how long now has the NCOP staff had to raise the concern of not receiving equal pay to their counterparts in the NA? They deal with no fewer pieces of legislation, or state departments for oversight than the NA. In fact, they have nine provinces on top of it all to deal with as well!

These are the things that you should stand up for, Chair. I guarantee you, that if you do, you will have 54 permanent delegates who stand behind you, united across party lines. In

here, you, the Presiding Officers and the Chief Whip are meant to be impartial.

Out there, you are meant to be as partial as can be in favour of this institution of which we are all a part. Don’t, I beg you, confuse the two.

On the point of dedicated staff, let me just pause for a moment to thank Mr Brent Leeuwendaal, who is retiring after having given 35 years of his life to this institution. Chair, this sort of dedication, professionalism and respect is becoming rare and we need to cherish those in the passages of Parliament who have given so much to enable us to do our job.

We owe Mr Leeuwendaal, in particular and his colleagues, our colleagues here in Parliament, a debt which they country out there will never realise and which we will never be able to repay.

There is much to be said about Parliament, which is an institution which we are immensely privileged to be a part of. It is an institution with its roots in ancient times in both Western and African culture, in one form or another.

It is a privilege which we should never take for granted. If we do nothing more for the rest of the term than to return to the basic functions of what our House was designed to do, as I have set out earlier, we will make a success of this term.

We will always disagree on most issues. It is the nature of politics and I would have it no other way. But in doing so, may we always do it with a sincere heart, with the intention to raise the level of debate to a point where it makes a contribution to serve the country. May we always defend this House and may we always remember those behind the curtains who support us here on this stage. I thank you.

Ms D G MAHLANGU: Hon Deputy Chairperson of the NCOP, hon members, special delegates and fellow South Africans ...

*IsiNdebele:*

... lotjhani.

*English:*

This year’s Parliamentary Budget Vote, finds Parliament under

the intense scrutiny of the nation unlike previous years.

We enter this debate in the wake of both the Speaker ... [Inaudible.] ... National Assembly, together with the Chair of the National Council of Provinces appearing before the Zondo Commission.

It would, at face value, seem strange that an arm of state is summoned, through its Presiding Officers, to appear before a Commission on State Capture. What it would imply is that somehow, we, as Parliament, are complicit in conduct and behaviour that in the view of the commission is likened to weakening the state. This must, for all of us, not be a matter to deal with in a frivolous way, as some opposition parties would want, but rather one of deep self-introspection, in assessing the veracity of the claims.

The Presiding Officers have spoken and they represent us all as Parliament and so my response is not to cover the ground that they have, but rather to examine what causes weaknesses that exist in the institution of Parliament, which later lead to speculation about the ability of Parliament to uphold its constitutional mandate.

To meet the needs of the people, both Parliament and its public representatives require the necessary and relevant

capacity and capability, which are not the same, to respond to the multiple demands of our people. What is our experience after we arrive in Parliament? We go through induction both by Parliament and our political parties. Our political parties orientate us to the battle of ideas and the mandate that we are given as deployees of the parties. In addition, the NCOP provides very specific induction and training to understand both the mandate and the rules of the NCOP and the unique constitutional responsibility of the NCOP. In addition, there is training of Whispery, all of which assists greatly. We are however meant to grasp a very complex institution, its rules, procedures and very often an unwritten protocol.

The induction by Parliament in no way sufficiently prepares a public representative to deal with the complexity of oversight, legislative drafting and constituency work.

Instead, we have to work our way through necessary procedural matters of members’ responsibilities, forms to be filled in, procedures for all manner of applications etc. We are even told we have to call one another honourable, even if the one you call honourable is not honourable. We are then inducted to the fact that where there are other deficits Parliament provides support.

Hon Deputy Chairperson, Parliament, if it is serious about building capacity of public representatives, has to relook its programme when public representatives arrive. An entire month of grounding needs to be put aside to allow both Parliament and political parties enough time to be begin to ground.

Thereafter self-cultivation can apply. For example, legal interpretation which is a critical skill in Parliament, we are told there is the parliamentary legal services to provide support. But what does this mean? Instead of building capacity we become dependent, and whilst we appreciate the support, a course in legal interpretation would greatly assist public representatives to carry out their work.

Take the matter of oversight for instance. Oversight is not one issue that requires one particular skill. There is financial oversight and the ability to analyse financial statements. There is policy oversight and the ability to interpret policy in its application by government. monitoring and evaluation goes with particular tools which have indicators that need to be applied and these can differ between national departments, state owned entities, provincial government and local government. In the NCOP this has its own nuances. There is no training on these at all rather a broad reference to monitoring and evaluation. Rather, as public

representatives, we have to pick up and self-cultivate as we go along and then be dependent on support staff who may be very helpful or not as the case may be.

Oversight and legislative drafting also require analysis and critique. These are skills we are not introduced to. Let us go to our deployment to our select committees. We arrive through deployment in a committee, receive a legacy report for which we are thankful, given a briefing of the work of the previous committee and introduced to support staff. Thereafter you have to proceed.

Specialisation, and if I look at my committee Appropriations, we are in a better position as we have the Budget Office to lean on which provides very useful analysis and critique.

Outside of this, we work with the Finance Select Committee as we sit on both and then get resources from the National Treasury, over whom we have to conduct oversight. Parliament has got to give on-going specialised training throughout the duration of a five-year term so that select committees are able to produce enhanced oversight, better quality outputs and better quality outcomes. Here I refer to specialised service providers who could be contracted to work with a committee on identified areas.

Research from the committee section must go beyond what we can read and deduce from departmental documents. We require analysis and critique with proposals and options. This is what builds enhanced oversight. Whilst we understand well the concept “battle ready”, a solider dressed only in a uniform with no military training is distended to perish in the first battle they enter. This leads to what we have to endure in Parliament where some individuals without the necessary skills and capacity resort to vulgarity and coercion oblivious of the legality of everything that underpins our work in Parliament.

The National Council of Provinces is an institution that itself is grounded on engaging with provinces and local government, and where there are challenges, we are called upon to respond as Parliament or as public representatives.

Constitutionally this is provided for.

Our oversight work and the challenges we face reinforce the need for Parliament to dedicate far more resources to outreach and constituency work. As the governing party we know how important this is and our constituency offices are often packed with communities needing support. Being rooted amongst the people means constituency offices become advice centres and platforms from which the concerns of a community in a ward

are mapped out. These offices become the network point to access government programmes and projects, and for the different spheres of government to intervene. It is one of the most important responsibilities we have as public representatives, but such offices are sustained with meagre resources.

Outreach is Parliament’s concern and future parliamentary budgets should begin to reflect the seriousness of this. Currently what is being allocated is far too little given the responsibilities of public representatives, as the Chairperson has reflected in the beginning. In the NCOP and given what has been raised by the Zondo Commission, we need to critically assess our oversight performance in the overall accountability of Parliament. This Sixth Parliament certainly has seen the NCOP intervening strategically, be it through Constitutional provision, section 100 and section 139 and dedicated focused thematic areas, the local government and provincial government weeks.

The Women’s Charter Review and specific focused areas for debate all demonstrate a NCOP grappling with its mandate. It would be accurate to say that the oversight performance and accountability of the NCOP will be enhanced once the

restructuring of the NCOP takes root. The governing party, the ANC, has been applying its mind to the constitutional mandate and current structure of the NCOP. At the political heart of this is to ensure that the NCOP has the ability to meet the people’s needs in the manner that it is structured and performs its work.

With regards the performance of Parliament as an institution itself, we have had important engagements over our concerns on how performance is measured and the indicators that Parliament uses. These discussions are ongoing and we believe the outcome of these will lead to better performance evaluation given that we have the responsibility on a quarterly basis to approve Parliament’s performance.

In conclusion, we are engaging in a Policy Vote debate we need to express ourselves on the actual Budget of Parliament. If we assess what the Constitution requires of the NCOP alone, and measure that against what is provided for in the budget, it is clear that in order for the NCOP to fully meet its constitutional mandate there has to be a serious relook at how Parliament is funded. Parliament is not a department, that should be clear, and can’t receive funds like any other department.

If what I have outlined in this presentation is to happen, that alone will require a relook at the funding of Parliament. In many respects, if we are to examine the constitutional responsibilities that weigh on our shoulders as MPs and the party duties and responsibilities that inform our approach to any given matter, we need, like Oliver Tambo at the watershed 1985 Kabwe ANC Consultative Conference, to ask ourselves the question: Is it not long overdue that we need a new approach on how we deal with matters, not in a narrow sectarian manner which is too often the case, but with the higher theoretical consciousness that appreciates that the nation watches and expects from us, far better than what we have been able to deliver thus far?

Hon Deputy Chairperson, despite what I have raised in this presentation, we have been able to rise and deliver against the constitutional mandate within the means at our disposal. We have been able to cut the cloth according to our size.

Thank you very much.

Mr M S MOLETSANE: Deputy Chairperson, unfortunately I won’t be able to switch the video on, I am struggling with load shedding where I am. Parliament’s responsibility is to provide the support service to fulfil its constitutional functions,

assist political parties represented in Parliament, to secure administrative support and serve the constituency, and provide Members of Parliament with the necessary facilities. It has to pass the legislation and scrutinise and oversee executive action. Also, to ensure outcomes are met over feasible and within timeframes.

The Parliament budget cut from R2 331,5 billion in 2020/21 Financial Year to R2 144,1 billion in this financial year. It is clear that this budget cut would affect the Parliament ability to conduct its oversight function and its ability to fill the vacancies. The budget cut of 8,7% of Parliament is higher than that of other government departments, despite the fact that Parliament is an important arm of the state. The Parliament budget was supposed to be increased than being decreased, so that it can be capacitated to be able to fulfil its constitutional mandate an in order to capacitate the Members of Parliament, to be able to do their work. Also to capacitate the Parliament staff to do justice to their responsibilities to give support to members of political parties. I thank you, Deputy Chair.

Mr A J NYAMBI: Deputy Chair, hon Lucas, Chairperson, hon Masondo, House Chairperson, hon Ngwenya, Chief Whip of the

Council, hon Mohai, hon members, ladies and gentlemen, without delivering a known fact, the world has changed in a manner that could no one could have ever imagined. In the midst of everything we have had to adapt and adopt new ways not only to survive but also to make meaning of what it means to be in the service of our people, most of whom are in great despair.

Albert Einstein would have said to us and I quote:

The measure of intelligence is an ability to change.

We have displayed our ability to change even as we continue our work to lift our people as they struggle through their reality. It is a reality of watching close friends and loved ones succumbing to the sting of COVID-19 pandemic. A reality of jobs being shed and a reality of a little becoming even less. For them, life has taken even a different meaning. Where normal festivities had given way to rushed ceremonies.

Solidarity and communal meetings have also been replaced by solitary and close-knit family gatherings that had not offered the comfort we have become accustomed to. It is against this back that the Parliament Budget Vote is being debated today.

Having experienced from a vantage point what needs to be done for Parliament to remain a bulwark against hopelessness and despair. I wish to share a few thoughts with you. Firstly, I have seen Parliament continuing to innovate and embrace new technologies in ensuring that we persist in our mission to hold the executive to account but mostly, to ensure that the public participation does not fade into oblivion. Let me pause here and indicate that public participation has not happened at the level we would have preferred. This is attributable to the limitations imposed on gatherings through the risk adjusted strategy in an effort to curb the spread of COVID-19.

We have seen the widening of the gap between the rich and the poor with the latter being unable to access public participation platforms. I have watched with fascination how social media accounts such as Twitter and Facebook became alive as outlined by the Chair and became a big part of our working life. This hitherto had been social media account that one could not associate with the ground breaking work that Parliament does.

Sittings and meetings have also gone virtual necessitating a rethink of how our tools of trade should be used. I have watched how committees hitting the ground running moving

through time to grab what we thought was a mirage. We have often spoke of the Fourth Industrial Revolution. And in the minds of many, this was something so futuristic and far- fetched and yet today, we are all involved. As it is the case with this very same Budget Vote too.

We need to continue to be involved so that we could preserve the voice of our people. As in the words of the greatest Greek Philosopher Aristotle when he said and I quote:

The essence of life is to serve others and to do good.

This is what our fore-bears fought so hard for and we dare not betray their struggle.

Having been entrusted with the responsibility of working with committees and having understood the role that they play, I request your indulgence in going through a non-exhaustive list of what committees are expected to achieve.

Through the budget we need to pass today, they are expected to do the following. Increase the amounts of work that can be done within the limit of a fixed parliamentary terms.

Secondly, to ensure that issues can be debated in a more

detailed than in plenary sessions. Thirdly, increase the level of participation of Members of Parliament in a discussion.

Fourthly, enable Members of Parliament, MPs, to develop expertise in an in depth knowledge of the specific committee’s areas of work. Provide a platform for the public to present views directly to MPs, something which is not possible in a plenary sitting of Parliament. Lastly, create an environment for Parliament to hear evidence and collect information related to the work of specific committees.

Deputy Chairperson, you will realise that the above list lends credence to the tripods’ responsibility of oversight law making and public participation, which Parliament is constitutionally mandated to carry out.

We know what happens when you commit missteps as evidenced in the Lamosa Judgement. We defer to this Judgment not to really embarrass ourselves but to take valuable lessons as we move forward. It is in that vein that I wish to remind all and sundry about Parliament’s legal successes without rubbing salt in the faces of litigants.

Whilst we understand the risk of attended to nature of our work as Parliament, we do feel that some cases that are

preferred against us are frivolous. Instead of being tied down in court proceedings and being dragged in endless law fairs.

We should be allowed the time and space to do our work. It cannot be that opposition wishes to gain through the courts what they could not gain through the ballots. Without going into detail let me cite some few cases which Parliament has successfully defended.

The first one is the DA vs The Minister of Co-operative Affairs and Others. Helen Suzman Foundation v Speaker of the National Assembly and Others; The third one, FF Plus v Minister of Cogta and Others; fourthly, Public Protector v Speaker and Others; African Transformation v Speaker and Others; lastly, Matome Chidi v Speaker and Others.

Deputy Chairperson, one is acutely aware of the country’s diminishing fiscal capability brought about by a number of factors, which include an economy that is not growing the required rate as well as the rampages of the COVID-19 pandemic. The result is that year on year Parliament has to content with the budget cuts, which impacts on the ability to effectively carry out strategic objectives. This often leads to a need for reprioritisation which leaves out other programmes of equal importance.

I, together with my NA counterparts have been inundated with request to support the filling of vacancies in various committees but with a shrinking budget, some of these requests are not easy to accede to. This leads to the impairment of committees’ work and it also impact on the quality of the support which is afforded to members. Members require a full complement of staff such as secretaries, assistant secretaries, researchers to function at their optimal best.

The current staff-MP ratio is one is to one. This is a far cry. For instance, in England where there have been reportedly having 15 staff member to every Member of Parliament. Even a third of that would do Parliament a world of good but the reality of that it is a bridge too far.

Again, as a part of a global community, South Africa is represented in a number of international global forum such as the International Parliamentary Union, IPU, the Southern African Development Community, SADC, Parliamentary Forum, and the Pan African Parliament, PAP, that the Chairperson is attending today.

We have been able to pay our dues in the past but the fiscal cliff that we had been having to navigate poses a serious threat to our continued participation and ambition to provide

leadership especially in the continent. I understand and supportive of the view and voices that the time has come for Parliament to assume its rightful position as an arm of state as correctly captured by hon Mahlangu. We are not a department or entity when it comes to allocation of funds for Parliament. I think hon Mahlangu clarified the point.

The 600 is to one allocation ratio that sees Parliament being packed in the middle of the executive which gets the lion share of the budget and the judiciary which is topping the table has to change drastically if we are serious about practicing effective oversight of the executive. This reminds me of an argument which is often advanced in making a strong case for increasing the provision of resources to the police. Someone asked whether it is possible for a poorly paid police officer to successfully pursue someone who had just pulled off a multimillion case. We would in every respect be like that poorly paid and under resourced police officer who has to pursue heavily armed gangs if we do not seriously relook at this matter. In so far as relates to the budget of Parliament as an independent arm of state.

Let me also reflect on sectoral Parliament which has seen us

convening the review of the Women’s Charter across all

provinces. The Youth Parliament, the Men’s Parliament, the reflection on gender-based violence, GBV, issues, needless to say that these programmes are at the heart of what we represent as Parliament in order to promote a cohesive society by the requirement streaming and adequate resources to remain at the level that is desirable.

Of particular interest are the key findings and observations which came from the Women’s Charter review that you are leading. They clearly indicate that we really have our work cut out. Let me share a few with you as follows. The poor gender responsive planning process, poor institutionalisation of gender responsive budget processes with a translation of gender equality commitments and fiscal commitments, lack of gender disaggregated data.

Deputy Chairperson, the gender discourse is often event driven with no qualitative impact across provinces, district and localities. Lack of effective implementation of key policies and legislative instruments developed for addressing gender related measures. When we look at the manner in which Parliament continue to take stock of both its financial and none financial performances. And it is heartening to note that we keep on recording clean audits on the former. This is a

clear indication that our system and processes are in contest. We hope to continue on this vein to set a perfect example for erring departments and entities.

On the non-financial side of things, we see that whereas there have be a decrease in labour issues, this may be in part attributable to most of the staff working from home. Thus, we may not want to claim easy victories. We have also noted that some of our parliamentary staff have experienced some form of displacement through not fault of their own and we welcome the idea to get them retrained to get other responsibilities in areas where there are heavy workloads.

As I conclude, I wish to take this opportunity and implore everyone to seriously consider the lessons that came out of the state capture inquiry otherwise known as the Zondo Commission of Inquiry. We may not undo what has already been done but we can surely pick up a few valuable lessons in so far as the need to work with speed once we catch wind of malfeasants in our departments and government entities.

We commend the executive of authority Parliament for coming out to state our case in a manner that inspires confidence in the ability of the institution not to drop the ball in crucial

moments. We need to continue to familiarise ourselves with the contents of oversight accountability model so as to not be found wanting.

It is also in our best interest to continue on the trajectory of fashioning ourselves as an activist Parliament that is seized with matters that concern our people. We need to keep in mind that poverty, unemployment, inequality are still bedevilling our people unless we heighten the fight against them we risk the ideal of a better life for all imploding right in our faces.

Let’s take the moment to reflect on the state of the nation address of 2021 by the President and ask ourselves to what extent we are ensuring that there is no deviation from the four key priority areas. It is our mandate to hold the executive’s feet to the fire in ensuring the following.

Firstly, a massive rollout of infrastructure throughout the country. Secondly, a massive increase in local production. Thirdly, employment stimulus to create jobs and support livelihoods. Lastly, the rapid expansion of our energy generation capacity. We support the budget. I thank you.

Ms D C CHRISTIANS: Hon Deputy Chairperson, whilst there was much debate this past Friday on what form the Constitution of the Republic should take, there was broad agreement that the Constitution forms the basis of our democracy. It is not only the cornerstone and foundation of our country but also the roof under which we shelter and are protected. It is, therefore, a priceless asset that should be protected at all costs.

While many mechanisms have been created for this purpose, I would argue resolutely that the judiciary and Parliament stand in the frontline of that protective effort. Parliament derives its primary mandate from Chapter 4 of the Constitution of the Republic of South Africa No 108 of 1996, which sets out its composition, powers and functions. Parliament is envisioned to be an activist and a responsible People’s Parliament that improves the quality of life of all South Africans and ensures enduring equality in our society. Its mission is to represent the people and to ensure government by the people in fulfilling its constitutional functions of passing laws and overseeing executive action. To this end, the institution conducts its business in line with the following values; Openness, responsiveness, accountability, teamwork, professionalism and integrity. There are five programmes that

drive the budget expenditure in Parliament; Strategic leadership and governance, administration, core business, support services and associated services.

The focus of this argument revolves around programme 3, core business. So, what is the core business of Parliament?

In short, it is; Procedural and legal advice, analysis, information and research, language, content and secretarial legislative drafting services for meetings of the National Assembly, the National Council of Provinces and their committees; Public education, information and access to support public participation; and analysis, advice, content, protocol and administrative support for parliamentary international engagements.

The Fourth Quarter Report on Parliament reflects that only 60% of the targets set for the core business of Parliament were achieved, with the largest failings being in terms of public engagement. Only 16% of South Africans had access to participate in Parliament’s business, and only 10% of South Africans participated. Indeed, the Acting Secretary to Parliament emphasised that the institution’s performance in the period under review continued to be impacted by

significant budget reductions as well as the COVID-19 pandemic. This House should note that this Parliament is supposed to be, “for the people and by the people”. One of the primary reasons for this decline is Vote 2 - Parliament, which was reduced in the 2020-21 budget by R115 million. And now the proposal under debate today is to cut Parliament’s budget by a whopping R187 million.

As previously mentioned, the judiciary stands alongside Parliament as the guardians of the Constitution. But the Justice budget is being slashed by an eye-watering R2 billion. Whilst these reductions differ vastly in scale, they point to a steady erosion of the ability of these protectors of the core of our democracy to do their work. Whilst not oblivious to the contraction of the economy by 7,8%, and with that, the painful exercise of tightening belts, the funding of core functions should be non-negotiable.

Parliament is like a car, the vehicle of our democracy. You may consider not washing it for a period or not upgrading the sound system, but you certainly should always maintain the tyres, brakes and engine in top condition. And you certainly would not throw out the steering wheel and replace it with a shifting spanner. So where does Parliament find the money to

avoid such a drastic slash in funding? Well, firstly, Parliament spent only 89% of its 2020-21 budget. This equates to underspending of R286 million and should be made available for allocation back to Parliament in the 2021-22 financial year. Secondly, why does this Parliament simply not fill in the bottomless pit that is created by Parmed? This exclusive medical aid has lost R44 million in the past four years and is a millstone around the neck of Parliament.

The contribution most members make equates to approximately R7 000 per month, merely to complain and provide cover for themselves only. Rudimentary research conducted revealed that a major medical insurance provider in South Africa will cover a member, his or her partner and two dependants for the same

monthly cost. And that is before all the incentives offered to reduce the costs by pursuing a healthy lifestyle.

Simply put, Parmed is like a 1950s V8, it is old fashioned, expensive, difficult to run, and should be put in a museum. Thirdly, we live in a digital age and our ANC friends always like to trumpet on about the Fourth Industrial Revolution but we still operate like the 1980s. One of the major saving areas in the last year has been on simple issues like paper. Why do we still have to print reams and reams of paper when all

documents have been distributed digitally for over a year now? And that is not even considering the cost to the environment.

Another saving is catering. Is it really necessary to provide elaborate platters for every committee meeting in Parliament? We have restaurants and I am certain that all members can afford a biscuit, a sandwich and coffee. Simply put, we need to shift priorities. We need to focus on the core business of Parliament. We need to use the savings to hire eager and fiery young researchers determined to hold the executive accountable rather than third-rate researchers who simply summarise documents and provide inane comments that members know anyway.

We need to use that research to change committee meetings from chummy engagements to tough investigative hearings with structure and purpose where no quarter is offered or given. We need to shift funds to make Parliament even more accessible to South Africans with an additional channel on the public broadcaster to screen our business to all our people. All of the suggestions above, of course, rest on the principle that the governing party wants Parliament to work.

It does, however, appear that this ANC is quite content to let this fine institution slide down a slippery slope to the

insignificant status of a lapdog to the executive. After all, we all know that the ANC comes first. It is time to protect the people of South Africa from this narcissistic organisation and restore the true constitutional purpose of Parliament. The DA is committed to that ideal and will fight tooth and nail for it. I thank you.

The CHIEF WHIP OF THE NCOP (Mr S J Mohai): Thank you, hon House Chair Nyambi, also, let me recognise the Chairperson of the Council, Ntate Masondo, hon Members of the NCOP, special delegates, representatives of the organised local government, and all the media that is in attendance, exactly 25 years back on the 8th of May 1996, the duly elected tribune of the people of South Africa, through the constitutional assembly, adopted the Constitution of the Republic of South Africa. This Constitution marked the fundamental break with the painful past of institutionalised oppression, characterised by land dispossession, racial discrimination, gender oppression and super exploitation of the indigenous majority.

As the struggle against apartheid ensued, having being declared as the crime against humanity by the international community, many peace-loving South Africans white placed their revolutionary bodies at the altar of freedom. Many of these

white compatriots sacrificed their lives in pursuit of the struggle against the white minority domination, and some even paid the ultimate price of death alongside their fellow black comrades in the hands of the brutal apartheid security machinery.

In our roll call of revolutionary democrats and martyrs, the names of these selfless white people shall be encrypted in the annals of history. Amongst these, are the late Jack Simon, Ray Simon, Bram Fischer, David Webster, Ruth First, and many others. It is precisely because of their efforts and the rest of us that we have been able to create conditions for building a shared destiny and future.

In this regard, the preamble of our Constitution enjoins us to do the following, amongst others, and I quote:

Recognise the injustices of our past, honour those who suffered for justice and freedom in our land, respect those who have worked to build and develop our country, and believe that, South Africa belongs to those who live in it, united in diversity, and to adopt this Constitution as the supreme law of the Republic, heal the division of the past and establish a society based on

democratic values, social justice and fundamental human rights.

Hon Chairperson, as we consider and subsequently pass the Budget Vote of Parliament today, our shared history poses a collective duty upon us to all answer the fundamental question; To what extend have we stood true to these fundamental values and principles of our Constitution in the last 25 years? As we conduct our oversight work, as we, on day to day probe to what extent has this vision shaped how we conduct our business, key to this fundamental strategic vision and mission of the architects of our Constitution with respect to the role of the NCOP is the integration of our system of provincial and local government in the national policy-making. We do this by overseeing and monitoring the impact of the national policy on the capacity of provinces and local government to discharge their developmental functions.

Critical to the policy mandate of the national government in relation to the provinces and local government is to provide sustained support and capacity to these two spheres of government in order to ensure that they discharge their developmental mandate effectively. This locates the NCOP at

the cutting edge of intergovernmental relations and co- operative governance.

The ANC, in its 53rd national conference in Mangaung, recognised the dialectical interconnections between the integrated co-operative governance, service delivery and building of democratic developmental state. At this forum, the ANC pointed, and I quote that:

To deepen the national democratic revolution and accelerate service delivery and development, we need a stronger developmental state and a more integrated co- operative system. The more we build a developmental state, the more we create the conditions for a more integrated co-operative governance system. And the more we strengthen co-operative governance system, the more we create the conditions for a developmental state.

In translating these observations into a concrete policy action, we further said that ... the ANC further made a specific resolution about the NCOP as part of strengthening governance and democratic consolidation, and thus says that:

The constitutional role of the NCOP should be reviewed with the intention to strengthen it. Mechanisms should be developed to ensure that it plays a catalytic strategic role in articulating the provincial and local government matters. Ways of strengthening the representation of provinces, the SA Local Government Association and the National House of Traditional Leaders should be considered.

Hon Chairperson, we are raising all these issues that matters before us are critical and require ongoing debates amongst ourselves as special delegates to this august House. There is no doubt that over the recent past, greater and meaningful attention of this House and its various structures have been seized with the forging of a shred strategic vision and perspective on how to rise to the challenges of reclaiming our rightful place at the cutting edge of integrated co-operative governance. Key among these qualitative strategic strides are: A purposeful and strategic dialogue on the state of the local government; a critical shift on the bias towards the provinces and local government in the use of instruments of oversight like questions and plenary debates; significant increase in the appearance of Ministers, MECs and the organised local government in the NCOP to facilitate the consideration of issues of public interests that affect the provinces; a

multistakeholder refresher workshop that includes the academia on the fiscal and budget oversight recently organised by the NCOP.

Chairperson, it is worth conceding that, successful as these critical milestones are in the opening of new possibilities for political and institutional transformation and repositioning of the NCOP, they have equally thrown into sharp focus new conceptual and strategic questions going forward.

Key among these are: What is our understanding and conceptualisation of the oversight role of the NCOP, distinct from the National Assembly and the legislatures in fiscal and budget oversight? Within the context of our defined mandate as the voice of provinces and local government in the national policy discourse, how do we carve our strategic niche in terms of facilitation of public involvement and participatory democracy? What are the requisite development and training competencies and skills critical for the NCOP members to discharge their constitutional functions, and how do we institutionalise this in our planning and resource allocation? As we said, previously, against what test should we define and measure an activist people’s Parliament, as we believe that an active people’s Parliament should play a critical role by being responsive to the needs of the people at all material

times? In the final analysis, how do we move towards an outcome- based planning and oversight architecture against which the country can measure our successes and failures?

Chairperson, it is my honest submission that, to the extent that we do not provide answers and forge a shared perspective on these fundamental questions, the more we open ourselves to arbitrary choices that can reverse all our past gains. By arbitrary choices we mean the tendency to conduct our business on the basis of political expediency without defined standards, norms and frameworks.

The Whippery of the NCOP as a critical consultative forum to forge strategic convergence and consensus among the provinces and political parties on pertinent issues of the business of the House has a long way to go in providing this strategic and political leadership on fundamental questions. In doing this, we have to continue tap on the expertise, wisdom and leadership of this institution from different fronts, namely; the Presidium, the Committee of Chairpersons, the House Chairpersons for International Relations, the Whippery and the provinces and Salga.

Chairperson, in so doing we need to draw on the wisdom of law, especially as it relates to critical areas of our work where there are reported legal precedents set by our courts of law, for instance, the Constitution enjoins the NCOP to facilitate public involvement and other processes of the Council and its committees, that section 72(1). What does this mean in theory and practice? We don’t pose this question in a vacuum, but against the background that I am not aware of any legal test of this notion in the law reports as most of the legal precedents on the public participation are very specific to provincial legislatures.

Chairperson, it is my humble submission to this august House that, politically, the constitutional imperative for the facilitation of public involvement by the NCOP presupposes, first and foremost, the public hearings where the NCOP brings under one roof all the three spheres of government in an open and transparent manner on any pertinent issue of public interests that affect the provinces.

What should be further tested and ascertained is the extent to which the NCOP can duplicate the public participation processes of the National Assembly. This is critically so

because, in contrast to the National Assembly the NCOP also has a particular defined role.

Hon Chairperson, we implore this platform today, to make decisions that prioritize the strengthening of our Parliament towards improving oversight for the benefit of our people. I do in many respects agree with speakers that have come before me that discussion on these should centre around repositioning our institution for the greater battles ahead. I thank you, Chair.

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

Chair, I have been listening attentively to everyone who has participated in this debate and it is clear that there is one common understanding, which is that it is in our own interest that Parliament should be a well-functioning ... and — possibly not in the interest of everyone — an activist Parliament that responds to the needs of the people. I am particularly in love with the phrase that the Chief Whip used in saying that as the NCOP we are finding ourselves at the cutting edge of the national discourse.

Allow me to acknowledge the contributions, particularly by hon Mahlangu, hon Nyambi, as well as the hon Chief Whip. I also

want to thank the members of the opposition, particularly the two ladies of the DA, for their inputs. It is enriching ... trying to actually advise us as to how we can take Parliament, or particularly the NCOP, forward.

One concern that I usually have is if someone speaks as if we are part of the collective but we are not as part of the collective if the collective does not do so well. However, I must say that this was quite an enriching debate. I want to be like the Chairperson who usually just says, thank you, everyone did very well, and it is good. So, I want to be like the Chairperson but unfortunately I have this way of being very analytical. I have this way of being very analytical and

... listens very attentively to what everyone says. However, I think with the insights and really the foresight that all of you have displayed, we can just do better.

I just want to mention that during the time we were busy with different activities, particularly during the time of the review of the Women’s Charter, we also had a kind of economic summit and we had the law reform summit. The communications department has actually been doing some surveys from time to time, and during the time ... since the beginning of the Sixth Parliament, and particularly since we restarted after the hard

lockdown, the NCOP has continuously and consistently been trending on the different media platforms for the kind of qualitative engagements that we have been having, through utilising the virtual platforms, but also through our committees being consistent and being able to hold departments accountable. However, also through the extension of our programme to ensure that we really bring qualitative debates, particularly on issues around, as the Chairperson mentioned in his input, the kind of engagement we had with the executive, from provinces as well as nationally. I think that has actually put us a little bit ... It has actually made us a little more than a stepchild because of the content and the contributions to the ideological debate, but really also because of the way that we as the NCOP have actually structured and put ourselves right there ... right out there, to ensure that we begin to address issues.

It will forever be a concern that the budget is being cut, also because of the way that the budget of Parliament has been structured. It will forever be a concern, and I think the presidium will continue with the engagement with the Minister of Treasury as well as the President with regard to the issue that Parliament should be acknowledged to be a specific arm of governance, so that Parliament should be ... In the provinces

we used to call it ... should be top-sliced with regard to the issue of the budget.

So, on behalf of the presiding officers, particularly myself and the Chairperson, I really want to say that, if at all we can engage in the way that we are engaging, I am sure that eventually we will all agree that we are on the right path and we don’t necessarily have to be negative about what we are doing. With that said and done, I really want to express my appreciation that for the first time I have the opportunity of being able to respond to the Policy Debate on Budget Vote No

2. Thank you very much.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Thank you, hon Deputy Chairperson, me Lucas. Hon members, that concludes the business of the day. Allow me to take this opportunity to thank special delegates, Ministers who participated today and everybody who has been part of the sitting since 10:00. Thank you very much. The House is adjourned.

Debate concluded.

The Council adjourned at 15:38.