**UNREVISED HANSARD**

**NATIONAL COUNCIL OF PROVINCES**

**FRIDAY, 4 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.

# ANNOUNCEMENTS

The CHAIRPERSON OF THE NCOP: Just to remind delegates that the rules apply and the processes are equally applicable for the virtual sitting.

Before we proceed, hon members, I would like to remind you of the following: Firstly, that the virtual sitting of the NCOP constitutes a sitting of the NCOP.

Secondly, that delegates in the virtual sitting enjoy the same powers and privileges that apply in the sitting of the NCOP.

Thirdly, that for the purpose of the quorum, all delegates in the virtual platform shall be considered present in the House.

Fourthly, that delegates must always switch on their videos.

Fifthly, that delegates should ensure that the microphones on their gadgets are muted and must always remain muted unless you have permission to speak.

Sixthly, the interpretation facility is active.

Lastly, that any delegate who wishes to speak must use the

‘raise your hand’ function.

Having done all of this, I’ve been informed, hon members and delegates, there will be no Notices of Motion or Motions Without Notice.

The hon delegates, before we continue with the policy debates I would like to welcome the Minister of Human Settlement, Water and Sanitation, and the Minister of Small Business Development and as well their Deputies as the House.

I’ve also been informed that there will be one debate on

Orders One and Two.

# APPROPRIATION BILL

(Policy debate)

Vote No 33 - Human Settlements; and Vote No 41 - Water and Sanitation

The MINISTER OF HUMAN SETTLEMENT, WATER AND SANITATION:

Chairperson, I would like to spend the better part of my speech in the water sector in the following aspect. Firstly, I need to emphasise the location of the responsibility of water to residence with the hope that hon members of this House will assist me in sending this message to assist the relevant authorities to take up their responsibility.

Secondly, I want to report to this house the progress we have made, both in the policy area and in the institutional reform of the department.

We are having some slight connection glitches due to load shedding. From time we will ask for your indulgence.

I want to bring to the attention of this House the problem I have in getting the necessary co-operation with the law enforcement agencies in dealing with my water boards, especially in the Eastern Cape. A case in point that I would like to bring to the attention of the members here are some of the criminal cases that we have laid against some members of the board which are not getting the necessary attention. We therefore want to indicate that we have reported both to SAPS, NPA/ Asset Forfeiture Unit, as well as the Hawks. This up to now have borne no fruits, in the matter of the outcome of Amatola Water Board.

We are very concerned about this especially when yesterday, the Special Investigation Unit, SIU, Chief Executive Officer, CEO, of had indicated they were having in getting any support Amatola Water Board in relation to the cases they dealing with from Amatola. Bearing in mind that the SIU is a constitutional body I was concerned when they made that particular announcement yesterday.

Chairperson, I want to commit to you that this is not the case and it will not be the case. I will make sure that we are able to sort this out. And we apologise to the SIU if we have not

been able to provide them with the necessary support that they require.

We are having load shedding problems here - On the first matter where we want to make sure that we get the support of the House in explaining the responsibilities of every sphere of government. I want to say that in the drafting of the Constitution, an approach was taken to create three spheres of government and these three spheres of government were a municipal level, the provincial level and the national sphere.

Across all levels of responsibility, an attempt was made to responsibility in line with the level of operation of a particular sphere.

In water, the local government level is given specific responsibility over potable water, for example, water for the citizens, households and any other enterprises in the area.

The national level has been given the responsibility for bulk and rural water and water security. Therefore, municipalities especially those are accredited with the status of water services authority are required to provide water to households and small industries. But strictly not my department as we have no jurisdiction over municipalities water.

The municipalities buy water from my water boards to supply to our citizens. This is a message that I would like to communicate to our people especially those municipalities that have been given the responsibility of ensuring that they have the authority and they are called water authorities. This is normally very difficult to communicate because for the people out there because anybody who is responsible for water must be responsible for all water.

The national government is the public trustee of the nation’s water resources to ensure that water is available in bulk, protected, used, developed, conserved, managed and controlled in a sustainable and equitable manner for the benefit of all persons.

At national level we have a primary responsibility to provide equitable and sustainable bulk raw water in an effective and efficient manner within the national and trans-boundary context to ensure the country’s water security as well as to regulate the provision of water and sanitation services.

I emphasise these constitutional responsibilities so that every citizen know where their responsibilities lie. We want our citizens to know that the primary responsibility of

providing with water is with their municipalities. Therefore, we urge them to support their municipalities. They are responsible for all your basic day to day essential services.

I would like hon members of this House who represent our communities to educate on these matters as well. So that they know where they are responsibility and where their rights lie.

The reason we call local government the most important sphere is because that is where the direct responsibility to our people lies for most of the basic needs the government provides. We can’t make it clearer. Therefore, we call for our citizens to support their municipalities and pay for your water use. So that the municipalities have the necessary reserves to pay our water board. Our biggest problem right now is that our municipalities are not paying the water boards.

On the second issue, which is the institutional reforms, that we have put in place in the water department is that we have established a disciplinary committee that is looking at cases of irregularities, which were reported to us. We have made great progress in this respect, the details of which will be reported to the select committee. We also in the process of reporting this with Standing Committee on Public Accounts

SCOPA. We have not had success in getting a date with scopa because of their busy schedule and other unfortunate matters affecting the sitting of SCOPA. But we are very keen to report this to scopa to indicate our state of preparedness to deal with issues of corruption and irregularities that emanated from our sphere.

We have restructured the department, with a hope of making it more efficient and effective in responding to the people’s needs, and in line with our new Water and Sanitation Master Plan, a first of its kind in the water sector of this country. We have restructured our Water Boards too, in-line with our new policy on the appointment of boa

Thirdly, is the issue of corruption. We have acted on corruption in the water sector, with an unprecedented decisiveness and can report that so far as the case of the former CEO of Lepelle is concerned, this is before the courts and one judgment has been handed down. As I have indicated we still have not had the same success with Amatola. Therefore, I would like the House to note the lack of progress in the Eastern Cape. Our law enforcement seems to have a heavy lid lift on that particular area.

It is worth noting on a different matter that most of our water boards are doing extremely well. We have received unqualified audit in almost all of them except one. And there is one outstanding. This is something that we would want to celebrate to ensure

We also want to bring to your attention that last week went to the Northern Cape where the Sedibeng Water Board had successfully completed the Northern Cape Drought Relief Project. This was achieved through working with the farmers and communities throughout the province. Sedibeng also brought a new implementing model, which has managed to raise R2 billion to date. This happened through rebuilding lost relationships with the mining houses, thus developing a partnership of development. Sedibeng water is moving in the right direction after many years of downward spiral. And my congratulations to them.

I am pleased to report that we have made a significant progress on the matter of the Vaal intervention. In line with the recommendations of the South African Human Commission, we have used section 63 of the Water Services Act, to take over the functions of the municipality over the Vaal River. We have therefore resorted to call upon section 63 of the Water

Services Act and we are directly responsible of the Vaal river now and the upgrades that needs to take place almost immediately.

Rand Water has been appointed as the implementing agent in this intervention. We have established a very good relationship with the community of the Vaal because we want to work with them in solving the problems. I want to thank them for their patience with us. It has taken a long time for them in an affected area for us to get to this point. But we are here now and we want to get their support to move forward to make sure that the matter of the Vaal is put to rest.

Our Water Master Plan will serve before the Cabinet soon, and we will also bring it to this House, because this is our blue- print for the future. The waters infrastructure backlog is huge and it’s a known fact that the fiscus is strained.

As the department we will be driving policy direction that will create fertile ground for private sector partnership and participation. This policy direction will focus on identification and packaging of viable capital projects and operations and maintenance initiatives in partnership with all other relevant government departments and municipalities. This

will require integration of funded public resources that will open doors for the private sector participation. I will announce details of these in due course, but it’s time for the private and banking sector to partner with the department towards the provision of sustainable water services for all in South Africa.

Chairperson, I would like to move to the matter of human settlements because for some reason I am stuck with these two matters and how to juggle them has been a big problem.

On the matter of human settlements, we have not had an exciting year. We cannot boast of our housing yield. However, we have realised that in some instances this is a very resilient industry. Unfortunately, a great number of businesses that have made it possible for us to achieve what we have achieved did not fare well. We intend to support them to get back on their feet. The COVID-19 pandemic has taught us on the one hand how to make do with what we have and on the one hand it has made us realise the resilience of our people, their ability to rise above their differences and work together.

We experienced several tragedies in the area of human settlements, the first being the cyclone that destroyed several homes in Mthatha. The second one being the fires in Masiphumelele and Taiwan. The response of our people was amazing, so too was the working relationship between the three spheres of government. I must congratulate the three spheres of government in Cape Town. For the time we were working on this we had a good relationships and I hope that it continues.

The most painful of the tragedies that we experienced in Cape Town was the deaths of the four young boys who died in Vukuzenzele. Vukuzenzele is an informal settlement that has been waiting to be upgraded for many years. And we waiting to give a priority to make sure that we can indicate to our communities there that this will not happen again. we should not have young people dying because of slow pace of delivery in our country. We partnered with the municipality and the provincial level in the Western Cape so that we can give them necessary support. The informality in Cape Town is shocking.

Our sincerest condolences go out to the loved ones of those who lost their lives.

Over the next three years an amount of about R10 billion has been ring-fenced to accelerate the upgrading of informal settlements. The rapid growth of informal settlements in all major cities and towns necessitated a review of funding frameworks. The department has created a dedicated Upgrading of Informal Settlements Grant Funding Framework exclusively set-up to address adequately the upgrading of informal settlement challenges in our country. We are very confident that these strategies and interventions will undoubtedly add the much-needed stimulus to our Economic Reconstruction and Recovery Plan to revive industries and the economy.

This year, there are 679 informal settlements planned for upgrading by the provinces and 344 informal settlements targeted by metropolitan municipalities. In the Eastern Cape the number of informal settlement that we intend to upgrade is 115, Free State 49, Gauteng 73, KwaZulu-Natal 57, Limpopo 69, Mpumalanga 49, Northern Cape 11, North West 148, Western Cape

111. In total, we hope that within this financial year we will have upgraded 679 informal settlements.

In line with this, we are intending to ensure that we can give the municipalities especially those that have the status to provide services and upgrades in the amount of money that we

are providing to them. In this regard, in terms of the Division of the Revenue Act, we are giving a total of R588 million was stopped from the following provinces. The

Eastern Cape, R338 million, Free State R100 million, Limpopo R50 million and North West R100 million.

The stopped funds which were allocated to the following provinces have now been reallocated. We have taken a R100 million from Gauteng because they were not being able to use it, we have taken R138 million from Limpopo and reallocated it to other provinces, we have taken R200 million from Northern Cape and reallocate it to other provinces and we have taken R150 million from the Western Cape.

After several discussions and meetings, the Metros were requested to submit the recovery plans. Due to the non- credibility of the plans for Mangaung and City of Johannesburg, it was agreed that R300 million be stopped from each of this Metros and be reallocated as follows. Buffalo City R200 million from this reallocation, Ekurhuleni

R300 million from this reallocation, Tshwane will get R200 million from this reallocation.

Over time, our resources have become ever more limited, while the need continues to grow for housing especially in informal settlements. This has hampered the volume and pace of delivery. As a result, more calls have been made by South Africans to also allow them to build their own houses. The land release programme that we have adopted is a response to both the challenges that have faced our people and opportunities that are being to given to our people.

We are not just giving our people land, we must support their efforts in making sure that they build homes to create wealth. Thus extend the necessary instruments and assistance as follows. Firstly, we want to adapt our legislation to allow for various interventions and instruments to support people to build their own homes on the land that has been released to us. Thankfully, through the programme that the Deputy President has been chairing.

We had requested that most urban land be given to human settlements. We are yet to see the outcome of that. but land parcels had been given over to us and we want to use them, to partition them and make sure that we can allocate land to our people and make sure that we assist those people to build houses.

We have a Zenzeleni Programme and a voucher scheme programme which will help us help these people build their own houses. We want to review the built environment regulatory frame work to allow people to build more easily. While not compromising safety and quality of services.

To accommodate this concern, national guideline will be developed to allow the cost of building and complying with regulations to be more accommodative. We shall accelerate the provision of interventions, products and financing instruments to support people who build their own houses and create wealth. We have an owner-build voucher scheme that is one of the instruments that is refined to assist this.

We shall continue to promote new technology for those house constructions and the many cutting-edge innovations that we are currently exploring. The rate at which our informality is growing is shocking. For us, to be able to ensure that we are able to deal with this matter, we are opting for innovative solutions.

Innovative service technology shall be mainstreamed including renewable energy, rainwater harvesting etc so that people can improve their living conditions.

The human settlement sector is still not inclusive as we would like it to be. And we are trying to break this sector meaningfully. We have made every effort to ensure that we overcome the exclusion of apartheid. Government has land and it can and it should be made available to people who need houses and ensure that we are an inclusive society to the extent that it is possible. We are working on this and we will make this available as soon as possible.

As I have indicated, our land release programmes is at apace and developing very well. We are committed to ensuring that those people who are able to build their own houses and have been allocated land are assisted appropriately to make sure that their efforts can be satisfied.

The department intends to promote local enterprises and create job opportunities within the areas of building material manufacturing and supply in order to support local small, and medium business enterprises. Towards this end, the department will focus on the development and accreditation of building material suppliers. Through this process, the department will make use of unemployed graduates especially those trained through the human settlement’s programme.

In support of the Presidential call of 40% set aside for women contractors, the department is developing guidelines to be in line with the constitutional provision as outlined by the Constitutional Court. It is therefore critical to top slice a certain percentage of an incubator programme. The Comprehensive Guide to Contractor Registration, CIDB, grading criteria is not aligned to the development of small and emerging contractors especially within human settlements sector and transformation objectives that are required.

Therefore, grading for capacity and capability for projects should be with National Home Builders Registration Council, NHBRC, as the regulator within the Human Settlements sect

Chairperson, we have a Mortgage Indemnity Guarantee, many South Africans, including public sector workers, still cannot access mortgage finance in order to own their homes, and in good areas. This has been as a result of very stringent requirements from the banking sector, including the risk aversity of banks to low-income earners.

The Human Settlements Development Bank is currently developing a mortgage guarantee scheme that will help first time low- income home owners, especially the so called “missing middle”, which mainstream banks have not been able to lend to. This

mortgage guarantee scheme is yet another effort to make sure people access mortgages on both new and existing homes. The mortgage guarantee will be designed to increase the appetite of mortgage lenders to lend to this group, especially public sector workers.

Chairperson, we have launched our project Finance Linked Individual Subsidy Programme, FLISP, and we are advertising it everywhere, we have shown that it is possible for low income earners to have a home and have a foothold in the economy.

Mr T S C DODOVU: Hon Chairperson of the NCOP hon Amos Masondo, hon Minister of Water, Sanitation and Human Settlements Ms Lindiwe Sisulu, your deputies hon David Mahlobo and hon Pam Tshwete, Chief Whip of the NCOP, permanent delegates of the NCOP, special delegates of the NCOP, ladies and gentlemen, during the last 27 years since the advent of the new government dispensation when the ANC came into power, the ANC- led government implemented various human settlement and water management policies and strategies in order to reduce housing backlog, to ensure universal access to quality water services and to provide sanitary facilities especially to the poor people of our country. The ANC was driven by the need to correct the human settlement imbalances and the deleterious

effects created by apartheid policies to reduce the housing deficit, to make the housing finance system effective and to establish compact, sustainable and integrated communities.

These policy interventions were necessary in order to address the exclusion of the significant proportion of the population from economic opportunities and social services which had to do with the form of human settlement patterns: low-density, high income, well serviced white suburbs close to work areas; and large, impoverished, sprawling, poorly services and black townships on the urban periphery and in the rural landscape of South Africa.

The Human Settlement Budget Vote 33 and the Water and Sanitation Budget Vote 41 for the 2021-22 financial year, we are considering today in this House of Parliament, indeed, seek to continue the journey that Nelson Mandela started in 1994 - journey of eradicating informal settlement and of building sustainable human settlements, a journey of providing sufficient, reliable, clean water especially for the poor and to support socioeconomic growth of our country. Indeed, a journey of reducing the sanitation backlog and ensuring universal access to sanitation.

On the 28 May 2021, our select committee engaged with the Department of Human Settlements with regard to Budget Vote 33. The department presented its mid-term strategic framework as well as its annual performance plan and budget allocation for the financial year 2021-22 financial year.

On Programme 1, which deals with administration, our committee feels that the department must continue to provide strategic leadership and effective management especially in attaining unqualified audit opinion, comply with statutory prescripts and implement its internal audit plan, its antifraud and corruption plan and its information and communications technology ICT and the risk management plan.

On Programme 2, the Integrated Human Settlement Planning and Development, the view of the committee is that the department should effectively manage the development of policy, planning and research, oversee the delivery of the integrated residential development programme and coordinate intergovernmental partnerships with stakeholders.

On Programme 3 that deals with informal settlement upgrading, the committee is of the view that the department must fully utilise the newly created informal settlements upgrading

partnership grant to upgrade and formalise more than 300 settlements in each year over the medium-term and deliver

180 000 stands with access to municipal services to our people.

On programme 4, that deals with rental and social housing, the committee feels that the department must fully promote the provision of affordable rental housing, monitor the performance of the Social Housing Regulatory Authority, develop capabilities in the rental housing sector through intergovernmental collaboration and evidence-based research, complete the evaluation study on Rental Housing Tribunals and implement the Human Settlements Capacity Assembly Programme.

The last programme of Human Settlement Which deals with affordable housing, the committee feels that the department must effectively monitor the provision of affordable housing finance, monitor the market trends, develop research and polices that respond to demand for housing and must oversee all the housing finance entities that report direct to the Minister.

The select committee welcomes and supports the 2021-22 annual performance plan and budget allocation of the department.

However, it raised concerns related to incomplete housing projects; noncommunication with metropolitan municipalities especially the Buffalo City Municipality on the accreditation process. It must address the backlogs of titled deeds. It must intervene in slow process of filling vacant positions of board members of the public entities accounting to the department.

Again, the concern of the committee is with regard to the increased budget allocation for the utilization of consultants, monitoring of quality of houses built before 1994 and post 1994 and the provision of clinics, schools, community facilities and other social amenities where these houses are built.

Based on the above, the select committee recommends the following with regard to the Department of Human Settlements.

The department should provide the select committee with the provincial breakdown of titled deeds in the municipalities. The department should investigate and provide support to municipalities in the distressed mining towns and cities especially in the Matlosana Local Municipality where project expenditure seems to be more than the actual delivery. The department should fast-track the process of filling vacancies of members of the board of entities accounting to the

department itself. The department should provide timeframes on all the planned research as contained in departmental programmes and performance indicators. The department should provide quarterly reports on the progress and challenges relating to the achievement of the performance indicators contained in the 2021-22 annual performance plan and Medium- Term Expenditure Framework, MTEF budget allocation. The select committee will align its 2021 parliamentary programme with the outputs and performance indicators of the department. The select committee will during this financial period conduct proactive oversight visits to selected provinces in order to monitor the implementation and completion of the housing projects and the title deeds in the local municipalities.

On 14 May 2021, our select committee engaged with the Department of Water and Sanitation with regard to Budget Vote

41. The department presented its mid=term strategic framework as well as its annual performance plan and budget allocation.

On Programme 1 that deals with administration in the Department of Water and Sanitation, the committee noted the output indicators of the programme to include performance and financial information related to targeted procurement budget spent on youth, women and people with disability as well as

the implementation of financial recovery plan and the as well as the international relation programmes.

On Programme 2, water Resource management, the committee supports the department in its efforts to ensure that the country’s water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and the environment.

In respect with programme3, water Service management, the committee supports the department in developing, rehabilitating and refurbish the raw water resources and water services infrastructure to meet the socioeconomic and environmental needs of our country.

On Programme 4, that deals with the allocation for infrastructure programme, the committee noted that in this regard, the department will ensure the allocation of the regional bulk infrastructure grants, water boards allocation and water service infrastructure as well as its implication to local government.

In view of the programmes of the Department Of Water And Sanitation, the committee welcomed its 2021-22 annual

performance plan and budget allocation of the department. The committee has noted that the annual performance plan has been aligned and integrated very, very well with the medium-term strategic framework as well as the 2021 state of the nation address by the President.

However, the select committee has observed, noted and raised several concerns about the performance and budget information contained in the 2021-22 annual performance plan, and these include the following. The allocation to consultants especially business and advisory services has increased from R37 million in 2020-21 to R65 million in 2021-22 financial year. The allocation to travel and subsistence has increased substantially from an allocation of R2,8 million in 2020-21 to R44,8 million in 2021-22 financial year. The department has not yet appointed some of senior management positions such as the director-general and the chief financial officer. There is incomplete water related projects that need to be given the necessary attention.

Despite the concerns raised, the select committee has noted and generally welcomed the progress made by the department especially in stabilising the water boards as the Minister has already indicated during his speech this morning by ensuring

that all the water boards are taken through openness and transparency process of appointing people with the requisite competencies’, skills and qualifications to serve in the appointment of competent, skilled and qualified water board members and the committee welcomes that very, very much.

In view of the abov e, the select committee makes the following recommendations. The Department of Water and Sanitation should fast-track the process of appointing director-general and other top officials. The department should provide the provincial update report on the status of water and sanitation projects including the support provided to the municipalities like the Madideng, JB Marks and Dr Ruth Segomotsi Mompati. The department should provide progress report on how it has resolved issues around the War on Leaks programme. The department should provide quarterly progress reports on achievements of outcome indicators as contained in the 2021-22 annual performance plan and budget allocation. The select committee will during the 2021 financial period conduct proactive oversight visits to selected provinces in order to monitor the implementation and completion of water projects because that is very, very important.

As we navigate the difficult tasks of providing sustainable human settlements, water provision and sanitation to our people, we are proud that the political leadership of the departments led by Hon Sisulu continue to direct its efforts to ensure that there is stability, especially financial stability and good corporate governance including to the entities under the departments as the Minister has reinfotrced and underscore this point this morning.

Going forward, we must ask ourselves what kind of leaders we need in our provinces, municipalities and public entities that must take our country forward? What constitutes leadership?

What does we mean when we say we have entrusted someone with the responsibility to lead? What does it mean when we say we have entrusted some people with the responsibility to lead us

, especially in the Human Setlement sector and the Water and Sanitation sector? In our view we think that leaders are the shepherds and not the sheep. Shepherds are expected to guide, direct, protect and point to a path. They cannot follow wherever the sheep want to go. Sheep may want to cross a public road in search of greener pastures. But if shepherd notice an oncoming car, should he let the sheep to cross the road or is it his responsibility to ensure they do not cross, even though they agitate to do so?

True leadership is about being willing to swim against the tide; it is about climbing the tallest tree to get a better view; it is about casting your eyes beyond your toes while tripping on the obstacles along the way; being the north star to the wandering travellers; saving the crew of a sinking ship, even when to do so could lead to death. This is what we need in respect of Water and Sanitation as well as Human Settlement. Even parents do not indulge every whim of their children. It is their duty sometimes to say no, even if the child kicks and screams for whatever takes its fancy and seems nice to have at the time.

To students, teachers are like directors to a cast. Sometimes they must ask learners to do what they might not like doing – homework, reading the classic, calculus or even punishment for transgressing certain values. This is what we need to inculcate in terms of taking particular centre forward.

Even in the military, leaders may be called on to issue unpalatable orders which may not be explained until the danger has passed. If an officer spots a sniper aiming at his men, he will not first explain the danger, thereby eliciting panic. He will instruct his troops to take cover and only later to

explain the danger. That is what we need in this particular instance.

When the fire breaks out in a public place, those in authority do not shout fire and engender chaos. They direct the traffic to an outlet only to explain later to people when it is over.

These are examples of what leaders may sometimes be called upon to do. Leaders may have the unenviable task of doing what is unpopular, disliked, resented and opposed by society or even by the people they are working with them. But leaders need to search on and ensure that they achieve their predetermined objectives. We need such leaders in our provinces, in our municipalities and in our public entities to succeed in improving our human settlements, in the water provision and in ensuring universal access to sanitation.

In the current conjecture especially in the human settlements sector and in the water sector, we need revolutionary leadership to move our country forward. We must reaffirm what the American couple and activists, James and Grace Lee Boggs said in 1974 in their book *Revolution and Evolution in the Twentieth Century*, and I quote:

Revolutionary leadership, if made clear, involved far more than sympathy for the oppressed or hatred for the oppressor...... revolutionary leadership is not for the fainthearted, the flamboyant, or the fly-by-night, the easily flattered, the easily satisfied, or the easily intimidated, the seekers after excitement or popularity or martyrdom.... revolutionaries are those who would give the rest of their lives to it.

In that context, in what I think what must underpin our conviction is a commitment to ensure that we succeed. We support the department in its endeavour to ensure that they provide communities with proper human settlement with good habitation for our own people. They must also do this in terms of ensuring that we succeed in terms of water provision. This country has made a lot in terms of achieving those particular goals but they still more to do to ensure that those wo do not have access to water [ Time expired.]

Mr I M SILEKU: Hon Chairperson, hon Minister, hon members, fellow South Africans, I have listened to hon Dodovu attentively. What hon Dodovu omitted to say is that, when we engaged with the department on this particular Budget Vote -

33 - Human Settlements, and the APP, on 28 May, is the dismay

and dissatisfaction that we as a committee felt because both the Minister and the Deputy Minister were not present. Last week, we celebrated the 25th Anniversary of our Constitution. Our Constitution is one of the most celebrated and lauded in the world. It is committed to serve every South African on every aspect of their lives in the spirit of Batho Pele, the principle of putting the people first.

The Department of Human Settlements derives its core mandate and responsibilities from section 26 of the Constitution and section 3 from the Housing Act No 107 of 1997.

These pieces of legislation force the national department to drive an effective and sustainable housing development process, in collaboration with provinces and municipalities. The department is subsequently responsible to facilitate the existence of housing development capacities in provinces and municipalities.

In 1994, after the democratisation of South Africa, the then Minister of Housing, Minister Joe Slovo had every intention to create houses for our people when the government created the national housing strategy and plan.

That intention unfortunately faded with every passing year, particularly when Ministers come to us with their grand plans, to put housing on the right path, when in actual fact we see little commitment en meer agteruitgaan [and more deterioration].

Recently, I asked the Minister in writing how many provinces will not spend their housing allocation. The response was, the pre-audited expenditure of provinces on 31 March 2021 amounted to R14,7 billion, which is 96% of the total available funds

and that R552,6 million could not be fully spent by seven provinces.

We cannot celebrate housing in this country when seven provinces failed to spend their budgets. The reality is that, in these seven provinces: Eastern Cape, Free State, Gauteng, Limpopo, Mpumalanga, Northern Cape and North West, our peoples constitutional right to live in dignity is being violated.

*Afrikaans*:

Die sewe provinsies het een ding in gemeen, dit is provinsies waar die ANC regeer.

*English*:

As much as the budget reduction over the medium term is apparently the result of the covid-19 pandemic

*IsiXhosa*:

... ngelishwa, ukungenzi kakuhle kwesebe kwiminyaka edlulileyo kuye kwanalo igalelo.

*English:*

The strong reliance on consultants, undermines capacity- building through public-private partnerships in municipalities. The material findings in the Auditor- General’s, AG, report for 2019-20 begs for interventions that will force the department to deliver on its mandate.

The AG found that the department’s leadership did not monitor performance, information reporting, and subsequently, efficiency and effectiveness.

The department developed a plan to act on the findings of its performance information, but the AG still found that senior management failed with the implementation of the plan.

Once again the HR plan was not fully implemented by the end of the 2019-20 financial year. This lead to a 68% implementation rate reported in the department’s annual report for that year.

In a typical ANC style, the department failed to take responsibility and to act on failed management. Instead, it increased its allocation for consultants under each of the five programmes. This is a graphic illustration of how the department lacks the internal capacity or skills to deal effectively with Housing.

The reason for the entity’s poor performance is bad governance, and even worse administrative noncompliance. This, coupled with low staff morale, set the Housing Development Agency up for failure.

Inadequate systems lead to the failure to identify and recover irregular, fruitless and wasteful expenditure; the incurring of unbudgeted expenditure and the contravention of section 54(3) of the PFMA.

Projects such as the multimillion-rand shack project in Limpopo is an insult to our people. Minister, wat ‘n skande! [What a shame!].

The title deeds restoration grant intended to eradicate the title deeds backlog by 2020-21. It was declared a priority programme for the department. At the end of 2020-21, the title deeds restoration grant concluded without the backlog being eradicated.

Minister, how will the backlogs be addressed going forward. Surely you realise that title deeds are extremely important to poor families as houses serve as assets against which loans could be obtained to improve their dire circumstances.

Minister, do you realise that the state subsidised housing program fails its purpose without title deeds and real ownership. It opens beneficiaries up to exploitation and financial losses.

Minister, do you realise that there is no specific compliance with the delivery of houses for military veterans. Weereens, wat ‘n skande! [Once again, what a shame!]

Minister, your erratic dealings with the boards does not inspire confidence particular, when local communities take governments to court for noncompliance on service delivery and

poor infrastructure. These residents know what we know; it is time for change.

Your threat to hon Basson that you will meet him in court does not reduce the unemployment rate, especially amongst young graduates that are South Africans binne en buite. [Inside out.]

Your ambition to become the President of the country and the ANC ...

*Afrikaans*:

... werk ook nie vir ons nie, want dit vat jou fokus weg van jou taak. Minister, kry asseblief u prioriteite reg.

Iewers in die land is daar ‘n provinsie wat slaag om dinge te laat gebeur en waar munisipaliteite die mense se behoeftes eerste plaas. Daardie Provinsie is blou en dis die Wes-Kaap.

*English*:

When the Minister concludes the debate, all you will hear from the ANC is “malibongwe” and the clapping of hands. They will, in fact, be clapping for failure. They will again become nothing but cheerleaders in the Council.

We cannot tolerate a situation where the majority of provinces are not rendering services to our people and the only progress evident is where the DA governs provinces and municipalities. I thank you.

*IsiXhosa*:

Enkosi.

*Afrikaans*:

Baie dankie.

Ms S SHAIKH: Thank you very much hon Chairperson and greetings hon members, Minister and Deputy Minister. Hon Chairperson, providing access to clean water for all has been the goal of the ANC since 1994 but this objective can also be found in the Freedom Charter which states “There shall be houses, comfort and security” this encapsulates the need for water supply and rights.

As our 2019 Election Manifesto correctly outlines: “We are building a capable Developmental State that has improved the lives of millions of our people. Few countries in the world have succeeded in expanding vital services such as water,

sanitation, electricity, roads and housing to so many people

in such a short time”.

Thus, as the ANC, in our 54th National Conference, we resolved on the need to ensure that “water provision must be addressed as an integral part of human settlements”. The tabling of the Budget Vote 33 and 41 happens at a time where our country is experiencing economic challenges due to Covid-19 and the re- adjustments of the budget spending priorities have changed significantly. And we must equally commend the Department of Human Settlements, Water and Sanitation and its supporting entities in the revised Annual Performance Plans, APP, and Strategic Plans to ensure that the targets and priorities are aligned with the Budget Vote 33 and 41 and the Medium-Term Strategic Framework.

In the state of the nation address, the President highlighted pertinent key strategic areas for the year: which are Defeating Covid-19, accelerate economic recovery, implement economic reforms to create sustainable jobs and drive inclusive growth and fighting corruption.

Furthermore, the Department of Human Settlement, Water and Sanitation has many challenges such as*,* spatial

transformation, issuing of title deeds and water challenges. South Africa is a water scares country and the department together with its supporting entities are working towards ensuring water security for all.

The department will focus on regulating and managing water resources; and providing integrated and sustainable water services management, infrastructure planning and development over the Medium Term Strategic Framework. The department will continue to conduct technical regulatory assessments on the provision of water services. These valuations measure the level of compliance with the Green and Blue Drop regulatory standards.

As such, the department plans to assess 963 wastewater systems in 2021-22 and determine the resource quality of the uThukela River system in 2022-23. There were many important indicators that the President touched on in the state of the nation address 2021. The Department of Human Settlements, Water and Sanitation contributes towards achieving these priorities and will continue working and implementing the priorities with the allocated budget for 2021-22 using tools such as the District Development Model and Operation Vulindlela to accelerate service delivery.

The government` is determined to implement the measures that will fundamentally alter the economic structure and grow the South African economy. Hon Chairperson, infrastructure is one of the most important indicators to support the country’s economic growth and social objectives to improve the living conditions of the people of South Africa and also work towards eradicating poverty, inequality and unemployment in our country. Since the announcement of the Economic Reconstruction and Recovery Plan, two major human settlements projects have been launched that will provide homes to almost

68 000 households in the Gauteng province. Furthermore, similar human settlements projects are planned in other provinces.

The Covid-19 pandemic has significantly impacted the economy and forced us to adapt to a new normal that we have never anticipated in our lifetime. Water is one of the key solutions in fighting against the spread of Covid-19. For instance, washing of hands is a critical precautionary measure. It is important that the department ensures there is water for socioeconomic development in South Africa.

Subsequently, the ongoing progress being made on several major water infrastructure projects: The Mokolo and Crocodile River

Phase 2A and the uMkhomazi Water Projects in particular. The Mokolo and Crocodile River Phase 2A project is currently underway with the construction contract set to be awarded in the 4th quarter of the 2020-21 financial year. This project will also contribute towards reducing unemployment, and alleviating poverty and inequalities in our communities.

Hon members, it is the ANC’s commitment for our communities to be served by water tankers where permanent infrastructure is not yet provided to the community and we want to congratulate the department and the Rand Water for coming up with innovative ways to distribute water to the most far-reaching areas by distributing water tanks, which will be filled with water readily available for all vulnerable communities in our country. Such interventions illustrate that in the mist of our challenges we will ensure that the poor and vulnerable get access to water by all means possible.

Amongst the challenges impacting on the department’s capability is the issue to continue to improve equitable access to water resources, the department aims to process 80% of the water use licence applications it receives within 120 days in each year over the MTEF period. The department will also have to revise the APP and strategic plan with this

target to be within the 90 days as reported by state of the nation address 2021.

Hon members, allow me to soar into some of the key aspects of the Budget Vote. Our people would like to know how much is allocated to this budget and how it would improve their lives. Budget Vote 33 and 41 seeks to ensure the availability of water resources to facilitate equitable and sustainable socioeconomic development, and ensure that we provide decent housing and shelter for our people.

With the revised strategic plans and APP of the department and the supporting entities the tabling of the budget 2021 for Human Settlements has increased by R1,2 billion. Moreover, Programme 3 on the Informal Settlements Upgrading programme, experienced the only increase in allocation, from

R648,2 million in 2020-21 to R8,42 billion in 2021-22. The budget allocation will enable the department and the supporting entities to keep doing the great work and accelerate services to the people of South Africa.

Hon members, it is important to give credit where its due, we must applaud the provinces namely: Mpumalanga, Gauteng, Northern Cape, Western Cape that have been using their Human

Settlement Development Grant to ensure changing of the people’s lives is really adhered to and implemented. Also, as the ANC we are aware and alarmed by provinces that underspend their Human Settlement Development Grant, as the demand of housing in South Africa is immense and our people are expecting us to work together and deliver.

The department and its supporting entities will continue to transform urban planning and management that changes apartheid spatial residential patterns, allowing our people to live close to economic hubs for a better and transformed life with appropriate recreational and sports facilities, other socioeconomic amenities and the necessary public transport systems.

In terms of investing in 94 Priority Human Settlements and Housing Development Areas for spatial transformation and spatial justice, 136 PHDA’s were declared by the Minister of Human Settlements for human settlements development.

Hon members, we are excited that the Informal Settlements Programme was managed in 9 provinces by guiding planning to metros in respect of Urban Settlements Development Grant business plans, monitoring programme performance of provinces

and metros based on approved business plans, convening Weekly Human Settlements Command Centre and Operation Sub-Committee meetings and reporting on programme performance. This will ensure there is progress in transforming the lives of our people.

On the pathway of building a capable state as defined by the National Development Plan, the role of state entities and agencies remains a very important pillar of our democracy and link to achieving the developmental goals that we have set for ourselves. Conversely, the triple challenges of unemployment, inequality and poverty are at the core centre of government departments and how we can eradicate the challenges facing the people of our country. In the Department of Human Settlements, Water and Sanitation we have supportive and progressive supporting entities and catchment agencies that are working closely with the department by playing an effective role in ensuring the MTSF goals are achieved.

We as the ANC applaud the department, under the leadership of Minister Sisulu for the work done thus far in supporting the MTSF outcomes, we also acknowledge there are fragments that require improvement like the use of funds so as to avoid

wasteful expenditure, good governance for performance and effective transformation.

We acknowledge the efforts of the Minister to improve accountability and performance of entities. This includes addressing of all forms of malfeasance to improve project delivery objectives and programmes.

We want to applaud the supporting entities for the developmental work provided by the department for the people. The Housing Development Agency, has an important role in the current human settlements delivery chain, one of the newest targets entrusted to the agency is the Bucket Eradication Programme. The agency has been in a broil of challenges associated with underperformance, and governanmce etc.

The development of affordable rental housing is an important programme for the Medium Term Strategic Framework. We acknowledge the work done by the Social Housing Regulatory Authority thus far in relation to the Consolidated Capital Grant allocated to the Social Housing Regulatory Authority. The entity has been clouded with challenges relating to performance. This entity is responsible for allowing for the compression of our towns and cities, and ensures that people

begin their ascension into the housing ladder. It is therefore oversight interventions that we will ensure performance is applicable for the transformation of the lives of South Africans.

Hon members, this brings me to my next point of the increase in programme 2: Water Resources Management of R3,53 billion for 2021-22. This budget allocation will ensure that there is continuation of work and implementation of programmes for the financial year. The purpose of this programme is to ensure that the country’s water resources are protected, used, developed, conserved, managed and controlled sustainably for the benefit of all people and the environment. This is done by creating a knowledge base and implementing effective policies, procedures and integrated planning strategies for water resources.

Moreover, in programme 3: Water Services Management focusing on integrated water resources management, infrastructure planning and development of the Regional Bulk Water Grant and Water Services Infrastructure Grant, dominates the budget allocations under the programme, it is worth noting that the majority of these funds will be transferred to municipalities

for various bulk water infrastructure projects that will be carried out by district municipalities.

The 72 large regional bulk infrastructure projects will be under construction at various phases during the 2021-22 financial year, while 500 job opportunities will be created through the implementation of the regional bulk infrastructure projects. These targets are also in line with the state of the nation address 2021 with respect to the utilisation of the District Development Model to pursue and ensure there is alignment, as well as monitoring as part of performance management and fast-track service delivery. Since the dawn of democracy, the Department of Water and Sanitation has been fundamental to the economic development and social wellbeing of the country striving to provide sufficient, reliable, clean water to socioeconomic growth. Therefore, hon Chairperson the ANC supports this Budget Vote. I thank you very much. [Applause.]

Ms M MASEKO (Western Cape): Thank you very much, Chairperson. Hon Chairperson and fellow South Africans, the Western Cape government has consistently made to be the best run provincial government and our residents reap the benefits. The provincial Department of Human Settlements has proven track record which

shows just how effective the department has been in delivering housing opportunities to those who deserve it most. Since the 2017-18 financial year the Western Cape has delivered more than 26 000 top structures and approximately 24 500 service

... [Inaudible.] In a four-year period more than 50 000 housing opportunities have been delivered to deserving beneficiaries. For the 2021-22 financial year, the provincial department has a budget allocation of just over R2,35 billion which will lead to the delivery of 14 596 housing opportunities. Our aim is to develop 6 324 service sites and

8 272 units.

We welcome the additional funding for the upgrading of informal settlements both for provinces and municipalities. Crucially the informal settlements upgrading partnership grant will accelerate the delivery of basic services to informal settlements and improve fire safety. In fact, more than 74 000 households in various informal settlements across the Western Cape will experience an improvement in their areas. Using our own provincial funding through the assets finance reserve, we will to transfer 8 110 title deeds to qualifying beneficiaries this year. This reserves allows the provincial government to empower residents through ownership opening the door to other potential economic opportunities. As the province with the

highest employment rate in the country, the majority of residents do not qualify for Breaking New Ground ... [Inaudible.] ... that is why the Western Cape has the highest number of social housing projects in the country which offer residents a savings of 50% and access to safe affordable housing. We will also continue to leverage the work of the department to create jobs and empower women and youth in the construction industry.

The department has committed to spending 50% of its human settlement development grant on small, medium and micro enterprise, SMMEs, particularly those owned by women and young people, and we will continue to train young people in various artisans’ disciplines in their ... [Inaudible.] ... environment. Through the Expanded Public Works Programme, EPWP, program at least 800 job opportunities will be created. However, Chairperson, we must address the issue of the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act. The Act mandates that government provide alternative accommodation when residents are removed from land. While the original intention of the law was to protect our residents that have settled informally, it is now used as a loophole that is being exploited and hamstrings the government. For example, land invasion at Driftsands Nature Reserve has led to

the development of the Covid settlements that 10 000 shacks which have been erected in the last year lying next to a flood-prone river, as rain season approaches lives will be at

risk. The provincial government is caught between a rock and a hard place as it cannot afford to relocate 10 000 households nor can we leave residence on this flood-prone.

In conclusion, Chairperson, I would like to call on the national government to urgently amend the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act. In its current form the Act empowers criminality rather than government and needs to be amended in such a way as to protect the interest of law-abiding residents. In the last year, the provincial departments spent R400 million protecting provincially old land parcels and units against land invasion which could have been used when excluding bulk services to create 2 400 and Breaking New Ground, BNG, houses. It’s not the only province that is facing this issue and we must prioritise the needs of deserving beneficiaries. While we recognise the need for housing, criminal activities cannot and should never be tolerated. I thank you, Chairperson.

Ms B T MATHEVULA: Chairperson!

The CHAIRPERPERSON OF THE NCOP: I will come back to you,

Mathevula, let’s start with Ngwezi first.

Ms B T MATHEVULA: Okay, I have got a problem of electricity cuts so ...

The CHAIRPERPERSON OF THE NCOP: No, we will give you time. Hon Ngwezi!

*IsiZulu*:

Mnu X NGWEZI: Sihlalo womhlangano, Nyambose, ngicela ukuba ngikhulume kodwa ngingaveli lapha kumabonakude ngenxa yezimo zenethwekhi.

USIHLALO WOMKHANDLU KAZWELONKE WEZIFUNDAZWE: Khululeka nje

ukhulume.

Mnu X NGWEZI: Ngiyathokoza kakhulu.

*English*:

Greetings to the hon Minister and the Deputy Minister and hon members, the development of an inclusive economy is an absolute priority for both Inkatha and there’s a people centred party and the whole of South Africa. Budget Vote 33 on

Human Settlements and 41 on Water and Sanitation go beyond the issues of political affiliation, race or economic status. They are about human dignity and the respect of fundamental human rights and rights that are enshrined in our Constitution. The Department of Human Settlements is mandated to establish and facilitate a sustainable process of housing development as provisioned under section 3 of the Housing Act of 1997. Yet, Statistics South Africa’s 2016 community survey presented that 11,4% of South Africa’s black population live in informal settlements with this proportion expected to have increased because of worsening economic conditions which have been recently aggravated by the coronavirus disease 2019, Covid-19, crisis.

In this light, the expected Social Housing Regulatory Authority decrease at an average annual rate of 6,2% from R1,1 billion in 2020-21 to R927,7 million in 2023-24 and Cabinet approved reductions amounting to R18,1 billion and R1 million could have negative impacts on subsidising affordable rental housing units for low-income to middle- income households. The party welcomes the National Home

Builders Registration Council’s plan to increase the enrolment of subsidy and nonsubsidy homes and increasing the number of homes inspections to protect consumers and better regulate the

home building industry. However, the IFP has reservations on the deteriorating legitimacy of regulatory and maintenance boards within the water and sanitation sectors. Poor governance and management at municipal and departmental level filters through to the management at off water boards which are unable to deal with aging infrastructure effectively and efficiently. Also, operational costs are challenged by debt owed to water boards, while their creditors rightly demand payments.

The department reported that municipal debts owed to water boards exceeds R8,6 billion and continues to rise. In addition, KwaZulu-Natal, especially eThekwini and Ugu District Municipalities have been consistently destabilised by water protests which is a shaming reflection on national priorities since access to water is a basic human rights, and I hope the Deputy Minister and Minister have seen similar occurrences at uMhlathuze here in King Cetshwayo, in uMkhanyakude, in Zululand and many other places with regards to the shortage of water. Within this perspective the provincial water master plan that was presented by the KwaZulu-Natal government in May 2021, to the province’s Co-operative Governance Portfolio Committee identified the lack of maintenance and replacement

of aging facilities as being central to the province’s water

crisis.

This a challenge that is not within the provincial and national government’s means to redress. Inkatha, therefore, proposes that Budget Vote 41 prioritises urgent maintenance of KwaZulu-Natal’s water infrastructure and that of the rest of the country. The party, therefore, with these concerns accepts Budget Vote 33 and 41 with earnest appeals to prioritise improving the capacities of water boards to promote infrastructure management and better governance.

*IsiZulu:*

Siyabonga Sihlalo noNgqongqoshe ukuba lezi ziphakamiso ezibekwa yiNkatha yeNkululeko laphaya kwikomidi elibhekene nomsebenzi othize zisheshe zithathelwe izinyathelo ngokushesha ngoba isimo sabantu nesamanzi angekho lapha ezweni lakithi ikakhulukazi kwaZulu isiphethe kabi kakhulu njengeNkatha.

Siyathokoza, Sihlalo.

Ms B T MATHEVULA: Chairperson, we are here. I’ve got a problem

of electricity cut, Chair. Chairperson, can you hear me?

The CHAIRPERSON OF THE NCOP: Yes, please proceed.

Ms B T MATHEVULA: Thank you very much, Chairperson. The municipalities owe R12,6 billion which 41% of that amounts to R9,9 billion and goes down the drain due to leaks and poor maintenance by your department. There is no credit control in municipalities to control and arrest the increase in debts.

Minister, we need to look at the water sector entities sustainability as they rely on government guarantees because they can’t sustain themselves.

Minister, you spoke about the master plan that will ensure that there’s water for all South Africans, but you didn’t tell us how are you going to bring water to rural areas, especially in areas such as Dr J S Moroka, Thembisile Hani, Albert Luthuli, Bushbuckridge, Giyani and all the municipalities in South Africa. Minister, water and sanitation is a human dignity, yet we still have areas without proper sanitation, it’s worse in schools.

The continuous sewer leaks in residential areas are never fixed in all municipalities. Minister, you said it’s not practical to install flushing toilets in every household in the foreseeable future. Are you saying to the country your department is failing to deliver sanitation to the people of

South Africa? In most schools in Giyani, they don’t have water

and proper sanitation.

Your priorities for this financial year on water infrastructure projects doesn’t even have one of the rural areas I mentioned. Thank you, Minister.

The CHAIRPERSON OF THE NCOP: Thank you Ms Mathevula. We will then move to hon Mahlobo, the Deputy Minister of Human Settlement, Water and Sanitation.

Ms B T MATHEVULA: Chairperson.

The CHAIRPERSON OF THE NCOP: Just hold on hon Deputy Minister. Yes, Ms Mathevula.

Ms B T MATHEVULA: Can you hear me, Chair?

The CHAIRPERSON OF THE NCOP: Sorry.

Ms B T MATHEVULA: Then the EFF rejects that Budget Vote, Chair. Thank you very much.

The CHAIRPERSON OF THE NCOP: Okay, thank you very much. Hon Mahlobo, please proceed.

The DEPUTY MINISTER OF HUMAN SETTLEMENT, WATER AND SANITATION

Mr D Mahlobo): Your Excellency Chairperson and Deputy Chair, Ministers and Deputy Ministers, MECs and hon members, Your Excellencies, Comrades and friends, during this eCOC Madiba’s words remain remains profound when he said, I quote:

Massive poverty and obscene inequality are such terrible scourges of our times, times in which the world boasts breath-taking advances in science, technology, industry and wealth accumulation, that they have to rank alongside slavery and apartheid as social ills.

He further said, “As long as poverty, injustice and gross inequality exist in our world, none of us can truly rest.” This pandemic, COVID-19 has exposed the global community for its failure to have a collective action to overcome and eradicate the scourge of poverty, injustice and inequality. We are very pleased that the vaccine has been found, that has actually have been produced in various countries to prevent the spread of this virus.

The downside, Comrade Chair, is the behaviour of some nations with greed and power, where they are accumulating more vaccines than they need, which is an apartheid protectionism. This apartheid protectionism is felt by millions across the poorest countries, mainly in our continent. We are commending His Excellency, our President, Ramaphosa, who is the champion for COVID-19 in Africa, working with India to ensure that there is a waiver, with respect to the Intellectual Property, IP.

This call is being supported by more than 100 countries now, including the United States, and France has joined the very same action. It is important that we actually look at our political behaviour, in order to be able to deal with this scourge of the pandemic. Chair, this month we will be commemorating the 45th Anniversary of June 16 student uprising, and we are very indebted to the generation of men and women that has brought the freedom we enjoy. We are also inspired by the words of Mr Nelson Mandela when he said, “young people are capable of bringing down the towers of oppression and raising the banners of freedom.”

While we are looking on issues of water and sanitation, it is very important to note that we still have a long way to go

before all people will be able to enjoy the essential human rights. Therefore, we must ensure that we improve the quality of water by reducing pollution, we must increase water-use efficiency, we must implement integrated water resources management, we must be able to support and strengthen the participation of local communities in improving water and sanitation management.

Your Excellency, Chair and members, the ANC-led governments over the last 27 years has done a lot to expand access to services to all those South Africans who were denied these services. Also, we must be able to indicate that the latest statistics by Stats SA in terms of general household survey in the years between 2002 and 2019, we have moved from 84,4% to 88,2% in terms of access, but at the very same time, with respect to sanitation we have moved from 61,7 to 82.1% in terms of access.

In the very same period, Chair, we must be able to indicate that there has been a decline by those who are paying for the services and our message is that, those who can afford to pay, they should pay for water so that we can be able to provide quality services. Despite all the advances that we have recorded, we are the first to admit that more still needs to

be done, especially in rural areas, where services and infrastructure are poor and in certain instances, non- existent.

In our urban areas, Chairperson, there is a continuous experience of service delivery disruptions or failures for a variety of reasons. If you look at the budget and the digital plans that are there, more money is being allocated by the ministry, so that we can be able to service the rural communities of Mpumalanga, Limpopo, KwaZulu-Natal, Eastern Cape and the other areas. Water is important for economic growth, and we must be able to note that without water and the network industries, it cannot become a bedrock, it is a catalyst and enablers for economic recovery.

When you look at the National Development Plan, NDP, and the Economic Reconstruction and Recovery Plan, ERRP, we are on track to be able to say that water is one of the apex priorities. Therefore, we want to request that we put more investment by both the public and the private sector to ensure that we invest in the supply of water and sanitation. We have a President that is fully supportive and he has appreciation of the importance of this particular matter.

Chair, one of the challenges we face is that, we remain a water scarce country. Our challenge is around infrastructure maintenance and investment, recurrent droughts that are driven by climatic change, inequalities in issues of skills shortages, and the need of engineers is very important. We are also experiencing the issues of non-revenue water, especially in the Eastern Cape, you will find out that the municipalities are wasting more than 50% and 20% in Western Cape.

A number of our water services authorities, at least a third of them, will not be in the position to account for the water they lose. These issues of water losses are caused by issues of operations and maintenance. The issue of ensuring that our environment is clean is very important. We need to deal with the issues of pollution that is caused by population growth, migration, urbanisation and infrastructure maintenance. Our task teams and enforcement teams are working very hard, and we should be able to produce the plans and be able to deal with those particular issues.

At the very same time, there is pollution caused by mining. The issue that we have underground water caused by acid mine drainage, we have a project that we have started in Witwatersrand, which will actually be cascaded in Mpumalanga,

Limpopo and Northern Cape, to deal with those particular issues. Also, we now have the Mine Water Management Policy, and we are working with sector departments to deal with those particular issues. To those who are polluting, we must indicate that the polluter will pay. We will not be able to tolerate people that will pollute our rivers and the water system.

Therefore, the polluter system and the waste discharge charge system is being rolled out this financial year, and it will go to the Vaal, Crocodile West Marico and Olifants water management areas. We should be able to cover the whole country by 2025. We are working with National Treasury, Presidency, Cooperative Governance and Traditional Affairs, Cogta, and *SA*

*Local Government Association,* Salga, in the establishment of an independent regulator. We are reintroducing the issues of the Blue Drop and Green Drop programme, especially, the waste, water treatment plants that are not in good condition, and we have done our assessments. We are introducing these particular matters.

Currently, we are also looking at the question of the No Drop Guideline that is being rolled out in Tshwane, in the City of Mbombela, Modimolle-Mokgopong, iLembe and others, Chairperson.

We must also deal with issues of water allocation, demand management, the reallocation from various sectors, including issues of inter catchment transfers. When it comes to water security, Chairperson, issues of development of infrastructure, operations and maintenance, will remain important.

As we conclude, Chair, we remain steadfast and on course in building a truly united, nonracial, nonsexist, democratic society as envisioned in the Freedom Charter, our Constitution and the NDP. Water is essential to life. We need to work hard to bring safe water and dignified sanitation to all. Let’s provide families with hope, health and the opportunity to break the cycle of poverty, unemployment and reduce inequality. South Africa and the world are in the midst of profound challenges, but equally, this epoch is full of opportunities, the prospects are bright whilst the challenges might look severe.

We remain vigilant of the dangers faced by our revolutionary advance, but we are never rigid nor inflexible or inactive to change. On this day, Chair, we remain inspired by the original aspiration of our forebears and our tasks are far from complete in advancing our noble objectives of freedom, human

rights and social justice. We are motivated by the desire to create and fulfil our promise of a better life for all. The youth of the globe must unite in creating a just and humane society.

Let us continue to be inspired by Madiba when he said:

The future belongs to all our youth. As some of us near the end of our political careers, younger people must take over. They must seek and cherish the most basic condition for peace, namely unity in our diversity and find lasting ways to that goal.

God bless South Africa, her sons and daughters. I thank you very much hon Chair, and other members.

Ms C VISSER: Good morning hon Chair, hon Minister and hon members. It took the ANC 27 years to destroy towns, development opportunities, its governed municipalities and to contaminate our natural water resources, thereby depriving citizens of their constitutionally mandated human right as espoused in the Bill of Rights.

Section 27(1)(b) of the Constitution of South Africa determines the right to access sufficient water. This right is interlinked with the right to food, health, housing and a clean and healthy environment. The state is constitutionally obliged to provide drinking water fit for human consumption, the provision of quality drinking water as well as the provision of basic sanitation services to protect the environment.

Yet, open any newspaper on any given day and you will find South Africans suffering without water, some with severely contaminated water, the stench of raw sewer submerging towns, townships, streams, rivers and dams. It makes one think, what happened to, Water is Life, Sanitation is Dignity, because this has been ongoing since 2005.

Some of the challenges we are affected by include: unequal distribution; quality of water; dilapidated state of infrastructure; leakages; towns running dry; corruption with wastewater treatment plants; negligence in operations; neglect of management of wastewater plants; and contained bulk water leakages. The reason is simply incompetence, bad governance and the transgression of legislative mandates. Why are directives not issued, followed by the opening of criminal

cases against those illegally releasing and disposing raw untreated sewage?

It is predicted that South Africa’s water demands will exceed the supply by 2030; a mere nine years away. One would think that a government will be well informed of the challenges of a basic human necessity like water, in the hope that they will drive actions to stop pollution and the wastage of water.

South Africa’s municipal sewage systems are nonfunctional, with more than 90% of the 824 treatment plants releasing raw or partially treated sewage into our rivers. The SA Human Rights Commission has reported that the Vaal River is polluted beyond acceptable levels, affecting natural ecosystems and endangering peoples’ health.

Minister, we are thankful that the department eventually started action to save the Vaal, because on 27 May it was reported that pump station number 2, the last one in Emfuleni, burnt out and collapsed due to congestion, causing the entire Emfuleni region’s sewer effluent, together with ... adjacent municipalities, to run into the Vaal River.

I am a witness that the department knew about this since 2018, or even before, when we conducted oversight at these plants.

The failure of the department to take action to save the Vaal is a disgrace. In three years, the situation deteriorated without any improved and viable action being taken by the department. Minister, the crisis is beyond fixing the pump stations. How will the department resuscitate the death of the Vaal River?

On 23 April 2021, President Cyril Ramaphosa [said](https://www.sanews.gov.za/south-africa/president-welcomes-efforts-improve-water-infrastructure) that the

Infrastructure Co-ordinating Commission in the Presidency is committed to addressing municipal infrastructure and service delivery. We anticipate and look forward to see what is happening. There is a proposal to establish an independent national water regulator that will separate the regulation ... from the tasks of water resource management and water services provision. Let us hope it will not become the talk of talks.

How will the department root out the key factor, which is corruption? Previous projects like the War on Leaks was a total failure. Training centres were built but were not used to its full capacity and ultimately became deserted. The trainees approved by the Department of Public Works never touched one leaking pipe. A total of R737 million was wasted.

In terms of the National Development Plan, one of the seven priorities as adopted by the government for the 2019-24 administration, addressed under priority two, is economic transformation and job creation. Minister Sisulu must explain to us the decision she took to appoint 24 unaccredited Cuban engineers at a cost of R65 million. The Solidarity labour union produced a list of 132 local engineers that are willing and ready to assist in the government’s efforts to address infrastructure challenges in our rural communities. The Engineering Council of SA has 34 000 registered professionals of which more than 14 800 are registered professional engineers.

Minister, South Africa’s impending water crisis in nine years should be your focus, to prevent a disaster. Cry our betrayed, broken and looted country. So many members, yet so few are honourable. I thank you.

Mr S F DU TOIT: Chairperson, “affordable housing brings stability, economic diversity, and improves the physical quality of the neighbourhood”. This is a quote by John Woods.

Do we have stability, economic diversity and improved physical quality in South Africa? The answer is no, we do not!

Minister, if one would open the National Treasury’s big red budget book and turn to page 611, Vote No 33 for the first time, it reads like a novel. It represents character and action and has some degree of realism. However, both Vote No

33 and Vote No 41, Water and Sanitation, read like pilot projects; new initiatives for new challenges. This is absurd!

The water challenges in the country are currently worse than ever. Greater focus must be placed on infrastructure for water reticulation systems as well as additional sewage works, and settlement establishments seem to be politically motivated rather than planned for true purpose.

With respect Minister, when you are on the road at night in an unfamiliar area, you smell the next town; you don’t see the lights. One of the reasons for this is the absence of municipal master plans. A large percentage of municipalities do not have municipal master plans.

Minister, greater focus must be placed on infrastructure for water. I have said that, but it must be heard. You must react to that. The fact that we do not have municipal master plans results in developments taking place that cannot be incorporated. In most instances, as a result of failure ...

posts not being filled due to affirmative action and black economic empowerment, we see further dilapidation in those municipal structures.

In a blatant disregard for the employment of qualified and available engineers in South Africa, Minister Sisulu is steaming ahead with important, overpaid Cuban engineers that do not have sufficient qualifications. They can’t act without the supervision of South African engineers. Minister, in your speech this morning you confirmed that the budget is strained, but still you insist on appointing these Cuban engineers that will cost up to R300 000 per engineer, per year more than local engineers. The argument is that the cost of these engineers will be about R61 million, but the expert calculations of Solidarity indicate that it could be closer to R75 million. Money is being wasted and the Minister is wasting it.

Another dilemma is corruption that takes place with regard to tenders. The involvement of gangs in rural towns like Matlosana, that act as the so-called tender mafia, is a great concern. Yes, law enforcement agencies are investigating some of these cases but it only happened after the FF Plus blew the whistle. Why didn’t the municipal executive alert the

authorities timeously? Are they involved? Do they benefit financially from this?

*Afrikaans*:

Dit is algemeen bekend dat Suid-Afrika tans ... [Tussenwerpsels.] ... meer as ooit van tevore, met ’n reuse watertekorte sit.

*English*:

Am I protected, Chair?

*Afrikaans*:

Dit is algemeen bekend dat Suid-Afrika tans, meer as ooit van tevore, met ’n reuse watertekorte sit. ... die inisiatiewe en projekte wat ons tans hier het, wat in huidige begrotings beplan word, wil dit voorkom of iemand kort voor die opstel van hierdie begroting ontnugter is en besef het dat daar na die voorsiening van voldoende water beplanning gekyk moet word, maar ongelukkig het die realiteit en die erns van die saak nie ingesink nie.

Hierdie projekte kom voor as beplanning vir algemene nuwe uitbreidings omdat daar geen humanitêre krisis bestaan nie.

Provinsies soos die Noordwes gaan meer as ooit gebuk onder die geweldadige protesaksies weens ongelukkigheid oor watervoorsiening.

*English*:

In a written question that I posed to the Minister of Police asking how many service-delivery protest actions took place since August 2020 till 31 January 2021, the Minister indicated that a total number of 909 of these protest actions took place. This is as a result of service-delivery issues, including water.

Do you realise what effect these disruptions have on the economies of rural towns? Minister, Koster, Reagile, Cinderella in the North West province have been without water for the past five days. It’s unacceptable!

*Afrikaans*:

Hoekom word hierdie inwoners se basiese reg tot water ontneem?

*English*:

... towns like Kethlengrivier, Ditsobotla, Sannieshof, *Maquassi* Hills, Tswaing and Vryburg, people are being deprived of their basic right to water because of failed ANC rule. Raw

sewage runs into streams in Madibeng, JB Marks, Matlosana, to name but a few.

The mandate of the Department of Water and Sanitation is to ensure that the country’s water resources are protected, managed, used and conserved.

In closing, with low water levels in the concentrated sewage percentages, in among others the Vaal River system, sewage foam is clearly visible on the water surface and the stench is unbearable. This is also in the vicinity of the Matlosana Municipality. Needless to say, the solids are drained to provide water for the residents of Matlosana and every one downstream. Sies! [Sis!] Bring an end to this horror story, Minister. Intervene as a matter of urgency. Thank you, Chair.

The CHAIRPERSON OF THE NCOP: Thank you very much. The next speaker is hon S Zandamela. Hon Zandamela?

Ms B T MATHEVULA: Chairperson, we indicated to the Table that hon Zandamela has a problem with electricity. He won’t be able to connect.

The CHAIRPERSON OF THE NCOP: So I guess that means that we should move on to the next speaker.

Ms B T MATHEVULA: Yes, Chair.

The CHAIRPERSON OF THE NCOP: Thank you very much. The next speaker is hon A van der Westhuizen. As I call him to speak, I’ll pass on to hon Winnie Ngwenya. Hon Van Der Westhuizen?

*Afrikaans:*

Mnr A V D WESTHUIZEN (Wes Kaap): Agb Voorsitter, agb lede, die Wes-Kaap is met reg trots op ons bydrae tot die bereiking van Suid-Afrika se nasionale doelwitte soos vervat in die Nasionale Ontwikkelingsplan.

*English*:

No sectors of our economy experienced a recession during the last year. The Western Cape is not endowed with the same mineral riches which many of the other provinces enjoy. Our provincial economy relies heavily on agriculture and while other economic sectors showed a downturn over the last year, our agricultural sector showed a growth of 13%. This growth came mostly from exports from our fruit farms. Due to our long dry summers, these farms are completely dependent on water for

irrigation. Without sufficient water being available, orchards die and have to be replanted.

Due to the recent drought in the Klein Karoo, we have seen a number of orchards where many, and in some cases, all the trees have died and where farms have gone bankrupt. We still have large areas of virgin soil, wanting to be planted, subject to enough water being available. Additional water sources create the ideal situation for new interest in agriculture. We do not need to go the route of expropriating existing farms without compensation, for us to achieve transformation in agriculture.

Hon Minister, your officials will know that the Buffeljags Dam, some eight kilometres from Swellendam, was originally planned to be constructed in three phases. Due to the foresight of the officials at the time of construction, additional land was expropriated to allow for the further phases. Some preparatory work was also dumped for the remaining phases.

It is reported that this dam fills up quickly every year and that the available water can fill a dam 12 times the size of the current dam. The possible increase in available water will

lead to at least another 2 000 hectares of land being irrigated at the possibility for this area to be put under soft citrus trees. Existing farms under irrigation are already creating hundreds of jobs and packing sheds in that area employ more than 2 500 seasonal workers.

I only referred to the opportunities that further investment in water infrastructure will unlock in the Western Cape.

Another such example would be the land allocated to the Ebenezer community after a successful land claim. They have the land and the desire and we as a province are standing ready to render even more support for them to expand their farming operations.

A lack of water due to construction delays is hampering this. I am referring to the serious delays with the raising of the Clanwilliam Dam wall. This dam has been overflowing every year and significantly more water from the Elephants River can be stored for agricultural use.

The plans to strengthen and increase the current dam wall height by 13 meters would increase the volume of water by almost two and a half times. A large percentage of the initial

hill from the upgraded dam has already been committed to support transformation in agriculture.

National Treasury, as far back as 2014, set R2 million aside for this project. Former Minister Nkwenti, with great fanfare, relaunched the project in 2018. It was reported at the time that more than R100 million has already been spent on the project, without a single proverbial brick being laid. Three years later, this has not changed, except that significant additional costs have accrued since then. This is completely unacceptable.

The additional water from a new Clanwilliam Dam will allow the irrigation of 5 500 additional hectares. It is expected to create 3 500 sustainable fulltime jobs and this excludes seasonal jobs and additional jobs downstream in the value channel.

The reason for the delays is the failure to allocate major contracts for the construction work to subcontractors. A forensic investigation into the bid process identified irregularities and this resulted in the serious delays and additional costs that we have seen.

We have a similar situation with work that is required at the Brandvlei Dam near Worcester. It was also constructed for irrigation and it has already contributed significantly towards job creation, food production and exports. Again, there are plans to significantly increase the seasonal inflow of water into the dam by raising the banks of the ... [Inaudible.] ... Canal. All plans and contracts have been finalised but we are still waiting on the construction that was supposed to have started two years ago.

In conclusion, Minister, you are holding the keys in your hand, which can unlock thousands of jobs and growth. Please, unlock the blockages and ensure that that the construction teams are standing ready so that they can start with their work. Let us not wait for the next drought to threaten the quality of life and livelihoods. I thank you.

Mr B MAKAMU (Limpopo – MEC: CoGHSTA): House Chairperson, hon permanent delegates, hon special delegates, Members of Boards of Entities, ladies and gentlemen Good Morning. Hon House Chair, the Department of Human Settlements, Water and Sanitation through its work, brings alive the dream of our forebears enshrined in the *Freedom Charter* that “There shall be houses, security and comfort.”

With the dream of the *Freedom Charter* come true, out of

60 million people in our country, government has assisted more than 21 million people with housing and housing opportunities across the nine provinces.

This massive housing delivery happens in the context of migration to urban areas and growing informal settlements. Informal settlements remain our biggest challenge, to ensure every indigent household has decent shelter as envisaged in the *Freedom Charter* that “There shall be houses, security and comfort”.

It must be appreciated that the Department of Human Settlements, it’s working with the nine provinces, to do everything in its powers to ensure that the 2,2 million households in South African still living in informal dwellings have decent shelter.

One of the innovations introduced by the Department Human Settlements is the Finance Linked Individual Subsidy Programme, FLISP to assist our first time buyers and working class people to purchase their own houses.

In the Limpopo Province, we have Bendor Extension 100 in Polokwane planned to yield 661 mixed housing units with affordable rental stock, gap housing and bonded homes implemented through integrated residential development. We revised our contract in line with the FLISP policy framework to improve the intake of beneficiaries with the assistance of the Risima Housing.

I understand the constraints under which the Department of Human Settlements has to deliver on its mandate, now compounded by the COVID-19 pandemic. We all had to effect serious adjustments and major changes in our priorities, including budget cuts to make way for the interventions in dealing with the scourge of this pandemic.

All challenges notwithstanding, the department is making resources available for the upgrading of informal settlements. This financial year, there are 679 informal settlements planned for upgrading by the provinces and 344 informal settlements targeted by our metros.

In its intervention to transform human settlements into liveable and sustainable spaces through spatial targeting and consolidating investment, the department has lain its focus on

upgrading informal settlements, Integrated Residential Development Programme and a significant increase in the affordable rental stock.

All these focussed human settlements development interventions brings alive the objective of the *Freedom Charter* to provide houses, security and comfort for all South Africans as ordained by our forebears back in 1955.

Turning to water and sanitation, the budget indicates resources allocated to the department for the current financial year, and the major current water infrastructure projects that are currently underway to ease the backlog in the provision of water and sanitation.

Among the projects spanning the entire country are the following located in the Limpopo Province – Greater Letaba River Development Project and the raising the walls of Tzaneen and Nwamitwa dams.

The Greater Letaba River Water Development Project will augment the water supplies of the Great Letaba River that supplies water to domestic users, commercial irrigation,

commercial afforestation and tourism in the Mopani District Municipality.

The project comprises of construction of a dam situated just below the confluence of the Great Letaba and Nwanedzi Rivers in Nwamitwa area, the raising of the Tzaneen Dam and water treatment works, pipelines and reservoirs for the regional bulk distribution of water for domestic use.

The Tzaneen Dam, on the Great Letaba River, will be raised by three metres to increase the storage capacity for growth in Tzaneen’s urban requirements and to do mitigate future restrictions on water use for irrigation.

This project will go a long in solving water challenges in the Tzaneen and surrounding areas, which have been hard hit by water shortages.

The Minister is due to meet with Premier of the province hon Chupu Mathabatha in the coming week on water challenges confronting the province. This meeting will help to solve the water problems facing communities around the province.

As the Limpopo Province, we acknowledge and appreciate the process of appointing among other water boards, the Northern Lepelle Water Board, to run for a period of four years in order to stabilize and improve the governance operations of these utilities.

I want to report the massive improvement in the work of the Lepelle Northern Water since the intervention by the Minister, and the appointment of the new board. In this regard, I commend the new Chairperson and the team of the Lepelle Northern Water Board, Mr Joe Mathebula and his team for literally hitting the ground running. It augurs well for the future of this important water utility in the province.

The envisaged Water Charter by the Minister of the Department of Human Settlements, Water and Sanitation, hon Lindiwe Sisulu, under the theme “Ensuring Water for All” is a welcome distributive instrument that ensures that there is equitable distribution of water, which will also result in increased water saving measures.

Progress made in increasing access to sanitation, from 49% in 1996 to 83% in 2018 is a notable development. However, there is still approximately 2,8 million households, which

constitutes 17% of households, without access to improved sanitation services, which the department has to contend with and offset in the interest of citizens.

We commend the Minister for her sterling and courageous leadership with the establishment of the National Water Command Council to respond to emergency water needs in the wake of the COVID-19 pandemic. The centre did incredible work under the circumstances and the pressure have.

Chairperson, on this note I support the Budget Votes 33 and 41 of Human Settlements, Water and Sanitation respectively. As I thank you, hon House Chair.

Mr S K MASHILO (Mpumalanga – MEC: Human Settlements): Hon Chairperson, my greetings to the Minister, the Deputy Minister and hon members. Let me observe the protocol. We welcome this presentation by the Minister of Water Affairs and Human Settlement. It becomes imperative to give a background of the Mpumalanga province as far as the borders are concerned. We are a province that is bordered by two countries: Mozambique and the Kingdom of Eswatini. All our rivers are part of the internationally shared basins which are Komati, Usutu shared with Mozambique and Eswatini and many of them.

With the estimated population of 4,3 million and the estimated

1 238 861 number of households we have done well in providing quality water to the community of Mpumalanga. We must indicate that due to the rapid growth of our towns the resources have become strained. The major strain is experienced by Emahleni Local Municipality where the water use license allows them to abstract only 75megalitres while they are currently abstracting 118 megalitre and their demand is 130 megalitre. That resulted with Emalahleni owing the Department of Water and Sanitation because it is abstracting against their license.

Mpumalanga is indeed a rural province with municipalities with no water which is Dr J S Moroka and Thembisile, Bushbuckridge, and the City of Mbombela. As we all know the City of Mbombela in terms of the plan it has no dam. The Loskop Dam water bulk project remains a solution to water challenges experienced by Dr J S Moroka and Thembisile municipalities. The sooner that project starts the better for these communities.

The apartheid spatial plan did not in any way provide a dam in the City of Mbombela let alone the rural municipalities like Thembisile municipalities. The plan of the province is to build a dam in the City of Mbombela to alleviate this

challenge. The provincial government and the Department of Water and Sanitation is responding in the sewer spillages in Govan Mbeki, Emalahleni, Lekwa, Msukaligwa and our projects

are almost complete. Having completed these projects it will be the history in terms of the sewer spillages in those areas.

As a province of Mpumalanga we welcome the master plan presented by the hon Minister which defines a new normal for water and sanitation development and management of South Africa. The fact that it will be called the “Water Charter – ensuring water for all” will fundamentally change the water environment. It is for this reason that we welcome the National Water act which gives the Minister the power to undertake a compulsory licensing process to reallocate water use license where existing water resources are already fully used.

In some areas where we have started improving our infrastructure, there are criminals that are vandalising our plans. As the Minister correctly said, we must work together with our community so that at the end of the day the infrastructure the government is putting is being looked after. As the province we believe that alone we can’t achieve

this and we can’t fight these criminals. Together with the community we shall do that. It is for that reason that we fully support the integrated approach of the district development model where all the relevant stakeholders will plan together on how to curb these challenges.

Amidst the challenge posed by the COVID-19 on the acquisition of material, the Mpumalanga Department of Human Settlement has consistently, over the last three financial years, achieved its targets for top structures, that is the RDP in our province. In 2018-19 it achieved 106%, in 2019-20 it achieved 103% and in 2020-21 it achieved 105%. As a result of this consistent good performance it received an additional budget allocation of R98 million in 2019-20 and R138 million in 2020-

21 financial year. Therefore, there is no point to mention that we are not performing as a province of Mpumalanga.

Mpumalanga has mining towns and it is for this reason that we are building our Community Residential Units, CRU, in Thaba Chweu, Govan Mbeki, Steve Tshwete, Emalahleni just to mention a few, that it will assist our community to improve the livelihood in those mining towns.

We welcome the budget that has been presented by the hon Minister and hope that it will respond to the challenges that we are faced with. Obviously the resources are not sufficient and the challenges are growing almost every day. We are rolling out a programme to ensure the title deeds to all our beneficiaries and so far we have managed to distribute a lot of title deeds in our communities and our municipalities.

I would have not done justice if I can conclude without having touched the issue of fraud and corruption. The long disciplinary processes have held the department at ransom.

This includes the court battles involving the nonperforming service providers. We therefore need to take leave from good practice by the hon Minister in this regard. All these cases need to be finalised. As I join departments there were a number of service providers that have held the department at ransom and certainly some of them are being terminated including those who are doing shoddy work because it is not what this government is meant for.

We are not going to get tired of delivering these basic services to our communities due to the challenges that I have already mentioned. I have learned from the holy scriptures that human desires are like the world of the dead where there

is always room for more. Having said this, we would like to take this opportunity as a province of Mpumalanga to support and welcome the budget speech of the Minister. Thank you very much.

Mr M M TWABU (Eastern Cape): (MUTED)

The HOUSE CHAIRPERSON (Ms W Ngwenya): Hon members, it seems the hon Twabu has network problems. Can we continue, we will accommodate him later.

The CHIEF WHIP OF THE NCOP: We agree with you House Chair that we proceed. And that if the technical team does not get it right, the hon member should submit his statement for Hansard. Thanks.

The DEPUTY MINISTER OF HUMAN SETTLEMENTS, WATER AND SANITATION

(Ms P Tshwete)

The CHIEF WHIP OF THE NCOP

The DEPUTY MINISTER OF HUMAN SETTLEMENTS, WATER AND SANITATION

(Ms P Tshwete): Hon House Chair, hon members, hon Minister Sisulu and Deputy Minister Mahlobo, without wasting more time,

please allow me to say all protocol is observed. In our Budget Vote Speech in the National Assembly two weeks ago, we committed to fast-track the programme on women and youth development in order for them to optimally participate in the Human Settlements Development Agenda.

We have taken an activist approach through the roadshows to monitor and conduct oversight to provincial and municipal performance of our grants.

In this regard, let me express my appreciation to all the MECs, and executive mayors and MECs for the support and co- operation in dealing with the matter. We have done this in order to ensure that our communities receive the required services. Our collective effort the district development model, we ensure that the funds allocated directly benefit the intended households.

Through our entity the National Historical Publications and Records Commision, NHPRC, we also partnered with the Gordon Institute of Business Science, Gibs, where 120 women entrepreneurs were successfully trained. Through the Gibs programme the department has been able to upskill emerging women contractors. We are at this point bringing them together

to form the Gibs programme alumni. This will enable an opportunity to plough back to the human settlement sector value-chain.

Hon members, two months ago, I took and also went to visit the Western Cape and I was invited in the area called Delft, I was presented with a number of houses with asbestos. My department has since committed to remedy the situation. As such one of the graduates from the Gibs programme, Ms Sethu Lwelane, is currently contracted to the department to assist in the development of the empowerment and enterprise development policy for designated groups. Women, youth, persons with disabilities, child-headed households, military veterans and unemployed graduates.

Ms Lwelane is using Delft as a pilot project where women and youth will be trained and licensed to remove asbestos.

*IsiXhosa*:

Siyaqhuba.

*English*:

Hon members, our main event for the youth built this year is underway in the Maluti a Phofung Minicipality in Qwaqwa, in

the Free State. Sixteen houses are currently under construction by youth contractors for destitute families. These houses will be handed over towards the end of this month. There are other youth buit activities happening throughout the provinces.

Good news. I am invited by MEC Sibiya, in KwaZulu-Natal to be part of the signing ceremony, for 109 house contractors scheduled for the end of next week.

During the last quarter of the provincial financial year, I held roadshows with different provinces and municipalities in the mining towns to understand challenges experienced in the implementation of the Revitalisation of Distressed Mining Community programme.

In order to provide continued support to provinces and municipalities to address these challenges, a budget of R542 million has been ring-fenced within provincial 2021-22 Human Settlements Development Grant, HSDG, allocations to implement the bulk infrastructure and set aside projects in these municipalities. This grant will also be used as co-

funding to counter the effects of mines that are closing down. We have been called upon by members of both Houses of

Parliament to pay a particular attention to issuing of title deeds. Members from both Houses have been telling us that we are too slow in terms of issuing title deeds.

Members will remember that once a housing beneficiary hold a tittle deed then we are restoring people’s dignity and guarantee them ownership and secure of tenure.

Equally so, we have seen improvements in some of our provinces. We can mention the Northern Cape, KwaZulu-Natal Gauteng and North West where the special cases of nearly

30 000 properties held by the North West Housing Corporation, which required that historic debt be reconciled in order to release the tittle deeds to hand them to home owners. Home owners must get their tittle deeds. Those tittle deeds must be handed over.

Hon members, today the MEC for Human Settlements in the North West is scheduled to hand over 70 000 title deeds in Mogoase in the Bojanala District Municipality.

*IsiXhosa*:

Andinguye uMsuthu mna, niyakundixolela.

*English*:

President Ramaphosa in his state of the nation address stressed the importance of investing in public private partnership to realise our goals. Earlier this year we partnered with the Unilever Domestos Brand on the community development programme in the Eastern Cape. We are also preparing to sign a Memorandum of Understanding, MoU, on additional projects focusing on youth development programmes, Gender Based Violence and Femicide as well as hygiene, to mention but a few.

Previously, I spoke about my passion for women empowerment. Subsequently, Motheo Construction Group heeded my call.

Yesterday, we had a successful meeting and agreed in principle that we will be signing a Memorandum of Understanding, aimed at co-operation in the area. This MoU will detail the participation of women contractors in the two identified projects of KwaZulu-Natal at KwaDukuza and Emoyeni.

I would like to encourage the MECs in the Eastern Cape. The hon MEC Nonceba Kontsiwe to follow-up with Motheo Construction Group and SA Waste Information Centre, Sawic, Eastern Cape Chapter on possible partnership.

*IsiXhosa*:

Andixolanga luhlobo amaphondo angabanikanga ngalo amakhosikazi i-30% ne-20% yolutsha, nangona sisitsho ukuba amakhosikazi nabantwana ngabona abantu bangaphangeliyo. Ndiyatsho ke ukuthi, abaPhathiswa bamaPhondo banaso isabelo-mali yokuba banike oomama nolutsha imisebenzi yokwakha ukuze bakwazi ukusebenza.

*English*:

In his budget, the Western Cape MEC committed to take 800 women and we wish to get an update in this undertaking on the progress to date.

*IsiXhosa*:

Kungathethwa nje iintsomi, athi umntu ...

*English*:

... I am going to create 800 jobs.

*IsiXhosa*:

Ziphi? Uziqasha ziphi? Aphi la makhosikazi eNtshona Koloni aza kuwanika le misebenzi ingama-800?

*English*:

Let me state up front that I am deployed by President Ramaphosa, as a political champion of the Central Karoo District which include Beaufort West, Lanes Burg, Prince Albert Local Municipality. In March this year, I made my initial visit at Beaufort West Local Municipality where we identified a number of service delivery challenges including housing which needed the intervention of government.

*IsiXhosa*:

Siyaqhuba, asimanga.

*English*:

I am proud to announce in this House that early this week the officials of the department undertook verification of 95 houses that were affected by disaster.

*IsiXhosa*:

Thina asithethi nje into ingenzeki, yonke into iyenzeka. Siye saqhuba, nazi nangoku izindlu zizakwakhiwa.

*English*:

Together with the officials of the municipality the department packaged an application for emergency funding for consideration. To this end our department is currently

processing the application with the aim of approving R6,1 million to repair the damaged houses ...

*IsiXhosa*:

... into esizakuyenza thina, phaya eKapa.

*English*:

This action demonstrates the kind of collaboration that the District Development Model, DDM, promotes. The District Development Model is working. House Chairperson, building houses for military veterans remains one of our key priorities. The establishment of the task team on military veterans led by the Deputy President the hon Mabuza will assist with a few challenges around this.

Hon members, as I conclude I want to make a plea to hon MECs in the provinces to take the agenda of women and youth development seriously. I thank you very much, hon House Chairperson and presiding officer.

Mr M NHANHA: Hon House Chair I have a big problem on my hands. [Interjections] Please ... [Inaudible] ...without my camera on. Hon Chair, hon Minister and hon members, the drought phenomenon seemed to have gripped parts of the country and the

Eastern Cape is no exception, because it seems to be affected sevenfold.

The majority of districts in the province of legends are ravaged by the devastating lack of rain, poor or no maintenance of an aging infrastructure, whilst communities in rural areas are affected most.

Hon members, residents in Burgersdorp in Walter Sisulu Municipality have gotten used to going without water for days. Water rationing has become a norm rather than an exception.

The residents of Njela and Mpotshotsho villages in Port St Johns, are yet to experience and taste the benefits that came with the democratic South Africa. These communities are the forgotten ones and they still drink untreated river water with their livestock.

Residents of Qumrha in the Great Kei Local Municipality have been struggling to have a reliable and constant water supply for over four years now. As a consequence, the DA in that area had no other option but to report Amathole District Municipality to the SA Human Rights Commission. As we speak, they are being investigated.

Jojo tanks that were delivered to the Mnquma Local Municipality, to this day they are either uninstalled or stand without water because provisioning authority can’t stand with the demand. Jojo tanks that were kept at a councillor’s house in 2020 in Ingquza Hill Local Municipality, to this date are either uninstalled or stand without water because the O R Tambo District Municipality can’t deliver this human right.

Richard Cushing once said, I quote: “Always plan ahead. It wasn't raining when Noah built the ark”

Yes, hon members, lack of rain is a contributing factor and in most, if not all instances mentioned above. The common feature is lack of foresight and planning ahead. Remember, it was not raining when Noah built the ark. For the past five years, three of the four costal metros have been hit by drought and the question to be asked Minister: What is the department doing to ensure sustainable water supply in the long term?

Always plan ahead, it was not raining when Noah built the ark.

Minister, sometime in 2020 I raised in this House the plight of the people of Nelson Mandela Bay. You undertook to look into the situation as a matter of urgency. Hon members, I am pleased to report back to the House that indeed, the Minister kept her promise. Your visit in April this year to Nelson

Mandela Bay, filled those communities with renewed hope that day zero can indeed be defeated.

The combined dam levels in Nelson Mandela Bay are critically low at 11,85%. By all accounts, this water will not go far. On the part of the coalition of good governance, no effort has been spared. We are doing everything we can to reduce ... [Interjections.]

The HOUSE CHAIRPERSON (Ms W NGWENYA): Conclude hon member!

Mr M NHANHA: ... consumption including tariffs increase and

1 000 leaks are repaired on weekly basis because where the DA governs, we get the job done.

*IsiXhosa*:

Bandicelile ke Nokwindla ukuba ndikungqinibe kodwa besazi ukuba awubalibelanga ngezinto owawubathembise zona, njengoko wawuzile ... [Uwele-wele]

USIHLALO WENDLU (Nksz W NGWENYA): Liphelile ixesha lakho.

Mr M I RAYI: Yeka mhlekazi, kudala ucaphula apha kuNoah

kuyacaca ukuba uyaqala ukumva, ungumhlay’ivayo.

Mnu M NHANHA: ... ngezithembiso zabo. Enkosi kakhulu.

Mr M M TWABU (Eastern Cape): Thank you Chair, can you hear me now?

The HOUSE CHAIRPERSON (Ms W NGWENYA): Yes, I can hear you.

Mr M M TWABU (Eastern Cape): Thank you very much hon Chair, apologies for the technical challenges that I experienced earlier on. I had just started to formalise the introduction by greeting you first, then the Minister and Deputy Ministers, Members of the NCOP, all members present, ladies and gentlemen, I was about to say, good afternoon.

Hon Chair as the Eastern Cape we wish to welcome the Budget Vote for the Department of Human Settlements, Water and Sanitation as presented by hon Minister, Lindiwe Sisulu**.** Hon Chair and members, we welcome the work that is being done with regards housing provisioning for the poor. Over 5 million housing subsidy opportunities, and of which 500 000 are in the Eastern Cape. Out of about 60 million people in our country, we have assisted more than 21 million people with housing and housing opportunities. This is an amazing feat for the technically young democracy such as ours.

On urbanization Chair, people are indeed longing to be nearer centres of economic activities. You will remember that, the spatial setups of the apartheid government pushed them far away in peripheries, hence the sporadic spread of informal settlements remains a problem in our country. As part of a response to that, the province has prioritized upgrading infrastructure through the Upgrading of Informal Settlements Grant funding in such areas through water provisioning, electrifying them and providing ablution facilities.

Hon Chair**,** the province equally condemns the sale of RDP houses. This is a phenomenon which is also prevalent in the province. It reverses the gains of the work that we have done.

On economic recovery, we are of the strong view that the arrival of COVID- 19 on our shores, has left a devastating mark on the economy. The construction sector is not immune to that reality. Hence the call for an Indaba to be held as part of finding remedies to boost the economy is supported. We are alive to the reality that the sector contributes over 3% to the country’s gross domestic product, GDP.

Chair, on homeownership and economic inclusion, the province fully supports the policy shift in the land redistribution on

the release of all urban land for social housing development. This indeed will assist on our ultimate aspiration that of inclusion of societies in the urban areas especially here in the Eastern Cape.

Hon Chair and members**,** on the prioritization and provisioning of water and sanitation, the province fully endorses the appropriated allocated budget of R16,9 billion across board during the 2021-22 financial year. This will go a long way in dealing with the current apex challenges facing this sector, because of rapid urbanization which is putting increasing strain on the existing heavily burdened infrastructure in the province.

The prioritization of water infrastructure projects in the province that of Mzimvubu Water Project, Lusikisiki Regional Water Supply Scheme, Zalu Dam and Algoa Water Supply System, will no doubt help to deal with the ever increasing water demand and assist with the emerging drought situation in the affected areas in the province.

Hon Chair**,** the strengthening and improved governance of the Amatola Water Board which now incorporates Albany Coast Water Board is highly commended especially given the board’s

essential role in the provision of water services in the province. We salute the hon Minister for her leadership on a sterling work done by the National Water Command Centre, during COVID-19 pandemic especially in our informal settlements across the province and country.

Hon Chair and members**,** we wish to commend all the work that is being done by the Department of Human Settlements, Water and Sanitation led by hon Minister Sisulu, in dealing with all the vandalism elements that are associated with our waste water treatment plants. The provision of additional security features with the declaration of essential dams as security points, will go a long way in curbing reprehensive theft of cables and water infrastructure in the province.

During the 2020-21 financial year, more than R50 million was made available for drought intervention in Eastern Cape municipalities, by the Department of Human Settlements, Water and Sanitation. Hon Chair and members**,** in the same breath, the department delivered 5 694 water tanks and 173 water trucks to service communities around the Eastern Cape, as part of drought and COVID-19 pandemic interventions. Illegal water connections remain a major problem in our province.

Chair, as the Eastern Cape Government, we support the adoption of the budget for the Department of Human Settlements, Water and Sanitation for the 2021-22 financial year. I thank you.

*IsiZulu:*

Mnu E M MTHETHWA: Angibonge Sihlalo wenhlangano, ngibingelele nakuNgqongqoshe nethimba lakhe ubaba uMahlobo nomama uTshwete, ngibingelele wonke amalungu asePhalamende ...

*English:*

... I greet the entire South Africa, good afternoon. Minister, this budget vote happens during a very special month that is known as the Youth Month. As we join hands, Minister, a thought together, we remember all the strong, brave, young people who took to the streets of Sharpeville who contributed to the freedom and the democracy we experience today. Let me also concurrently commend the pride month and celebrate together with the LGBTQI+ community in celebrating love, sexuality, gender, sex orientation and all constructs celebrated under the LGBITQI+ umbrella.

It has indeed been a challenging year that is capacitated by the new normal due to COVID-19. The tabling of these Budget Votes 33 and 41 happens during these trying times, Minister.

It must be noted that even in these trying times, we will continue to work and serve the people of our beautiful country. The Department of Human Settlement, Water and Sanitation and its supporting entity have reversed the strategic plan and Annual Performance Plan. The co-ordination of targets is very important for the department as it results in a measurement of performance and used as a tool to evaluate the efficiency and effectiveness of the department and the alignment to the Medium-Term Strategic Framework, MTSF, focus on the integrated water resources management, the infrastructure planning development and regulating water services.

Our plan, as the ANC-led government is to ensure that there is an increase in water supply for the growing population and economy to ensure water security by 2030. In creating inclusive economic reform to drive exclusive growth is one of the priorities of the country, as outlined in the 2021 state of the nation address. Thus, it is important Minister for the department and its entity to ensure that they implement the programme that will support the achievement of the mandate of the department achieved inclusively economic growth in line with the set priorities for this financial year.

Furthermore, Minister in the Sona 2021, the President emphasised the importance of prioritising women economic empowerment. For the past 27 years, the democratic government has brought about change. But more still needs to be done, to improve the quality of life for all. Therefore, there is a need now more than ever to create an opportunity for women, youth and people living with disabilities. Hence, it has been one of the most important indicators for the department to ensure that targets are in line with your building, inclusive economic growth, that will create opportunities for all South Africans, to participate in an economic activity that will propel the country to the higher level of our economic growth.

Hon members, the National Democratic Revolution, NDR, will not be realised when inequality, unemployment and poverty are still prevalent amongst the majority of our black people. This includes challenges like not having places to stay, being located far from the economic activity, hospitals, schools, workplaces, just to name the few. This is a true reflection of the lives of our people to date, for the poor and those in the rural areas. Indeed, apartheid strife on special segregation. This situation is worsened by the triple challenges, low economic growth and impact of COVID-19, Chair. One of our Human Settlement challenges is the form and the location of

land development and human development projects that do not respond directly to the government commitment to spatial transformation and ... [Inaudible].

Furthermore, hon Chairperson, the challenge of the poor state of water treatment infrastructure, flooding and sewage spillage is a long looming crisis in South Africa. The challenges are there, Chair. As the ANC, we do admit, much still needs to be done in those areas. These challenges are not new, the Medium-Term Strategic Framework of 2019-24 responded to these challenges as it is operationalised in vision 2030 of the National Development Plan, NDP. The NDP identified as an administrative and technical failure. The Budget Vote 33 and 41 and its associate strategy and Annual Performance Plan respond to the Vision 2030 MTSF, 2019-24 and Sona 2021.

Hon members, the ANC has been consistently on the need to provide decent housing at the centre the national democratic revolution. The Freedom Charter remains our long-standing policy position as the ANC, as it is captures the ANC’s commitment to provide for housing, comfort and security. Our focus has been on the people who cannot afford to provide for themselves. We will continue to build basic free homes,

upgraded houses and services and working towards uplifting, improving and creating a better life for our people. We will also continue to dismantle the apartheid legacy that is keeping our people in perpetual poverty.

We are committed to dismantling segregation spatial pattern to create an integrated and suitable community where our people live closer to the social economic activity. This social contract remains at the core of the ANC’s commitment and our strategic objective to realise a better life for all. Our operation Vulindlela and the District Development Model, DDM, are necessary tools to use to co-ordinate all spheres of government at national, provincial and local levels to address structural reforms and celebrate service delivery in line with the NDP priorities. Chapter 13 deals with building capable state. In fact, the DDM is a plan to strength the local government. These are all crucial objective listed in chapter

13 of the NDP, Chair, is operationalised by the MTSF priorities. The water uses licence care application and authorisation, as pronounced by the President in the Sona 2021, is an important priority under the acceleration of economic recovery, implementing economic reform to create sustainable jobs and drive inclusive growth. Chair, also the green and the blue drops of water quality programme are a

spatial integration, settlement and the local government. Through operation Vulindlela, these are the programmes that we went to implement and ensure that they do perform in line with the priorities. We welcome the budget allocated for the municipality for informal upgrading grants and the provincial informal settlement upgrading grant.

Furthermore, Chair, the Department Master Plan, MDP, makes an emphasis on one of the ANC’s 54th National Conference resolution on the redistribution of water for transformation. Through the master plan to ensure activity measures are put in place to drive the land distribution, such as land taxes support for black farmers and preferential allocation of water right and infrastructure provision to black farmers. As ANC, Chair, we have done this to respond to the inequality brought by the apartheid system, which was the only beneficiary to the white minority and segregated the majority black people, especially the black farmers. This is practically true that the black people in the agriculture sector are disadvantaged relative to the white minorities.

Hon Chair, hon member, this brings to an urge point of my debate. As the ANC, we are committed to addressing these inequalities. The department should make sure that it

expedites the processes of amending the National Water Act and the Water Services Act. Secondly, the amendment of the Water Act will be progressive so as to make access to water for all realities by ensuring water resources are made public goods.

Furthermore, Chair, the inequality in the water sector due to the privatisation of water resources and overall riparian rights, which reflect remnant of the repealed Water Act of 1956. Chair, South Africa is a water-scarce country and the department, together with the support catchment agencies and entities, have been and will continue to work hard through the DDM and ensure services are delivered.

Hon Chair, the Master plan notes that the provision of waterborne and sanitation is unsustainable and South Africa must adopt waterless sanitation technology where appropriate. It is important to note that this sanitation is a human right and as the ANC, we are prepared to work together with all social partners for the realisation of technology led to waterless sanitation for a better life for our people. Chair, the ANC is concerned about the title deed backlog.

*IsiZulu:*

Mnu M NHANHA: Ngiyaxolisa Nyambose, ngokukuphazamisa enkulumeni yakho mfowethu.

*English:*

Chairperson, I wanted to check: Is your clock still working, how much time is hon Mthethwa allocated?

Mr E M MTHETHWA: Yes, it’s working. It’s about 17 minutes.

Mr M NHANHA: I can’t hear you. You are on mute.

The HOUSE CHAIRPERSON (Ms W Ngwenya): Hon Nhanha, he has 17 minutes.

Mr M NHANHA: Okay, thank you, Chair

*IsiZulu:*

USIHLALO OBAMBILE (Nk W Ngwenya): Qhuba Nyambose.

Mr E M MTHETHWA: I think, Chair, you will mind the time I have just wasted, you will add my three minutes.

The HOUSE CHAIRPERSON (Ms W Ngwenya): No problem.

Mr E M MTHETHWA: The ANC is concerned about the title deed backlog. Minister, the title deeds were funded under the Human Settlement Development grant, HSDG, as of this financial year. We urge the department, Minister, to ensure that the programme adequately addresses the historical backlog - that it addresses the needs to ensure the deserving beneficiaries receive their title deeds. We also want to request you Minister, to applaud your department on the project readiness metrics. These metrics will ensure efficiency on all shovel ready projects and also assist with the challenges of township establishment, which has contributed to the backlog of the title deeds.

The ANC noted the challenge that the illegal dams which were indirectly inherited from the apartheid system and the challenges it bears at the catchment area or catchment area water level. The ANC wishes to implore the department to provide a progress report on demolition of this dam as a matter of agency, Chair. Providing housing is one of the building milestones of the NDS. This ANC, wants to applaud the department again, Minister, on the remedial programme aligned to financial linkage individual subsidy programme to benefit the Gabs market.

Minister, we want to say on all departments, municipalities, business and the citizen, which owes water costs to pay in order to ensure efficient operation by the water board. Then, Minister, coming to closing that the use of the pay user principle is a critical principle to ensure sustainable development. The ANC supports this budget and it will ensure that this budget must pass so that it can address all the challenges that our people are facing out there. We thank you Minister and your Deputy in presenting this budget to us. I thank you very much, Chair.

The HOUSE CHAIRPERSON (Ms W Ngwenya): Thanks very much, hon Mthethwa, before I call the next speaker, I would like to invite hon Nyambi to take over.

The MINISTER OF HUMAN SETTLEMENTS, WATER AND SANITATION:

Chair, I only have seven minutes to respond and therefore, my proposal is: to some of the members have contributed immensely, positively in this debate, I have prepared some notes in response to give to them. And if you will allow me I will indicate that those members will be receiving their responses in writing. I don’t know how are we going to arrange that, that finds its way into Hansard because these are matters of great value to all of us.

On the general debate, I would like to thank hon members from the ANC and all of those who support the Bill because these are people who care for their people, these are people who do not discriminate around political issues, on essential matters such as water and sanitation.

Those members who are stuck in their political parties and their political rhetoric have no idea what it is that they are doing to discredit their own political parties. Water and sanitation crosses all bounds, crosses all political allegiance, it is part of our life, it is life itself, and if they are going to politicise this and do the things that they have been doing, I hope that all of South Africa understands who cares for them; the ANC cares for them. And I would like to thank the ANC and all of those who supported the Bill, from the bottom of my heart.

I applaud the quality of contribution that I’ve received from, especially for the members of the ANC, in particular I would like to thank hon Dodovu who started off the responses and indicate that we would like to thank him very much for his productive input, we would like to thank him for the time that he has given to the department, to assist the department in so many ways to ensure we are able to do what needs to be done

and put the issue of the boards back on track and make sure that we have boards that have the credibility to take the work of water forward.

We also heard from him what it is that he wants us to take into account when we define a leader and a leader would be somebody who’s running a water board, a leader might be somebody who’s in Parliament; whatever it is, we’ve taken note of that and we’re appreciative of that.

On the other members who have contributed, we’ve taken note of the concerns that they have indicated to us, those who are responsive to the message and we will be taking matters forward and ensuring that we do exactly what we are requested to do.

To hon Shaik, in particular, thank you for your commitment to your work and thank you also for having kept yourself informed about what needs to be done, what is been done by the department; it is very welcome. Please do an induction course for the DA and FF-Plus members that might be there, to help them understand what their responsibility to their constituencies are. And I am particularly happy with the way you’ve led this particular debate.

I want to say to the members of the FF-Plus and the DA, history has a way of coming round and giving out that which we had least expected.

Hon Visser, it took the ANC 27 years the water, that’s what you’re saying? The problem that you forget is that the water infrastructure was directed to where you, white people, lived. You made no attempt whatsoever to reach out to the indigenous people of this country, nor did you put in the necessary sewer for the indigenous people of this country. So, when we came into the towns, which probably not planned for by your own architecture, obviously, what we are experiencing now would have happened. History has a way of giving back what you have given to the people of this country. May you live with what you’re living with until all of us have equal access to proper sanitation and proper water. It is not just you who are affected by this, it is everybody. And I’m glad that history has brought you into the fold of understanding what it is African people have been living with all this time; so, you can live with it. This would also go to any other member who has been complaining, FF-Plus, about pollution of water, it looks like it’s us and black people who are polluting water, no, it is not us black people, it is all of us in South Africa because we are now making sure that everybody in South Africa

has access to proper sanitation. Unfortunately, the infrastructure that we inherited from you did not permit that and we’re having to make do with what we have. We’re doing our best to make sure that all our people in the country have the advantages that you have enjoyed so long without caring about the fact that water does not discriminate, without understanding that water will flow wherever it is directed to, sanitation will flow into your house because you have not provided sanitation for the people who need to have proper sanitation. So, live with that and understand what it is that discrimination has created in this country. We’re not apologetic, we’re going to deal with the problems that we’re experiencing all of us and you will begin to understand what you have brought into this country and what we have had to live with all along.

Hon members, those members that have responded ... on the matter of the Cubans, hon Visser, you can also join them in the court. We will continue with our work. We have an international obligation towards Cubans that has been signed and accepted by Parliament and this government. And it doesn’t matter how much you scream, how much publicity solidarity is seeking out there, we will not renal on our constitutional responsibility. So, you can join us in court.

I want to go on to hon Seleku. Hon Seleku, on the matter of the consultants, we will provide you with an answer because some of the issue that you raise are quite pertinent.

There is also what I would call ... I don’t know if puppet is the right word to use in a place like Parliament, but if it isn’t, you will forgive me, Chair. But there is a puppet of the DA here, a black man, who obviously has not understood what happens to black people in the DA. Soon he will understand and soon he will realize he’s just a ... [Interjections.] [Inaudible.] ... for the votes; the DA does not care for black people ... [Interjections.] [Inaudible.]

... recent history ... [Interjections.] [Inaudible.] ... show him that ... [Interjections.] [Inaudible.] ...

Hon Maseko of the DA, as I’ve indicated, you’ve asked about the Prevention of Illegal Eviction from and Unlawful Occupation of Land, PIE Act, we will indicate ... [Interjections.] [Inaudible.] ... about the PIE Act and the possibility of making sure we can amend it ... [Interjections.] [Inaudible.] ...

Mr T J BRAUTESETH: Point of order, Chair. The Minister cannot just ignore you.

The MINISTER OF HUMAN SETTLEMENTS, WATER AND SANITATION: To

all the members of the ANC, thank you for supporting ... [Interjections.] [Inaudible.] ... thank you for supporting the vote and long live the ANC, long live the members of the ANC. Thank you, Chairperson.

Mr T J BRAUTESETH: This is an unacceptable behaviour from this Minister.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Brauteseth, the Minister has concluded.

Allow me to take this opportunity ... [Interjections.]

Mr T J BRAUTESETH: Chair, point of order. The fact that the Minister has concluded does not ...

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Brauteseth, you have not been recognized ...

Mr T J BRAUTESETH: ... through you Chair, the fact that she made an aspersion to a member of the House by calling him a puppet. Please, can you rule on that, Chair? It is

unparliamentary to call another member of this House a puppet, surely.

The HOUSE CHAIRPERSON (Mr A J Nyambi): To call a Member of

Parliament a puppet is unparliamentary; that’s the ruling.

Hon Brauteseth, allow me to take this opportunity as the Minister has concluded the debate to thank the Minister of Human Settlement, Water and Sanitation, hon Sisulu, Deputy Minister Mahlobo, Deputy Minister Tshwete, special delegates from provinces for availing themselves for this very important debate.

Hon members, we are aware that today it’s a Friday, we’ll take

a comfort break for 10 minutes.

COMFORT BREAK AT 13:09

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon delegates, we shall proceed with the Third Order of the day, policy debate on Budget Vote no 36 – Small Business Development, Appropriation Bill. Let me take this opportunity to welcome the Minister Ntshavheni, Deputy Minister, our special delegates. I will now

call upon hon Minister Ntshavheni of Small Business Development to open the debate. Hon Minister?

Mr D R RYDER: May I rise on a point of order please, Chair?

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Ryder?

Mr D R RYDER: Thank you House Chair – thank you very much. I don’t believe we can continue without first addressing what just transpired at the end of the previous debate. I think that when the House Chair makes a ruling; it must be enforced. The fact that that ruling was not enforced and the Minister was not made to withdraw leaves this House with a serious problem. House Chair, if we were sitting in the House in Cape Town that behaviour would never have been permitted. I definitely think that this needs to be referred to the ethics committee if necessary and we need to have an outcome to that point of order. And the fact that that Minister ignored you totally, and didn’t hear when you were asking her to take the point of order, and also did not withdraw following your ruling. This needs to be dealt with, House Chair.

The HOUSE CHAIRPERSON (Mr A J Nyambi): Hon Ryder, even though we are going to start a new debate, let me indicate that in

the previous ruling a question was raised that is it parliamentary to call a Member of Parliament a puppet, and I said it is not parliamentary. I never said any Minister or member must withdraw. If you remember very well, the Minister never referred to any particular member – that is why even at the end the hon member was specific to say if it was referred to him, he was even ready to take Minister head on. But there is nothing wrong for it to be referred to the relevant structure to look at it. Thank you for that. I wanted just to clarify the ruling. The ruling was not for a Minister to withdraw - I just made a general comment that you can’t refer to a member as a puppet. And that statement by the Minister never referred to any specific member, it was a general statement. Let us continue with the debate and let’s allow the Minister of Small Business Development to open the debate. Hon Minister?

# APPROPRIATION BILL

(Policy debate)

Budget Vote No 36 - Small Business Development:

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Hon House

Chairperson, the Deputy Minister of Small Business Development, Mama Nokuzola Rosemary Capa, the chairperson and hon members of the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour, Comrade Mandla Rayi, permanent delegates to the NCOP, the Director-General of the Department of Small Business Development, representatives of the boards of directors of Small Enterprise Development Agency, Seda, and Small Enterprise Finance Agency, Sefa, ladies and gentlemen,

45 years ago, young people across the country fought against Bantu Education. The 1976 student uprisings triggered another wave of mass rebellions led by the students and youth of our country against the apartheid system. Their struggle for a free South Africa was also a struggle for economic freedom in our Lifetime.

To achieve the aspirations of the 1976 youth and the generations of youth that preceded and succeeded them, the governing party has mandated us to deliver a nonracial, nonsexist, prosperous and equal society. We are holding this policy debate on how the small business sector can contribute to a prosperous and equal South Africa in a year that the African Continental Free Trade Area – AfCFTA, came into effect

on 1 January 2021. We celebrate this milestone and the commitment of the African leadership to forge ahead with economic integration despite the challenges posed by the COVID-19 pandemic

We are fully aware that the goals of the AfCFTA and the African Union’s Agenda 2063 of transformed economies and jobs will not be realised without the contribution of African Union’s, AU, individual member states to transform their own economies and create jobs. South Africa’s path to economic transformation and job creation is guided by Vision 2030 as espoused in the National Development Plan. The COVID-19 pandemic has provided a once-in-a-lifetime opportunity to ensure that by 2030, South Africa has a more diversified economy.

To achieve these, we will need to revert to what the architects of the NDP advocated for, which is being to intensify the simulation of local and foreign markets and strengthening conditions to promote labour-absorbing activities. To be specific on matters affecting small businesses, the NDP proposes what must be done and it has five things. One, increase exports focusing on, amongst others, construction, mid-skill manufacturing, agriculture and agro-

processing, tourism and business services; two, to reduce cost of regulatory compliance; three, to create a larger, more effective innovation system closely aligned with firms that operate in sectors consistent with the growth strategy; four, to support for small businesses through better co-ordination of relevant agencies, development finance institutions, and public and private incubators and lastly to strengthen financial services to bring down their cost and improve access for small and medium-sized businesses.

The NDP commits to make a commitment to public and private procurement approaches that stimulate domestic industry and job creation, and a labour market that is more responsive to economic opportunity that requires, amongst others, the review of regulations and standards for small and medium enterprises. The Budget for the Department of Small Business Development for the 2021-22 financial year and the Medium-Term Expenditure Framework, MTEF, estimates is as follows and it will be used towards achieving the goals of NDP Vision 2030 and the AU’s Agenda 2063 guided by the Economic Reconstruction and Recovery Plan, ERRP.

For 2021 we have a total allocation of R2,5 billion and for that, administration will receive R116,3 million; the sector

and market development will receive R138,8 million; development finance will receive R1,3 billion and enterprise development will receive R902,3 million. In terms of classification of this budget, compensation of employees received R152,4 million, goods and services R81,6 million, transfers and subsidies R2,2 billion and payments for capital assets R4,4 million. The total rounds up to the amount that I indicated earlier.

This budget allocates R868 million of the transfers and subsidies to the Seda. From the Seda allocations, R405 million is for the provincial budgeted expenditure which is broken down as follows: Eastern Cape R47 million, Free State

R42,4 million, Gauteng R33,8 million, KwaZulu-Natal

R60,6 million, Limpopo R42,7 million, Mpumalanga R39 million, Northern Cape R40 million, North West R41,5 million and Western Cape R57,9 million, which amounts to R405 million.

We remain committed to the strengthening and expansion of Seda’s presence across the country with a goal of maintaining a Seda office in each district of our country. The

R57,9 million for the Western Cape supports the Real Enterprise Development, Red, Doors of business information centres that Seda took over from the Western Cape government

when they could not support them. In this financial year, we will commence the work of assessing the location of these Red Doors business information centres with the purpose of relocating them to the townships and rural areas of the Western Cape that remain under serviced by the provincial government.

The enterprise development work of Seda is the frontline of our services to small, medium and micro-sized enterprises, SMMEs, including c-operatives. Through the Seda network of branches, the department assists SMMEs and co-operatives to comply with regulatory requirements, thus reducing the cost thereof, and creating a labour market that is more responsive to economic opportunity.

The work of the department and its agencies is structured and co-ordinated under the SMME support plan Towards the attainment of Vision 2030 that was adopted in 2019. This plan consists of 10 programmes namely, SMME-focused localisation programme which is enabled through the Small Enterprise Manufacturing Support Programme, SEMSP, Township and Rural Entrepreneurship Programme, which is known as Trep, Incubation and Digital Hubs Roll-Out programme, Start-Up Nation, Young Entrepreneurs Support, She Trades ZA, SMME Business

Infrastructure Support, Co-operatives Support, SMME Scale-Up Expansion Programme and Informal Businesses Support.

With regard to the Start-Up Nation and Incubation and Digital Hubs Programme, an amount of R157 million of the transfers and subsidies to Seda is allocated to the Seda Technology Programme. The Seda Technology Programme is responsible for four subprogrammes of the SMME Support Plan, which are the Start-Up Nation, Incubation and Digital Hubs Programme, Product Standard Conformity and Technology Transfer. The department has set itself a target to establish 270 incubation and digital hubs by 2024. To date, 101 incubators have been established on the set target of 96 which include 22 Centres for Entrepreneurship and Rapid Incubation, CFERIs, in Technical and Vocational Education and Training, TVET, colleges and universities including an additional four centres at the University of Johannesburg, Soweto campus in Gauteng, Rhodes University, Makhanda campus in the Eastern Cape, Nelson Mandela University, Gqeberha campus in the Eastern Cape and the University of Venda, Thohoyandou campus in Limpopo.

Some of the CFERIs at TVET colleges include those at Northern Cape rural TVET colleges in De-Aar and Khathu campuses, Maluti TVET College in Phuthaditjhaba campus in the Free State, West

Coast TVET College in Vredendal in the Western Cape and the new Esayidi TVET College in Umzimkhulu campus in KwaZulu- Natal. A full list of the CFERIs will be submitted to the Select Committee responsible for Small Business Development.

The Small Enterprise Development Agency is also facilitating the establishment of an additional l27 new incubators, mainly in townships and rural areas. The new incubators will assist with the establishment of approximately 1 290 new enterprises that are expected to create at least 25 000 new jobs. Some of the areas the additional incubators are planned for in underserviced provinces and districts, including the districts of Sarah Baartman and Joe Gqabi in the Eastern Cape, Fezile Dabi and Xhariep in the Free State, Sedibeng and West Rand in Gauteng, Amajuba, iLembe, and uMgungundlovu in KwaZulu-Natal, Mopani and Waterberg in Limpopo, Nkangala in Mpumalanga, Namakwa and Pixley ka Seme in the Northern Cape, Dr K Kaunda in North West and the Central Karoo and Overberg in Western Cape.

The already existing 79 incubators have assisted SMMEs to sustain 86 000 jobs within SMME ecosystem partners. Some of these existing incubators include those located in Amatole District Municipality; Ekurhuleni Metropolitan Municipality,

King Cetshwayo District Municipality, eThekwini Metropolitan Municipality, O R Tambo District Municipality, Harry Gwala District Municipality, Ehlanzeni District Municipality. The existing incubator footprint covers most districts in South Africa and is the biggest in Africa. Having said that, more work will be done in partnership with the private sector.

The full list of the location of the incubators will be submitted to the select committee responsible for Small Business Development. Furthermore, four digital hubs were established, and the remaining two hubs will be completed in the second and third quarters of the 2021-22 financial year. The completed four hubs are located in Mpumalanga – in Mbombela and Gert Sibande, Mahikeng in the North West and Botshabelo in the Free State.

In line with the goal of the NDP of supporting small businesses through better co-ordination of public and private incubators, amongst others, the department has recently established a partnership with Naspers Labs and Foundry Programme with the purpose of optimising resources for the deployment of digital hubs and support to for start-ups. The Naspers partnership is already operational to complete the Alexandra hub. In addition, the department through Seda has

also partnered with other private incubators such as the Black Umbrellas network of seven incubators, OneBio Life Science Incubator in Cape Town, the Propeller Incubator in Eastern Cape.

The Technology Transfer and Technical Assistance Programme consists of three technology platforms which are, Open Innovation Challenges – supporting SMMEs to solve core supply chain and supplier development challenges of large private and public corporates by sourcing innovative SMMEs with specific skills, products and services that can pitch novel solutions to the challenges. This in turn improves access to markets for products and services of participating SMMEs. The SMME Innovation Forum, which is sector specific multi-stakeholder events, sharing entrepreneurial knowledge and skills for SMMEs, facilitating introduction to latest sector innovations, appropriate technology and intellectual property, also investor pitching between entrepreneurs and investors, arranging nationwide pitching competitions with judging panels of funders, together with entrepreneurial pitching masterclasses, supporting innovative SMMEs to present their business cases more effectively, and this is built on our work for pitching funding.

On technology and skills transfer which deals with intellectual property support training for SMMEs and their protection and, lean manufacturing and other related things. We also assist with quality health checks and management systems, which SMMEs must deploy in their businesses to improve their efficiency and productivity. We also assist with product testing to make sure that we promote access for SMMEs to accredited laboratory testing and conformity certification of their products so that they can meet the necessary standards – both product labelling and compulsory regulations. We also assist with product design to assist and improve product and packaging design for SMMEs.

This budget further allocates an amount of R1,25 billion of the transfers and subsidies to Sefa for purposes of implementing the Small Enterprise Manufacturing Support Programme, SEMSP, to enable SMME-focused Localisation Programme, Township and Rural Entrepreneurship Programme - Trep, SMME financial intermediaries as direct lenders to SMMEs and co-operatives and part of our contribution to the transformation of the financial services sector.

The following is the provincial breakdown of expenditure as targeted for the Sefa allocation. Eastern Cape R109,4 million,

Free State R109,4 million, Gauteng R255,3 million, KwaZulu- Natal R145,9 million, Limpopo R109,4 million, Mpumalanga R109,4 million, North West R72,9 million, Northern

CapeR72,9 million, Western Cape R109,4 million, and it totals R1,94 billion.

The Small Enterprise Manufacturing Support Programme is made to make sure that SMME participate in the localisation programme. I would like to take this opportunity to reiterate that the localisation programme is not negotiable. I want to clarify that the programme was not thumbsucked as some who want to protect the participation of the few in the economy were suggesting. The programme was also proposed by Business for South Africa in their submissions on the Economic Reconstruction and Recovery Plan and therefore there is a social compact between, government, business, labour and communities through the National Economic Development and Labour Council, Nedlac, on the localisation programme.

In addition, the 1000 products that have been earmarked for SMME-focused localisation and prioritised for support under the Small Enterprise Manufacturing Support Programme have equally not been thumbsucked. They were compiled from the lists submitted by large retailers and manufacturers such as

Pick n Pay, SPAR, Dischem, Clicks, Unilever, Massmart, Aspen, and others.

Furthermore, in line with the proposal of the NDP to commit to public and private procurement approaches that stimulate domestic industry and job creation, the ERRP has prioritised the finalisation of the Procurement Bill through the National Treasury. In this regard, the department is finalising, in consultation with provinces, the selection of 250 out of the 1000 products that must be designated over a four-year period for public procurement.

We proposed the designation of these 1000 products through the Department of Trade, Industry and Competition over a four to five-year period because we are fully aware of the need to build local capacity for quantity, quality and price competitiveness. The two hundred and sixty-eight million of the Sefa allocation is to the Small Enterprise Manufacturing Support Programme and in this regard and through the SEMSP, we have already supported at total of 15 enterprises to the value of R125 million out of the 33 enterprises that were approved to the value of R320 million. We remain appreciative of the partnership of the Black Industrialist Programme under the Department of Trade, Industry and Competition. Some of the

enterprises supported include Tshwane Truss & Timber Sales, which is a roof truss and tiles manufacturing business that was established in 2014. The business sells and installs roof tiles and designs, manufactures and installs roof trusses.

Through Sefa an amount of R14 million was provided for the purchase of warehouse property, stock and equipment. The business is owned by a black male living with a disability. We also supported Papaya Interior Design is a furniture manufacturing company that designs and manufactures furniture for retail furniture brands such as OK Furniture, UFO Furniture and House & Home. Small Enterprise Finance Agency funding worth R2,9 million for working capital and purchase of assets was granted. The organisation in a black female-owned manufacturing business. We also supported Nirmala Juice Ltd 100% black-owned cold pressed fruit and vegetable processing juice and detox cleanser business based in Pretoria. The business is owned by a husband and wife team - the Hlatshanenis. A wife, who is 36 years owns 51% - Kwanele Hlatshaneni, and her 46-years-old husband. The business produces organic cold-pressed juice at 300 ml, 1lt smoothies and vitality shots. The juice is made from locally grown fruit and vegetables sourced from the Tshwane Fresh Produce Market. The business supply Spar supermarkets, Sasol SA, Total SA and

Pick n Pay. Small Enterprise Finance Agency assisted Nirmala Juice with funds to the value of R4,6 million to renovate the current premises, to acquire machinery and stock for expansion.

Young Entrepreneurship Programme, the President, during the Sona in 2021, announced 1000 youth-owned businesses that were supported in 100 days. The department worked closely with the National Youth Development Agency, NYDA, and was able to deliver on this project under very difficult conditions of the COVID-19. The objectives of the Young Entrepreneurship Programme is to afford young people with business funding opportunities which will in turn improve their livelihood. It will also increase the participation of young people in the economy of our country and to unlock the potential of young people for them to earn an income, create employment opportunities for other young people, while contributing to nation-building. It will also ignite, contribute and implement youth owned businesses are geared towards the growth of South Africa and to showcase the Presidential Youth Employment Intervention.

An amount of R42,6 million was disbursed in the following sectors, agriculture and agro-processing, arts, education,

health, automotive and manufacturing, hospitality, ICT, maintenance and repair, logistics, tourism and recycling services, textile and indigenous goods wholesale and retail. A total of 578 of the businesses supported were male owned and 422, which constitute 42% were female owned. Gauteng, KwaZulu- Natal and Mpumalanga received 52% of the funding at

R23,3 million supporting 535 entities. Provinces that received the least funding include North West, Northern Cape and Western Cape.

Some of the beneficiaries of this programme include Kholofelo Mashego, a 31-year-old entrepreneur and owner of Spotless Prestige Laundry Service in Burgersfort, Limpopo. Khanyisa Nkolwana is a fashion graduate from CPUT. She has developed a passion for fashion at a young age and learned how to sew and draw. Khanyisa went on to establish Yalo Designs, and that is another one who was support. Ntsako Shipalana, a young female poultry farmer from Tzaneen at Ofcolaco, providing training to emerging young farmers interested in poultry farming and currently employs three people. Mogorotsi Modisaotsile who is a 28-year-old young entrepreneur residing in Modimong Village, Taung in North West. Mogorotsi started his large white and landrace piggery business in 2015 with only two pigs and he was supported to grow. He currently employs three people.

We are continuing with this partnership as it is the biggest contributor in ensuring that we achieve the target of supporting 15 000 enterprises by 2024, and those enterprises are youth-owned enterprises. With regard to the Township and Rural Entrepreneurship Programme, we have previously presented to this House the purpose of the Trep as to elevate enterprises in the townships and rural areas previously relegated to the second economy to the mainstream economy, and to further integrate opportunities in townships and rural areas into competitive business ventures.

Of the Sefa allocation, R694 million will be channelled towards supporting the Trep. To date and under the Trep, the department and its agencies have supported financially and nonfinancially township and rural enterprises such as the small scale bakeries and confectionaries support programme which is allocated R17 million of the budget. The programme is aimed at supporting small scale bakeries and confectioneries operating as micro businesses that are in townships or villages to access markets through spaza shops, school nutrition schemes, hospitals, military and other social relief programmes. This is offered in the form of working capital investment that includes bulk buying facility and also the facility to buy equipment, and it would be leveraged on the

Spaza and General Dealers Support Facility. In the previous financial year, 83 entities were supported to the value of R7,6 million facilitating 154 jobs. One of the beneficiaries of this programme is Green Health Innovations trading as Spinach King and it is a bakery provide gluten-free spinach bread, which is low GI spinach bread. Siyaqhuba [we move forward] even in those advanced technologies. It supplies organic stores in Cape Town restaurants, including walk-in customers who buys from them. This business is a 100% black youth owned business, established by Mr Lufefe Nomjana in July 2013, and he operates from Khayelitsha and Philippi Townships in the Cape Flats.

We also support the Autobody Repairers and Mechanics Programme is allocated a budget of R300 million targeting motor mechanics, panel beaters, auto fitment centres. Forty-two million is reserved for the Butcheries Support Scheme, targeting 1 400 entities. Through this scheme together with the Department of Agriculture, Land Reform and Rural Development we aim to ensure that both the smallholder farmers, subsistence farmers and feedlots become suppliers to the beneficiaries of other schemes and sell them and create market for them.

We also have the Clothing and Textile and Leather Programme, which is a joint programme between Sefa and Seda, which focuses on skills enhancements and upgrading machinery and equipment of informal clothing and textile manufacturers.

Previously, we have supported 108 entities to the value of R8,2 million and created 271 jobs. A budget of R70 million is allocated to this programme for the 2021-22 financial year. An example of the beneficiaries of this programme is Siba and Tutuse (Pty)Ltd, which is a 100% black female-owned business which was established in 2017. This business is located in KwaZulu-Natal and it supplied over 50 000 cloth face masks to the Department of Health in KwaZulu-Natal.

Small Enterprise Finance Agency through the Township and Rural and Economic Programme, Trep, approved funding for R100 000 to Siba enterprise where R5000 was converted to a grant and it was utilised to purchase material. We have supported Azania Exclusive Collections through the very same scheme. We also have the Hairdressers and Personal Care Support Programme which aims to make sure that hair salons, personal care services in the micro businesses space can then participate as well as re-position to become major contributors to the facial and beauty care in the country and in the world.

We supported also the Tshisanyama and Cooked Food Support Programme and we have allocated an amount of R13 million on that. Through the Spaza Shops Support Programme which also supports spaza shops to have access to a cashflow facility in credit guarantee through commercial banks and other banks. We are enabling the participation spaza shops to access financial markets properly. We are finalising collaboration with iZaka Bank on the same scheme as part of our contribution towards the transformation of financial services sector by actively supporting the acquisition of clients by emerging black-owned banks or aspirant banks. The department supported financially and nonfinancially a total of 10 305 spaza shops in the previous financial year. A budget of R150 million is allocated for this in the current financial year.

As I conclude, the department has been working with wholesalers and retailers to list products manufactured by SMMEs. During the past financial year, we supported 238 products across six products categories. Out of the 238 products, 91 are listed with wholesalers and the rest with major retailers. A total of 76 of these products are of SMMEs in based in Gauteng, 59 products in the Eastern Cape, 40 in KwaZulu-Natal and 40 in the Western Cape. The numbers in Free State, Limpopo, Mpumalanga, Northern Cape and North West are

still relatively low and the department is concern and we will work to make sure there is an improvement in the listing. An impressive 77% of the listings are female-owned businesses and 19% are owned by the youth. We are pleased to announce that this week “Dear Bella”, an organisation manufacturing maxi pads made from wood fluff pulp which is safe and great for absorption is in the shelves of Dischem. Dermacell Cosmetics is also on the shelves of 81 Clicks stores across the country. Masodi Organics is also listed in Clicks South Africa, which is also from the work that we have been doing.

Our commitment is that we continue to aggressively run our #BuyLocal Campaign in partnership with Proudly South Africa and call on South Africans to choose wisely and buy products that are made in South Africa because it contributes to job creation and economic growth. Buying locally produced goods is an act of self-service. We are committed to support our women and through our SheTrades ZA platform and at a policy level we are finalising the Draft SMME Funding Policy which will be released for public comments shortly. With regard to legislation, we have finalised and consolidated the amendments of the National Small Enterprise Bill, which we are bringing before the parliamentary processes. We are counting on the NCOP to support the initiatives for that. We continue to work

with municipalities on the on the Red-Tape Reduction Programme**.** This year we are having a dedicated focus on three districts where we are piloting administrative simplification programme for SMMEs and co-operatives. The focus on the three districts is mainly to make sure that we can maximise the impact of our work. The department is also working towards the amendment of the Businesses Act 71 of 1991 to provide a simplified uniform business licensing framework and establish norms and standards for business licensing by municipalities.

We agree with the wisdom of Audre Lorde that “the master’s tools will never dismantle the master’s house. They may allow us temporarily to beat him at his own game, but they will never enable us to bring about genuine change.” Through our work we continue to abandoned the master’s tools and work to ensure that our work inspires the development trajectory of this country to set firm targets for the number of millionaires and billionaires the country must nurture for a true economic transformation and radical economic transformation in our lifetime. Thank you.

*IsiXhosa*:

Mnu M I RAYI: Mandibulele kakhulu Sihlalo weNdlu. Ndibulise kuSihlalo we-NCOP, uSekela Sihlalo we-NCOP umama uSylvia,

uMbhexeshi oyiNtloko we-NCOP, usihlalo ojongene nezamalungu kunye nezikazwelonke. Ndibulise abaPhathiswa bamaPhondo, umPhathiswa wePhondo uMvoko, uZithonga-zithathu, umPhathiswa wePhondo uMkhatshwa, uMphathiswa wePhondo uMakamu, onke amaLungu eNdlu kunye nabathunywa abasuka emaphondweni.

*English:*

I take this podium mindful of the words by President Cyril Ramaphosa in his magnificent state of the nation address, when he said that “People of South Africa, it is your country that calls on you to rise.” The Department of Small Business Development heeded the call by the President of the Republic and has made strides to create opportunities for South Africans to rise. The trajectory taken by the department to enable South Africans in the small medium micro enterprises and co-operatives to rise has been tremendous in the current unpleasant times. Our nation as part of the international community got affected by coronavirus pandemic, the invisible enemy is not only claiming lives of many of our people, destroying families and changing our lifestyle, it has also crippled our economy and pose a great threat towards the survival of small medium micro enterprises and co-operatives.

In response to the pandemic, the African National Congress-led government is not restricting pandemic to merely consist of health aspects, but we are taking a multifaceted approach to address the health, social, economic and even psychological effects of the pandemic, by implementing the economic reconstruction and recovery plan whilst among its key objectives are to reindustrialise the economy through a focus on small businesses and c-operatives. The virus has proven to us that dependence on foreign markets and imports for basic needs create imbalance of great and may lead to the stagnation of the economy when the international trade is restricted by closing of borders as a mechanism to curb the spread of the virus.

Therefore, small businesses and co-operatives are strategically placed at the apex of the economic reconstruction. Our reindustrialisation process has shown some positive light in the agriculture and the mining sectors. The two sectors continue to register quartered on quartered growth, this is enabled by our decisions as the African National Congress to ensure that the agricultural sector continues to operate and provide food security for our people. This was done in line with all the health and safety regulations while in the mining industry the sector was

brought back to full production capacity and also by taking into consideration the health and safety measures. The decisions we took are not only benefiting life co-operations in the two sectors but we have noticed that the implementation of the small, medium and micro enterprise, SMMEs, focus localisation promising at policy framework has resulted in the introduction of over 385 SMMEs and co-operatives to the value chains of large retailers and wholesalers.

Most of the products in such markets are agro-processed goods while in the mining sector the SMME’s and co-operatives in the service sector are increasingly benefiting in the industry.

The localisation policy framework is broad and encompasses all economic sectors in which SMMEs and co-operatives operate.

Take for an example the manufacturing sector. The President in his state of the nation address referred to the 1 000 products that have been identified for production by SMME’s and co- operatives within the localisation policy framework. The policy will create jobs, expose SMMEs and co-operatives to new opportunities and integrate them to the local and international markets. Our people will produce their own products that symbolise their heritage and show the world their talent through entrepreneur mechanisms.

The department is making progress to make arrangements in partnership with standards bodies and regulatory authorities to ensure that SMMEs and co-operatives are not frustrated and unfairly restricted by the regulatory protocols. It is our revolutionary task as the African National Congress to create equal opportunities and an inclusive economy through the Department. The department focus on manufacturing sectors is enabled by its progressive programme known as the small enterprise manufacturing support programme. The objectives of the programme include increase the relative contribution of the manufacturing to gross domestic product, GDP, grow manufacturing employment targets, change the structure of manufacturing to high-tech manufacturing, increase labour productivity and drive economic replacement through locally manufactured goods and increase of exports in manufactured goods.

The department also implemented the coronavirus disease 2019, Covid-19, emergency fund which saw many SMMEs and co- operatives apply for assistance. The fund rescued many SMMEs and co-operatives from unprecedented debt. The reality in our nation is that in terms of SMMEs and co-operatives literature and research have proven that five out of seven of the new enterprises do not survive through their first year of

inventory. The Covid-19 emergency fund and the SMME debt relief fund become beacon of hope for many small enterprises in our country. The established fund I have mentioned play a significant role in providing a supportive and well-oiled financial infrastructure, that is essential in the medium to long term basis to encourage sustainable, viable and significant improvement in access to SMMEs and co-operatives financial support.

The African National Congress understands that economic growth is dialectically related to business growth. This means that the economy cannot strive only through consumption, but there is a need for the existence of businesses across all sectors. This recognition has led to the department to implement the business growth and resilience facilities programme which has led to several incubator programmes in the information, communication, technology systems sector. This in line with the technological advancement that are evident in all sectors. We must make a clarion call to the SMMEs and co-operatives to participate in the information systems sector. It cannot be that innovation presented through the invasion of 5G, machine learning, artificial intelligence and through deep printing to mention but the few, are reserved for big co-operations. Our

people must grab opportunities that are presented by various technological revolution.

The department is not only focusing on the opportunities in the formal economy, but the department has established initiatives known as improved informal support procedure. The initiatives are targeting to capacitate and support 9 276 spaza shops and 4 638 fruit and vegetable vendors situated in townships and rural areas in the Medium-Term Expenditure Framework of 2021-22. Hon members, these are not just figures, but these figures symbolise our people who on a daily basis, no matter the weather condition conduct their businesses to provide financial stability, food security, shelter and decent health care to their families and ultimately their communities. These are South Africans who heed the call by the President to rise because the nation needs them.

Hon members, allow me as the President did in the state of the nation address and dedicate a stanza from the poem by Maya Angelou title *Still I Arise* to the department, SMMEs, co- operatives and all South Africans who are striving to rise despite all the challenges for us:

Leaving behind nights of terror and fear

I rise

Into a daybreak that’s wondrously clear

I rise

Bringing the gifts that my ancestors gave, I am the dream and the hope of the slave. I rise

I rise I rise

Out of poverty, class antagonism and gender struggle we look up to the African National Congress through the department to afford us with the opportunity as a nation to rise. I thank you, hon House Chairperson.

Ms H S BOSHOFF: Hon Minister, hon Chair, last year, the Deputy President, when addressing the NCOP in an Oral Question Session, indicated to the House that government would introduce a new programme in 2021 to help small businesses with incubation and access to markets to revitalise township and rural economies. He went further to say that the Department of Small Business Development would be championing the Product Marker Programme by focussing on the refurbishing and repurposing of industrial sites and well as other municipal-owned properties in order to transform them into

product markets. The programme will be implemented in the Eastern Cape, the Northwest, Limpopo, Mpumalanga and KwaZulu- Natal.

Hon Minister, South Africa cannot achieve an inclusive economy if township and rural areas are not meaningful participants in the mainstream economy. Unfortunately, like the rest of the world, South Africa was also hit hard by the COVID-19 pandemic, leaving many small businesses to shut their doors as they had nowhere to offset their products.

This is something that Mpumalanga clearly cannot afford, especially in light of the expanded unemployment rate of 47,6%. Those are the latest statistics, and it is the third- highest in the country.

On the other hand, Minister, you and your department spoke broadly about the initiative you put in place to assist them whereby you would match SMME brands and wholesalers and, in doing so, stimulate demand. If this was the case, why did we see so many businesses in townships and rural areas closing their doors, leaving many employers and their employees without jobs or a future to look forward to?

Hon Chair, I would like to turn to Mpumalanga – it’s your province, as well. It’s called the province of the rising sun. Unfortunately, I do not see the sun rising because here we have the Mpumalanga Economic Growth Agency, MEGA, which is one of the parastatals mandated to create jobs in the province.

But, as with many government entities, it is practically broke and will do little to nothing to assist in building the township and rural entrepreneurship programme in the province.

According to the 2019-20 provincial and national audit outcomes released on 31 March 2021, MEGA’s finances were 373% in the red. It will therefore not be able to commit and realise its expected mandate, leaving the citizens of Mpumalanga who are reliant on its systems to open businesses in the lurch.

Hon Minister, it is evident that the oversight role to be played from a national perspective is clearly lacking. If the Department of Small Business Development had intervened and had taken steps, MEGA could have been on the path of positivity and not a path of dysfunctionality.

The ever-growing population of Mpumalanga is now facing a depressing and bleak future in terms of job opportunities.

The creation of MEGA was to fund SMMEs and businesses, but alas, they too have failed the citizens of Mpumalanga.

Hon Minister, looking at your annual performance plan, you are going to support 28 000 township and rural enterprises to the value R694 million, financially and/or non-financially during this Medium-term Expenditure Framework period. As we are already in June, it would be great if you could indicate how many have been supported to date, and what the form of support was.

In South Africa, SMMEs are expected to function as the driving force for the country’s social and economic stability. It is therefore of cardinal importance that this department is not only seen to be supporting metro townships, but also the truly rural townships and areas of the country.

By broadening the support base, one will see small business contributions to the GDP surpassing the current 30% mark and see them absorbing more unemployed into the labour market.

Hon Minister, looking at the City of Cape Town, they have extended a hand of support to the sector through its business hubs. The City of Cape Town has recognised that many small

businesses are at a loss and are looking for support to rebuild and start afresh and it is therefore committed to supporting SMMEs to combat the economic impact of COVID-19.

This business hub has been established to support SMMEs and entrepreneurs by offering practical business solutions, entrepreneurship programmes as well as advice on navigating governmental procedures and compliance requirements. This business hub has distributed 3 000 SMME COVID-19 toolkits containing the essentials to help get businesses back to work safely.

The City of Cape Town is in its final stage of the business support programme in collaboration with Productivity SA. This initiative is aimed at assisting businesses in distress by proactively addressing their challenges.

The ease of doing business in South Africa, Minister, is still problematic. Even with a name change from Red Tape in 2014 to Ease of Doing Business and back again to Red Tape, businesses are struggling. Under the current circumstances in which this country finds itself following the COVID-19 pandemic, this department will have to start thinking out of the box if it wants to remain relevant.

With unemployment rising at an alarming rate, the Department of Small Business Development must look at alternative measures to stimulate the growth of this sector and enable it to create an environment to employ the unemployed. Once again, the City of Cape Town under the governance of the DA ranks first in relation to the ease-of-doing-business indicators.

The City is clearly committed to SMME development. Their strategy is to concentrate of the ease-of-doing-business principles used by the World Bank to measure a government’s commitment to a business-friendly environment.

The result of this strategy is that Cape Town is a sought- after destination for investors to invest in small businesses that create a fertile ground for job creation.

Hon Minister, it is clear that ill-considered and detrimental municipal bylaws make it very difficult for entrepreneurs to do business and create much-needed job opportunities.

Furthermore, Minister, to create a business-friendly environment at the local level, municipalities need to embark on an ease-of-doing-business legislative campaign aimed at removing all barriers that hinder SMME development in their jurisdictions. As you are aware, hon Minister, small

businesses are the most critical drivers of economic growth innovation and job creation. But they require local municipalities to concentrate on enhancing the environment for entrepreneurial activity. Government must use its powers and functions to free small businesses from the clutches of red tape.

In conclusion, small business success must be you and your government’s number one priority, so as to ensure that South Africa remains competitive on the global market.

Unfortunately, we see and experience the hardships of our entrepreneurs across South Africa due to government failing them with regard to the ease of doing business test.

Furthermore, with the Minister having two portfolios, namely Minister in the Presidency and Small Business Development, it shows clearly how important small business is to you and your government. Thank you.

Mr X NGWEZI: Hon Chairperson, may I be allowed to speak from this arrangement?

The CHAIRPERSON OF THE NCOP: Which arrangement?

Mr X NGWEZI: This unseen arrangement.

The CHAIRPERSON OF THE NCOP: Okay, you are allowed.

Mr X NGWEZI: Hon Minister and hon members, this department has put before us a vote for the promotion of small businesses and co-operatives that contribute to inclusive economic growth and job creation in South Africa.

Inkatha inkululeko yezwe has always been clear in its policies that government must facilitate the competitive development of small businesses.

While acknowledging that there are different players under the category of small businesses, the IFP believes that most yong people are found in this category, and that this department must support them.

To ensure meaningful and competitive small business growth, the IFP implores government to provide more sensitive and stimulating support to businesses. This will help them to increase their market share of domestic and international goods and services.

To make this happen, government must continue to liberalise domestic and financial markets, taking into account emerging trend in financial technologies so that this country is not left behind in innovation and uptake of new global financial opportunities.

The IFP notes that R248 million has been budgeted in the medium term to the sector and market development which will intensify the establishment of infrastructure to expose small and medium enterprises to new markets. We call upon this department to use these finds wisely to provide affordable, safe and modernised spaces for small enterprises to meet potential buyers.

This is not a call for state interference with small business but a call to government to play its part in supporting small businesses.

Government should also make capital available to small businesses. In this regard, the IFP acknowledges the little support this government gave small businesses to cope with covid-19, although we believe that more should have been done.

In light of the devastating effects of covid-19, Inkatha calls on government to consider lowering the income taxes of small businesses to increase their profit margins and to make them more appealing to the youth.

Inkatha further notes that about R27 million is set aside to amend legislation to regulate the licences of businesses run by foreign nationals.

While acknowledging the importance of such potential legislative amendments, the IFP repeats the call to prioritise South Africans in the small business sector.

*IsiZulu*:

Amabhizinisi amancane awabekwe phambili eNingizimu Afrika hhayi abantu abaqhamuka kwamanye amazwe.

*English*:

This is one of the quickest ways to close the inequality gaps.

The IFP implores this department to intensify its support for start-ups and small businesses through the budgeted

R2,6 billion to the small enterprise development agency. This is not a small fund. We certainly hope that it will not become

a feeding trough for the politically connected. When properly used, this fund can increase investment in townships and provide support for small businesses that are not supported by the commercial banks and other financial institutions.

*IsiZulu*:

Noma kunjalo-ke, Sihlalo, i-IFP iyayeseka le-budget ebekwa phambi kwethu kodwa siyeseka phansi kwemibandela eqinile yokuthi abantu bakithi baseNingizimu Afrika yibona okumele babekwe eqhulwini ukuze bakwazi ukuzuza kuzo lezi zimali ezincane okubikwa ukuthi zincane ngoba zincane nje kufuneka zibe zincane kodwa zisiza abantu baseNingizimu Afrika ikakhulukazi abantu abasha nabesifazane. Ngiyathokoza kakhulu

Mr G M MVOKO (Eastern Cape – MEC: Finance): Thank you very much House Chairperson, ... [Connection problems, Inaudible.] I am in Sundays River Valley where the issue of ... [Connection problems, Inaudible.]

The HOUSE CHAIRPERSON (Mr A J NYAMBI): No, it is fine.

Mr G M MVOKO (Eastern Cape – MEC: Finance): Thank you very much House Chairperson. The Minister, members of the NCOP, colleagues from other provinces, ladies and gentlemen ...

*IsiXhosa*:

... molweni.

*English*:

Hon House Chair, the Eastern Cape, firstly, would like to congratulate the Minister and indicate our support to the Budget Vote of the Department of Small Business and Development. Her presentation confirms the government’s commitment to grow the economy of all the spheres of government and it is also aligned to the National Development Plan 2030, NDP codes and other policy initiatives that have been developed by the government to grow the country’s economy.

The Eastern Cape provincial development plan aligned with the NDP 2030 places the small, medium and micro-sized enterprises, SMMEs sector in the centre of jobs creation and puts targets that must be met by 2030. The SMMEs support plan is critical for the competitiveness and sustainability of the smaller enterprises. The programmes that have been articulated target women and youth in support and business development services.

The drive to have business incubations in townships and rural areas will assist in ensuring that the enterprises operating

in this space are provided with immediate institutional support for them to expand into a meaningful role in the main economy. Most of these enterprises are often forgotten and relegated to obscurity as they operate in the periphery of the main economy. We are looking into how we can collaborate with the department to make this a reality in the Eastern Cape.

In the Eastern Cape provincial government, we have approved the provincial business development intervention strategy that is aligned to the identified to the BDIS priority sectors and thus collaborating with the Department of Small Business Development is very critical to ensure sustainability of existing business incubators as well as new ones that will be established. The collaboration with the private sector driven incubators is important to strengthen the enterprise development ecosystem and the streamlining of resources.

Hon House Chair, the department is collaborating with the Department of Small Business Development on identified areas for the reconstruction and economy recovery strategy. The area includes the financial support through our ECDC in short and long term loans, nonfinancial support in the form of assistance with development of quality management and SABS certification, informal sector support in the retail, which is

the pilot that they have, textile manufacturing and services sector and local procurement.

We have observed that considerable progress has been made in the digital hubs and we also wish to call on the department to include the rural provinces, such as the Eastern Cape in their plans, particularly to assist grassroots innovators to benefit from the government support programmes. The drive to support SMMEs to the tune of 250 products from the targeted 1000 over a four-year period must be applauded.

The decision to expand the Small Enterprise Development Agency Network Services to every district must be welcome as it will assist to address the challenges that the SMMEs are confronted with at local level and will serve as a one-stop shop. As the Eastern Cape we put aside R40 million in the current financial year to support the informal economy interventions that are relying to some of the sectors identified in the TRMP. We have targeted 1000 enterprises that must benefit. The nature of the support is both financial and nonfinancial and will be implemented in collaboration with the Department of Small Business Development and its agencies.

The targeted 1000 small businesses will each receive equipment, tools, machinery and implements to the value of R30 000. This financial support will be complimented by the necessary businesses to register training and coaching. The purpose of this project is to assist businesses to transition from the informal into formal businesses so that they can be able to participate in businesses presented by the public and private sector.

The department provided an incentive scheme that is administered by the ECDC for purchase of stationery and equipment to a maximum of R30 000 per applicant operating in four identified sectors, which is manufacturing, leather and textile as well as auto aftermarket support interventions and services. Through collaboration with Seta capacity building and training we will be providing to the beneficiaries for the incentives scheme. For compliance with legal and regulatory framework joint information sessions will be held with Sars and DORA. This programme is at an advanced stage of preparation and will start roll out in the middle of this month, which is June 2021.

Furthermore, we have identified areas of collaboration with the departments that are aligned to the SMMEs plan and look

forward to the finalisation of the memorandum of understanding between the two parties. I believe that issues of communication gaps with the SMMMEs will be addressed to such partnerships in order to provide feedback to them on status of their applications.

That concludes hon House Chair, I wish to reiterate that we remain firm in our resolve to develop the SMMEs sector and the informal sector. We encourage women and youth to participate in the creative sector for the employment opportunities. As such we welcome the support from the Department of Small Business Development and the Department of Sports Arts and Culture. We have jointly made available the relief fund of R23 million to support the sector in the current financial year. This fund will seek to provide the relief support of the following sectors: audio-visual, visual arts, crafts and design sector. With those few words, the Eastern Cape government welcomes the budget of the Department of Small Business and Development and we support it.

*IsiXhosa*: Ndiyabulela Sihlalo.

USIHLALO WENDLU (Mnu A J NYAMBI): Siyabulela.

Ms D BAARTMAN (Western Cape): Hon House Chairperson, in March 2020 President Ramaphosa placed South Africa under Level 5 Lockdown Restrictions forcing businesses to close their doors in order for the health sector to prepare for the first wave of COVID-19 infections. The shutdown of economic activity both locally and internationally let to the loss of 2,2 million jobs. The Western Cape experienced 321 000 job loses which was less than the other comparative provinces such as Gauteng and KwaZulu-Natal.

Key industries such as the tourism and hospitality industry were hard hit along the construction industry and Small, Medium and Micro Enterprises, SMMEs were in particularly quite vulnerable.

The tourism industry is showing a slow recovery particularly over the past Easter weekend a few months ago where the domestic market led the way. There was a 65% recovery of the domestic arrivals at Cape Town International Airport.

In response to the severe impact, that COVID-19 has had on the economy and the future economic prospects of the province.

The Western Cape government responded in three different ways to protect and stimulate economic activities. We are lobbying the national government for easing regulations on restrictions which balanced lives and livelihoods, particularly in the tourism, e-commerce and construction industries. We provided businesses support through various programmes and policies. We promoted foreign direct investment.

In terms of business support, this consisted of the launching of the COVID-19 Content Centre in partnership with Wesgro and the city. It provided support advice to businesses during the pandemic and helped them with interpreting the legal requirements related to lockdown regulations. We launched a COVID-19 Support Finder which helped businesses navigate and access various different financial relive packages. One can these at supportbusiness.co.za.

We launched the Champ App which is a one stop shop for existing and potential business owners which give them access to resources they need to start, scale and grow their businesses. Any person can download this on the Android or iPhone@bizjump.co.za.

We launched a #GoDigital Western Cape campaign to help businesses take their services and products online and adopt digital technologies in their business model including Webinars articles and tech volunteer campaign which linked businesses with skilled professionals in terms of our red tape reduction unit within the department.

We assisted entrepreneurs to start a business where they also could register and work with them regarding the reduction of red tape issues. We supported 250 Early Childhood Development, ECD, centres who safely and reopen a unit in the department as well as assisting informal and unregistered formal businesses to become registered and created and sustained more than 1 000 jobs particularly for black females in the province.

In terms of the COVID-19 Relief Fund, we launched this fund and R38 million was distributed to 249 small businesses which saved 2 000 jobs. We launched Community Economic Recovery Project which distributed R3 million to 225 community kitchens for food and relief and spend that at over 122 local spaza shops.

We launched the Tourism Product Development Fund which distributed R5 million to support new and existing tourism

products and experiences. Despite it be a national entity, we assisted the George Airport working with all the stakeholders in order to reopen the airport safely which has seen great recovery since the support of R2 million by the Western Cape government.

We assisted tour guides and collected the respective information. More than 5 000 tour guide’s information was submitted for the relief packages from respective Department of Tourism nationally.

In terms of COVID-19 business safety kits, we distributed

11 000 kits to small businesses and informal traders.

In terms of occupational health and safety, we partnered with an agency to assist businesses at no cost to ensure that businesses comply with COVID-19 regulations. Four hundred and fifty nine businesses received assistance in this regard.

We launched an SMME Booster Fund which supported 400 SMMEs and created 400 jobs. These were all different steps which have been effective with 146 000 visitors using our support business site. More than 2 600 enquiries have been fielded and over 6 900 businesses have used the COVID-19 Support Finder

and the red tape reduction team has dealt with 1 248 inquiries and assisted in supporting businesses with the delayed Unemployment Insurance Fund, UIF, Ters pay out to the value of R43 million.

We have also supported more than 500 businesses with resolving complex COVID-19 workplace safety and noncompliance matters.

In terms of skills programmes, the Department of Economic Development and Tourism has three youth employment programmes specifically. It is the information and communication technology, ICT, technical skills programme, work and skills programme and the artisan development programme, workplace programme.

In terms of the work and skills programme during the pandemic,

1 700 unemployed youth were employed in the Business Process Outsourcing, BPO, sector through the BPO initiative of which

1 166 people were offered fulltime employment. One BPO had a cohort of 500 beneficiaries of which 90% were offered fulltime employment.

Due to the success we have now allocated in the Western Cape a further R98,8 million over the medium-term to provide 3 000

unemployed youth with experiential learning opportunities within the BPO sector. In November 2020 the Western Cape launched a first of its kind BPO Academy in order to fulfil these need within a growing sector.

At the Saldanha Bay Industrial Development Zone, IDZ, 2 450 beneficiaries also benefitted in terms of development programmes over the past four years and more than 1 500 visits have been made to the Small and Medium Enterprises, SME, Co- lab Centre. Through our Wesgro export advancement and promotion activities for the 2020-2021 year.

In terms of export training and mentorship which the courses were done online as well, in terms of the export training 148 companies were assisted and in terms of the mentorship 56 companies were assisted.

However, House Chairperson there is one matter that I do need to reply to. The Minister in her speech originally indicated that the Western Cape cannot take over Small Enterprise Development Agency, Seda, and cannot manage the service delivery in terms of managing it.

I have quickly done enquiries and Seda is a national entity with a national competence. If she is claiming that there is no delivery by the Seda then she has admitted on record in this sitting that her department is not delivering services in terms of the Seda agency.

However, if she is willing to give us the entity with the mandate and the funding she is welcomed to WhatsApp me at 083 302 4132 and the Western Cape will take it further from there. Deputy Chairperson, thank you so much.

Mr V MKHATSHWA (Mpumalanga – MEC: Finance, Economic Development & Tourism): Thank you, hon Deputy Chairperson, let me acknowledge the hon Chairperson, the Chief Whip, The Minister of Small Business Development, hon Khumbudzo, the chairperson and members of the select committee, members of the provincial executive and delegates from the provinces, we enter this policy debate mindful of the fact that on the 16th of June, this year, commemorating, celebrating and memorialising of youth confrontational bravery and unwavering resolve to defeat the unjust laws of apartheid misrule. We shall continue to draw strength and learn from the relentless resilience of the generation of 1976.

The generation of 1976 was a phalanx of young men and women of high moral stamina determined to fulfil their generational mission, and unwittingly, they raised the tempo of the struggle for liberation.

In our quest to fight against the deadly virus of COVID-19, we shall do so with the resolve, tenacity and an uncompromising fighting spirit of the generation of 1976. It is without doubt that the black swan events of the coronavirus had a devastating and negative impact on the small businesses. As a consequence of these effects, most of the small businesses became a dead duck in water. They could not survive the omnipresence of the virus.

However, as Amilcar Cabral puts it: “When your house is burning, it’s no use beating the tom-toms.” It is against this backdrop that we ought to forge ahead with the plans to resuscitate the economy of the province amidst the presence of the pandemic.

In the context of Mpumalanga, like in any other part of the globe, the pandemic ravaged the sector and left an indelible impact on the small businesses. It has fundamentally disseminated small businesses operations and simultaneously

contributed to unemployment. However, the provincial government together with its entities made some significant interventions to cushion small businesses from the destruction of the pandemic through the provision of the Small, Medium and Micro Enterprise, SMME, Relief Fund.

In the context of tourism, as a provincial government, we have thus intervened and helped businesses operating in the sector, this is because the sector is the goose that lays the golden eggs for the economy of the province. In this regard, we have allocated R10 million to assist tourism businesses whose operations were affected by the hard lockdown. The intervention is part of implementing the Mpumalanga Economic Reconstruction and Recovery Plan as pronounced by premier Refilwe Mtshweni-Tsipane. The plan outline the following overarching priorities aimed at assisting SMME: Massive rollout infrastructure; growth through industrialisation, localisation and export promotion; sufficient, secure and reliable energy supply, and green economy initiatives; growth and recovery of tourism; and agriculture and food security.

We have also reprioritised the implementation of the township and rural entrepreneurship programme in order to support the businesses operating in the townships and rural economies.

Consistent with the above, we have established partnerships with Small Enterprise Development Agency, Seda, Small Enterprise Finance Agency, Sefa, and National Youth Development Agency, NYDA, in the province to assist SMMEs in the business development support and funding as our deliberate response to mitigate the impact of COVID-19 to SMMEs in the informal sector and businesses operating in the rural and townships setting. We have also brought in our Mpumalanga Growth Agency to assist us in funding SMMEs. This we do as a direct response to the impact of the pandemic to the entrepreneurs of the province.

The hon premier of Mpumalanga province, Ms Refilwe Mtshweni- Tsipane, in her state of the province address, pronounced that her office has established Mpumalanga Youth Development Fund to the tune of R50 million to assist youth-owned businesses.

As the department, we continue to work closely with the Department of Small Business Development, particularly in the area of the Seda Technology Programme across the province supporting innovation-based entrepreneurs.

Finally, the province is in the process of developing industrial parks in its three districts to house SMMEs in

order for them to leverage their potential and participate in the economy of the province. I am quite optimistic that working together, and with conviction, we shall defeat the pandemic and recalibrate the economy and give the mass of our people the necessary jobs they so need and deserve. We hereby support the budget as presented by the Minister. We are combat ready to work with the Minister to ensure that we achieve the goals of government of building a crop of successful SMMEs consistent with the vision of the National Development Plan, NDP.

Let’s grow the economy of South Africa together by empowering our small businesses. I thank you very much.

Ms B T MATHEVULA: Thank you very much ...

*Xitsonga*:

... Mutshamaxitulu ...

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

Mamaregane, oh! Is it Brenda Mathevula? Continue.

Ms B T MATHEVULA: Chairperson.

The DEPUTY CHAIRPERSON OF THE NCOP (Ms S E Lukas): Yes! Yes,

Ms Mathebula.

*Xitsonga*:

... Mutshamaxitulu, ku ta va mina ndzi nga ta yimela

njhekanjhekisano lowu ematshan’weni ya muhlonipheki Apleni.

The DEPUTY CHAIRPERSON OF THE NCOP: You are welcome to continue.

*Xitsonga*:

Man B T MATHEVULA: Ndza khensa, Mutshamaxitulu.

*IsiZulu*:

An HON MEMBER: Yini lokhu?

*English*:

Minister, the department’s objectives are to facilitate the development and growth of small businesses and co-operatives to contribute inclusive and shared economic growth and job creation through public and private sector procurement, to facilitate partnerships with all small spheres of government as well as the private sector.

It is extremely disappointing to have note that this department being so invisible to young black people, especially women and people with disabilities who have the ambition to start small businesses but lack funding and guidance fending on their own because they don’t know anything about this department. We have on numerous occasions suggested here programs that should be directly taken to deep rural areas to make young black people aware of the opportunities that this department offers. The most unfortunate thing is that, currently it is the few connected individuals that are benefiting from this department.

Young people who wish to contribute and start their own businesses in Dimbaza, Buffalo City in Eastern Cape, cannot do so because they are not aware of the opportunities that are there for them. When they look at what was supposed to be an economic zone that turned into a white elephant, they still think that the people who should run businesses there are white investors from somewhere in Europe. The millions of rands that this department is supposed to have invested in young black people still cannot be traced and as a results not being seen because those monies are spent on the few connected people.

The young people who have built themselves shacks on main road of Eliotdale in Mbashe to sell fuel next to the road are victims of daily robberies because this department has never been visible to them to support and show them how could they can develop their business to be fully functional and save business. A young woman in Ndevana, Anathi Senti, who started a poultry business keeps on watching her chickens dying on the daily bases because she is not aware of the assistance that she could get from this department. Even when she is told of this department, the officials keep on sending her from pillar to post. In a country where almost 55% are unemployed, this department should give a meaningful role in facilitating opportunities for young people to creating jobs through small businesses.

The EFF has long suggested that production of basic daily used goods must be locally produced, these include items such as; glasses, cups, plates, spoons, pots, tiles, energy efficient tools, building materials and furniture. The EFF has long called for small and medium-size enterprises to be given strategic support and that legislation must be passed to ensure that key industrial inputs and services are given necessary support. The confiscation of street traders’ goods must be prohibited. How do you profess and seek to promote the

small businesses and yet you still confiscate the good of trades?

This department must establish youth information and advisory centres to inform, educate and guide young people on possible opportunities that this department can offers.

*Xitsonga*:

Holobye, ku komba leswaku ndzawulo ya n’wina a yi tekeli vanhu va mabindzu lamatsongo enhlokweni, exikarhi ka mavabyi lawa ma hi hlaseleka sweswi, ndzawulo ya n’wina yi tsandzekile ku pfuna van’wamabindzu lamatsongo hi swisirhelelo swa ku va pfuna ku nga tluleriwi hi xitsongwatsongwana xa khorona.

Holobye, a hi pfumelelani na wona mpimanyeto lowu.

*Sepedi:*

Mna L MAMAREGANE: Motlatṧamodulasetulo, thobela ...

*Tshivenḓa*:

Ndi masiari, Vho Minisiṱa.

*English*:

Hon Deputy Chairperson, the most celebrated thinker, Karl Max

once said that, “revolutions are the locomotives of history”.

This means that societies bare the imprint and bad marks of their own past. All changes in society whether we like them or not are shaped by the present and past circumstances. Marx also indicated that the revolution does not happen on their own, there must be instigated, shaped and harness by the people. In our process to instigate, shape and harness the revolution, the ANC carefully identified its motive forces in the national democratic revolution.

Hon Deputy Chairperson, the learning Disabilities, LD, are the correctly theorises the struggle faced by the black women in the free prose interwoven struggles stemming from the national question cloisters antagonism and the gender struggle.

In the past, women were restricted to only perform households’ duties. In this way, their labour was commodified through domestic mechanism and did not bare prospects of actively participating in the broader economy. This reality created the nucleus of the free prose interwoven struggles.

The ANC knows that only theorising the past will not change the current realities but theory must be coupled with practice. The core principle of our practice in government in addressing the free prose interwoven struggles faced by the

women is visible through our decision to prioritise women headed micro, small and medium enterprises and co-operatives by targeting a minimum of 40%.

Hon Deputy Chairperson, the 40% target is the minimum. This means that the Department of Small Business Development has a task to expand its Medium-Term Strategic Framework to mainstream more than 40% of women-headed SMMEs and co- operative to the local and international markets.

Hon Deputy Chairperson, the mainstreaming process is not restricted to certain industries. We are proud to announce that a woman owned business known as EcoGift is on the verge of producing clothing for large clothing chain. Young people and persons with disabilities also faced systematic restrictions and challenges to penetrate through the local and international market. To solve this plight, the Medium-Term Strategic Framework has also targeted to implement mainstreaming policies that will enable 30% of SMMEs and co- operatives headed by young people and at least 7% of those headed by persons with disabilities.

Hon Deputy Chairperson, as we speak young South Africans emerging manufacturer produced a beautiful watch known as

Nkarhi watch. The watch is not only beautiful but a symbol of innovation, talent and indication that when public procurement is used for the benefit of the people the market can be penetrated and SMMEs and co-operatives can be capacitated to produce products that can compete in both the global, local and international markets.

It is a known fact that the pandemic has exposed SMMEs and co- operatives to financial stagnation because most of them do not have large investment to protect them during the hard time.

Therefore, they look to the government for assistance.

Hon Deputy Chairperson, the department’s public procurement processes have been solely based on protecting capacitating the struggle SMMEs and co-operatives to survive the economic stagnation.

The Covid-19 Emergency Fund and the SMMEs Disaster Relief Emergency Fund has bring ... [Inaudible ...

Ms B T MATHEVULA: House Chair? House Chair?

The DEPUTY CHAIRPERSON OF THE NCOP: Yes, co-Chair.

*Xitsonga*:

Man B T MATHEVULA: Swi tikomba onge yi va tsemile. A hi yeni aka xivulavuri lexi landzelaka. Ku na xiphiqo xa “network” eLimpopo

The DEPUTY CHAIRPERSON OF THE NCOP: Now I understand, but can you allow me to preside over the House? I can see that there is a problem. It seems we have lost Mamaregane. Hon Mamaregane? And then we will now continue and we will call on hon J Londt to continue with the debate.

Mr J J LONDT: Deputy House Chair, I think hon Mathevula ...

The CHAIRPERSON OF THE NCOP: Leave me a Deputy House Chair. You can at least make me House Chair but not Deputy House Chair.

Mr J J LONDT: But after you were promoted to Deputy President I think we should all voted you out. [Laughers.] Colleagues good afternoon, we are in debate season and in preparation for another debate. We are thinking on all the plans and promises that were made over the past two years and I was reminded of another shining policy and promise that the ANC-led government concerted as one of the solutions to the other problems that

we are facing. And this time I was reminded of the South African Economic Reconstruction and Recovery Plan, which President Ramaphosa presented and framed as the actions South Africans need to take in order to rebuild the economy.

On paper this plan has everything that we need to get our economy back on track. However, one look at the budget for the Department of Small Business Development and you realise the only way small, medium and micro enterprises can be part of our economy recovery drive. It’s on paper because this is where the ANC shines brightest but President Ramaphosa is wrong. There needs to be more concerted efforts to stimulate the SMMEs sector.

And SMMEs in developing and developed countries usually contribute significantly to the GDP and job creation.

Unfortunately, this is not the case in South Africa. With the President admitting that in South Africa former businesses they make up a far smaller contribution to employment and the GDP as we should have like and as it gets done in other developing countries.

Are we even surprised by this submission? As a small business, you need a functional state, you need basics such as stable

electricity, safe neighbourhoods and an investment friendly climate that allows SMMEs to thrive but most importantly, you need a competent government with employees that serve these SMMEs not cadres that look after themselves. If we shift away from the promises to the actual relief that was provided to SMMEs when the Covid-19 pandemic hit, this department reprioritised R500 million for SMMEs Debt Relief Scheme, which will be administered by the Small Enterprise Finance Agency.

The industry receives just under 36 000 applications of which

14 451 were fully completed. Unfortunately, of those fully completed applications only 1 497 were approved by the Skills Initiative for Africa, Sifa, to the value of 530 million of which unfortunately only 316 million have been disbursed. However, even this wasn’t enough to stop the destruction of 42% of SMMEs closing down on the first months of 2020 due to lockdown according to fin fine.

And how can we speak about advocating for SMMEs and not mention the fact that the Gauteng province recently published a draft Township Economic Development Bill. This Bill seeks to prohibit foreign nationals from participating in economic activities. This is an exclusionary Bill that is not putting the best interest of all the people that live in South Africa at its heart. The Gauteng government wants to exclude certain

people and only include some people. It should be surprising that this actually is policy of the ANC to exclude the majority of the country and only look after the closely connected few.

This new Bill is unconstitutional and it will be challenged. There is however a champion for SMMEs and it is not just plan in wring on paper. It gets done in practice here in the Western Cape by the DA. Whether it is through the easy of throwing Bill we have tabled that seeks to provide assistance to businesses in overcoming red tape and the cost thereafter in existing regulatory measures or by following examples of how easier things are made easier for SMMEs where the DA governs. If you want to take practical examples, it takes 91 days to connect a customer to the electricity grid here in the City of Cape Town. However, it takes much longer in cities like eThekwini or Johannesburg. The City of Cape Town also rank stocks in relation to construction permits.

With new businesses it takes 88 days to obtain over necessary licences and permits and completing this require notifications and inspections is almost doubled in Johannesburg to a 155-day period on average.

No wander Cape Town was named the top opportunity city in Africa but water is though our scoopers. It is also no wonder that the City of Cape Town has been rated the top metropolitan municipality in South Africa when it comes to the easy of doing business according the latest world Bank research report.

Cape Town understands the stresses SMMEs are under. Therefore, they had to develop a mobile business hub that will be able to reach more of SMMEs in need of support and guidance. By going into a community across the city to assist entrepreneur and SMMEs in setting up or improving the businesses through advice, training, workshops, networking opportunities and importantly by reducing red tape.

The city knows that SMMEs are the backbone of the economy and therefore act accordingly. When it is all said and done, this budget will not benefit SMMEs moving forward. SMMEs are in survival mode and therefore, the only way to get them out of this bind would be to have proper structure in place. It is clear that a pre Covid-19 ANC-led government had not implemented the relevant structures to easy the burdens on SMMEs.

An in Covid ANC government has not done any better. How can we trust a post Covid ANC-led government to do any better? It is time to put the vote with a party that have proven in action they care for our small businesses. I thank you.

The DEPTY CHAIRPERSON OF THE NCOP: You need some hot water for that cough.

Mr M A P DE BRUYN: Deputy Chairperson, the dream of being an entrepreneur or a small business owner in South Africa has sadly ended up in being a nightmare for new as well as existing small business owners. This department and the governing party have failed miserably and that at the expense of the small business owners in general.

For more than two decades the ANC-led government could not succeed in establishing a healthy economy and ensure the basic service delivery needed for small businesses development. To provide grants for a select few is simply not enough.

For any business, big or small, a healthy economy is crucial and basic services and access to proper infrastructure is needed. The impact of load shedding and the horrifying state of our roads and transport system impact any business

negatively and adds to the long list of difficulties experienced by business owners.

*Afrikaans*:

As ons kyk na die duisende besighede wat hul deure moes sluit die laaste paar jaar, veral na die swak hantering en onrealistiese beperkings van die COVID-19 pandemie, is dit duidelik dat die ANC regering nie die belange van besigheidseienaars op die hart dra nie, en direk verantwoordelik is vir die vernietiging van kleinsakeondernemings, hul behoud en hul drome vir die toekoms.

Talle besighede op plattelandse dorpe wat as gevolg van politiek by metrorade ingesluit is, en nou ook metrotariewe vir dienste moet betaal, kan dit eenvoudig nie bekostig in die swak ekonomiese klimaat wat deur die regerende party geskep is nie.

Maar, weereens heg die ANC geen erns hieraan nie, en dien hy eerder net homself en ’n paar uitverkore kaders. Pleks daarvan om ekonomiese groei te stimuleer en dienste te vereseker en sodoende kleinsakeondernemings volhoubaar te maak om werkloosheid te bekamp, plunder die ANC en sy kaders eerder

die staatskas en die toekoms van opkomende besigheidsmanne en

–vroue.

*English*:

New small and medium enterprises are an important vehicle to address the challenges of job creation, sustainable economic growth, equitable distribution of income and the overall stimulation of economic development.

New SMMEs suffer from a high failure rate in South Africa. The high failure rate paints a bleak picture of the SMMEs sector’s potential to contribute meaningfully to job creation, economic growth and poverty reduction.

SMMEs, in effect, are not growing fast enough to meet the National Development Plan, NDP, targets which envisioned that the sector would contribute up to 80% of GDP growth and generate 90% of an estimated 11 million new jobs by 2013.

The sector would have to grow at a rate of least 20% per year to achieve the NDP goals. Obviously this growth is unrealistic as South Africa has a higher failure rate of SMMEs than elsewhere in the world. 70% to 80% of our small business will fail within five years. This clearly shows that the NDP,

government and BEE has failed in totality and that this department is also failing in totality.

Surely this department cannot be taken seriously when it doesn’t even have its own Minister allocated to it. Rather shut this department down and reallocate the funds to stimulate the economy and create a sustainable environment with effective service delivery in which small businesses can thrive. Thank you.

Mr T J BRAUTESETH: Hon Chairperson, I have difficulties today with my signal. It says it’s unstable. So if it’s okay, I’ll have to do it on this basis.

Hon Chairperson, hon Minister, the department’s budget report represented at the select committee lays out their objectives as follows: They refer to developing an environment for entrepreneurship; they refer to an enabling legislative and a policy environment to support growth and sustainability; and they talk about a transformed economy, increasing employment and the reduction of poverty and inequality.

All of these are admirable goals and I do believe that the department, in some ways, is trying to achieve this. However,

we are stuck in an antiquated quagmire. The simple bottom line is that hon Rayi said how can it be that only massive corporations have access to technology to make things easier and cheaper for businesses and hon Boshoff even spoke about thinking out of the box.

Hon Minister, I want to tell you today that your department is missing a massive trick. There is technology that can enable businesses to obtain loans, and to transact with businesses and with banks at zero cost. There is technology that allows small businesses to obtain loans at 0% interest and only pay a small interest on their turnover. This is called financing the Fourth Industrial Revolution and, at scale, using cutting-edge financial technology, in particular central bank digital currency, CBDC, and digital assets, to enable South Africa to finance and mentor the new birth of enterprise and development that can bridge the currently and historically financially excluded into the economy, thus creating a larger economy.

South Africa has a large, educated youth population but also, at the same time, a large number of graduates who are unemployed or underemployed. Investing in building the local economy from the ground up in urban and rural areas will require the collaboration of many to achieve the successful

placement of capital with the right skill sets, mentorship and risk mitigations and providing the sector with access to offtake agreements. There are initiatives such as For Us Digital, that have created a solution to enable this and are preparing to roll out a new payment digital asset and impact investment solution to over 27 million South Africans. The system they are rolling out globally that will enable all people to participate in new financial markets. These systems can be used in agriculture, merchant inventory, financial technology, property, tourism, student accommodation, secular waste, indigenous community finance, sports code, transition township development agencies, a trade union co-operative bank, film and insurance. They also include exciting options like digital wallets that are free to use.

The question I have is, why is this being completely ignored? Is it because your department wants to keep SMMEs on a short leash of patronage? Does the department fear that SMMEs that are independent will migrate to DA municipalities and provinces that are open to digitalisation of finance options? Or is it simply because the department has no clue of what I am talking about?

Hon Minister, the time to move into the 21st century is long overdue. The time for change is now. Siyabangena! Thank you.

Mr M DANGOR: Chairperson, if I can follow hon Tim by not using my video. Hon Deputy Chairperson, hon Minister, hon officials, Professor Mahmood Mamdani in 1996, in his book called *Citizens and Subject*, best describes the effects of the British colonial direct and indirect rule. He alludes the fact that in rural areas, then turned homelands, the colonial rule to perform through indirect mechanisms that were enhanced by distorted forms of customary law.

People in rural areas were ruled indirectly through their tribal authorities. The authorities had limited control on resources, ... [Inaudible.] ... their land, and could not harness economic activities for the people in this way. People in rural areas could not participate in the broader economy.

To go on to say that on the other hand, our people were imprisoned in the townships, then served the sources of cheap labour, according to Mamdani in 1996.

The townships symbolised direct colonial rule, special development was evidence to the separate development policies that were enacted to Parliament on the sovereignty of this

country. We still suffer today, from the same spatial problems and, this is why we have problems with the municipalities and local governments. It is because of that spatial development that we have not overcome yet and that we still need to fix.

The rural areas and townships are characterised ... [Inaudible.] ... of struggle. Indeed, Lenin was correct when he said: “The revolutions are the festivals of the oppressed”. We experienced the festivals of the oppressed masses in all townships and rural areas. This means there were not conducive for business and that the current struggle to transform these places into hubs or economic growth and create sustainable markets.

It was Polanyi in 1980 in his book, *The Great Transformation*, in a chapter titled, *Market and Man*, emphasised that human beings shape markets and that the invisible hand of the market is not independent. Therefore, we have the ... [Inaudible.]

... test as the ANC, government business and labour, to create markets that will consist of invisible hand of the market, dictated by the people in the rural areas and the townships.

The Department of Small Business has a task to create and transform an inclusive economy driven by sustainable,

innovative SMMEs and Co-operatives. The task for the department is not exhausted or selective. It is broad, mindful of the fact that SMMEs and Co-operatives are not homogeneous. The department has identified small businesses in rural areas, townships as important components for the reindustrialisation and localisation programmes. The programmes are interlinked with the progressive policy of spatial economic zones in the rural and township economies.

This is not just a wish list. In my own province, Gauteng, there is a construction that is currently underway, the Tshwane Automotive Special Economic Zone, SEZ. The provincial government has identified Tshwane as one of the special economic zones for the automotive industry. The construction project through the SMMEs and Co-operatives has created jobs, training and development opportunities in the communities. We know that 34 targeted infrastructure work packages in the area of 22 were sub served by local SMMEs and Co-operatives and successfully executed to the value of R170 million.

The lessons from Tshwane Automotive SEZ, are clear. The partnership between and the department and its agencies, business, and labour, can be fruitful towards the sustainability of SMMEs and Co-operatives. It is also clear

that the department has an adjust task which requires financial stability to meet all its mandates.

Further, a clarion call needs to be made to the private sector to contribute and support the SMMEs and Co-operatives. Our call is on the basis that when SMMEs and Co-operatives in the rural areas and townships are not supported, the inequality rate will widen. Crime rates will drastically increase and economic stagnation will be the order of the day. When such things happen, they do not only have a negative impact on the SMMEs and Co-operatives, but it also affects the big corporations.

Our sentiments are best described in a book called *The Spirit Level* by Richard Wilkinson and Kate Pickett, where they argue that the inequalities affect both the disadvantaged and the advantaged societies negatively. Therefore, the responsibility to support, protect and strengthen SMMEs and Co-operatives in the rural areas and townships is a collective effort.

We also need to emphasise that the department is working hard to expose SMMEs and Co-operatives in the rural areas and townships to the opportunities that are created by the various industrial revolutions. This is done through programmes

facilitated by Small Enterprise Development Agency, SEDA, which involves incubation of SMMEs and Co-operatives into information systems and communications. SEDA is currently ensuring that there are currently 27 new incubators, mainly in the townships and in the rural areas. This will establish approximately 1 291 new enterprises and create 25 000 new jobs and sustain 86 000 jobs within the SMMEs ecosystem.

I would have committed an injustice to the SMMEs and Co- operatives in the rural areas and townships if I to leave the podium without speaking about the Township and Rural Entrepreneurship programme, TREP. The programme is strategic, it is a vehicle to transform and in creating opportunities in townships and rural areas into productive business ventures. The focus is to create platforms which will provide the business support infrastructure and regulatory environment that enables entrepreneurs the trials.

The programme consists of sector focus programmes that are shaped by the type of SMMEs and Co-operatives operating the rural townships and their areas. The programmes are the following; Small-Scale Bakeries and confectioneries support programme, Auto body repairers and mechanics support programme, as well as small and independent auto-spares shops

and informal automotive entrepreneurs, Butcheries support programme, Clothing, leather and textiles support programme, Fruits and vegetables support programme, Personal care support programme, Spaza-shop support programme, Tshisanyama and cooked food support programme.

I know that most of us enjoy eatery situated in the rural townships and, I would like to invite some of the opposition members in particular, to come to Khumalo Street to see what is happening there. Let me return to the republic of the Western Cape. The republic of the Western Cape talks about investment. When investment champions go out to the world, they don’t go out as investment champions for a particular province, they go out as investment champions for the entire South Africa and not for a separate republic.

Also, I think one of the biggest exports to the townships like Westbury and Eldorado Park and Edenvale, from the Western Cape, as being the exports of gangsterism. Now, I have worked in Mitchells Plain, I have worked in ... [Inaudible.] ... I’ve worked in The Strand. I have worked in all those areas. The Western Cape needs to actually deal with the question of gangsterism, that is spilling over from the Western Cape into other areas.

When we talk about investment as well, hon Tim, the question of risk vs margin ... [Inaudible.] ... is an important one. Risk vs margin is what compels banks to lend or not to lend. Now, R500 billion was set aside, R250 billion of that was set aside for the banks, to honour them to their own clients and to others. To encourage people during the COVID-19 time to have some of funding, and only R37 million was advanced.

So, I think the private sector needs to look at themselves, and look at themselves very carefully, so that they become a partner in the development of South Africa and not only leave it to the other sectors. With that, I want to thank you very much, Chairperson.

The MINISTER OF SMALL BUSINESS DEVELOPMENT: Thank you hon

Deputy House Chair for this opportunity. I would first like to extend my appreciation to the members of the ANC and those parties who have supported us in this budget vote.

To hon Mandla Rayi, Chairperson of the Select Committee it is indeed consoling and encouraging to have the full backing of the select committee in reaffirming and supporting the implementation of and localisation. We commit to yourselves that we are not going to be deterred, we will continue to

soldier on to ensure that our SMMEs can participate in the productive economy of our country and contribute to the growth of the economy of this country as part of our journey towards building a meaningful economy.

To hon Ngwezi of the IFP, we really value your support in this journey of fighting for the SMMEs to be supported and grow and to ensure that those who are in our townships and rural areas do not remain in the margins of our economy but can be elevated to participate in the mainstream of the economy.

To hon Mvoko and Nkhatshwa, our MECs, we are encouraged by the continued relationship and collaboration that we have with the provinces and all other provinces in ensuring that we deliver this mandate. Indeed, alone we won’t be able to do it, we do it jointly with yourselves. But I thought hon Mkhatshwa will take the opportunity to educate hon Boshoff around the role of Mega and the work of Mega in that space.

Today I was pleasantly surprised by hon [Inaudible.] for the meaningful contribution and not to the politicking. Indeed, the emergence of the fin tax amongst other digital economies gave us an opportunity to masiffy the support to SMME at a

quicker pace and also at a cheaper rate and we are working on that.

Part of our work around the incubation digital hubs is to ensure that we play around that space and encourage the support. We collaborated with the Department of Communications and Digital Technologies in supporting the fin tax and other digital technologies that can be used or deployed to support the SMMEs including online markets and online trading that is possible through technology.

Hon Dangor, you have saved me the time to explain the so called republic of Western Cape. Hon Boshoff, I’m glad that you first listened to our Deputy President very eloquently but I’m very disappointed that you have chosen not to listen to me when I was explaining the programme around the hubs as committed by the Deputy President last year that we have built.

If I can go to Mpumalanga we have announced two digital hubs in Mpumalanga, one in Mbombela and another one in Gert Sibande. We have announced incubators in Mpumalanga in Ehlanzeni and Inkangala but of course if you were in touch with the ground, you will equally know that we have started

running pop-up markets as part of building towards those refurbishments of industrial parks.

The MECs have explained the work that has been done to refurbish industrial parks not only by the Department of Small Business but the provincial Departments of Economic Development as well as the DTIC, Department of Trade, Industry and Competion, because the majority of industrial parks belong to the DTIC.

In the Free State we have started work in those industrial parks in Bosthabelo where the digital hub of the small business is operating from and we have indicated that it is already operational. We are also launching a robotics programme in Botshabelo’s digital hub amongst others.

Hon Boshoff, this thing around the City of Cape Town being the major city and whatnot, maybe it’s time we start measuring what it matters. You say the City of Cape Town leads in the IMF, International Monetary Fund, ease of doing business. Why are we continuing to evict informal traders in the Grand Parade and Gatesville? Is it easy to do business for those informal traders in Gatesville and Grand Parade that continue to be evicted?

The continuous harassment by the metro police of the City of Cape Town at the major taxi rank in Cape Town, is that easy for them to do business? So, your selectiveness of the type of businesses that you support does not help us because other work is about ensuring that those who were excluded in economic can participate equally. So, your continued protection of the minority and in the expense of the majority and the poor is not really supported

Hon Bergman, it’s the first time you’re here or at least finding you in this debate because listing is a skill. I had said and I’m and I want to quote:

“Seda took over the red doors business information centres from the Western Cape provincial government because the Western Cape provincial government did not have the capacity to continue with those red doors. And this year we are starting an assessment to relocate those few red doors that are in the major cities of Western Cape to the townships and rural areas of the Western Cape so that our people have access to the business services centre.”

Maybe they should have told you, hon Boshoff and hon Londt that the mobile business hubs that you talk about are copied from Seda mobile business centres that we are running in the country. We did not start them this year, we started them three years ago. We move from one district to another, we move from one municipality to another to help small businesses register their businesses, complete forms and assist with Sars compliance and UIF.

Hon Londt, maybe you should ask for a special debate on the economic reconstruction and recovery programme which you eloquently say it’s a very good programme. That is the programme we are implementing around the localisation programme support of the informal businesses, support township and rural enterprises to be part of the main stream and participating in the productivity of the economy of our country.

The good thing about that programme is that we’ve got targets for three, six and twelve months. We will bring you a report if you ask specifically on our work that relates to that report. But what I find amazing from you hon Boshoff is that in your criticism of the Township and Entrepreneurship Bill of

the province of Gauteng, you say the Bill will exclude the

majority. I don’t know if you ready the Bill.

The Bill seeks to set aside certain sectors of the economy for local South Africans to participate. Since when is setting aside of preference of local South Africans excluding the majority? I thought the majority in this country must be South African and our support is to South Africans and we will support that.

Hon Mathevula, I need to buy you a book on fallacies of relevance but just for summary, this fallacies of relevance commonly appear as the last resort if evidence or rational arguments fail to convince the listener. I have nothing more to say about the EFF.

Hon Deputy Chairperson and hon Chairperson, thank you for the opportunity and thank you for supporting the budget vote.

The DEPUTY CHAIRPERSON OF THE NCOP: This concludes the business of the day. Let me first thank the Minister, the Deputy Minister, special and permanent delegates as well as all the representatives that availed themselves today for the debate. Let me also thank the hon members particularly as well

as the hon members of executive for a very productive week that we are just concluding. I wish you all a blessed weekend. The House is adjourned. Thank you.

Debate concluded.

The Council rose at 15:26